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, 2022.

This MD&A is dated as of and was approved by the Company's Board of Directors on March 13, 2023, and should be read in conjunction with the Company's audited December 31, 2022 consolidated financial statements (the "**Financial Statements**"). The Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

The Company's Financial Statements include the accounts of the Company and its wholly-owned subsidiaries, CanAmericas (Argentina) Energy Ltd. and Crown Point Energía S.A..

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

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

Additional information relating to Crown Point, including Crown Point's audited December 31, 2022 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, 2022 may be referred to as "Q4 2022" and "YE 2022" or "2022", respectively, and as "the 2022 periods" collectively. The comparative three months and year ended December 31, 2021 may be referred to as "Q4 2021" and "YE 2021" or "2021", respectively, and as "the 2021 periods" collectively. The previous three month period ended September 30, 2022 may be referred to as "Q3 2022".

CORPORATE OVERVIEW AND STRATEGY

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

The Company's strategy is designed to deliver low-risk growth and capitalize on large potential exploration upside. Specifically, Crown Point is focused on increasing its production base in TDF and Mendoza through exploration and development drilling supplemented by recompletion and fracture stimulation of select older producing wells. The Company's production is derived from its participating interest in the Rio Cullen, Las Violetas and La Angostura exploitation concessions in TDF (the "**TDF Concessions**") and two concessions in the Province of Mendoza (the "**Mendoza Concessions**") comprised of the Chañares Herrados concession (the "**CH Concession**" or "**CH**") and the Puesto Pozo Cercado Oriental concession (the "**PPCO Concession**" or "**PPCO**"). See the "Acquisition of Working Interest" section of this MD&A.

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

ACQUISITION OF WORKING INTEREST

Effective July 1, 2022, the Company acquired a 50% working interest in the PPCO Concession from Petrolera Aconcagua Energía S.A. ("**Aconcagua**") for a cash payment of $5 million and up to an additional $7.53 million in quarterly installments based on a percentage of the net operating income (oil and gas sales revenue less royalties, turnover and other taxes and operating expenses)[1] derived from the Company's 50% working interest in the PPCO Concession (the "**Contingent Consideration**"), provided that the Contingent Consideration is not payable until the Company has recovered its initial $5 million investment from its share of the net operating income derived from the PPCO Concession.

Aconcagua retained the remaining 50% working interest in the PPCO Concession. The PPCO Concession, which expires in August 2043, is located in the Cuyo (or Cuyana) basin in the Province of Mendoza adjacent to the CH Concession and covers approximately 63 square kilometers.

Under the terms of the exploitation license agreement, the joint venture will pay an 18.2% royalty on oil production and commit to a $26.8 million ($13.4 million net to Crown Point) work program which includes well work overs, infrastructure optimization and a multi-well drilling program that must be fulfilled by August 2028. The PPCO Concession is operated jointly with the CH Concession by Aconcagua.

The acquisition of the 50% working interest in the PPCO Concession was accounted for as a business combination in accordance with IFRS 3 Business Combinations whereby the assets acquired and liabilities assumed were recorded at their estimated fair values on the acquisition date as follows:

Fair value of net assets:		Preliminary fair values		Revision		Final fair values
Property and equipment	$	8,180,582	$	(796,038)	$	7,384,544
Inventory		8,948		–		8,948
Working capital		109,772		–		109,772
Decommissioning provision		(89,021)		–		(89,021)
Deferred tax liability		(1,082,047)		358,811		(723,236)
		7,128,234		(437,227)		6,691,007
Gain on acquisition of working interest		(1,046,626)		1,046,626		–
	$	6,081,608	$	609,399	$	6,691,007
Consideration:						
Cash	$	5,000,000	$	–	$	5,000,000
Working capital		141,654		–		141,654
Contingent consideration liability		939,954		609,399		1,549,353
	$	6,081,608	$	609,399	$	6,691,007

The preliminary estimates of fair value were made by management at the time of the acquisition based on available information at that time and were based on 15.44% discounted after-cash flow. Subsequently, the Company received an updated estimation of the fair value the petroleum and natural gas proved and probable reserves for the PPCO Concession reported on by independent engineers which formed the basis for the final fair value of property and equipment and the contingent liability portion of consideration.

As a result, the Company adjusted the preliminary fair value of net assets acquired upon the finalization of fair values and consideration.

Management determined this fair value based on the net present value of the estimated future cash flows expected to arise from the continued use of the acquired Property and equipment assets, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted by an appropriate discount rate which would be applied by a market participant to arrive at a net present value of the assets.

[1] "Net Operating Income" is a specified financial measure that is calculated in accordance with the purchase and sale agreement between the Company and Aconcagua providing for the Company's acquisition of its 50% working interest in the PPCO Concession.

The assumptions and estimates used to determine the acquired proved and probable reserves and the fair value of the acquired property and equipment assets require significant judgment by management and include acquired proved and probable reserves, projected future rates of production, future commodity pricing, timing and amount of future expenditures and the discount rate. The acquired proved and probable reserves are evaluated and reported on by independent reserve engineers (management's experts).

The Company incurred $76,836 of costs related to the acquisition of the PPCO Concession which are included in general and administrative expenses.

During YE 2022, the PPCO Concession contributed $1.4 million of oil and gas sales revenue and $0.4 million of net operating income. Had the acquisition occurred on January 1, 2022, the Company estimates that revenue from oil and gas sales would have increased by approximately $2.8 million and net operating income would have increased by approximately $0.9 million during the YE 2022. The pro forma information is not necessarily representative of future revenue and operations.

OPERATIONAL UPDATE

TDF Concessions

In March 2022, YPF, operator of the Cruz del Sur offshore loading facility (the "CdS Terminal"), announced the closure of the CdS Terminal due to technical difficulties. The CdS Terminal is now used for storage purposes only.

Crown Point, together with its joint venture partners and YPF are constructing a 23 km 4 inch oil pipeline to connect the Cruz del Sur oil storage facility and the San Martin oil field with the Total Austral operated Rio Cullen marine terminal. In the interim, the UTE has arranged to export oil by truck to the Enap refinery at San Gregorio, Chile and to the Total Austral operated Rio Cullen marine terminal in TDF. The sales price at both San Gregorio and Rio Cullen is indexed to the Brent oil price. During 2022, the joint venture completed 85% of the oil pipeline from the Cruz del Sur oil storage facility to the Rio Cullen marine terminal operated by Total Austral.

During Q4 2022, San Martin oil production averaged 606 (net 208) bbls of oil per day compared to Q3 2022 San Martin oil production that averaged 1,200 (net 413) bbls of oil per day. During July and August 2022, the water production in SM a-1004 and SM a-1002 increased significantly, impacting oil production volumes. Field production was also affected by extensive workover operations at SM-1004 which was shut in for additional testing and installation of an electro-submersible pump designed to increase gross production from the well.

During Q4 2022, natural gas production from the Las Violetas concession averaged 11,038 (net 3,794) mcf per day and oil production averaged 246 (net 84) bbls of oil per day. During Q4 2022, three zones were tested in the LFE-1004 well, which had been drilled during the 2015 drilling campaign discovering gas in the Tobífera formation and condensate in the overlying Los Flamencos formation. The test program recovered gas with minor amounts of oil.

Mendoza Concessions

During Q4 2022, the UTE carried out reactivations on three oil wells and performed a workover on a water injector well in the CH Concession. Oil production from the CH Concession for Q4 2022 averaged 1,156 (net 578) bbls of oil per day.

During Q4 2022, the UTE carried out a workover on a water injector well in the PPCO Concession. Oil production from the PPCO Concession for Q4 2022 averaged 230 (net 115) bbls of oil per day.

CLL Permit

The directional well, CPE.MdN.VS.xp-3(d), was drilled and cased in Q1 2022 after encountering eight volcanic sills with oil shows and increased mud gas in the Mendoza Group, and log indicated gas bearing zones in the overlying Neuquén Group sandstones. Subsequent acid stimulation and swabbing of the volcanic sills recovered uneconomic amounts of oil with water. The well has been suspended pending testing of the gas bearing sandstone layers in the Neuquén Group in the first half of 2023.

In February 2023, the Province of Mendoza issued Resolution N°208 which granted the CLL Permit over all of the CLL area for a term of 18 months commencing on February 23, 2022, until October 23, 2023.

OUTLOOK

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

	Previous guidance for 2023	Updated guidance for 2023	Explanation
TDF Concessions ($)	0.6 million	2.4 million	Addition of five well workovers and an updated estimate of the cost to complete the oil pipeline
Mendoza Concessions ($)	14.4 million	12.1 million	Updated estimate of cost of drilling and well workovers
	15.0 million	14.5 million	

The Company's capital spending on developed and producing assets for fiscal 2023 is budgeted at $14.5 million based on expenditures for the following proposed activities:

- $0.9 million for workovers in the TDF Concessions;
- $1.5 million for improvements to facilities in the TDF Concessions;
- $3.2 million for well workovers in the Mendoza Concessions;
- $7.8 million to drill three vertical wells in the Mendoza Concessions; and
- $1.1 million for facilities improvements and optimization in the Mendoza Concessions.

Capital Spending – Exploration and Evaluation Assets

The Company plans to spend $0.8 million on the testing of the gas bearing sandstone layers of the Neuquén Group at CLL in the first half of 2023.

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

Argentina – Economic Summary

The Executive Board of the International Monetary Fund ("**IMF**") completed the third review of the extended arrangement under the Extended Fund Facility for Argentina. The Board's decision allowed a disbursement of 4.5 billion Special Drawing Rights (around $6 billion). Nevertheless, macroeconomic imbalances persist and conditions remain fragile. Continued enhanced program implementation will therefore be critical to achieving key program objectives and maintaining the program as an anchor for stability. The IMF has stated that exchange restrictions and multiple currency practices should be avoided and unwound as early as conditions permit, and macroeconomic imbalances are addressed. The rate of inflation reached 94.8% for the year ended December 31, 2022.

Commodity Prices

Oil

Oil from the Company's TDF Concessions is sold at a discount to the Brent oil price. Oil from the Company's Mendoza Concessions is sold at a price negotiated with the customer, although a portion of the oil produced from the PPCO Concession may be exported and sold at a discount to the Brent oil price. During Q4 2022 and YE 2022, the Company received an average of $70.66 per bbl and $86.75 per bbl, respectively, for its TDF oil, all of which was exported, $64.52 per bbl and $60.42 per bbl, respectively, for its CH oil, all of which was sold to the domestic market, and $64.55 per bbl and $64.90 per bbl, respectively, for its PPCO oil, of which a portion was exported.

Natural gas

Crown Point can sell its natural gas production to both industrial and residential consumers. During Q4 2022 and YE 2022, the Company received an average of $4.23 per mcf and $4.48 per mcf, respectively, for its TDF natural gas, all of which was sold to the industrial market.

FINANCIAL INFORMATION

SUMMARY OF FINANCIAL INFORMATION

(expressed in $, except shares outstanding)	December 31 2022	December 31 2021	December 31 2020
Current assets	9,852,182	10,261,684	6,141,993
Current liabilities	(11,125,229)	(7,335,026)	(3,120,403)
Working capital [3]	(1,273,047)	2,926,658	3,021,590
Exploration and evaluation assets	14,115,555	12,210,949	11,182,557
Property and equipment	43,963,610	35,536,342	16,358,182
Total assets	68,183,547	58,308,535	33,687,340
Non-current financial liabilities [1][3]	16,055,005	3,803,031	972,765
Share capital	56,456,328	56,456,328	56,456,328
Total common shares outstanding	72,903,038	72,903,038	72,903,038

(expressed in $, except shares outstanding)	Three months ended December 31		Year ended December 31		
	2022	2021	2022	2021	2020
Oil and natural gas sales revenue	8,586,742	10,168,669	33,040,620	28,493,336	11,839,371
(Gain) loss on acquisition of working interest	1,046,626	–	–	(9,529,551)	–
Impairment of property and equipment	2,047,000	–	2,047,000	–	9,878,000
Impairment of goodwill	–	–	–	–	1,735,549
Income (loss) before taxes	(3,908,877)	167,423	(6,513,789)	9,481,353	(16,140,673)
Net income (loss)	(2,712,553)	742,431	(5,906,799)	9,774,753	(12,675,934)
Net income (loss) per share [2]	(0.04)	0.01	(0.08)	0.13	(0.17)
Net cash provided (used) by operating activities	170,378	2,080,962	1,334,815	6,872,164	(988,513)
Net cash per share – operating activities [2][3]	0.00	0.03	0.02	0.09	(0.01)
Funds flow provided (used) by operating activities	146,773	2,642,299	3,022,382	7,374,555	2,030,928
Funds flow per share – operating activities [2][3]	0.00	0.04	0.04	0.10	0.03
Weighted average number of shares - basic	72,903,038	72,903,038	72,903,038	72,903,038	72,903,038
Weighted average number of shares - diluted	72,903,038	73,020,868	72,903,038	73,014,895	72,903,038

(1) Non-current financial liabilities are comprised of the non-current portions of trade and other payables, taxes payable, notes payable and lease liabilities. The total amount of notes payable at December 31, 2022 is $14,542,382, of which $7,233 is classified as current (December 31, 2021 – $5,379,245, of which $2,169,965 was classified as current). The total amount of lease liabilities at December 31, 2022 is $1,455,890 of which $483,527 is classified as current (December 31, 2021 – $319,913 of which $76,900 was classified as current). The total amount of contingent consideration liability at December 31, 2022 is $632,068 of which $219,888 is classified as current and is included in trade and other payables (December 31, 2021 – $81,259, all classified as current and included in trade and other payables).

(2) All per share figures are the same for the basic and diluted weighted average number of shares outstanding in the period. The effect of options is anti-dilutive in loss periods. Per share amounts may not add due to rounding.

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

RESULTS OF OPERATIONS

Operating Netback

	Three months ended December 31		Year ended December 31	
	2022	2021	2022	2021
Oil and natural gas sales revenue ($)	8,586,742	10,168,669	33,040,620	28,493,336
Export tax ($)	(179,346)	(481,210)	(1,071,563)	(1,161,573)
Royalties and turnover tax ($)	(1,470,529)	(1,663,913)	(5,677,638)	(4,682,612)
Operating costs ($)	(5,176,715)	(3,943,032)	(16,650,447)	(11,400,721)
Operating netback [1] ($)	1,760,152	4,080,514	9,640,972	11,248,430

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

Per BOE, except total BOE sales volumes	Three months ended December 31		Year ended December 31	
	2022	2021	2022	2021
Total BOE sales volumes	159,777	197,774	593,540	648,758
Oil and natural gas sales revenue ($)	53.74	51.42	55.67	43.92
Export tax ($)	(1.85)	(3.29)	(2.89)	(2.31)
Royalties and turnover tax ($)	(9.20)	(8.41)	(9.57)	(7.22)
Operating costs ($)	(32.40)	(19.94)	(28.05)	(17.57)
Operating netback (1) ($)	10.29	19.78	15.16	16.82

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

Variances in the operating netback for the 2022 periods as compared to the 2021 periods are explained by changes in sales volumes and revenues, export taxes, royalties and turnover tax and operating costs as detailed below.

Sales Volumes and Sales Revenues

Sales volumes	**Three months ended December 31**		**Year ended December 31**	
	2022	**2021**	**2022**	**2021**
Light oil (bbls)	108,629	140,618	381,395	397,957
NGL (bbls)	1,506	976	4,223	3,476
Natural gas (mcf)	297,852	337,085	1,247,529	1,483,946
Total BOE	159,777	197,774	593,540	648,758
Light oil bbls per day	1,181	1,528	1,045	1,090
NGL bbls per day	16	11	12	10
Natural gas mcf per day	3,238	3,664	3,418	4,066
Total BOE per day	1,737	2,150	1,627	1,777

Sales revenue	**Three months ended December 31**		**Year ended December 31**	
	2022	**2021**	**2022**	**2021**
Light oil ($)	7,290,056	9,139,091	27,308,225	23,773,080
NGL ($)	37,319	47,368	148,223	137,658
Natural gas ($)	1,259,367	982,210	5,584,172	4,582,598
Total sales revenue	8,586,742	10,168,669	33,040,620	28,493,336
Light oil per bbl ($)	67.11	64.99	71.60	59.74
NGL per bbl ($)	24.78	48.56	35.10	39.60
Natural gas per mcf ($)	4.23	2.91	4.48	3.09
Total sales revenue per BOE ($)	53.74	51.42	55.67	43.92

Sales Volumes

During Q4 2022, the Company's average daily sales volumes were 1,737 BOE per day, lower than 1,863 BOE per day in Q3 2022 and lower than 2,150 BOE per day in Q4 2021 mainly due to lower oil sales in Q4 2022.

Sales volumes were weighted as follows:

	Three months ended December 31		Year ended December 31	
	2022	2021	2022	2021
Light oil	68%	71%	64%	61%
NGL	1%	0%	1%	1%
Natural gas	31%	29%	35%	38%
Total	100%	100%	100%	100%

Production Volumes

Average daily production volumes for Q4 2022 were 1,552 BOE per day, lower than 1,748 BOE per day in Q3 2022 due to the decrease in TDF production related to the SM x-1001 and SM a-1004 well interventions which was partially offset by production from the PPCO Concession. Average daily production volumes for Q4 2022 were lower than 1,776 BOE per day in Q4 2021 due mainly to natural decline rates on older natural gas and oil wells.

Production volumes	Three months ended December 31		Year ended December 31	
	2022	2021	2022	2021
Light oil (bbls)	91,226	106,135	411,961	396,940
NGL (bbls)	1,883	1,034	4,371	3,710
Natural gas (mcf)	297,852	337,085	1,247,529	1,483,946
Total BOE	142,751	163,350	624,254	647,974
Light oil bbls per day	992	1,154	1,129	1,088
NGL bbls per day	20	11	12	10
Natural gas mcf per day	3,238	3,664	3,418	4,066
Total BOE per day	1,552	1,776	1,711	1,776

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 production from the Mendoza Concessions may be stored and then trucked to the delivery point in Tupungato, Mendoza. CH oil production is sold to the domestic market; PPCO oil production may be sold domestically or exported.

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

As at December 31, 2022, all previously inventoried oil production had been sold as well as a portion of oil produced in Q4 2022, with excess oil production stored in inventory for sale in subsequent months.

For the year ended December 31	Oil				NGL			
	2022		2021		2022		2021	
	bbls	bbls per day	bbls	bbls per day	bbls	bbls per day	bbls	bbls per day
Inventory, January 1	8,480		7,586		2,298		2,064	
CH acquisition, March 13	–		1,910		–		–	
PPCO acquisition, July 1	318		–		–		–	
Production	411,961	1,129	396,940	1,088	342,657	12	3,710	10
Sales	(381,395)	(1,045)	(397,957)	(1,090)	(308,981)	(12)	(3,476)	(10)
Inventory, December 31	39,364		8,479		2,446		2,298	

Revenues and Pricing

Revenue per BOE earned in Q4 2022 was approximately $53.74 per BOE, lower than revenue of $62.71 per BOE earned in Q3 2022 due to a decrease in oil prices and natural gas prices for the summer season, and slightly higher than $51.42 per BOE earned in Q4 2021.

The price earned by the Company on TDF natural gas sales in Q4 2022 averaged $4.23 per mcf, lower than $5.97 per mcf earned in Q3 2022 and higher than $2.91 per mcf earned in Q4 2021. The price of natural gas earned by the Company varies with the composition of sales to the residential and industrial markets, price fluctuations within each market, and by seasonal demand. 100% of sales were to the industrial market in Q4 2022, Q3 2022, and Q4 2021.

Oil from Crown Point's concessions earned $67.11 per bbl in Q4 2022, lower than $74.68 per bbl in Q3 2022 due to the decrease in the international Brent oil price combined with higher discounts to Brent-based prices, and higher than $64.99 per bbl in Q4 2021 due to increases in the price of Brent oil during 2022.

During Q4 2022, the Company earned $24.78 per bbl on TDF NGL sales as compared to $36.08 per bbl earned in Q3 2022 and $48.56 per bbl earned in Q4 2021.

Export Tax

	Three months ended December 31		Year ended December 31	
	2022	2021	2022	2021
Export tax ($)	179,346	481,210	1,071,563	1,161,573
Export tax as a % of export oil sales revenue	5%	8%	8%	7%
Export tax per exported bbl of oil ($)	3.92	5.41	6.71	4.62

The Government of Argentina imposed an export tax on all goods exported from Argentina. The Company recognizes export taxes related to TDF and PPCO oil sales to the export market. The rate of export tax is determined by a formula based on the price of Brent oil, ranging from 0% when the price of Brent oil is at or below $45 per bbl to a maximum of 8% when the price of Brent oil is at or higher than $60 per bbl.

Export tax as a % of export oil sales revenue decreased to 5% in Q4 2022 due to certain TDF export tax adjustments related to previous quarters.

Royalties and Turnover Tax

	Three months ended December 31		Year ended December 31	
	2022	2021	2022	2021
Provincial royalties and turnover tax ($)	1,470,529	1,663,913	5,677,638	4,682,612
Royalties and turnover tax as a % of total sales revenue	17.1%	16.4%	17.2%	16.4%
Royalties and turnover tax per BOE ($)	9.20	8.41	9.57	7.22

The base royalty rate for revenue from the TDF Concessions is 15% plus turnover tax at an average rate of

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

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

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

Operating Costs

	Three months ended December 31		Year ended December 31	
	2022	2021	2022	2021
Production and processing ($)	3,991,434	3,664,887	13,590,235	10,471,657
Transportation and hauling ($)	1,185,281	278,145	3,060,212	929,064
Total operating costs ($)	5,176,715	3,943,032	16,650,447	11,400,721
Production and processing per BOE ($)	24.98	18.53	22.90	16.14
Transportation and hauling per BOE ($)	7.42	1.41	5.15	1.43
Operating costs per BOE ($)	32.40	19.94	28.05	17.57

Production and processing costs per BOE in Q4 2022 and YE 2022 are higher than those incurred in Q4 2021 and YE 2021, mainly due to cost increases related to labor, supervision and repairs and maintenance.

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 significantly higher in the 2022 periods than in the 2021 periods mainly due to the cost of trucking oil to the Enap refinery at San Gregorio, Chile.

Gas Processing Income

During Q4 2022 and YE 2022, the Company recognized $60,301 and $232,493 respectively, of gas processing income as compared to $65,252 and $242,574 during Q4 2021 and YE 2021, respectively.

G&A Expenses

	Three months ended December 31		Year ended December 31	
	2022	2021	2022	2021
Salaries and benefits ($)	362,750	387,233	1,852,981	1,346,893
Professional fees ($)	552,310	435,962	1,124,690	1,154,911
Office and general ($)	76,086	188,906	445,779	363,078
Travel and promotion ($)	12,189	41,078	150,364	103,333
	1,003,335	1,053,179	3,573,814	2,968,215

Salaries and benefits are higher in YE 2022 than in YE 2021 due to the effect of salary increases and bonuses granted in Q1 2022 and Q2 2022 and due to the retirement allowance paid pursuant to the terms of the employment agreement with the former President and Chief Executive Officer who retired in March 2022.

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 Q4 2022 than in Q4 2021 due to consulting fees rate increases.

Office and general expenses are higher in YE 2022 than in YE 2021 due to expenses related to PPCO acquisition, roadshow expenses and inflationary increases in both Canada and Argentina.

Travel and promotion expenses are higher in YE 2022 than in YE 2021 due to an increase in travel following the relaxation of COVID-19 restrictions.

Depletion and Depreciation

	Three months ended December 31		Year ended December 31	
	2022	**2021**	**2022**	**2021**
Depletion ($)	2,269,363	2,141,802	7,140,360	6,293,203
Depreciation ($)	26,041	26,088	107,807	76,615
	2,295,404	2,167,890	7,248,167	6,369,818
Depletion rate per BOE ($)	14.37	10.83	12.21	9.70

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

The depletion rate per BOE is higher in the 2022 periods than in the 2021 periods due mainly to the decrease in petroleum and natural gas proved and probable reserves of the TDF Concessions and the acquisition of the PPCO Concession. The decrease in TDF proved and probable reserves is attributable to the absence of a drilling campaign to replace 2022 oil and gas production.

Depreciation expense is higher in YE 2022 than in YE 2021 due to depreciable asset additions during 2022 periods.

Fair Value Adjustment of Contingent Consideration

A reconciliation of the contingent consideration (liability) receivable is as follows:

	Liability (a)	Receivable (b)	Net
Balance, December 31, 2021	$ (81,259)	$ 53,034	$ (28,225)
Acquisition of working interest	(1,549,353)	–	(1,549,353)
Cash collection	–	(57,448)	(57,448)
Fair value adjustment	998,544	90,436	1,088,980
Balance, December 31, 2022	(632,068)	86,022	(546,046)
Current portion	219,888	(86,022)	133,866
Long-term portion	$ (412,180)	$ –	$ (412,180)

(a) Contingent consideration liability

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

Pursuant to the 2018 acquisition of St. Patrick Oil & Gas S.A. (formerly Apco Austral S.A.) ("**St. Patrick**"), the Company makes quarterly payments to the vendor until December 31, 2027 equal to 10% of the amount by which net revenue[2] (oil and gas revenue less provincial royalties) received by the Company in respect of St. Patrick's participating interest in the TDF Concessions for the quarter exceeds certain base net revenue thresholds for such quarter. If in any quarter the net revenues received by the Company in respect of St. Patrick's participating interest do not exceed the base net revenue threshold for that quarter, then no royalty payment will be payable.

The forecast net revenues based on the externally prepared December 31, 2022 and 2021 reserve reports do not exceed the base net revenue for future quarters. As a result, the estimated fair value of

[2] "Net revenue" is a specified financial measure that is calculated in accordance with a royalty agreement between the Company and a vendor that was entered into in connection with the Company's acquisition of St. Patrick from such vendor.

the contingent consideration liability at December 31, 2022 and 2021 was $nil.

As at December 31, 2022, the Company estimated the contingent consideration liability related to actual results for 2022 to be $219,888 (2021 actual results – $81,259), resulting in a fair value adjustment of $138,629. As at December 31, 2022, the $219,888 current portion of the contingent consideration liability is included in trade and other payables.

Acquisition of working interest

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

As at December 31, 2022, the Company re-measured the fair value of the contingent consideration liability at $412,180 resulting in a fair value adjustment of $1,137,173.

The $412,180 contingent consideration liability is included in the non-current portion of trade and other payables.

(b) Contingent consideration receivable

As part of the consideration for the disposition of a 16.8251% participating interest in the TDF Concessions to its UTE partners in April 2019 (the "ROFR Sale"), the UTE partners make payments to the Company equal to their proportionate share of contingent royalty payments that accrue following the closing of the ROFR Sale.

The forecast net revenues based on the externally prepared December 31, 2022 and 2021 reserve reports did not exceed the base net revenue for future quarters. As a result, the estimated fair value of the contingent consideration receivable at December 31, 2022 and 2021 was $nil.

As at December 31, 2022, the Company estimated the contingent consideration receivable related to actual results for 2022 to be $86,022 (2021 actual results – $53,034), resulting in a fair value adjustment of $90,436. As at December 31, 2022, the $86,022 current portion of the contingent consideration receivable is included in trade and other receivables.

Share-based Payments

During Q4 2022 and YE 2022, the Company recognized $9,772 and $74,733 (Q4 2021 and YE 2021 – $31,587 and $187,515), respectively, of share-based payment expense. As at December 31, 2022, the balance of unvested share-based payments was $16,077.

Foreign Exchange Gain (Loss)

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 as at:	December 31 2022	December 31 2021
CAD to USD [1]	0.7383	0.7901
ARS to USD [1]	0.0056	0.0098
USD to ARS [2]	177.06	102.62

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

In Crown Point, the translation of USD denominated foreign net monetary liabilities to CAD during 2022 resulted in a foreign exchange gain of approximately $63,900 (2021– $53,900 foreign exchange loss).

Notwithstanding that the functional currency of the Company's Argentine subsidiary is the USD, a portion of monetary assets and liabilities such as accounts receivable, accounts payable, bank debt and notes 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 2022 resulted in a foreign exchange loss of approximately $629,600 (2021– $610,300 foreign exchange loss).

Currency devaluation in Argentina partially impacts the cost of ARS denominated items which are translated to the USD functional currency of the Argentine subsidiary. A portion of the TDF, Mendoza Concessions and CLL operating costs and general and administrative expenses incurred in Argentina are denominated in ARS and are also subject to inflation adjustments. During 2022, the devaluation of ARS resulted in lower operating costs and general and administrative expenses incurred in Argentina by approximately 25% (2021– devaluation of ARS; lower by 11%), without considering cost increases related to inflation.

During 2022, the devaluation of ARS resulted in a reduction in the USD equivalent of ARS denominated foreign currency denominated financial instruments, excluding bank debt and notes payable, by approximately $1.1 million (2021– devaluation of ARS; reduction by approximately $0.04 million).

The effect of currency devaluation on ARS denominated bank debt and notes payable during 2022 was a $2,345,760 reduction in the USD equivalent amount (2021– $386,215 reduction).

Net Finance Expense

	Three months ended December 31		Year ended December 31	
	2022	2021	2022	2021
Interest income ($)	92,734	104,040	324,485	249,191
Gain on disposition of right-of-use assets and lease liabilities ($)	4,204	1,291	8,357	28,291
Finance income ($)	96,938	105,331	332,842	277,482
Financing fees and bank charges ($)	(207,568)	(146,967)	(892,263)	(439,023)
Interest on bank debt ($)	(586,357)	(87)	(1,849,651)	(222,179)
Interest on notes payable ($)	(147,738)	(259,023)	(867,785)	(802,658)
Amortization of notes payable transaction costs ($)	(18,688)	(10,637)	(136,346)	(34,763)
Cost of exchange Series I Notes and Series II Notes	–	–	(250,409)	–
Accretion of decommissioning provision ($)	(95,524)	(31,043)	(232,426)	(85,391)
Interest on lease liabilities ($)	(3,987)	(6,538)	(19,581)	(14,666)
Finance expense ($)	(1,059,862)	(454,295)	(4,248,461)	(1,598,680)
Net finance expense ($)	(962,924)	(348,964)	(3,915,619)	(1,321,198)

Interest income is earned on interest-earning bank accounts and on the trust account funds for the restricted cash invested and is higher in 2022 than in 2021 mainly due to an increase in the average balance of interest-earning amounts in 2022. See the Liquidity and Capital Resources – Notes Payable section of this MD&A.

Financing fees and bank charges result primarily from bank taxes charged in Argentina on cash transfers. Cash transfers were higher in the 2022 periods than in the 2021 periods.

Interest on bank debt is higher in the 2022 periods than in the 2021 periods due to a higher average amount of debt during the 2022 periods combined with higher average interest rates. See the Liquidity and Capital Resources – Argentina Loans section of this MD&A.

Interest on notes payable in Q4 2022 is lower than Q4 2021 due to the exchange of Series I Notes and Series II Notes for Series III Notes at a lower interest rate in August 2022. Interest on notes payable is higher in YE 2022 than in YE 2021 as the Company had notes payable outstanding for all of 2022 versus since March 30, 2021 (the issue date of the Series I Notes and Series II Notes) in 2021.

Amortization of notes payable transaction costs is higher in the 2022 periods than in the 2021 periods due to the accelerated amortization of the Series I Notes and Series II Notes for Series III Notes in August 2022.

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

During 2022, the Company identified new leases and renewed certain leases of which related lease liability and right-of-use asset was determined to be $1,397,670 on the renewal date. The remaining right-of-use asset net book value of the original office and equipment lease was $111,206 with a corresponding lease liability of $119,563, resulting in a $8,357 gain reported in net finance expense.

During 2021, the operator of the TDF Concessions terminated equipment leases for which the net book value of the related right-of-use assets was $638,685 with a corresponding lease liability of $666,976 resulting in a $28,291 gain reported in net finance expense in 2021 period as well as a reduction in interest on lease liabilities in the 2021 periods.

Taxes

	Three months ended December 31		Year ended December 31	
	2022	**2021**	**2022**	**2021**
Current tax recovery ($)	–	–	–	–
Deferred tax recovery ($)	1,196,324	575,008	606,990	293,400
Total tax recovery ($)	1,196,324	575,008	606,990	293,400

Crown Point Energía S.A. has sufficient non-capital loss and other tax pools available to reduce taxable income in Argentina to $nil. The deferred tax recovery in the 2022 periods is related to changes in the Company's ARS denominated tax pools combined with the effect of the devaluation of the ARS during the period on the translation of ARS denominated tax pools to USD. As at December 31, 2022, the Company's deferred tax liability was $4,155,067 (December 31, 2020 – $4,038,821).

CAPITAL EXPENDITURES

The Company incurred $2,553,818 of drilling expenditures on exploration and evaluation ("**E&E**") assets related to CLL during 2022.

	Year ended December 31	
	2022	**2021**
E&E expenditures on the CLL Permit ($)	2,563,518	821,299
Loss on decommissioning	(78,576)	–
Decommissioning revisions ($)	(10,461)	207,093
Government grants ($)	(569,875)	–
E&E expenditures, net ($)	1,904,606	1,028,392

During 2022, the Company fulfilled the decommissioning obligation for an E&E well that was written-off in a previous year. The loss on decommissioning represents the write-off of the carrying amount of decommissioning revisions related to the previously written-off well.

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

The Company recognized the following expenditures on property and equipment assets during 2022 and 2021:

	Year ended December 31	
	2022	2021
Development and production asset expenditures ($)	10,267,317	3,924,016
Other asset expenditures ($)	85,307	35,496
	10,352,624	3,959,512
Government grants ($)	(169,677)	–
Property and equipment expenditures, net ($)	10,182,947	3,959,512

During 2022, the Company incurred $6,653,835 of expenditures in the TDF Concessions primarily related to the drilling of the SM.a-1004 and LV-118 wells, SM x-1001 intervention, the oil pipeline to connect the Cruz del Sur oil storage facility and the San Martin oil field with the Total Austral operated Rio Cullen marine terminal and other facilities improvements, $3,331,399 of expenditures in the CH Concession related to well workovers, extractive system enhancements and facilities improvements and $282,083 of expenditures in the PPCO Concession related to materials acquisitions and a well workover.

During 2021, the Company incurred $1,514,672 of expenditures in the TDF area primarily related to facilities improvements and $2,409,344 of expenditures in the CH area related to well workovers.

Government grants:

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

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

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

In July 2022 and December 2022, the Company received ARS 7.7 million ($0.06 million) of Program I and ARS 19.5 million ($0.1 million) of Program II turnover tax and royalty credits, respectively, related to investments in the CH Concession.

IMPAIRMENT OF PROPERTY AND EQUIPMENT

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

<u>Year ended December 31, 2022:</u>

TDF CGU

The Company identified indicators of impairment in relation to its TDF CGU as at December 31, 2022, such as a decrease in petroleum and natural gas proved and probable reserves due to technical revisions and higher operating cost estimates, and performed an impairment test. 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 based on 15.7% discounted after-tax cash flows expected to be derived from the TDF CGU’s petroleum and natural gas proved and probable reserves from the externally prepared December 31, 2022 reserve report assuming a 10-year license extension to the primary term, currently expiring August 2026.

As at December 31, 2022, the estimated recoverable amount of the TDF CGU was determined to be lower than the carrying amount resulting in $2.1 million of impairment being recognized in the December 31, 2022 consolidated statement of (loss) income and comprehensive (loss) income. Impairment of property and equipment may be reversed in future periods if there are indicators of reversal, such as an improvement in commodity price forecasts.

A 1% increase in the discount rate would result in a $0.03 million decrease in impairment. A $1 per BOE decrease in commodity prices would result in $0.7 million of additional impairment.

Mendoza CGU

The Company identified indicators of impairment in relation to its Mendoza CGU as at December 31, 2022, such as an increase in operating cost estimates, and performed an impairment test. Management estimated the recoverable amount of the Mendoza CGU based on the higher of fair value less costs of disposal and its value in use. The estimated recoverable amount for the Mendoza CGU was based on 15.7% discounted after-tax cash flows expected to be derived from the Mendoza CGU's petroleum and natural gas proved and probable reserves from the externally prepared December 31, 2022 reserve report. As at December 31, 2022, the estimated recoverable amount of the Mendoza CGU was determined to be higher than the carrying amount resulting in no impairment recognized in 2022.

A 1% increase in the discount rate would result in $1.5 million of impairment. A $1 per BOE decrease in commodity prices would result in $1.3 million of impairment.

<u>Year ended December 31, 2021:</u>

Although the forecasted prices used in the externally prepared December 31, 2021 reserve report increased as compared to December 31, 2020 forecasted prices (impairment reversal indicator), the effect of this increase was offset by a reduction in the TDF CGU's petroleum and natural gas proved and probable reserves from the externally prepared December 31, 2021 reserve report (impairment indicator). Based on the combined effect of these facts, no impairment or reversal of impairment was required to be recorded.

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 2022, the Company reported a net loss of $5,906,799 primarily related to increases in operating expenses, general and administrative expenses, depletion and depreciation expense, TDF impairment and the foreign exchange loss. Net cash provided by operating activities in 2022 was $1,334,815 and funds flow provided by operating activities was $3,022,382. As at December 31, 2022, the Company reported a $1,273,047 working capital deficit (December 31, 2021 – $2,926,658 working capital surplus), including $536,752 of cash held in bank accounts.

During 2022, the Company incurred $12.9 million of capital expenditures on property and equipment and E&E assets. The Company's capital expenditure budget for fiscal 2023 is estimated to be $14.5 million comprised of $2.4 million for well workovers and facilities improvements in TDF, $12.1 million for drilling three vertical wells, well workovers and facilities improvements and optimization in the Mendoza Concessions plus $0.8 million on testing of the gas bearing sandstone layers of the Neuquén Group in CLL. For details of the Company's fiscal 2023 capital expenditure program, see the Outlook section of this MD&A

The Company expects to meet these obligations, along with its other anticipated expenses, using cash held in bank accounts, cash flow from operations and/or new debt. On March 25, 2021, Crown Point Energia obtained approval from Argentina's National Security Commission to launch offerings for notes payable for up to $75 million (or its equivalent in other currencies) effective until March 18, 2026. As of December 31, 2022, the Company has issued $14.6 million of notes payable and $60.4 million is available for future offerings.

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

Argentina Loans

On January 14, 2022, the Company obtained a $0.5 million working capital loan with Sociedad de Bolsa Centaurus S.A. at an interest rate of 4% per annum and a fee of 0.5% of the loan principal. The loan was repaid on January 21, 2022.

On February 18, 2022, the Company obtained an ARS 30 million ($0.3 million) working capital loan with Banco CMF S.A. bearing interest at a variable rate calculated and payable monthly. The interest rate was 46% for the first month and thereafter was calculated based on the BADLAR Corregida plus 4.5% per annum. The Company paid a structuring fee of 0.5% of the loan principal. The loan was repaid on August 18, 2022.

On February 23, 2022, the Company obtained an overdraft loan of up to ARS 150 million ($1.4 million) with Banco Hipotecario at an interest rate of 40.5% to 45% per annum for a maximum term of six months. On April 11, 2022, the overdraft limit was increased to up to ARS 460 million ($3.7 million) for a one-year term at an interest rate of 43% to 79% per annum. On November 17, 2022, the overdraft limit was increased up to ARS 671.8 million ($4.1 million) for 180 days at a variable interest rate starting at 80% per annum. The overdraft is guaranteed by ST Inversiones S.A. under the agreement with Banco Hipotecario and the Company is charged a fee of 1% of the loan balance per annum. As at December 31, 2022, ARS 594 million ($3.4 million) was drawn on the overdraft loan.

On March 18, 2022, the Company obtained an ARS 30 million ($0.3 million) working capital loan with Banco Galicia S.A.U. repayable on October 23, 2022, at an annual interest rate of 41% calculated and payable monthly. The Company repaid the loan on September 19, 2022.

On April 6, 2022, the Company obtained an overdraft loan for up to ARS 10 million ($0.1 million) with Banco Galicia S.A.U., at an annual interest rate of 55% to 67%. The Company drew ARS 9.9 million ($0.1 million) on the overdraft loan, all of which was repaid on July 7, 2022.

On April 12, 2022, the Company obtained an ARS 250 million ($2.3 million) working capital loan with Banco Macro S.A. at an annual interest rate of 48.5% which was guaranteed by ST Inversiones S.A for a fee of 1% of the principal of the loan. The loan was repaid on June 11, 2022.

On April 13, 2022, the Company obtained a $0.25 million working capital loan with Sociedad de Bolsa Centaurus S.A. at an annual interest rate of 4% and a commission fee of 0.5% of the principal of the loan. The loan was repaid on April 27, 2022.

On May 19, 2022, the Company obtained an ARS 40 million ($0.3 million) working capital loan with Banco Supervielle S.A. at an annual interest rate of 57.5% payable monthly and a commission fee of 0.5% of the principal of the loan. The loan was repaid on November 11, 2022.

On June 7, 2022, the Company obtained an ARS 110 million ($0.9 million) working capital loan with Banco Nación S.A. repayable in five equal installments commencing on September 5, 2022 until the maturity date of June 2, 2023 and bearing interest at a variable rate calculated and payable quarterly. The interest rate is calculated based on the BADLAR (69.375% at December 31, 2022) plus 6% per annum. During 2022, the Company repaid ARS 55 million ($0.4 million) and drew down an additional ARS 55 million ($0.3 million). On December 15, 2022, the Company obtained an ARS 55 million ($0.3 million) working capital loan with Banco Nación S.A. repayable in four equal installments commencing on January 16, 2023, until the maturity date of October 13, 2023 and bearing interest at a variable rate calculated and payable quarterly. The interest rate is calculated based on the BADLAR (69.375% at December 31, 2022) plus 10% per annum. As at December 31, 2022, ARS 110 million ($0.6 million) was drawn on the Banco Nación S.A. working capital loan.

On June 9, 2022, the Company obtained a $1 million export financing loan with HSBC Bank Argentina S.A. at an annual interest rate of 3% all of which was repaid on August 4, 2022.

On June 22, 2022, the Company obtained an overdraft loan of up to ARS 50 million ($0.4 million) with HSBC Bank Argentina S.A. at an interest rate of 54% per annum, of which ARS 38.5 million ($0.3 million) was drawn, all of which was repaid on July 7, 2022.

On July 7, 2022, the Company obtained an ARS 300 million ($2.4 million) working capital loan with Banco Macro S.A., at an annual interest rate of 58% which was guaranteed by ST Inversiones S.A. for a fee of 1%

of the principal of the loan. The loan was repaid on October 5, 2022.

On October 4, 2022, the Company obtained a $0.9 million export financing loan with HSBC Bank Argentina S.A. at an annual interest rate of 4%. The loan was repaid on November 24, 2022.

On November 18, 2022, the Company obtained an overdraft loan for up to ARS 50 million ($0.3 million) with HSBC Bank Argentina S.A. at an interest rate of 77.5% per annum, of which an average of ARS 31.2 million ($0.2 million) was drawn, all of which was repaid on November 24, 2022.

On December 1, 2022, the Company obtained a $0.2 million export financing loan with HSBC Bank Argentina S.A. at an annual interest rate of 3.75%. The loan was repaid on December 27, 2022.

<u>Notes Payable</u>

In 2021, Crown Point Energía S.A. issued $3.38 million principal amount of Series I notes payable ("**Series I Notes**") and $2.07 million (ARS 190 million) principal amount of Series II notes payable ("**Series II Notes**") for aggregate gross proceeds of $5.45 million. Series I Notes were guaranteed, denominated in USD integrated in ARS at the initial exchange rate and repayable in ARS at the applicable exchange rate. Series II Notes were guaranteed, denominated in ARS and repayable in ARS.

The Series I Notes and Series II Notes were repayable in eight equal installments commencing on July 1, 2022 until the maturity date of June 30, 2024 and bore interest at 8% per annum and BADLAR Privados (69.125% at September 30, 2022) plus 6.75% per annum, respectively, payable quarterly.

On July 1, 2022, the Company made the first quarterly installment payments in respect of the Series I Notes and Series II Notes in the amount of ARS 52,308,725 ($422,321) and ARS 23,750,000 ($189,651), respectively.

On August 8, 2022, Crown Point Energía S.A. issued a total of $14.7 million principal amount of Series III secured fixed-rate notes ("**Series III Notes**"), of which: $10.2 million principal amount of Series III Notes were issued for cash consideration, payable in ARS; $3.1 million principal amount of Series III Notes were issued in exchange for the surrender and cancellation of $3.4 million principal amount of Series I Notes at an exchange ratio of $93.77 principal amount of Series III Notes for every $100 principal amount of Series I Notes; and $1.3 million principal amount of Series III Notes were issued in exchange for the surrender and cancellation of 190,000,000 ARS ($1.4 million) principal amount of Series II Notes at an exchange ratio of $90.31 principal amount of Series III Notes for every $100 principal amount of Series II Notes.

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

Following closing of the Series III Note offering, the Company repurchased the remaining $50,000 principal amount of outstanding Series I Notes. All Series I Notes and Series II Notes were cancelled.

As at December 31, 2022, the reported amount of notes payable was $14,542,382 of which $7,233 is classified as a current liability.

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

RELATED PARTY TRANSACTIONS

(a) Liminar Energía S.A.

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 2022, Liminar charged the Company $nil (2021 – $4,161) in loan guarantee fees (see Note 10(b) to the Financial Statements). During 2021, Liminar charged the Company a $41,665 guarantee fee for a guarantee provided by Liminar in respect of the $4.17 million owed to the Province of Mendoza in connection with the Company's acquisition of the 50% working interest in the CH Concession (see Note 5(a) to the Financial Statements).

During 2021, the Company obtained and repaid two working capital loans from Liminar (see Note 10(c) to the Financial Statements) which accrued interest of $152.

Included in trade and other payables as at December 31, 2022 is $nil (2021 – $nil) payable to Liminar.

(b) Grupo ST S.A.

Mr. Pablo Peralta is also a director of Grupo ST S.A. and controls directly and indirectly 48.33% of the voting shares of Grupo ST S.A. During 2021, the Company obtained and repaid two working capital loans from Grupo ST S.A., including $203 of accrued interest (see Note 10(d) to the Financial Statements).

Included in trade and other payables as at December 31, 2022 is $nil (2021 – $nil) payable to Grupo ST S.A.

(c) ST Inversiones S.A.

Mr. Pablo Peralta is also a director of ST Inversiones S.A. and controls 50% the voting shares of ST Inversiones S.A. ST Inversiones S.A. has provided a guarantee of the Banco Hipotecario S.A. overdrafts (see Note 10(b) to the Financial Statements) and the Banco Macro S.A. working capital loans (see Note 10(d) to the Financial Statements) obtained by the Company, for which the Company is charged a loan guarantee fee of 1% of the outstanding balances. During 2022, ST Inversiones S.A. charged the Company $57,698 (2021 – $4,457).

Included in trade and other payables as at December 31, 2022 is $nil (2021 – $3,339) payable to ST Inversiones S.A.

(d) Energía y Soluciones S.A.

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

During 2022, the Company sold a portion of natural gas production from the TDF Concession to Energía y Soluciones S.A. for which the Company recognized $932,996 (ARS 131.1 million) (2021 – $nil) of oil and gas revenue. Included in trade and other receivables as at December 31, 2022 is $80,699 (ARS 14.3 million) (2021 – $nil) in respect of this revenue.

Energía y Soluciones S.A. owns a 1.46% overriding royalty on revenue earned from the CLL Permit. As of December 31, 2022, and the date of this MD&A, no revenue has been earned from the CLL Permit.

There were no other transactions between the Company and related parties of the Company during the 2022 and 2021 periods.

SUBSEQUENT EVENTS

On February 6, 2023, the Company obtained a working capital loan of ARS 50 million ($0.3 million) with Banco Galicia S.A., which accrues an annual interest rate of 70% payable monthly, with a maturity date of May 8, 2023.

On February 7, 2023, the Company obtained an overdraft loan for an amount of ARS 60 million ($0.3 million) with Banco CMF S.A., which accrues an annual interest rate of 79.5% with a 60-day maturity.

On February 15, 2023, the Company obtained an overdraft loan for an amount of ARS 50 million ($0.3 million) with Banco Galicia S.A., which accrues an annual interest rate of 86% with a 60-day maturity.

On March 7, 2023, the Company repaid ARS 27.5 million ($0.1 million) of the working capital loan with Banco Nación S.A. plus $51,718 of accrued interest.

SHARE CAPITAL

Issued and outstanding	Common Shares	Stock Options
December 31, 2021, December 31, 2022 and date of MD&A	72,903,038	4,350,000

COMMITMENTS

TDF Concessions

As at December 31, 2022, the Company’s share of expenditure commitments with respect to the Rio Cullen exploitation concession in TDF is $0.62 million which must be completed by August 2026.

Mendoza Concessions

As at December 31, 2022, the Company's share of expenditure commitments with respect to the CH Concession is $37.0 million, consisting of a work program for well workovers, infrastructure optimization and a multi-well drilling program to be completed by March 2031.

As at December 31, 2022, the Company's share of expenditure commitments with respect to the PPCO Concession is $13.1 million, consisting of a work program for well workovers, infrastructure optimization and a multi-well drilling program to be completed by August 2028.

CLL Permit

As at December 31, 2022, the Company commitment with respect to the CLL Permit is estimated at $0.8 million, consisting of a well repair and 3D seismic reprocessing in the north of the CLL Concession.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off balance sheet arrangements.

FINANCIAL INSTRUMENTS

The fair values of cash, restricted cash, trade and other receivables, trade and other payables and bank debt are estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. At December 31, 2022 and December 31, 2021, the fair value of these balances approximated their carrying amount due to their short terms to maturity. The fair values of notes payable, lease liabilities and the contingent consideration liability are based on the discounted present value of future cash flows and approximate carrying amounts.

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

SELECTED CONSOLIDATED QUARTERLY INFORMATION

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

Unaudited Three months ended:	December 31 2022	September 30 2022	June 30 2022	March 31 2022	December 31 2021	September 30 2021	June 30 2021	March 31 2021
Working capital [(2)] ($)	(1,273,047)	257,308	(5,161,736)	(2,938,400)	2,926,658	5,203,698	5,285,439	4,026,325
Oil and natural gas sales revenue ($)	8,586,742	10,751,784	8,214,263	5,487,831	10,168,669	6,946,518	7,849,780	3,528,369
Net income (loss) ($)	(2,712,553)	(884,657)	(667,490)	(1,642,099)	742,431	1,408,708	(472,492)	8,096,106
Basic and diluted net income (loss) per share [(1)] ($)	(0.04)	(0.01)	(0.01)	(0.02)	0.01	0.02	(0.01)	0.11
Net cash provided (used) by operating activities ($)	170,378	2,749,800	(1,553,129)	(32,234)	2,080,962	2,449,967	785,714	1,555,521
Cash portion of acquisition of working interest ($)	–	5,000,000	–	–	–	–	–	4,166,500
Property and equipment expenditures ($)	1,903,899	2,227,726	3,471,636	2,749,363	1,511,507	684,523	1,038,549	724,933
E&E expenditures	9,700	5,905	14,753	2,533,160	820,517	782	–	–
Total assets ($)	68,183,547	72,635,556	65,277,006	58,984,311	58,308,535	55,544,951	53,970,775	56,783,299
Bank debt ($)	4,123,737	3,311,315	6,104,639	1,828,985	–	–	263,835	1,169,163
Notes payable [(3)]($)	14,542,382	14,523,424	5,075,463	4,997,806	5,379,245	5,447,436	5,502,009	5,315,426

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

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

- Working capital decreased in Q4 2022 due mainly to the increase in bank debt, trade and other payables and the current portion of lease liabilities.
- The reported net loss increased in Q4 2022 due to lower oil sales revenue combined with an increase in operating costs and impairment of the TDF CGU.
- Working capital increased in Q3 2022 due mainly to the issuance of Series III Notes that are payable 36 months after the issuance date.
- The reported net loss increased in Q3 2022 due to foreign exchange losses and increases in depletion and depreciation and net finance expense offset by the gain on acquisition of working interest.
- Working capital decreased in Q2 2022 due to the increase in property and equipment.
- The reported net loss decreased in Q2 2022 due to an increase in oil and natural gas sales revenue partially offset by higher finance expense caused by the increase in capital expenditures requirements.
- Working capital decreased significantly in Q1 2022 due to the increase in property and equipment and E&E expenditures combined with lower trade and other receivables.
- The reported net loss in Q1 2022 is mainly due to a decrease in oil and natural gas sales revenue due to lower oil sales volumes.
- Working capital decreased in Q4 2021 mainly due to the increase in capital expenditures combined with a higher portion of notes payable and decommissioning provision classified as current.
- The reported net income decreased in Q4 2021 mainly due to an increase in general and administrative expenses and depletion and depreciation expense offset by an increase in the recovery of deferred taxes.
- Q3 2021 working capital is comparable to Q2 2021.
- The reported net income in Q3 2021 is mainly due to the positive revision to the gain on the acquisition of the working interest in the CH Concession and the recovery of deferred taxes offset by lower oil and natural gas sales revenue due to lower oil sales volumes.
- Working capital increased in Q2 2021 mainly due to the increase in oil and gas sales volumes.

- The reported net loss in Q2 2021 is mainly due to the provision of deferred taxes related to the increase of the income tax rate.

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 climate change concerns could result in increased operating costs and reduced demand for our products, while the potential physical effects of climate change could disrupt our production and cause us to incur significant costs preparing for or responding to those effects;
- 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;
- risks associated with the voluntary reorganization of Roch S.A., the Argentine operator of the UTE governing the TDF Concessions, including the risk that Roch S.A.'s voluntary reorganization has an adverse effect on the UTE, the TDF Concessions and/or the Company;
- risks associated with the ability of OPEC and other oil and gas exporting nations to set and maintain production levels and influence prices for crude oil;
- risks associated with operations in emerging markets, including: changes in energy policies or personnel administering them; nationalization of the Company's assets; the development and/or persistence of hyper-inflationary conditions; the potential for a sovereign debt default; significant increases in interest rates; lack of availability of credit; currency fluctuations between the USD, the CDN and the ARS and/or devaluations of the ARS; commodity price controls; export controls; export taxes; changes in royalty and tax rates; and monetary and currency exchange controls, or exchange restrictions, as further discussed below;
- risks associated with wars, insurrections and other armed conflicts and any resulting economic sanctions (including the ongoing war in Ukraine and related economic sanctions imposed on Russia and associated entities and individuals), including the risk that such events impact economic activity in Argentina or globally and consequently the demand for crude oil and natural gas;
- exchange restrictions imposed by the Central Bank of Argentina on the Company's subsidiaries from time to time, which may restrict, among other things: the payment of dividends and profits to the Company; the repatriation of funds by the Company from its subsidiaries; payments made to non-residents for the importation of goods; payments made to the Company for the importation of services; the funding of assets located outside of Argentina; and the obligation to settle certain transactions involving the receipt of foreign funds (i.e. USD) in ARS, including foreign funds obtained from the export of goods such as crude oil; all of which, among other things, may affect the ability of the Company's subsidiaries to obtain the foreign currency necessary to meet its financial obligations and/or may affect the ability of the Company's subsidiaries to distribute funds to the Company in order to permit the Company to discharge its financial obligations in the ordinary course of business;
- the risks of the oil and gas industry both domestically and internationally, such as operational risks in exploring for, developing and producing crude oil and natural gas and market demand;
- general economic conditions in Canada, Argentina and globally, including the risk of a recession in Argentina and/or globally that reduces economic activity;
- the ability of management to execute its business plan;
- reliance on third party operators and joint venture partners to satisfy their commitments under existing

agreements and arrangements and to carry out operations in a safe, efficient and effective manner;

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

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

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

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

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

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

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

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

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

ABBREVIATIONS AND BOE PRESENTATION

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

3-D	-	three dimensional
API	-	American Petroleum Institute gravity, being an indication of the specific gravity of crude oil measured on the API gravity scale
bbl	-	barrel
bbls	-	barrels
BOE	-	barrels of oil equivalent
km	-	kilometres
km^2	-	square kilometres
m	-	meters
m^3	-	cubic meters
mcf	-	thousand cubic feet
mm	-	millimetres
mmcf	-	million cubic feet
NGL	-	natural gas liquids
psi	-	pounds per square inch
Q1	-	three months ended March 31
Q2	-	three months ended June 30
Q3	-	three months ended September 30
Q4	-	three months ended December 31
UTE	-	Union Transitoria de Empresas, which is a registered joint venture contract established under the laws of Argentina
WI	-	working interest
YPF	-	Yacimientos Petrolíferos Fiscales S.A.

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

ADVISORIES

Initial Production Rates

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

Forward-Looking Information

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

This MD&A contains forward-looking information concerning, among other things, the following: under "Corporate Overview and Strategy", all elements of the Company's business strategy and focus in the TDF Concessions, the Mendoza Concessions and the CLL Permit, future operations to be conducted by the Company in furtherance of such business strategy and focus, and the Company's expectations of the benefits to be derived from such business strategy and focus and related future operations; under "Operational Update", the Company's plans for future operations on its TDF Concessions, Mendoza Concessions and CLL Permit and the anticipated benefits to be derived therefrom and timing thereof; under "Outlook", our estimated capital expenditure budget for fiscal 2023, the capital expenditures that we intend to make in our TDF Concessions, Mendoza Concessions and CLL Permit, and our expectations for how we will fund our capital expenditures and other expenses during such periods; under "Liquidity and Capital Resources", our strategies for managing our liquidity risks, our capital expenditure budget for fiscal 2023 and the expenditures we expect to make at TDF, CH, PPCO and CLL, and our expectations for how we will fund our capital expenditure program and other expenses; and under "Business Risks and Uncertainties", the business risks and uncertainties that we face and the potential impact such risks may have on the Company. In addition, note that information relating to reserves and resources is deemed to be forward-looking information, as it involves the implied assessment, based on certain estimates and assumptions that the reserves and resources described can be economically produced in the future. Actual results achieved during the forecast period will vary from the information provided in this MD&A as a result of numerous known and unknown risks and uncertainties and other factors.

A number of risks and other factors could cause actual results to differ materially from those expressed in the forward-looking information contained in this MD&A including, but not limited to, the following: that the Company experiences delays building the pipeline to the Rio Cullen marine terminal or is unable to complete the pipeline; that the Company is unable to truck oil to the Enap refinery and/or the Rio Cullen marine terminal and/or that the cost to do so rises and/or becomes uneconomic; that the price received by the Company for its oil is at a substantial discount to the Brent oil price; and the risks and other factors described under "Business Risks and Uncertainties" in this MD&A and under "Risk Factors" in the Company's most recently filed Annual Information Form, which is available for viewing on SEDAR at www.sedar.com.

With respect to forward-looking information contained in this MD&A, the Company has made assumptions regarding, among other things: the cost to build the oil pipeline to connect the Cruz del Sur oil storage facility and the San Martin oil field with the Total Austral operated Rio Cullen marine terminal and the timing thereof; trucking costs; that the COVID-19 (coronavirus) pandemic will not have a material impact on the Company and our operations going forward, including 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 and other major producers of crude oil to balance crude oil production levels and thereby sustain higher global crude oil prices; that Roch S.A.'s voluntary reorganization will not have an adverse impact on its ability to operate the TDF Concessions, and therefore will not have an adverse impact on the UTE, the TDF Concessions and/or the Company; matters relating to the acquisition of our interests in the Mendoza Concessions, including the amount and timing of capital expenditures thereon, production rates therefrom, revenues to be derived therefrom, and the ability of the joint venture to reduce operating costs; the impact of inflation rates in Argentina and the devaluation of the ARS against the USD on the Company; the impact of increasing competition; the general stability of the economic and political environment in which the Company operates, including operating under a consistent regulatory and legal framework in Argentina; future oil, natural gas and NGL prices (including the effects of governmental incentive programs and government price controls thereon); the timely receipt of any required regulatory approvals; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the costs of obtaining equipment and personnel to complete the Company's capital expenditure program; the ability of the operators of the projects which the Company has an interest in to operate the fields in a safe, efficient and effective manner; that the Company will not pay dividends for the foreseeable future; the ability of the Company to obtain financing on acceptable terms when and if needed; 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.