MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2015

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The following Management’s Discussion and Analysis (“**MD&A**”) of the consolidated operating and financial performance of Crown Capital Partners Inc. (“**Crown**” or the “**Corporation**”) for the three and nine months ended September 30, 2015 is prepared as of November 9, 2015. This discussion is the responsibility of management and should be read in conjunction with the Corporation’s unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2015 and the notes attached thereto prepared in accordance with IAS 34. This MD&A should also be read in conjunction with the Corporation’s audited consolidated financial statements for the year ended December 31, 2014 and the notes thereto, the Corporation’s Management’s Discussion and Analysis of the consolidated operating and financial performance of Crown for the year ended December 31, 2014 and other public filings available on SEDAR at www.sedar.com. The Board of Directors has approved this MD&A. All amounts herein are expressed in Canadian dollars unless otherwise indicated.

Forward-Looking Statements

Statements that are not reported financial results or other historical information are forward-looking statements within the meaning of applicable Canadian securities laws (collectively, "**forward-looking statements**"). This MD&A includes forward-looking statements regarding Crown and the industries in which it operates, including statements about, among other things, expectations, beliefs, plans, future loans and origination, business and acquisition strategies, opportunities, objectives, prospects, assumptions, including those related to trends and prospects and future events and performance. Sentences and phrases containing or modified by words such as "anticipate", "plan", "continue", "estimate", "intend", "expect", "may", "will", "project", "predict", "potential", "targets", "projects", "is designed to", "strategy", "should", "believe", "contemplate" and similar expressions, and the negative of such expressions, are not historical facts and are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Forward-looking statements should not be read as guarantees of future events, future performance or results, and will not necessarily be accurate indicators of the times at, or by which, such events, performance or results will be achieved, if achieved at all. Forward-looking statements are based on information available at the time and/or management's expectations with respect to future events that involve a number of risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. The factors described under the heading "Risk Factors" in this MD&A and in the Corporation's Prospectus dated June 30, 2015, as well as any other cautionary language in this MD&A, provide examples of risks, uncertainties and events that may cause Crown's actual results to differ materially from the expectations it describes in its forward-looking statements. Readers should be aware that the occurrence of the events described in these risk factors and elsewhere in this MD&A could have an adverse effect on, among other things, Crown's business, prospects, operations, results of operations and financial condition.

Specific forward-looking statements contained in this MD&A include, among others, statements, management's beliefs, expectations or intentions regarding the following:

- the Corporation's intentions for the use of Cash and Cash Equivalents including additional capital contributions to Crown Capital Fund IV, LP ("**CCF IV LP**");
- the investments of CCF IV LP in Special Situations Financing transactions and the potential structuring of such transactions;
- the Corporation’s business plans and strategy;
- the Corporation’s future cash flow, potential dividend implementation and shareholder value;
- the sourcing of deals from Crown's established network and its potential pipeline of projects;
- the future capitalization of CCF IV LP and future closings in relation thereto;
- Crown's future entitlement to base management and performance fees;
- the effect of delays between the repayment of loans and the redeployment of capital on Crown's financial condition; and
- the future accounting policies of the Corporation.

Readers are cautioned that the foregoing list of forward-looking statements should not be construed as being exhaustive.

In making the forward-looking statements in this MD&A, the Corporation has made assumptions regarding general economic conditions, reliance on debt financing, interest rates, continued lack of regulation in the business of lending from sources other than commercial banks or equity transactions,, continued operation of key systems, debt service, bank lending to mid-market companies will continue to be constrained for at least several years, future capital needs, retention of key employees, adequate management of conflicts of interests, continued performance of the Crown Funds (as defined herein) and solvency of financing clients, competition, limited loan prepayment, effective use of leverage, strength of existing client relationships, regulatory oversight and such other risks or factors described in this MD&A, the Corporation's Prospectus dated June 30, 2015 and from time to time in public disclosure documents of Crown that are filed with securities regulatory authorities.

The forward-looking statements included in this MD&A are expressly qualified by this cautionary statement and are made as at the date of this MD&A. The Corporation does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. If the Corporation does update one or more forward-looking statements, it is not obligated to, and no inference should be drawn that it will, make additional updates with respect thereto or with respect to other forward-looking statements.

Readers are further cautioned that the preparation of financial statements in accordance with International Financial Reporting Standards ("**IFRS**") requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues, and expenses. These estimates may change, having either a positive or negative effect on net income, as further information becomes available and as the economic environment changes.

Overview

Crown is a specialty finance company focused primarily on providing capital to successful Canadian companies and select U.S. companies that are unwilling or unable to obtain suitable financing from traditional capital providers such as banks and private equity funds. Crown also manages capital pools, including some in which Crown has a direct ownership interest. Crown originates, structures and provides tailored special situation and long-term financing solutions to a diversified group of private and public mid-market companies in the form of loans, royalties, and other structures with minimal or no ownership dilution. These financing solutions allow business owners to retain the vast majority of the economic rewards associated with the ownership of their respective businesses.

Crown became a reporting issuer on June 30, 2015 and, pursuant to an underwriting agreement, the Corporation issued 5,910,000common shares ("Shares") in an initial public offering (the "**IPO**") priced at $11.00 per Share, resulting in gross proceeds of $65,010,000 before underwriters' commissions and offering expenses of $4,649,725, net of deferred tax of $1,719,761. The Shares began trading on the Toronto Stock Exchange ("**TSX**") on July 9, 2015 under the symbol TSX:CRN.

Immediately prior to closing of the IPO, the Corporation acquired approximately 69.75% of the outstanding units of Norrep Credit Opportunities Fund II, LP ("**NCOF II**") in exchange for 3,214,494 Shares valued at $35,359,423 (the "**Rollover Transaction**"). Crown accounts for NCOF II as a controlled subsidiary. At the time of the Rollover Transaction, NCOF II held interests in five investee companies, which included loans to four investees, publicly-traded common shares of two investees and warrants of one privately-held investee.

The financial results of the Corporation as at and for the periods ended September 30, 2015 discussed in this MD&A reflect the completion of the IPO on July 9, 2015 and also include the results of operations of NCOF II and CCF IV LP, from their dates of acquisition and formation, respectively.

Third Quarter Highlights

1. On September 23, 2015, Crown announced the initial closing of the special situations debt fund, CCF IV LP with initial capital commitments of $100 million. CCF IV LP's limited partners, including Crown's wholly-owned subsidiary, Crown Capital Funding Corporation ("**CCFC**"), contributed a total of $15 million for the initial capitalization of CCF IV LP with further capital calls to be made as funds are required for investment. CCF IV LP will invest in Special Situations Financing transactions originated and managed by Crown. Crown's Special Situations Financing solutions consist of senior and subordinated loans with terms ranging from six months to five years.

CCF IV LP has a maximum size of $300 million, with additional closings to occur within the next three years as opportunities are identified to fund Special Situations Financing transactions and subscriptions in CCF IV LP are received. Crown, through CCFC, has committed to invest up to $50 million in CCF IV LP. As of September 30, 2015, CCFC had contributed capital totaling $7.5 million to CCF IV LP and currently holds a 50% interest in CCF IV LP and accounts for it as a controlled subsidiary.

2. On September 29, 2015, CCF IV LP entered into a subordinated debt agreement (the "**Petrowest Agreement**") with Petrowest Corporation (TSX:PRW) ("**Petrowest**") to provide a, 11%, $15.0 million term loan to Petrowest. Under the terms of the Petrowest Agreement, Petrowest also issued 4,300,000 common share purchase warrants to CCF IV LP. See "Revenues".

3. NCOF II was established in 2012 and all of its investments are made on a *pari passu* basis with Norrep Credit Opportunities Fund II (Parallel) ("**NCOF II (Parallel)** and together with NCOF II, the "**NCOF Funds**"). NCOF II's pro rata ownership of the NCOF Funds investments is 76.87%. Subsequent to the closing of the IPO and the acquisition of an approximately 69.75% interest in NCOF II, two loans made by the NCOF Funds were repaid in full.

- In December 2013, the NCOF Funds provided a $10.0 million debt facility to Questrade Inc. ("**Questrade**"). On July 24, 2015, Questrade prepaid this facility in full, including bonus interest and unwinding and redeployment fees totaling $2.2 million. See "Revenues".

- In April 2013, the NCOF Funds provided a $25.0 million debt facility to Claude Resources Inc. (TSX:CRJ) ("**Claude**"). The NCOF Funds received 4,545,454 common shares of Claude in 2014 (the "**Claude Shares**") for no cost in consideration for a forbearance agreement. On September 21, 2015, Claude prepaid this debt facility in full, including unwinding and redeployment fees of $199,000. The Claude Shares were still owned by the NCOF Funds at September 30, 2015. See "Revenues".

4. In December 2014, the NCOF Funds provided a $22.5 million debt facility to CRH Medical Corporation ("TSX:CRH") ("**CRH**") and received 2,000,000 common shares of CRH (the "**CRH Shares**"). Prior to June 30, 2015, the NCOF Funds had sold 1,194,500 CRH Shares for a total of approximately $4.6 million and, in July 2015, the NCOF Funds sold the remaining 805,500 CRH Shares for approximately $4.1 million. See "Revenues".

Outlook

Management continues to place a high priority on new originations to increase its assets under management and reinvest funds received from loans as they are repaid. As Crown look to put its capital to work, market conditions are currently favourable and the pipeline of potential transactions is strong. Recently, Crown added three senior professionals to increase its capacity to originate, underwrite and manage new transactions.

Crown is focused on a segment of the market, successful businesses in the mid-market, where there is an ongoing funding gap. This gap is more pronounced during periods in the cycle when many traditional capital providers pull back. As Crown continues to execute its plan and to deploy its liquidity in new originations, it expects to generate growing cash flow, implement a dividend, and build long-term value for shareholders.

Discussion of Operations

For the three and nine months periods ended September 30, 2015 and the year ended December 31, 2014, the business of the Corporation was limited primarily to the provision of investment management services to three limited partnerships: NCOF II, NCOF II (Parallel), LP and Norrep Credit Opportunities Fund, LP ("**NCOF LP**"). With the closing of CCF IV LP on September 23, 2015, Crown is now providing investment management services to four limited partnerships (individually a "**Crown Fund**" and collectively the "**Crown Funds**"). Total assets under management in the Crown Funds at September 30, 2015 were approximately $54.0 million.

The NCOF Funds' first investment ($20.0 million) was made in December 2012 and fully repaid in July 2014. Additional financing transactions by the NCOF Funds were originated in April 2013 ($25.0 million), December 2013 ($10.0 million), December 2014 ($22.5 million) and April 2015 ($4.0 million). At September 30, 2015, the NCOF Funds report the estimated fair value of remaining investments at approximately $27.9 million.

CCF IV LP's first investment ($15.0 million) was made in September 2015. At September 30, 2015, CCF IV LP estimated the fair value of its investments at $14,982,130. CCF IV LP received a $300,000 financing fee upon closing of this investment.

Operating costs in the three and nine months ended September 30, 2015 are mostly fixed with the largest cost being employee compensation, including share-based compensation and amounts accrued for annual employee bonuses.

For purposes of this MD&A, "**Committed Capital**" means the aggregate amount of the subscription price of all units of a limited partnership that are issued and remain outstanding at that time as may be adjusted in accordance with the provisions of the relevant limited partnership agreement and "**Contributed Capital**" means, at any particular time, the aggregate amount that has actually been contributed by limited partners by payment to the capital of the relevant limited partnership on account of all of the outstanding limited partnership units of the relevant partnership at that time.

Quarterly Results Summary

	Three Months Ended		
	September 30 2015	June 30 2015	March 31 2015
Revenue	$ 1,920,876	$ 273,121	$ 257,783
Total comprehensive income (loss), net of non-controlling interest	$ 395,220	$ (42,423)	$ 220
Total comprehensive income(loss)/share - basic[1]	$ 0.05	$ (0.13)	$ -
Total comprehensive income(loss)/share - diluted[1]	$ 0.04	$ (0.13)	$ -
Investments, at fair value through profit or loss	$ 36,401,906	$ -	$ -
Total Assets	$ 114,296,590	$ 7,200,015	$ 4,368,382
Total Equity	$ 97,257,858	$ 728,149	$ 103,972
Total Equity per Share - basic	$ 10.25	$ 2.00	$ 0.34

1. Total comprehensive income(loss)/share, basic and diluted, are based on the weighted average shares outstanding and reflect the 3,030:1 share split which occurred on June 30, 2015.

Revenues

Revenues of $1,920,876 and $2,451,780 were recognized in the three and nine months ended September 30, 2015 (2014 - $365,513 and $1,400,563), respectively. Revenues were higher in 2015 primarily due to the acquisition of approximately a 69.75% interest in NCOF II on July 9, 2015. The acquisition resulted in the inclusion of Interest for Distribution Purposes and Financing Fees and Other Income earned by NCOF II during the three months ended September 30, 2015.

The Corporation earns management fees pursuant to management agreements with each Crown Fund. The base annual management fees for the Crown Funds are generally equal to 1.75% of Contributed Capital less any capital distributions and realized losses; however, Crown will earn reduced management fees on the Contributed Capital of certain limited partners as provided for in the CCF IV LP limited partnership agreement. In addition, effective January 1, 2015, Crown voluntarily reduced its management fees charged to NCOF LP by applying the 1.75% per annum rate to an amount equal to the estimated fair value of the remaining debt investments held by NCOF LP.

Crown consolidates its approximate 69.75% interest in NCOF II and, through CCFC, its 50% interest in CCF IV LP. On consolidation, 100% of management fees earned from NCOF II and CCF IV LP are eliminated against the management fees expensed by NCOF II and CCF IV LP. The Non-Controlling Interest of each of NCOF II and CCF IV LP bear 30.25% and 50%, respectively, of the management fees while Crown effectively bears the other 69.75% and 50%, respectively, in regards to its ownership interests.

Investment Management Fees (net of rebates) of $134,064 and $661,552 were recognized in the three and nine months ended September 30, 2015 (2014 - $363,509 and $1,395,019), respectively. Management fees were lower in 2015 due largely to a combination of the elimination on consolidation of post-Rollover Transaction management fees charged to NCOF II and returns of capital to investors which reduced the amount of Contributed Capital on which management fees are charged.

Historically, Crown provided certain rebates of the applicable management fees to insiders of Crown and paid a lead investor fee to a large investor in NCOF II and NCOF LP. These rebates ceased to be paid after June 30, 2015.

The following chart sets forth a reconciliation of the management fees earned by Crown for the periods specified:

Management Fees Reconciliation	**Three Months Ended**		**Nine Months Ended**	
	September 30 2015	**September 30 2014**	**September 30 2015**	**September 30 2014**
NCOF LP	83,782	154,862	244,299	637,004
NCOF II	167,065	251,894	556,628	855,208
NCOF II (Parallel)	50,283	40,815	167,533	215,817
CCF IV LP	4,650	-	4,650	-
Other fee revenue	-	7,500	-	25,500
Total management fee revenue	305,780	455,071	973,110	1,733,529
less - Insider fee rebates	-	(49,344)	(65,352)	(180,918)
less - Lead investor rebates	-	(42,219)	(74,490)	(157,593)
less - Consolidation elimination [1]	(171,716)	-	(171,716)	-
Total management fees net of rebates	134,064	363,508	661,552	1,395,018

1. Management fees payable by NCOF II after the Rollover Transaction and by CCF IV are eliminated on consolidation. The Non-controlling Interest in Total Comprehensive Income is reduced by the portion of such fees attributable to Non-controlling Interest.

Interest for Distribution Purposes in the three and nine months ended September 30, 2015 was $1,256,795 and $1,260,181 (2014 - $1,986 and $5,526), respectively. The increases were due primarily to inclusion, post-acquisition, of interest earned on investments held by NCOF II.

Financing Fees and Other Income in the three and nine months ended September 30, 2015 was $606,693 and $606,723 (2014 - $18 and $18), respectively. The amounts earned in 2015 include unwinding and redeployment fees received upon the repayment of the loans to Questrade ($153,730) and Claude ($152,962) and transaction fees ($300,000) received by CCF IV LP upon closing of the Petrowest loan.

The Net Realized Gain on Sale of Investments in the three and nine months ended September 30, 2015 totaled $71,387 (2014 - $nil) and included a gain on the sale, in July 2015, of the remaining CRH Shares held by the NCOF Funds ($233,794), net of the reversal of a previously-accrued unrealized gain on the loan to Claude ($162,407).

The Net Change in Unrealized Losses in Fair Value of Investments in the three and nine months ended September 30, 2015 was $148,063 (2014 - $nil) and resulted from a combination of factors but primarily from a decline in the price of the Claude Shares between June 30, 2015 and September 30, 2015.

Subsequent to the closing of the IPO, two loans made by the NCOF Funds were repaid in full.

In December 2013, the NCOF Funds provided a $10.0 million debt facility to Questrade with a maturity date of November 27, 2018. On July 24, 2015, Questrade prepaid this facility in full, including bonus interest and unwinding and redeployment fees totaling $2.2 million. NCOF II's pro rata portion of the outstanding principal amount of this loan at July 24, 2015 was $7,686,523. The amount of principal, bonus interest and unwinding and redeployment fees received by NCOF II as a result of Questrade's prepayment totaled $9,377,559. A portion of the bonus interest ($1,443,532), had been accrued prior to the Rollover Transaction and had been included in the fair value of Investments acquired in the Rollover Transaction. The total net impact of the Questrade prepayment on Revenue for the three months ended September 30, 2015 was $247,504 (Financing fees and Other Income - $153,731, Interest for Distribution Purposes - $93,774).

In April 2013, the NCOF Funds provided a $25.0 million debt facility to Claude with a maturity date of April 5, 2018. On September 21, 2015, Claude prepaid this facility in full, including principal and unwinding and redeployment fees of $199,000. NCOF II's pro rata portion of the outstanding principal amount of this loan at September 21, 2015 was $15,296,182. The unwinding and redeployment fees received by NCOF II totaled $152,963. At the date of the Rollover Transaction, $162,407, in addition to the outstanding principal amount, was included in the fair value of Investments with respect to the value of the Claude loan. The total net impact of the Claude repayment on Revenues for the three months ended September 30, 2015 was a reduction of $9,445 (Financing Fees and Other Income - $152,962, Net Realized Loss on Sale of Investments - $162,407).

The NCOF Funds received 4,545,454 Claude Shares in 2014 for no cost as consideration for a forbearance agreement. At the time of the Rollover Transaction, NCOF II's pro rata interest in the Claude Shares was assigned a total fair value of $2,340,896. The Claude Shares were still owned by the NCOF Funds at September 30, 2015. Based on the closing price on September 30, 2015, NCOF II's pro rata interest in the Claude Shares was valued on that date at a total of $2,201,141, resulting in a Net Change in Unrealized Losses in Fair Value of Investments of $139,755.

On September 29, 2015, CCF IV LP entered into the Petrowest Agreement to provide a $15 million term loan to Petrowest. The term loan bears a fixed interest rate of 11% per annum, compounded and payable monthly, and matures in 36 months. Under the terms of the Petrowest Agreement, Petrowest issued 4,300,000 common share purchase warrants to CCF IV LP to which CCF IV LP allocated a total fair value of $235,692. Each common share purchase warrant of Petrowest entitles CCF IV LP to purchase one class A common share of Petrowest at an exercise price of $0.40 with an exercise period of five years. The loan included a transaction fee of $300,000 which was recognized on the closing date of the loan as Financing Fee and Other Income.

The following table provides additional details regarding Net Realized Gain on Sale of Investments and the Net Change in Unrealized Gains (Losses) in Fair Value of Investments for the three months ended September 30, 2015:

Net Realized Gain on Sale of Investments and Net Change in Unrealized Gains (Losses) in Fair Value of Investments

Three months ended September 30, 2015	Estimated Fair Value June 30 2015	Estimated Fair Value September 30 2015	Principal Payments or Sale Proceeds	Net Realized Gain (Loss) on Sale of Investments	Net Change in Unrealized Gains (Losses) in Fair Value of Investments
NCOF II					
CRH loan	15,971,708	15,983,320	-	-	11,612
CRH Shares	2,934,768	sold	3,168,564	233,794	-
Questrade loan[1]	9,130,056	repaid	9,130,056	-	-
Claude loan	15,919,781	repaid	15,757,374	(162,407)	-
Claude Shares	2,340,896	2,201,141	-	-	(139,755)
Other warrants	173,992	147,180	-	-	(26,812)
Other loan	3,063,374	3,088,135	-	-	24,760
CCF IV LP:					
Petrowest loan[2]	n/a	14,746,438	-	-	(17,870)
Petrowest warrants	n/a	235,692	-	-	-
Totals	49,534,575	36,401,906	28,055,994	71,387	(148,065)

1. The excess of proceeds from the Questrade repayment over the June 30, 2015 estimated fair value was bonus interest and has been recognized in Interest For Distribution Purposes.

2. The cost allocated to the Petrowest loan at closing on September 29, 2015 was $14,764,308. The balance of the $15.0 million invested ($235,692) was allocated to the Petrowest warrants.

Expenses

Expenses in the three and nine months ended September 30, 2015 totaled $1,420,387 and $2,000,942 (2014 - $357,962 and $1,394,683), respectively.

Salaries, Management Fees and Benefits expenses totaled $673,044 and $1,040,767 in the three and nine months ended September 30, 2015 (2014 - $282,139 and $1,119,449), respectively. Prior to the IPO, it was Crown's policy to accrue management fee expenses and management fees payable by approximately the amount of taxable income before such fees. This practice was not continued after the IPO. The increase in Salaries, Management Fees and Benefits expenses in the three months ended September 30, 2015 compared to the same period in 2014 was due primarily to the accrual in 2015 of annual employee bonuses for the full nine months ended September 30, 2015 in the amount of $430,000. Recently, Crown added three senior professionals to increase its capacity to originate, underwrite and manage new transactions.

Share-based Compensation totaled $414,791 in the three and nine months ended September 30, 2015 (2014 - $nil). In the three months ended September 30, 2015, the Corporation issued 181,818 transition restricted share units (the "**Transition Restricted Share Units**"), 36,528 performance share units (the "**Performance Share Units**") and 31,895 restricted share units (the "**Restricted Share Units**") (collectively the "**Share Units**") to key management personnel, directors and employees. The Transition Share Units, valued at $2,000,000 at closing of the IPO, were issued to two key management personnel to compensate for long and valued service rendered by them to the Corporation. The Restricted Share Units and Transition Restricted Share Units generally vest over a one to three year period. The Performance Share Units vest when certain performance objectives are achieved and it is expected they will be fully vested by July 2017. The fair value of the Share Units granted was based on the closing price on the date of grant. In addition, upon completion of the IPO, the Corporation issued 428,213 stock options (the "**Options**") to key management personnel and employees. The Options vest over a three-year period and have a five-year term and exercise price of $11.00. At September 30, 2015, the Options granted were valued at $1.14 each based on the Black-Scholes model. Expected volatility has been based primarily on the volatility of shares in comparable public companies.

The assumptions used at September 30, 2015 to determine the fair value of Options granted include:

Risk free interest rate	1.0%
Dividend yield	4.0%
Expected volatility	25%
Expected life	5 years
Grant price per Option	$10.10
Exercise price per Option	$11.00

Share-based Compensation expense is recognized over the expected vesting period of each award. The table below details the Share-based Compensation expense recognized in the three and nine months ended September 30, 2015.

Share-based Compensation Expense		
Three and Nine Months Ended September 30, 2015		
	Number	Expense ($)
Transition Restricted Share Units	181,818	$ 256,422
Performance Share Units	36,528	57,884
Options	428,213	68,165
Restricted Share Units - employees	11,443	8,803
Restricted Share Units - directors	20,452	23,517
Total	678,454	$ 414,791

Professional Fees and Other Expenses totaled $274,274 and $485,874 in the three and nine months ended September 30, 2015 (2014 - $75,153 and $273,126), respectively. Professional Fees and Other Expenses includes professional fees (such as legal and audit costs), advisory board fees, travel, promotion, occupancy costs, insurance, depreciation, office administration and other costs. Some costs incurred in the three months ended September 30, 2015 are expected to be non-recurring or occur infrequently, such as legal expenses to establish CCF IV LP and executive recruitment costs associated with expanding the management team.

Performance Fees

The Corporation has an asset performance bonus pool ("APBP") arrangement for certain individuals, primarily employees. For each fund managed by the Corporation, 20% of investment returns in excess of an annual rate of return of 8% earned by the fund will accrue to the Corporation as performance fees. The Corporation's current compensation policy provides that 50% of such fees earned after the closing of IPO will be distributed to certain officers and employees of the Corporation.

During the three and nine months ended September 30, 2015, the Corporation accrued $57,693 (2014 - $nil) for Performance Fees expected to paid to APBP participants at a future date.

Gain on Acquisition of Investment

For the three and nine months ended September 30, 2015, Crown recorded a Gain on Acquisition of Investment of $469,625 (2014 - $nil). Immediately prior to closing of the IPO, the Corporation acquired approximately 69.75% of the limited partnership units of NCOF II in exchange for 3,214,494 Shares valued at $35,359,423 as described in Note 1 of the Corporation's September 30, 2015 condensed consolidated interim financial statements.

Earnings Before Income Taxes

For the three and nine months ended September 30, 2015, Crown had Earnings Before Income Taxes of $970,114 and $920,463 (2014 - $7,551 and $5,880), respectively.

Income Taxes

For the three and nine months ended September 30, 2015, Crown recorded Current Income Taxes of $84,580 and $77,132 (2014 – $1,133 and $882), respectively and Deferred Income Taxes of $129,050 (2014 – $nil).

Current and Deferred Income Taxes are recognized based on management's best estimate of the weighted-average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period.

The Corporation's consolidated effective tax rate for the nine months ended September 30, 2015 was 27%. The effective rate increased on the date of the IPO as the Corporation is now classified as a public corporation and not eligible for the small business deduction.

The Deferred Income Tax asset at September 30, 2015 results primarily from financing costs associated with the IPO which are deductible for tax purposes over a five year period.

Total Comprehensive Income

For the three and nine months ended September 30, 2015, Crown earned Total Comprehensive Income of $756,484 and $714,281 (2014 - $6,418 and $4,998), respectively.

Total Comprehensive Income Attributable to Shareholders of the Corporation and Non-controlling Interests

Through the Rollover Transaction, Crown acquired approximately 69.75% of the outstanding units of NCOF II resulting in a Non-controlling Interest in NCOF II of approximately 30.25%. Through CCFC's subscription for 50,000 units of CCF IV LP, Crown acquired a 50% interest in CCF IV LP, resulting in a Non-controlling Interest in CCF IV LP of 50%. For the three and nine months ended September 30, 2015, Total Comprehensive Income Attributable to Shareholders of the Corporation was $395,220 and 353,017 (2014 - $6,418 and $4,998), respectively. Total Comprehensive Income Attributable to Non-controlling Interests was $361,264 (2014 – $nil).

Liquidity and Capital Resources

Cash and Cash Equivalents at September 30, 2015 totaled $76,039,710 (December 31, 2014 - $2,722,124). The increase in Cash and Cash Equivalents was primarily the combined result of the receipt of proceeds of the IPO, the sale of the remainder of the CRH Shares held by the NCOF Funds and the repayment of the NCOF Funds loans to Questrade and Claude.

The Corporation's Current Liabilities at September 30, 2015 totaled $1,704,346 (December 31, 2014 - $2,571,410). Accounts Payable and Accrued Liabilities at September 30, 2015 of $1,347,413 (December 31, 2014 - $2,570,784) included normal-course amounts due to NCOF LP, NCOF II (Parallel) and suppliers as well as accruals for annual employee bonuses. Distributions payable to Non-controlling Interests totaled $279,546 (December 31, 2014 – $nil) and Income Taxes payable were $77,387 (December 31, 2014 - $626). Working capital at September 30, 2015 was $74,593,082 (December 31, 2014 - $195,392).

The Corporation has sufficient liquidity to fund its commitment to CCF IV LP.

The Corporation, on a segregated basis, retains sufficient capital to ensure it meets minimum excess working capital requirements under applicable securities law. This amount was $100,000 as at September 30, 2015.

The Corporation entered into long-term subordinated shareholder loans in 2012 for $25,000 and an additional $75,000 in 2014. These loans carried no interest, had no set repayment terms and were subordinated to all other creditors. In addition, the shareholders provided short term demand loans totaling $250,000 in February 2015 in order to ensure sufficient capital was available to fund the initial costs of the IPO. These additional loans were subordinated in May 2015. On July 13, 2015, the full amount of the subordinated shareholder loans was repaid from the net proceeds of the IPO.

Investments, at Fair Value Through Profit or Loss

Investments, at Fair Value through Profit or Loss, at September 30, 2015 totaled $36,401,906 (December 31, 2014 - $nil). On July 9, 2015, immediately prior to the closing of the IPO, Crown acquired investments held by NCOF II totaling $49,534,576 in the Rollover Transaction. On September 29, 2015, CCF IV LP entered into the Petrowest Agreement to provide an 11%, $15.0 million term loan to Petrowest. Under the terms of the Petrowest Agreement, Petrowest also issued 4,300,000 common share purchase warrants to CCF IV LP. In the third quarter, the NCOF Funds, of which NCOF II's pro rata ownership is 76.87%, received a prepayment on July 24, 2015 of a $10 million debt facility in full from Questradeand on September 21, 2015, Claude prepaid a $25 million debt facility in full. In addition, in July 2015, the NCOF Funds sold the remaining 805,500 CRH Shares for approximately $4.1 million.

Management continues to place a high priority on new originations to increase its assets under management and reinvest the loans repaid. As Crown look to put its capital to work, market conditions are currently favourable and the pipeline of potential transactions is strong. While the Corporation believes it has many loan prospects, there may be periods where there is a delay between the time loans are repaid and that capital is redeployed into new loans, such that Interest for Distribution Purposes, Financing Fees and Other Income and the capital base for the determination of management fee revenues decreases in the short term.

Performance Fee Payable

The Corporation has an APBP arrangement for certain individuals, primarily employees. For each fund managed by the Corporation, 20% of investment returns in excess of an annual rate of return of 8% earned by the fund will accrue to the Corporation as performance fees. The Corporation's current compensation policy provides that 50% of such fees earned after the closing of IPO will be distributed to certain officers and employees of the Corporation.

Prior to the closing of the IPO, the Corporation committed to pay 100% of performance fees earned to that date from NCOF II to the then-current participants of the APBP, including the pre-IPO shareholders and certain directors. Accordingly, the performance fee liability accrued in NCOF II at the date of acquisition, as described in Note 1, is recognized as a liability in the consolidated statement of financial position at September 30, 2015. The liability at September 30, 2015 ($1,793,486) also includes 50% of performance fees accrued in the third quarter of 2015. The other 50% will be retained by the Corporation.

Non-Controlling Interests

As a result of the Rollover Transaction, Crown acquired approximately 69.75% of the outstanding units of NCOF II resulting in a Non-controlling interest in NCOF II of approximately 30.25%. Through CCFC's subscription for 50,000 units of CCF IV LP, Crown acquired a 50% interest in CCF IV LP, resulting in a Non-controlling interest in CCF IV LP of 50%. At September 30, 2015, the Non-controlling Interests on the Statement of Financial Position were $13,540,900 (December 31, 2014 - $nil).

Share Capital

Prior to May 20, 2015, the Corporation had Share Capital of $100 and 100 Shares outstanding. On May 20, 2015, the Corporation issued 20 Shares at a price of $1 per Share to two key management personnel, contingent on the successful completion of the IPO, resulting in total Shares outstanding of 120. The Shares were split on a 3,030 to 1 basis on June 30, 2015, resulting in 363,600 shares issued and outstanding at June 30, 2015.

The 20 Shares issued on May 20, 2015 (60,600 post-split) were ascribed a fair value of $11 per Share (also post-split) for a total value of $666,600. This amount, net of the total price paid for the Shares ($20), was recorded at June 30, 2015 as an increase in Share Capital of $666,580.

On July 9, 2015, pursuant to an underwriting agreement, the Corporation issued 5,910,000 Shares pursuant to the IPO priced at $11.00 per Share, resulting in gross proceeds of $65,010,000. Immediately prior to closing of the IPO, the Corporation acquired approximately 69.75% of the outstanding units of NCOF II in exchange for 3,214,494 Shares valued at $35,359,423.

At September 30, 2015, Share Capital was reduced for share issue costs, including underwriters commissions and offering expenses, totaling $4,649,725, net of the estimated deferred tax impacts. As at September 30, 2015, total Share Capital was $96,386,398 (December 31, 2014 - $100).

The total number of common shares outstanding at September 30, 2015 and November 9, 2015 was 9,488,094.

In the three months ended September 30, 2015, the Corporation issued 181,818 Transition Restricted Share Units, 36,528 Performance Share Units, 31,895 Restricted Share Units and 428,213 Options. The Transition Restricted Share Units and Restricted Share Units generally vest over a one to three year period The Performance Share Units vest when certain performance objectives are achieved and it is estimated these units will vest in July 2017. Share Units are settled by the issuance of Shares of the Corporation. The Options vest over a three-year period and have a five-year term and an exercise price of $11.00. Vesting of all outstanding Share Units and exercise of all outstanding Options would result in the issuance of 678,454 Shares.

Cash flows

The Corporation's Cash and Cash Equivalents increased to $76,039,710 at September 30, 2015 from $2,722,124 at December 31, 2014. In the nine months ended September 30, 2015, the Corporation's cash balance was increased by, among other factors, the proceeds from the IPO, net of issue costs and related tax impacts, of $59,307,114; proceeds from loan repayments and the sale of CRH Shares totaling $28,055,994; funds contributed by the non-controlling interest in CCF IV LP of $7,500,000; and total comprehensive income of $714,281. During the same period, the Corporation's cash balance was reduced due to the closing of the Petrowest loan for $15,000,000 and distributions paid to non-controlling interests totaling $10,247,987.

Off-Balance Sheet Arrangements

The Corporation, through CCFC, subscribed for 50,000 units of CCF IV LP. This subscription includes a commitment by Crown to provide up to $50 million to CCF IV LP as funds are called by CCF IV. As of September 30, 2015, the Corporation had contributed capital to CCF IV LP totaling $7.5 million. Crown has no other material off-balance sheet arrangements.

Transactions Between Related Parties

Pursuant to the limited partnership agreements, NCOF LP and NCOF II (Parallel) pay management fees to the Corporation for management services provided. During the three and nine months ended September 30, 2015, management fees earned from these limited partnerships amounted to $134,064 and $411,832 (2014 - $195,677 and $852,821), less rebates of $nil and $42,211 (2014 - $39,371 and $162,831), respectively.

NCOF II and CCF IV LP also pay management fees to the Corporation for management services provided. Other than amounts paid by NCOF II prior to the Rollover Transaction, management fees paid to the Corporation by NCOF II and CCF IV LP are eliminated on consolidation. For the period in 2015 prior to the Rollover Transaction, NCOF II paid management fees to the Corporation of $389,563 less rebates of 97,632 (three and nine months ended September 30, 2014 - $251,894 and $855,208, less rebates of $52,192 and $175,681, respectively).

Prior to the IPO, it had been Crown's practice to accrue annual management fee expenses and management fees payable to employees and shareholders as a means to reduce income before income taxes to a nominal amount. This practice has not continued since closing of the IPO.

Critical Estimates and Accounting Policies

The Corporation uses critical estimates, judgements or accounting policies, including for the valuation of share-based compensation and investments. The Corporation has adopted new accounting policies, as discussed in Note 3 of the September 30, 2015 condensed consolidated interim financial statements, to address share-based payments which are recorded at fair value, accounting for Financial Assets and Financial Liabilities, and accounting for non-controlling interests.

Future Accounting Pronouncements

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Corporation's financial statements are disclosed below. These are the changes that the Corporation reasonably expects may have an impact on its disclosures, financial position or performance when applied at a future date. The Corporation intends to adopt these standards when they become effective.

Financial Instruments

IFRS 9, Financial Instruments ("**IFRS 9**"), will replace IAS 39, Financial Instruments: Recognition and Measurement ("**IAS 39**"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Corporation is currently evaluating the impact of IFRS 9 on its financial statements, if any.

Revenue

IFRS 15, Revenue from Contracts with Customers ("**IFRS 15**"), was issued by the IASB in May 2014, is effective for periods beginning on or after January 1, 2018 and is to be applied retrospectively. IFRS 15 clarifies the principles for recognizing revenue from contracts with customers. The Corporation intends to adopt IFRS 15 in its financial statements for the annual period beginning January 1, 2018. The Corporation is currently evaluating the impact of IFRS 15 on its financial statements, if any.

Financial Instruments and Associated Risks

The Corporation's financial instruments include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and shareholder loans. The fair values of these financial instruments approximate carrying value due to the short term to maturity of the instruments.

The Corporation, through its subsidiaries NCOF II and CCF IV, also holds the following investments at fair value through profit or loss.

	September 30, 2015			
	Quoted prices in active markets for identical assets (Level 1)	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Canadian equity securities				
- NCOF II	$ 2,201,140	$ 147,180	$ -	$ 2,348,320
- CCF IV LP	-	235,692	-	235,692
Canadian debt securities				
- NCOF II	-	-	19,071,456	19,071,456
- CCF IV LP	-	-	14,746,438	14,746,438
Total Investments	$ 2,201,140	$ 382,872	$ 33,817,894	$ 36,401,906

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Corporation's Canadian equity securities include NCOF II's interest in the Claude Shares and CCF IV LP's interest in the common share purchase warrants of Petrowest as well as NCOF II's interest in the warrants of a privately-held Canadian company. Petrowest and Claude are both publicly-traded companies. The primary risk to the fair value through profit or loss of these equity securities is market risk.

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Corporation's investments in debt securities. A portion of the debt instruments held by the Corporation are unrated and relatively illiquid. Repayments are dependent on the ability of the underlying businesses to generate sufficient cash flow from operations, refinancings or the sale of assets or equity. The terms of the individual debt instruments and the risks of the underlying businesses are reflected in the fair values at the reporting date.
The Corporation's Canadian debt securities include NCOF II's interest in the loans to CRH and Corrosion Services Company Limited and CCF IV LP's loan to Petrowest. The primary risk to the fair value through profit or loss of these debt securities is credit risk. The term of these debt securities include fixed interest rates so there is no interest rate risk.

The Corporation's investments at fair value through profit or loss are denominated in Canadian currency so there is no currency risk associated with the above investments.

Subsequent Events

There have been no material subsequent events between September 30, 2015 and the date of this MD&A.

Risk Factors

Crown operates in a dynamic environment that involves various risks, many of which are beyond Crown's control and which could have an effect on Crown's business, revenues, operating results and financial condition.

In the short term, a significant risk to the Corporation is that all financing clients repay their loans and replacement loans are not completed such that Interest for Distribution Purposes, Financing Fee and Other Income and the capital base for determination of management fee revenues drop significantly. In the longer term, an inability to raise and place additional capital on which to charge interest and management fees would be a significant risk.

A further risk to the Corporation is credit risk related to decreases in the value of investments in which Crown has an ownership interest through its investments in the NCOF Funds.

The primary risk factor for NCOF II is credit risk, being the potential inability of one or both of the two remaining investee companies to meet their obligations to the NCOF Funds. In addition, the NCOF Funds currently hold Claude Shares which were valued at $2.9 million at September 30, 2015 and warrants in a privately-held Canadian company valued at $0.15 million. A drop in the value of these shares or warrants would reduce the value of Crown's Investments.

The primary risk factor for CCF IV LP is credit risk, being the potential inability of Petrowest to meet its obligations to CCF IV LP.

See Note 6 Financial risk management in the Corporation's September 30, 2015 condensed consolidated interim financial statements.

A complete discussion of the risks faced by the Corporation can be found in the Corporation's Prospectus dated June 30, 2015 available under the Corporation's profile at www.sedar.com.

Internal Controls Over Financial Reporting

As a new reporting issuer, the Corporation is not required to report on the design of disclosure controls and procedures and internal controls over financial reporting until it issues the financial results for the fourth quarter of 2015.

Additional Information
Additional information relating to the Corporation is available on SEDAR at www.sedar.com