Introduction

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Crest Petroleum Corp.'s (the "Company") financial statements for the year ended February 28, 2015. The discussion should be read in conjunction with the audited financial statements of the Company and the notes thereto for the year ended February 28, 2015. The effective date of this report is June 26, 2015. The audited financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless expressly stated otherwise, all financial information is presented in Canadian dollars which is the Company's functional and presentation currency. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Description of Business and Overview

Crest Petroleum Corp. (the "Company") was incorporated on January 24, 2012, under the laws of the province of British Columbia, Canada. Following the completion of its initial public offering ("IPO") on June 26, 2012, (the "Listing Date"), the Company secured designation as a Capital Pool Company ("CPC"), as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange") Corporate Finance Manual. The Company's principal activity is the identification, evaluation and negotiation for the acquisition of assets or a business ("Qualifying Transaction") and thereby qualify as a Tier 2 issuer on the Exchange. The common shares of the Company have traded on the Exchange under the trading symbol "CTP.P" since June 26, 2012.

The Company is a Capital Pool Company ("CPC") as defined in the TSX-V Policy 2.4. As a Capital Pool Corporation, the principal business of the Company is the evaluation and identification of assets or a business and, once identified and evaluated, to negotiate participation or acquisition in a business. This Qualifying Transaction will be subject to shareholder approval, and if required, acceptance by regulatory authorities.

Although the Corporation believes it has enough capital resources to complete a Qualifying Transaction, there is no guarantee that the Company will be able to do so, or to secure additional financings in the future.

The Company's head office, principal address and registered and records office is located at 800 - 1199 West Hastings Street, Vancouver B.C., V6E 3T5.

As of October 7, 2014, the Company had not completed a qualifying transaction within the prescribed time frame, and the company's listing had transferred to the NEX, the company's tier classification changed from Tier 2 to the NEX, and the filing and service office changed from Vancouver to the NEX.

The Company has entered into an agreement in principle dated June 25, 2014, with Sara Creek Gold Corp., pursuant to which Crest will acquire a non-operated working interest in two oil fields in Southern California. The proposed transactions will constitute a qualifying transaction as that term is defined by the TSX Venture Exchange. On October 6, 2014, the Company terminated this previously announced agreement.

Pursuant to a resolution passed by the directors on Nov. 7, 2014, Crest Petroleum Corp. has consolidated its capital on a 1:5 basis. Effective at the opening on Friday, Nov. 28, 2014, the common shares of Crest Petroleum commenced trading on the TSX Venture Exchange on a consolidated basis.

Selected Annual Information

The following table sets forth selected audited financial information of the Company for the last two completed financial years:

	February 28, 2015	February 28, 2014	February 28, 2013
Revenue	$829	$1,800	$1,562
Net Loss	($339,319)	($117,337)	($128,742)
Loss per Share – Basic and Diluted	($0.18)	($0.09)	($0.10)
Total Assets	$19,651	$362,095	$224,391
Total Liabilities	$32,295	$35,420	$20,133
Working Capital (Deficit)	($12,644)	$326,675	$204,258

Summary of Quarterly Results

The following table sets forth selected information from the Company's unaudited quarterly financial statements prepared in accordance with IFRS.

For the quarters ended:

	Three-months ended February 28, 2015	Three-months ended November 30, 2014	Three-months ended August 31, 2014	Three-months ended May 31, 2014
Total Revenue	$ Nil	$ 286	$ 543	$ Nil
Net Loss	3,697	37,524	119,027	179,071
Loss per Share (basic & diluted)	0.00	0.02	0.06	0.10
Total Assets	19,651	79,175	119,576	290,615
Total Liabilities	32,295	88,122	90,999	143,011
Working Capital (Deficit)	$ (12,644)	$ (8,947)	$ 28,577	$ 147,604

	Three-months ended February 28, 2014	Three-months ended November 30, 2013	Three-months ended August 31, 2013	Three-months ended May 31, 2013
Total Revenue	$ 1,177	$ Nil	$ 623	$ Nil
Net Loss	71,182	12,167	30,546	3,442
Loss per Share (basic & diluted)	0.03	0.00	0.00	0.00
Total Assets	362,095	410,328	173,299	213,816
Total Liabilities	35,420	2,225	3,029	12,999
Working Capital	$ 326,675	$ 408,103	$ 170,270	$ 200,817

Results of Operations

During the year ended February 28, 2015, the Company's net loss was $339,319 compared to $117,337 in 2014. Professional fees increased from $44,345 in 2014 to $225,458, bank charges increased from $338 in 2014 to $348, travel and promotion decreased from $49,920 in 2014 to $44,505, office increased from $5,547 in 2014 to $33,680 and filing fees increased from $18,987 in 2014 to $35,705. These variances were mainly because of the fact that in the fiscal 2015 the Company spent more on identifying and acquisition of a Qualifying Transaction.

Fourth Quarter

- Professional fees were ($22,656)
- Bank fees were $33
- Office, travel and promotion were $41,164
- Filing fees were ($7,726)

Capital Resources and Liquidity

At February 28, 2015, the Company had cash and cash equivalents of $16,540 (2014 - $360,918) and working capital deficit of $12,644 (2014 – working capital of $326,675). The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants.

The Company's cash is highly liquid and held at a major Canadian financial institution.

	Increase (decrease) in cash and cash equivalents for the Years Ended February 28, 2015 and 2014	
	2015	**2014**
Operating activities	$ (344,378)	$ (101,898)
Investing activities	-	-
Financing activities	-	239,754
Total change in cash and cash equivalents	(344,378)	137,856
Cash and cash equivalents, beginning of the year	360,918	223,062
Cash and cash equivalents, end of the year	$ 16,540	$ 360,918

Operating Activities
Cash used in operating activities primarily consist of general and administrative expenditures. The $242,480 increase in the use of cash for operating activities for the year ended February 28, 2015 over the prior period is mainly attributable to the additional professional and other fees incurred for the Qualifying Transaction.

Investing Activities
There was no cash from investing activities during the years ended February 28, 2015 and 2014.

Financing Activities
The Company currently has no revenues from operations and has been dependent on equity financing to fund its operations. There was no financing activities during the year ended February 28, 2015. In the prior comparative period, the Company completed a private placement raising $250,000 less $10,246 in issuance costs.

Management has been successful in accessing the equity markets in the current and prior year, but there is no assurance that such sources will be available, on acceptable terms, or at all in the future. Factors which could impact management's ability to access the equity markets include the state of capital markets, market prices for natural resources and the non-viability of the projects.

Related Party Transactions

As at February 28, 2015 the Company's total indebtedness to related parties amounted to $1,304 (2014- $10,963) and is included with accounts payable and accrued liabilities. The amounts due to related parties are unsecured, non-interest bearing and due on demand.

In the year ended February 28, 2014 directors and officers of the Company had subscribed for a total of 140,000 of the Company's fully paid and issued or allotted shares outstanding at a price of $0.25 per share for gross proceeds of $35,000.

During the years ended February 28, 2015 and February 28, 2014, there was no other compensation paid to key management.

Share Capital and Disclosure of Outstanding Share Data

As at February 28, 2015, the authorized share capital was an unlimited number of common shares and there were 1,750,000 common shares issued and outstanding. As at the date of this MD&A, there Company had 4,750,000 common shares issued and outstanding.

Stock Options

The following summarizes information on the number of stock options outstanding at February 28, 2015:

Expiry Date	Exercise Price	Number of options
June 26, 2022	$ 0.50	**100,000**
Total		**100,000**

At February 28, 2015, the weighted-average remaining contractual life of stock options was 7.33 years (February 28, 2014- 8.33).

Outstanding Share Data

As at the date of this report, the Company's fully diluted shares outstanding is as follows:

Common shares	**4,750,000**
Options	**100,000**
Warrants	**Nil**
Fully diluted shares outstanding	**4,850,000**

As at the date of this report, 76,400 shares are held in escrow.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Subsequent Events

On April 8, 2015, the Company announced that it has arranged a non-brokered private placement of up to 3,000,000 shares at a price of $0.055 per share to raise gross proceeds of up to $165,000. The securities issuable in the private placement will have a hold period of four months from the closing. The gross proceeds of up to $165,000 are intended to be used for working capital and to fund future property acquisitions. On May 14, 2015, the Company announced that it expects to close its financing on or before June 22, 2015.

Additional Disclosures for Companies without Significant Revenue

The following is the detailed breakdown of material components of costs for the years ended February 28, 2015 and 2014:

	Year ended February 28, 2015	Year ended February 28, 2014
Exploration and development costs: deferred or expensed	$ Nil	$ Nil
Share-based payments	$ Nil	$ Nil
Professional fees	$ 225,458	$ 44,345
Bank charge and interest	$ 348	$ 338
Travel and promotion	$ 44,505	$ 49,920
Office and general	$ 33,680	$ 5,547
Registration and filing fees	$ 35,705	$ 18,987
Total	$339,696	$119,137

Critical Accounting Policies and Estimates

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value of share-based compensation, agents warrants, income tax provisions and note disclosures. Actual results may differ from those estimates and judgments.

Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position reporting date, which could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- accrued liabilities;
- the recognition of deferred income tax assets; and
- the assumptions used in the calculation of the fair value assigned to share-based payments and agent warrants.

Critical accounting judgments

Management must make judgments given the various options available as per accounting standards for items included in the financial statements. Judgments involve a degree of uncertainty and could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual events differ from a judgment made. A summary of items involving management judgment include, but are not limited to:

- the determination of the categories in which financial assets and liabilities are classified;
- the determination of environmental obligations; and
- the impairment and recoverability of capitalized exploration and evaluation assets.

Accounting Standards

Recent pronouncements issued

The Company will be required to adopt the following applicable new standards and amendments as issued by the IASB. The Company is currently evaluating the impact on the financial statements as discussed below.

a) IFRS 9, "Financial Instruments" establishes principles for the disclosure of financial assets and financial liabilities that will present information that is useful for the assessment of the amounts, timing and uncertainty of an entity's future cash flows. The IFRS is applicable to all items that fall within the scope of IAS 39. "Financial Instruments: Recognition and Measurement'. This IFRS is effective for annual periods commencing on or after January 1, 2018 and is to be applied retrospectively. The Corporation intends to adopt IFRS 9 in its financial statements for the annual period beginning March 1, 2019.

b) IFRS 15, “revenue from contracts with customers” replaces the existing revenue recognition guidance with a new framework to determine the timing and measurement of revenue, providing users of the financial statements more information and relevant disclosures. IFRS 15 is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. The Company continues to assess this new standard, but does not expect it to have a significant impact.

Financial Instruments

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company’s primary exposure to credit risk is on its cash of $16,540 (2014 - $360,918). Cash is held with one financial institution, resulting in concentration of credit risk. This risk is managed by using a major financial institution with a high credit rating as determined by rating agencies.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Financial instruments that subject the Company to liquidity risk consist primarily of accounts payable and accrued liabilities of $32,295 (2014 - $35,420).

The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

During the year ended February 28, 2015, the Company's sole source of funding has been the issuance of equity securities for cash. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, and other price risk. The Company is primarily exposed to interest rate risk.

i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has a low exposure to interest rate risk on its cash equivalents as these instruments have original maturities of three months or less and are exposed to interest rate fluctuations on renewal.

ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company currently operates only in Canada and is not exposed to this risk.

iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to this risk.

d) Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 –	Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 –	Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 –	Inputs that are not based on observable market data.

Cash and cash equivalents are classified as level 1.

Business Strategy

As part of the TSX Venture Exchange's requirements, the Company has sought and will continue to seek a Qualifying Transaction ("QT"). In pursuit of such opportunities, it may fail to select appropriate acquisition candidates, negotiate appropriate acquisition terms, conduct sufficient due diligence to determine all related liabilities or to negotiate favourable financing terms. The Company may encounter difficulties in transitioning the business, including issues with the integration of the acquired businesses or its personnel into the Company. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit its business.

Uncertainty of Funding

The Company has limited financial resources, and the search, acquisition and completion of a Qualifying Transaction in which the Company is required to under TSX Venture guidelines will require financial expenditures to be made by the Company. There can be no assurance that adequate funding will be available to the Company. Further searching and acquisition efforts will depend upon the Company's ability to obtain financing through joint venturing of projects, debt financing or equity financing or other means. Failure to obtain financing on a timely basis could cause the Company to forfeit all or parts of its Qualifying Transaction search efforts or reduce or terminate its operations.

Potential Conflicts of Interest

The directors and officers of the Company may serve as directors and/or officers of other public and private companies, and may devote a portion of their time to manage other business interests. This may result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers of the Company may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation. The laws of British Columbia, Canada, require the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders. However, in conflict of interest situations, directors and officers of the Company may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions.

General Economic Conditions
The unprecedented events in global financial markets during the last few years have had a profound effect on the global economy. Many industries, including the mining and energy industries, are affected by these market conditions. Some of the key effects of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability.

Substantial Volatility of Share Price
In recent years, the securities markets have experienced a high level of price and volume volatility, and the securities of many junior companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The price of the Company's common shares is also likely to be significantly affected by short-term changes in mineral prices or in the Company's financial condition or results of operations as reflected in its quarterly financial reports.

Potential Dilution of Present and Prospective Shareholdings
In order to finance future operations and development efforts, the Company may raise funds through the issue of common shares or the issue of securities convertible into common shares. The Company cannot predict the size of future issues of common shares or the issue of securities convertible into common shares or the effect, if any, that future issues and sales of the Company's common shares will have on the market price of its common shares. Any transaction involving the issue of shares, or securities convertible into shares, could result in dilution, possibly substantial, to present and prospective holders of shares.

Management's Responsibility for Financial Information

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with IFRS and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

Additional Information

Additional information relating to the Company is available on www.sedar.com.