RETURN ENERGY INC.

MANAGEMENT'S DISCUSSION & ANALYSIS
AS AT AND FOR THE THREE MONTHS ENDED
MARCH 31, 2020

INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") of Return Energy Inc. ("Return" or the "Company") has been prepared by management as of May 13, 2020, in accordance with the requirements of National Instrument 51-102 – *Continuous Disclosure Requirements* ("NI 51-102"). This MD&A should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and related notes for the three months ended March 31, 2020, and its audited consolidated annual financial statements and MD&A for the year ended December 31, 2019. The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The information provided in this MD&A is not intended to be a comprehensive review of all matters and developments concerning the Company and is not a substitute for detailed investigation or analysis on any particular issue. The Company is presently a "Venture Issuer" as defined in NI 51-102. Additional information relevant to the Company's activities, including Return's Annual Information Form for the year ended December 31, 2019 (the "AIF"), can be found on SEDAR at www.sedar.com and the Company's website at www.spartandeltacorp.com.

All financial information in this MD&A has been prepared in accordance with IFRS, unless otherwise indicated. All dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

This MD&A contains forward-looking statements, non-IFRS measures and other non-financial measures. Readers are cautioned that the MD&A should be read in conjunction with the Company's disclosures under the headings "Forward-Looking Statements", "Non-IFRS Measures", and "Other Measurements" included at the end of this MD&A.

OVERVIEW OF THE BUSINESS

The Company was incorporated under the laws of Alberta on March 20, 2006. On December 19, 2019, Return was recapitalized upon completion of a non-brokered private placement for gross proceeds of $25.0 million and the appointment of a new management team and new board of directors (the "Recapitalization Transaction"). The shareholders of the Company approved a name change to "Spartan Delta Corp." (the "Name Change") at a meeting of shareholders held on March 4, 2020. The Name Change is expected to be completed on or about May 29, 2020.

Through its wholly-owned subsidiary, Winslow Resources Inc. ("Winslow"), the Company is engaged in the exploration for, and development and production of petroleum and natural gas properties in Western Canada. As at March 31, 2020, the Company's core land holdings are located at Rycroft-Valhalla, in the Peace River Arch area of northwest Alberta. Subsequent to the quarter, on April 23, 2020, the Company announced that it has entered into an agreement to purchase substantially all the assets of Bellatrix Exploration Ltd. (the "BXE Asset Acquisition"). Additional information regarding the BXE Asset Acquisition is provided under the heading "Subsequent Events".

Return's common shares are listed on the TSX Venture Exchange and currently trade under the symbol "RTN" (see also, "Subsequent Events – Name Change and Share Consolidation"). The Company's head office is located at 202, 1201 – 5th Street S.W., Calgary, Alberta T2R 0Y6. The registered office is located at 4300 Bankers Hall West, 888 – 3rd Street S.W., Calgary, Alberta T2P 5C5.

GROWTH STRATEGY

Structural changes to the market over the last quarter have materially enhanced the opportunity set for Return's targeted acquisition and consolidation strategy. The Company is focused across multiple jurisdictions on rarely seen opportunities to acquire top tier assets at historically low valuations, while simultaneously utilizing restructuring tools to reduce burdensome debt, legacy fixed cost commitments and unnecessary overhead. The Company's intent is to emerge from future acquisitions with an industry leading balance sheet with both sustainable and profitable corporate metrics on strip commodity pricing. Simultaneously, the Company continues to focus on the expansion of its opportunity suite through internally generated prospects and strategic tuck-in acquisitions, in addition to its identified horizontal drilling locations on Return's existing acreage, in both the Upper Charlie Lake at Rycroft and in the Lower Charlie Lake at Gordondale.

FINANCIAL AND OPERATING HIGHLIGHTS

	Three months ended March 31,		
(Canadian dollars $, except as otherwise indicated)	**2020**	2019	change
FINANCIAL			
Revenue	**416,128**	529,120	-21%
Net loss and comprehensive loss	**(4,822,197)**	(427,366)	1028%
$ per share, basic and diluted	**-**	-	-
Funds used in operations [(1)]	**(1,508,227)**	(165,675)	810%
Capital expenditures, net of dispositions	**376,029**	(261,330)	-244%
Total assets	**30,937,370**	11,990,171	158%
Working capital surplus	**21,718,268**	925,593	2246%
Long-term liabilities	**7,541,720**	8,875,562	-15%
Shareholders' equity	**20,817,973**	2,644,752	687%
OPERATING			
Average daily production (BOE/d)	**251**	224	12%
% Oil and NGLs	**17%**	21%	-18%
Average realized price ($ per BOE)	**16.34**	24.90	-34%
Operating netback (loss) ($ per BOE) [(1)]	**(4.33)**	6.47	-167%

(1) "Operating netback (loss)" and "Funds used in operations" do not have standardized meanings under IFRS, refer to "Non-IFRS Measures" section of this MD&A.

FIRST QUARTER 2020 HIGHLIGHTS:

- Return was recapitalized on December 19, 2019 upon completion of a private placement for gross proceeds of $25.0 million and the appointment of a new management team and new board of directors. The Company focused on execution of its growth strategy during the first quarter of 2020, evaluating numerous acquisition opportunities and announced its first deal, which will be transformational to the Company, subsequent to the quarter on April 23, 2020. Refer to "Subsequent Events – BXE Asset Acquisition".
- Simultaneously, the Company continues to focus on optimization of its existing asset base and expansion of its suite of internal generally prospects. During the first quarter, the Company completed production optimization workovers on 7 (7.0 net) wells at Rycroft at of cost of $325,918. Total capital expenditures during the quarter ended March 31, 2020 also include $39,934 of expenditures on exploration and evaluation assets and $10,177 on corporate assets.
- The outbreak of the novel coronavirus ("COVID-19") was declared a pandemic by the World Health Organization on March 11, 2020. Crude oil prices have declined dramatically due to the actual and anticipated impacts of COVID-19 on global commerce and energy demand, and due to disagreements between major oil producing nations of Saudi Arabia and Russia with respect to production quotas. The production cuts by the Organization of Petroleum Exporting Countries ("OPEC") in late 2019 and discussions of potentially further cuts in 2020 had, until recently, kept WTI oil prices in the mid-to-low US$50s. On March 9, 2020, oil prices fell precipitously and WTI dropped into the low US$20s at the end of March. Subsequent to the quarter, the prompt month WTI contracts for May and June have traded as low as *negative* US$40. Natural gas prices have also been adversely affected by oversupply and expectations of lower industrial demand resulting from the global economic slow down.
- The effect of the pandemic and its impact on commodity prices is evident in the Company's financial results for the first quarter. Return reported a net loss of $4.8 million for the three months ended March 31, 2020,

compared to a loss of $0.4 million in the same period of 2019. In addition to the immediate impacts of low oil and gas prices on operating income (loss) and cash flow during the quarter, an impairment loss of $3.0 million was recognized as at March 31, 2020 as a result of the material decrease in long-term commodity price forecasts.

- The Company reported a 13% increase in average production volumes as a result of workovers completed during quarter. Production averaged 251 BOE per day (83% gas) for the three months ended March 31, 2020, compared to average production of 223 BOE per day (80% gas) during the previous quarter ended December 31, 2019.
- The substantial decrease in commodity prices is reflected in oil and gas sales revenue (before royalties) which decreased by 26% to $372,740 in the first quarter of 2020 compared to $500,997 in the first quarter of 2019, although total production volumes were 13% higher over the same period. Return's combined average realized price was $16.34 per BOE for the three months ended March 31, 2020, 34% lower than the average price of $24.90 per BOE in the same period of 2019.
- Operating expenses averaged $22.57 per BOE during the first quarter of 2020. In the comparative quarter of 2019, operating averaged $19.83 per BOE. High operating costs compounded by the significant decrease in commodity prices resulted in an operating loss of $0.1 million ($4.33 per BOE) for the three months ended March 31, 2020.
- Funds used in operations were $1.5 million for the first three months of 2020 compared to $0.2 million in the same period of 2019. Return incurred $0.9 million of general and administrative ("G&A") expenses to advance the Company's business development initiatives during the quarter and also spent $0.6 million on the settlement of decommissioning liabilities. Interest income of approximately $0.1 million offset a portion of the Company's overhead during the quarter.
- As at March 31, 2020, the Company had no bank debt and a working capital surplus of $21.7 million, including $23.8 million of cash on hand.

The Company is well positioned to confront the challenges and to take advantage of the opportunities presented by the current business environment. Subsequent to the reporting period, in conjunction with the anticipated completion of the BXE Asset Acquisition, the Company closed a non-brokered private placement for gross proceeds of $64.0 million and has received commitments from a syndicate of lenders to establish a $100.0 million revolving credit facility. Refer to additional information under the heading "Subsequent Events".

RESULTS OF OPERATIONS

PRODUCTION

	Three months ended March 31,	
	2020	2019
Production volumes		
Crude oil (bbls)	**2,382**	2,723
NGLs (bbls)	**1,522**	1,489
Natural gas (mcf)	**113,475**	95,430
Oil equivalent (BOE @ 6:1)	**22,817**	20,117
Average production per day		
Crude oil (bbls/d)	**26**	30
NGLs (bbls/d)	**17**	17
Natural gas (mcf/d)	**1,247**	1,060
BOE/d	**251**	224

Production averaged 251 BOE per day for the three months ended March 31, 2020, up 12% from 224 BOE per day in the same quarter of 2019, and up 13% compared to average production of 223 BOE per day during the previous quarter ended December 31, 2019. The increase in production is attributed to production optimization workovers performed by the Company in its core area at Rycroft during the quarter.

REVENUE

Benchmark commodity prices

	Jan-20	Feb-20	Mar-20	**Q1 2020**	Q1 2019	Change
WTI Cushing Oklahoma (US$/bbl) (1)	57.53	50.54	30.45	**46.17**	54.81	-16%
Canadian Light Sweet 40 API ($/bbl) (1)	63.81	59.07	33.19	**52.02**	66.92	-22%
NYMEX Henry Hub (US$/MMBtu) (1)	2.03	1.84	1.73	**1.87**	2.86	-35%
AECO 5A ($/GJ) (2)	2.18	1.74	1.86	**1.93**	2.49	-22%
Exchange rate (CA$/US$) (1)	1.31	1.33	1.39	**1.34**	1.33	1%

(1) Source: Sproule Associates Limited
(2) Source: Canadian Gas Price Reporter (NGX AB-NIT Same Day Index 5A)

Oil and gas sales

	Three months ended March 31,	
	2020	2019
Oil and gas sales, before royalties		
Crude oil	**$ 102,756**	$ 169,517
NGLs	**62,818**	84,599
Natural gas	**207,166**	246,881
Total oil and gas sales, before royalties	**$ 372,740**	$ 500,997
Average realized prices		
Crude oil ($/bbls)	**$ 43.14**	$ 62.25
NGLs ($/bbl)	**41.27**	56.82
Natural gas ($/mcf)	**1.83**	2.59
$/BOE	**$ 16.34**	$ 24.90

The Company's oil and gas sales, before royalties, decreased by 26% during the quarter ended March 31, 2020, as lower realized prices for oil, gas and NGLs more than offset the increase in production during the quarter.

Return's average realized price for its oil sales fell by 31% to $43.14 per barrel during the first quarter of 2020, down from $62.25 per barrel in the first quarter of 2019. By comparison, the Canadian Light Sweet reference price decreased by 22% over the same period. The collapse of global crude oil prices in March 2020 impacted Return's average realized price more punitively because approximately half of the Company's oil production during the first quarter of 2020 was sold in March. Pipeline nominations were made prior to the drop in oil prices and consequently could not be avoided.

The impact of lower crude oil prices is also reflected in the decrease in the Company average realized price for NGLs. As Return's NGLs sales volumes were highest in the month of March, the decrease in benchmark prices had a more pervasive impact on the Company's average realized price for the current quarter.

Natural gas prices have also faced significant weakness due to oversupply and expectations of lower industrial demand. The Company realized an average gas sales price of $1.83 per MCF during the quarter ended March 31, 2020, down 29% from $2.59 per MCF during the quarter ended March 31, 2019. Over the corresponding periods, the AECO 5A gas reference price averaged $1.93 per GJ and $2.49 per GJ, respectively. The Company's realized gas price is discounted to AECO as it is reported net of pipeline tariffs and fees. In the comparative quarter of 2019, Return's realized gas price appeared to be a premium relative to AECO due to a pricing error by the purchaser of approximately $15,000, which was subsequently reversed and corrected in the second quarter of 2019 and is not material.

Royalties

	Three months ended March 31,	
	2020	2019
Royalties		
Crude oil	**$ 826**	$ -
NGLs, before GCA	**21,504**	24,142
Natural gas, before GCA	**18,384**	21,594
Gas cost allowance ("GCA")	**(39,293)**	(44,645)
Total royalties	**$ 1,421**	$ 1,091
$ per BOE	**$ 0.06**	$ 0.05
Average royalty rate (% of sales)		
Crude oil	**0.8%**	0.0%
NGLs, before GCA	**34.2%**	28.5%
Natural gas, before GCA	**8.9%**	8.7%
Gas and NGLs, combined, net of GCA	**0.2%**	0.3%
Average royalty rate	**0.4%**	0.2%

Under the royalty framework in Alberta, a company producing natural gas from Crown lands is allowed to deduct certain gas gathering and processing costs (Gas Cost Allowance or “GCA”) in calculating royalties on natural gas and NGLs production. The Company’s net royalties after GCA are not significant.

Crude oil royalties, which are taken in-kind by the Crown, are not significant for Return because of low production at the well level and low crude oil prices.

Processing and other revenue

	Three months ended March 31,	
	2020	2019
Processing and other	**$ 44,809**	$ 29,214
$ per BOE	**$ 1.96**	$ 1.45

Processing and other revenue primarily relates to gas processing and transportation fees earned on third party gas processed through the Company’s Rycroft gas plant. Such income varies quarter to quarter depending on third party volumes. The Company also earned $11,900 of road use fees under a temporary contract for winter access during the first quarter of 2020.

OPERATING EXPENSES

	Three months ended March 31,	
	2020	2019
Operating expenses	**$ 514,891**	$ 398,886
$ per BOE	**$ 22.57**	$ 19.83

Per unit operating expenses averaged $22.57 per BOE during the first quarter of 2020, up 14% from $19.83 per BOE in the comparative quarter of 2019. The Company performed various repairs and maintenance operations following completion of the Recapitalization Transaction in December 2019. In addition, operating expenses include a short-term increase in water hauling costs associated with a production test conducted over a one-month period during the quarter. The new management of the Company continues to evaluate its service providers to reduce costs going forward.

OPERATING NETBACK (LOSS)

	Three months ended March 31, 2020	2019
Operating Netback ($ per BOE) (1)		
Oil and gas sales	**$ 16.34**	$ 24.90
Processing and other	**1.96**	1.45
Royalties	**(0.06)**	(0.05)
Operating expenses	**(22.57)**	(19.83)
Operating Netback (Loss)	**$ (4.33)**	$ 6.47

(1) "Operating netback" is a non-IFRS measure calculated on a $ per BOE basis by deducting operating expenses from revenue (comprised of oil and gas sales, net of royalties, and processing and other revenue). See "Non-IFRS Measures".

(2) The operating netback (loss) for the 2019 comparative period differs from the amounts previously reported for the first quarter of 2019 because processing and other revenue was previously omitted from the calculation. As the fee income from processing third-party volumes at the Company's facility directly offsets a portion of its own expenses for operating the gas plant, the New Management Team believes that the inclusion of processing and other revenue provides a more accurate and complete representation of the Company's netback from field operations. The method of calculating the operating netback (loss) is unchanged from the presentation in the most recent annual MD&A for the year ended December 31, 2019.

High operating costs compounded by the significant decrease in commodity prices resulted in an operating loss of $0.1 million or $4.33 per BOE for the three months ended March 31, 2020.

GENERAL AND ADMINISTATIVE ("G&A") EXPENSES

	Three months ended March 31, 2020	2019
Salaries and benefits	**$ 432,571**	$ 186,804
Professional and consulting fees	**313,047**	22,418
Shareholder expenses	**35,820**	6,009
Office and business expenses	**77,332**	65,815
Provision for credit losses	**10,289**	-
Capital overhead recovery	**(7,435)**	-
General and administrative expenses	**$ 861,624**	$ 281,046
$ per BOE	**$ 37.76**	$ 13.97
Headcount (management and employees)	**12**	4

The Company incurred $0.9 million of G&A expenses during quarter ended March 31, 2020, up from $0.3 million in the comparative quarter of 2019. In December 2019, Return appointed a new management team with an objective to grow the Company through a targeted acquisition and consolidation strategy. The increase in G&A compared to the previous period reflects the growth in size of the team and professional fees incurred in respect of the Company's business development initiatives, including the BXE Asset Acquisition which was announced subsequent to the quarter.

SHARE BASED COMPENSATION

	Three months ended March 31,	
	2020	2019
Share based compensation expense	**$ -**	$ 28,175
$ per BOE	**$ -**	$ 1.40

The Company has a stock option plan under which options to purchase common shares may be granted to officers, directors, employees and consultants. The Board of Directors has approved a policy of reserving up to 10% of the outstanding common shares for issuance to eligible participants. As at March 31, 2020, there are no stock options outstanding. In connection with the Recapitalization Transaction, all outstanding stock options previously granted by Return were surrendered and cancelled effective December 19, 2019.

DEPLETION, DEPRECIATION AND IMPAIRMENT

	Three months ended March 31,	
	2020	2019
Depletion and depreciation	**$ 911,649**	$ 268,818
Impairment	**2,997,935**	-
Depletion, depreciation and impairment	**$ 3,909,584**	$ 268,818
Depletion and depreciation ($ per BOE)	**$ 39.95**	$ 13.36
Depletion, depreciation and impairment ($ per BOE)	**$ 171.35**	$ 13.36

Depletion and depreciation ("D&D")

The Company calculates depletion expense on a unit of production basis relative to total proved plus probable reserves. Major facilities and corporate assets are depreciated on a straight-line basis over the useful life. D&D expense averaged $39.95 per BOE for the three months ended March 31, 2020, up significantly from $13.36 per BOE in the same quarter of 2019 and up from $32.86 per BOE in the previous quarter ended December 31, 2019. The significant increase in D&D expense is directly attributed to a $0.6 million increase in estimated decommissioning costs related to certain inactive properties as at March 31, 2020. The full amount of decommissioning costs added to property, plant, and equipment ("PP&E") for non-producing properties was immediately charged to depletion expense as the properties either had no reserves assigned or the carrying amount of costs added were not recoverable. Additional information is provided under the heading "Decommissioning Liabilities".

Impairment

An indication of potential impairment was identified as a result of the significant decrease in forecast commodity prices as at March 31, 2020 compared to forecast prices as at December 31, 2019. In particular, the price forecast for Canadian Light Sweet crude oil fell by 67% for the remainder of 2020, by 45% in 2021, and by 25% in years 2022 and thereafter. The AECO-C Spot natural gas price decreased by 30% for the remainder of 2020, by 10% in 2021, and by 16% in years 2022 and thereafter. A summary of selected benchmark price forecasts, as published by Sproule Associates Limited ("Sproule"), is provided in **Table 1** on the following page.

Return has three cash generating units ("CGUs"), namely: Rycroft-Valhalla, Gordondale, and Rainbow. As at March 31, 2020, the Company's Rycroft-Valhalla CGU represented 100% of the total carrying value of PP&E. The carrying amount of the Gordondale and Rainbow CGUs were fully depleted/impaired as at December 31, 2019 and at March 31, 2020.

The recoverable amount of the Rycroft-Valhalla CGU was estimated as at March 31, 2020 based on fair value less costs of disposal ("FVLCD") methodology, calculated using the present value of the CGUs' expected future cash flows discounted at 15% before-tax. The projected cash flows used in the FVLCD calculation were derived from a report on the Company's oil and gas reserves which was prepared by Sproule, an independent qualified reserve evaluator, as of December 31, 2019 (the "2019 Sproule Report"). The projected cash flows derived from the 2019 Sproule Report have been updated internally by management to reflect the following changes to key assumptions as at March 31, 2020:

- The long-term forecast for commodity prices and foreign exchange rates was updated based on the escalated price forecast published by Sproule as at March 31, 2020 (refer to **Table 1** below).
- The reserves database was mechanically updated to a reference/discount date of April 1, 2020, such that forecast cash flows for 2020 are for the remaining nine-month period ending December 31, 2020.
- Future development capital ("FDC") expenditures of $21.8 million for the Rycroft-Valhalla CGU which were originally planned to be incurred in years 2020 and 2021 have been deferred by two years and are now expected to be incurred in years 2022 and 2023.

Based on the FVLCD calculation at March 31, 2020, the Company recorded an impairment of $3.0 million on the Rycroft-Valhalla CGU. The impairment represents the shortfall of the recoverable amount calculated based on the assumptions described above, relative to the carrying amount of the Rycroft-Valhalla CGU of $9.2 million before impairment. The recoverable amount estimated pursuant to the FVLCD calculation is highly sensitive to the discount rate and forecast commodity prices. Holding all other assumptions in the calculation constant:

- if the discount rate increased (decreased) by 1%, the impairment of the Rycroft-Valhalla CGU would increase (decrease) by approximately $0.3 million; and
- if the forecast combined average realized price decreased (increased) by 5%, the impairment of the Rycroft-Valhalla CGU would increase (decrease) by approximately $1.7 million.

The forecast future commodity prices, inflation rates, and foreign exchange rates (Level 3 fair value inputs) used in the impairment evaluations as at March 31, 2020 and December 31, 2019, reflect the benchmark prices set-forth in **Table 1** below, adjusted for basis differentials to determine local reference prices, transportation costs and tariffs, heat content and quality.

Table 1 – Selected Benchmark Price Forecasts

As at March 31, 2020	**2020**	**2021**	**2022**	**2023**	**2024(1)**
WTI Cushing Oklahoma (US$/bbl)	**25.00**	**37.00**	**48.00**	**48.96**	**49.94**
Canadian Light Sweet 40 API ($/bbl)	**24.29**	**43.15**	**58.67**	**59.84**	**61.04**
NYMEX Henry Hub (US$/MMBtu)	**2.00**	**2.50**	**2.75**	**2.81**	**2.86**
AECO-C Spot ($/MMBtu)	**1.43**	**2.05**	**2.33**	**2.41**	**2.48**
Exchange rate (CA$/US$)	**1.4286**	**1.3699**	**1.3333**	**1.3333**	**1.3333**

(1) Prices escalate at 2.0% thereafter

As at December 31, 2019	2020	2021	2022	2023	2024(1)
WTI Cushing Oklahoma (US$/bbl)	61.00	65.00	67.00	68.34	69.71
Canadian Light Sweet 40 API ($/bbl)	73.84	78.51	78.73	80.30	81.91
NYMEX Henry Hub (US$/MMBtu)	2.80	3.00	3.25	3.32	3.38
AECO-C Spot ($/MMBtu)	2.04	2.27	2.81	2.89	2.98
Exchange rate (CA$/US$)	1.3158	1.2987	1.2500	1.2500	1.2500

(1) Prices escalate at 2.0% thereafter

As at December 31, 2019, the Company recorded an impairment loss of $0.8 million on the Gordondale CGU. The prior year FVLCD calculation was based on the present value of pre-tax cash flows from the 2019 Sproule Report discounted at 15% before-tax. There are no indicators of potential reversals of previously recognized impairment losses as of March 31, 2020.

OTHER INCOME

	Three months ended March 31, 2020	2019
Interest income	**$ 79,337**	$ -
Gain on sale of assets	**$ -**	$ 50,000

Interest income

Return completed the Recap Private Placement on December 19, 2019 for net cash proceeds of $24.7 million after issue costs. The Company's cash is held on deposit in a "high-interest" savings account with a Canadian chartered bank, which earned interest of $79,337 during the three months ended March 31, 2020.

Gain on sale of assets

The Company sold undeveloped land for cash proceeds of $50,000 on March 28, 2019. The carrying value of the non-core lands disposed was nil resulting in the recognition of a gain on sale of $50,000.

During the first quarter of 2019, the Company received cash proceeds of $214,793 upon closing a disposition of certain non-core assets located at Valhalla, Alberta. The disposition included PP&E with a net carrying value of $434,104 and decommissioning liabilities of $197,583, resulting in a loss on sale of $21,728. The loss was recognized during the fourth quarter ended December 31, 2019, upon finalization of accounting estimates for the disposition at year-end.

INCOME TAXES

As at March 31, 2020, the Company's total tax pools are estimated to be $21.8 million, up from $19.9 million as of December 31, 2019. The increase in estimated tax pools is primarily due to $1.5 million of funds used in operations and $0.4 million of capital expenditures during the three months ended March 31, 2020.

The composition of the Company's estimated available tax pools as at March 31, 2020, is summarized below:

($ thousands)	Deduction Rate (1)	**Amount**	% of Total
Canadian oil and gas property expenses (COGPE)	10%	**$ 1,975**	9%
Canadian development expenses (CDE)	30%	**1,302**	6%
Canadian exploration expenses (CEE)	100%	**12**	0%
Undepreciated capital cost (UCC) (2)	25%	**1,089**	5%
Share issue costs (SIC)	5 years	**267**	1%
Non-capital losses (NCL) (3)	100%	**17,145**	79%
Total tax pools		**$ 21,790**	100%

(1) The rates shown represent the maximum annual deduction permitted on a declining balance basis, except for SIC which are deductible on a straight-line basis over 5 years,

(2) The majority of the UCC balance relates to Class 41 assets which are deductible at 25% per year.

(3) NCLs expire in years 2025 to 2040, with $4.3 million expiring in 5 to 10 years and $12.8 million expiring in 10 to 20 years.

Under IFRS, deferred income tax assets may only be recognized to the extent that it is probable that future taxable profits will be available against which unused tax losses and deductible temporary differences can be utilized. Return has a history of losses and the oil and gas industry continues to be faced with weak commodity prices. Accordingly, the Company has not recognized a deferred income tax asset of $5.3 million as at March 31, 2020 (December 31, 2019 – $4.2 million).

Subsequent to the quarter, the Company executed an agreement to purchase substantially all the assets of Bellatrix Exploration Ltd. for an estimated total purchase price of $102.2 million, comprised of $87.4 million of cash and $14.8 million of assumed liabilities. The purchase price will be allocated 80% to petroleum and natural gas rights (COGPE) and 20% to tangibles (UCC). The Company's expectations regarding the probability of generating sufficient taxable income in the future in order utilize its existing tax pools may change upon completion of the BXE Asset Acquisition, which is anticipated to close in the second quarter of 2020. The Company will reassess the recognition criteria regarding its unrecognized deferred income tax asset at that time. Additional information regarding the BXE Asset Acquisition is provided under the heading "Subsequent Events".

CASH USED IN OPERATING ACTIVITIES

	Three months ended March 31,	
	2020	2019
Revenue	**$ 416,128**	$ 529,120
Operating expenses	**(514,891)**	(398,886)
Operating (loss) income [(1)]	**$ (98,763)**	$ 130,234
General and administrative expenses	**(861,624)**	(281,046)
Interest income	**79,337**	-
Settlement of decommissioning liabilities	**(627,177)**	(14,863)
Funds used in operations [(1)]	**$ (1,508,227)**	$ (165,675)
Cash in non-cash working capital	**961,029**	(99,649)
Cash used in operating activities	**$ (547,198)**	$ (265,324)

(4) "Funds used in operations" and "Operating netback (loss)" do not have standardized meanings under IFRS, refer to "Non-IFRS Measures" section of this MD&A.

Funds used in operations were $1.5 million for the three months ended March 31, 2020, compared to $0.2 million of funds used in operations in the same period of 2019. In addition to the operating loss of $0.1 million, the increase in the amount of funds used in operations is due to higher G&A expenses to facilitate the Company's anticipated growth, as well as significantly higher spending on settlements of decommissioning liabilities. Interest income earned on cash deposits helped to offset a portion of the Company's overhead during the quarter.

Cash used in operating activities, as determined in accordance with IFRS, includes changes in non-cash working capital. The balance of the Company's accounts payable and accrued liabilities increased from $0.9 million as of December 31, 2019, to $2.2 million as of March 31, 2020, primarily due to higher activity compared to the previous quarter. In addition, "social distancing" efforts by the Company and its employees throughout the COVID-19 outbreak impacted the timing and reduced the frequency of payment processing during the period. Similarly, the Company is experiencing slower collection of its accounts receivable and delays depositing cheques received by mail due to the practical challenges of working from home. The increase in the non-cash working capital deficit is the driver of the difference between the Company's reported "cash used in operating activities" of $0.5 million for the first quarter of 2020 compared to its "funds used in operations" of $1.5 million, which excludes the impact of changes in non-cash working capital.

NET LOSS AND COMPREHENSIVE LOSS

	Three months ended March 31,	
	2020	2019
Revenue	**$ 416,128**	$ 529,120
Expenses	**(5,317,662)**	(1,006,486)
Loss before other items and taxes	**$ (4,901,534)**	$ (477,366)
Interest income	**79,337**	-
Gain (loss) on sale of assets	**-**	50,000
Loss before income taxes	**$ (4,822,197)**	$ (427,366)
Income taxes	**-**	-
Net loss and comprehensive loss	**$ (4,822,197)**	$ (427,366)
Net loss per share, basic and diluted	**$ -**	$ -
Weighted average common shares outstanding during period		
Basic and diluted	**2,610,551,651**	110,551,648

Return reported a net loss of $4.8 million for the three months ended March 31, 2020, compared to a loss of $0.4 million in the same period of 2019. The effect of the COVID-19 pandemic and its impact on commodity prices is evident in these results. In addition to lower oil and gas sales revenue, an impairment loss of $3.0 million was recognized as at March 31, 2020 as a result of the material decrease in long-term commodity price forecasts. Higher operating, G&A, and depletion expenses also contributed to the increase in net loss during the first quarter of 2020.

CAPITAL EXPENDITURES

	Three months ended March 31,	
	2020	2019
Capital expenditures		
Exploration and evaluation	**$ 39,934**	$ -
Property plant and equipment	**336,095**	3,463
Capital expenditures, before dispositions	**$ 376,029**	$ 3,463
Proceeds from dispositions	**-**	(264,793)
Net capital expenditures	**$ 376,029**	$ (261,330)

During the first quarter of 2020, the Company completed production optimization workovers on 7 (7.0 net) wells at Rycroft at total of cost of $325,918, including $136,995 of well equipment. Capital expenditures on property, plant and equipment also include $10,177 on corporate assets. Expenditures on exploration and evaluation assets of $39,934 during the three months ended March 31, 2020 relate to a purchase of seismic and geological consulting fees. The Company continues to seek opportunities to optimize Return's existing asset base and expand of its suite of internal generally prospects.

The Company was focused on balance sheet preservation during 2019 and capital expenditures were nominal. Return divested of non-core assets for aggregate cash proceeds of $264,793 during the first quarter of 2019 (see also, "Other Income – Gain on Sale of Assets").

DECOMMISSIONING LIABILITIES

The following table provides a reconciliation of the change in the carrying amount of the Company's decommissioning liabilities during the quarter ended March 31, 2020:

Balance at December 31, 2019	$	**7,665,094**
Liabilities incurred		**-**
Liabilities settled		**(627,177)**
Changes in estimates		**859,741**
Accretion		**31,563**
Balance at March 31, 2020	$	**7,929,221**
Liabilities expected to be settled within one year	$	**387,501**
Liabilities expected to be settled beyond one year	$	**7,541,720**

Return spent $0.6 million on abandonment and reclamation of non-operated properties during the three months ended March 31, 2020. The Company recognized a change in estimate of $0.3 million as the actual expenditures incurred for certain projects exceeded the operator's budget due to challenges with road access in the Basset Lake area of northwestern Alberta and two wells with surface casing vent flows.

As at March 31, 2020, the carrying amount of the decommissioning obligations is based on a risk-free rate of 1.3%, down significantly compared to the risk-free rate of 1.8% as at December 31, 2019. In response to the economic uncertainty created by the COVID-19 pandemic and the sharp decrease in oil prices, the Bank of Canada made an emergency cut to the central bank's benchmark interest rate. The decrease in discount rate contributed to approximately $0.5 million of the total change in estimate during the first quarter of 2020.

RECAPITALIZATION TRANSACTION

On December 19, 2019, the Company completed the Recapitalization Transaction pursuant to a definitive reorganization and investment agreement which provided for: (a) a non-brokered private placement for gross proceeds of $25.0 million (the "Recap Private Placement"); and (b) the appointment of a new management team (the "New Management Team") and new board of directors (the "New Board") of Return.

In respect of the Recap Private Placement, the Company issued a total of 879,650,000 common shares and 1,620,350,000 units (the "Recap Units") of the Company at a price of $0.01 per common share and Recap Unit, respectively, for aggregate gross proceeds of $25.0 million ($24.7 million after issue costs). The Recap Units issued under the Recap Private Placement were issued to the New Management Team, the New Board and certain additional subscribers identified by such persons. Each Recap Unit was comprised of one common share and one common share purchase warrant (each, a "Recap Warrant"). Each Recap Warrant entitles the holder to purchase one common share at a price of $0.01 (the "Exercise Price") for a period of five years. Subsequent to the reporting period ended March 31, 2020, the thresholds for vesting of the Recap Warrants will be amended to align the terms with the May 2020 Private Placement completed in connection with the anticipated closing BXE Asset Acquisition (as defined under the heading "Subsequent Events"). The Recap Warrants will vest and become exercisable as to one-third upon the 10-day weighted average trading price of the common shares (the "Market Price") equally or exceeding $0.02, an additional one-third upon the Market Price equally or exceeding $0.025 and a final one-third upon the Market Price equalling or exceeding $0.03 (all shown on a pre-consolidation basis, an increase from the original vesting thresholds of $0.01, $0.015 and $0.02, respectively). All other terms of the Recap Warrants remain unchanged.

As part of the Recapitalization Transaction, an aggregate of: (i) 2,000,000 Preferred Shares, being all of the issued and outstanding Preferred Shares of Return; (ii) 66,666,666 common share purchase warrants of Return (the "Legacy Warrants"), being all of the issued and outstanding Legacy Warrants; and (iii) 6,925,000 stock options of Return, being all of the granted and outstanding stock options, were cancelled for nominal consideration effective December 19, 2019.

CAPITAL RESOURCES AND LIQUIDITY

Return's capital management objectives are to maintain a flexible capital structure in order to meet its financial obligations, execute on strategic opportunities throughout the business cycle and respond to changes in economic conditions. As at March 31, 2020, the Company's capital structure is comprised of working capital and shareholders' equity and its existing capital resources are sufficient to satisfy its financial obligations for the next 12 months. In order to maintain or adjust its capital structure in the future, the Company may issue new common shares or other equity securities, issue debt, adjust capital expenditures and acquire or dispose of assets.

The significant components of the Company's capital structure are summarized below:

	March 31, 2020	December 31, 2019
Working capital		
Cash and cash equivalents	**$ 23,838,248**	$ 24,652,586
Non-cash working capital (1)	**(2,119,980)**	(1,114,780)
Working capital	**$ 21,718,268**	$ 23,537,806
Long-term financial liabilities	**-**	-
Total shareholders' equity	**$ 20,817,973**	$ 25,640,170

(1) Total current assets, excluding cash, less total current liabilities.

The Company has a working capital surplus of $21.7 million as of March 31, 2020, down $1.8 million compared to its working capital surplus of $23.5 million as of December 31, 2019. During the three months ended March 31, 2020, the Company used $1.5 million of funds in operating activities, including the settlement of approximately $0.6 million of decommissioning liabilities, and incurred capital expenditures of approximately $0.4 million.

The Company's business plan is dynamic and evolving in response to the current business environment which is challenging and uncertain. Despite the challenges facing the oil and gas industry, the New Management Team believes Return is well positioned to take advantage of the opportunities created during this period of low commodity prices. Subsequent to the quarter ended March 31, 2020, the Company announced the BXE Asset Acquisition which will be funded by a combination of cash on hand and a committed senior-secured revolving credit facility with a borrowing base of $100.0 million. The Company also completed a concurrent equity financing for gross proceeds of $64.0 million on May 8, 2020. Details of the foregoing are provided under the heading "Subsequent Events".

As at March 31, 2020, the Company is not subject to any externally imposed capital requirements.

SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares, an unlimited number of preferred shares, and an unlimited number of special shares, each without par value. The preferred shares may be issued in series, with the directors determining the terms of the preferred shares on a series by series basis.

On March 4, 2020, the shareholders of the Company approved a consolidation of common shares on the basis of a ratio of up to one-hundred (100) pre-consolidation common shares for each post-consolidation common share (the "Share Consolidation"). The Company intends to complete the Share Consolidation on or about May 29, 2020. All references to common shares and other securities of the Company in this MD&A are on a pre-consolidation basis.

The following table summarizes the number of outstanding securities of the Company as of the dates indicated:

Number of securities outstanding	December 31, 2019	March 31, 2020	**May 13, 2020**
Common shares (1)	2,610,551,651	2,610,551,651	**2,610,551,651**
Warrants (2)	1,620,350,000	1,620,350,000	**1,620,350,000**
Stock Options	-	-	-
Preferred shares	-	-	-
Special shares	-	-	-

(1) On May 8, 2020, the Company closed a non-brokered private placement for gross proceeds of $64.0 million. The Subscription Receipts will be exchanged for common shares upon closing of the BXE Asset Acquisition. Details of the foregoing are provided under “Subsequent Events”.

(2) Additional information regarding the terms of common share purchase warrants outstanding as at March 31, 2020 is provided under the heading “Recapitalization Transaction”.

The Company’s common shares currently trade on the TSXV under the symbol “RTN”. The Company expects that the trading of its common shares on the TSXV under the name “Spartan Delta Corp.” and symbol “SDE” will commence on a post-consolidation basis at the opening of business two or three trading days after the Closing Date of the BXE Asset Acquisition (as defined and further described under the heading “Subsequent Events”).

COMMITMENTS AND CONTINGENCIES

As at March 31, 2020, the Company does not have any financial commitments (December 31, 2019 – $6,267). Following completion of the Recapitalization Transaction on December 19, 2019, the New Management Team has been utilizing temporary office space and does not currently have any financial commitments or contractual obligations related to its corporate office. In connection with the BXE Asset Acquisition announced subsequent to the quarter, the Company is currently evaluating potential locations for its corporate office expects to enter into a new lease during the second quarter of 2020.

Litigation

In the normal course of the Company’s operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, related to personal injuries, property damage, property tax, land rights, the environment and contract disputes with partners or other stakeholders. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined to have an adverse affect on the Company’s future operations or financial condition. As of the date of this MD&A, the Company has no material litigation or claims outstanding.

RELATED PARTY DISCLOSURES

a) Inter-corporate relationships

Return has one wholly-owned subsidiary, Winslow Resources Inc. Balances and transactions between the Company and its subsidiary have been eliminated on consolidation.

b) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of a company. The Company defines its key management personnel as its officers and board of directors. The following table summarizes compensation paid or payable to key management personnel during the three months ended March 31, 2020 and 2019.

	Three months ended March 31	
	2020	2019
Salaries and benefits	**$ 267,876**	$ 186,804
Directors fees	**-**	-
Share-based compensation	**-**	27,287
Key management personnel compensation	**$ 267,876**	$ 214,091

(1) Salaries and benefits for the quarter ended March 31, 2020 were paid to the New Management Team of the Company, comprised of seven (7) officers appointed on December 19, 2019 upon closing of the Recapitalization Transaction.

(2) Salaries and benefits for the quarter ended March 31, 2019 were paid to the former management of Return, comprised of four (4) officers.

c) Related party transactions

During the first quarter of 2020, the Company incurred approximately $0.3 million of legal fees to a law firm where Sanjib (Sony) Gill, corporate secretary of the Company, is a partner (nil in the comparative quarter of 2019). An aggregate of $0.5 million of total fees billed and accrued to the law firm are included in the balance of accounts payable and accrued liabilities as at March 31, 2020. The Company expects to continue using the services of this law firm in the future.

SUBSEQUENT EVENTS

BXE Asset Acquisition

On April 23, 2020, the Company announced that it has entered into an asset purchase agreement (the "APA") with Bellatrix Exploration Ltd. ("Bellatrix" or "BXE") to acquire substantially all of Bellatrix's assets (the "Assets") for cash consideration of $87.4 million plus the assumption of certain liabilities estimated to be approximately $14.8 million, for an estimated total purchase price of $102.2 million (the "BXE Asset Acquisition"). The Assets, which are primarily located in west-central Alberta, are comprised of interests in producing petroleum and natural gas properties alongside large undeveloped land base and strategic infrastructure footprint. The Assets also include minor interests in petroleum and natural gas assets located in Saskatchewan and British Columbia. The BXE Asset Acquisition advances the Company's strategy to acquire and develop underexploited and undercapitalized assets at depressed prices that provide material upside and sustainable free cash flow under current commodities prices.

On October 2, 2019, Bellatrix commenced restructuring proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA"). As a result, the BXE Asset Acquisition is subject to the granting of an "Approval and Vesting Order" which was granted on May 8, 2020 by the Court of Queen's Bench of Alberta (the "CCAA Court") as part of the CCAA proceedings, providing that the Assets will be acquired free and clear of any security interests and any other encumbrances (subject to certain limited permitted encumbrances). Closing of the BXE Asset Acquisition, which is expected to occur on or about May 29, 2020 (the "Closing Date"), is subject to certain customary closing conditions as set-out in the APA. As the BXE Asset Acquisition constitutes a “Fundamental Acquisition” under Policy 5.3 of the TSX Venture Exchange (the “TSXV”), it is also subject to TSXV approval. The effective date of the BXE Asset Acquisition will be the Closing Date.

The BXE Asset Acquisition will be funded by a combination of cash on hand and a committed senior-secured revolving reserves-based credit facility (the “Credit Facility”). In connection with the BXE Asset Acquisition, the Company also completed an equity financing for gross proceeds of $64.0 million on May 8, 2020 (the “May 2020 Private Placement”). Further information regarding the Credit Facility and the May 2020 Private Placement are provided below. The Company paid a deposit in the amount of $4.4 million upon executing the APA and the balance of the cash purchase price will be paid on the Closing Date.

The BXE Asset Acquisition is transformational for the Company and will create an intermediate exploration and development company, focused on opportunities to grow through a targeted consolidation strategy. On the Closing Date, production from the Assets is expected to be approximately 25,000 BOE per day (30% oil and NGLs). The Assets are characterized by a low base decline of approximately 19% with a deep location inventory that the Company believes can support over 10 years of economic drilling on current strip pricing from multiple horizons with various product mixes across an extensive land base. The Assets represent stacked rights with multi-zone hydrocarbon potential in the Alberta Deep Basin at Ferrier and Willesden Green, providing meaningful exposure to the Spirit River, Cardium and other Cretaceous target formations. The Assets also include strategic working interest ownership in three gas plants, including one operated deep cut facility, with excess capacity to allow for immediate production optimization.

Credit Facility

The Company has executed a commitment letter in respect of the Credit Facility with a syndicate of lenders comprised of National Bank of Canada, ATB Financial and Canadian Western Bank (together, the “Lenders”). The Credit Facility has an authorized borrowing amount of $100.0 million and will be available for a revolving period of 364 days, maturing on May 31, 2021, and may be extended annually at the Company’s option and subject to approval of the Lenders, with a 364 day term-out period if not renewed. The Credit Facility will be subject to semi-annual borrowing base reviews, occurring approximately in May and November of each year.

The commitments of the Lenders to establish the Credit Facility are subject to the execution of mutually acceptable credit documentation giving effect to the terms provided in the commitment letter, and the satisfaction of the other customary conditions to closing, including the satisfaction of all conditions to the completion of the BXE Asset Acquisition.

May 2020 Private Placement

On May 8, 2020, Return closed its previously announced non-brokered equity financing. The Company has issued 2,945,500,000 subscription receipts (the "Subscription Receipts") at a price of $0.02 per Subscription Receipt for gross proceeds of $58.91 million (the "Subscription Receipt Offering"). In addition, the Company has entered into irrevocable subscription agreements for the issuance of 254,500,000 common shares at a price of $0.02 per common share for gross proceeds of $5.09 million (the "Common Share Offering") and, together with the Subscription Receipt Offering, aggregate gross proceeds of $64.0 million (collectively, the "May 2020 Private Placement"). After estimated issue costs of $1.6 million, net proceeds are expected to be approximately $62.4 million.

The gross proceeds from the sale of Subscription Receipts pursuant to the May 2020 Private Placement will be held in escrow pending the completion of the BXE Asset Acquisition. If the BXE Asset Acquisition is completed on or before 5:00 p.m. (Calgary time) on June 30, 2020, the proceeds from the sale of the Subscription Receipts will be released from escrow to the Company and each Subscription Receipt will be exchanged for one common share for no additional consideration and without any action on the part of the holder. If the BXE Asset Acquisition is not completed on or before 5:00 p.m. (Calgary time) on June 30, 2020, then the purchase price for the Subscription Receipts will be returned pro rata to subscribers, together with a pro rata portion of interest earned on the escrowed funds. The net proceeds from the May 2020 Private Placement will be used to fund the development of the Assets and for general working capital purposes.

Pursuant to applicable securities laws, the Subscription Receipts, the underlying common shares and the common shares to be issued pursuant to the Common Share Offering will be subject to a hold period of four months plus one day following the distribution date. The Company will pay eligible finders a cash commission in proportion to the gross proceeds received that resulted from such finder's efforts, subject to compliance with applicable securities laws. The May 2020 Private Placement remains subject to final approval of the TSXV.

In connection with the closing of the BXE Asset Acquisition, the Company will amend the terms of the Recap Warrants issued pursuant to the Recap Private Placement completed on December 19, 2019, such that the Recap Warrants will vest and become exercisable as to one-third upon the Market Price equally or exceeding $0.02, an additional one-third upon the Market Price equally or exceeding $0.025 and a final one-third upon the Market Price equalling or exceeding $0.03 (all shown on a pre-consolidation basis, an increase from $0.01, $0.015 and $0.02, respectively). All other terms of the Recap Warrants will remain unchanged (see also, information under the heading “Recapitalization Transaction”).

Name Change and Share Consolidation

On March 4, 2020, the shareholders of Return approved the Name Change and the Share Consolidation. Contemporaneous with the closing of the BXE Asset Acquisition (subject to TSXV acceptance), the Company will effect the Name Change to “Spartan Delta Corp.” and complete the Share Consolidation on the basis of one post-consolidation common share for every 100 pre-consolidation common shares.

The issued and outstanding common shares outstanding will be reduced from 5,810,551,651 common shares (including common shares to be issued pursuant to the May 2020 Private Placement upon closing of the BXE Asset Acquisition) to approximately 58,105,517 common shares on a post-consolidation basis. No fractional shares will be issued. Any fractional interest in common shares that is less than 0.5 resulting from the Share Consolidation will be rounded down to the nearest whole common share and any fractional interest in common shares that is 0.5 or greater will be rounded up to the nearest whole common share.

The Company expects that the trading of its common shares on the TSXV under the name “Spartan Delta Corp.” and symbol “SDE” will commence on a consolidated basis at the opening of business two or three trading days after the Closing Date of the BXE Asset Acquisition.

The Share Consolidation will not affect the validity of currently outstanding share certificates of the Company. However, once the Share Consolidation is implemented, registered shareholders will be required to exchange their share certificates for share certificates evidencing the post-consolidation common share amount. Upon completion of the Share Consolidation, registered shareholders will be sent a letter of transmittal containing instructions on how to surrender share certificates evidencing the pre-consolidation common share amount to Computershare Investor Services Inc. (the “Depositary”). The Depositary will forward to each registered shareholder who has sent the required documents new share certificates evidencing the new post-consolidation common share amount. Until surrendered, each share certificate representing pre-consolidation common shares will be deemed for all purposes to represent the post-consolidation common shares to which the holder is entitled following the Share Consolidation. Beneficial shareholders holding common shares through an intermediary (a securities broker, dealer, bank or financial institution) should be aware that the intermediary may have different procedures for processing the Share Consolidation than those that will be put in place by the Company for registered shareholders. If shareholders hold their common shares through an intermediary and they have questions in this regard, they are encouraged to contact their intermediaries.

For more information on the Share Consolidation and the Name Change, shareholders are encouraged to refer to the management information circular of the Company dated February 12, 2020, which is available on the Company’s SEDAR profile at www.sedar.com.

SUMMARY OF QUARTERLY INFORMATION

The financial information summarized below is presented in thousands of Canadian dollars, except for per share and per BOE amounts. Refer to "Results of Operations" section of this MD&A and the Company's previously issued MD&A's for detailed discussions of quarter-to-quarter variances in these key performance measures.

(CA$ thousands, except per share and BOE amounts)	**Q1 2020**	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Revenue	**$ 416**	$ 471	$ 291	$ 357	$ 529	$ 345	$ 559	$ 618
Net loss and comprehensive loss	**(4,822)**	(59)	(691)	(820)	(427)	(1,497)	(237)	(624)
$ per share, basic and diluted	-	-	(0.01)	(0.01)	-	(0.01)	-	(0.01)
Funds used in operations (1)	**(1,508)**	(788)	(398)	(549)	(166)	(521)	(273)	(659)
Capital expenditures, net of dispositions	**376**	29	1	1	(261)	7	(120)	872
Total assets	**30,937**	34,245	11,226	11,628	11,990	12,275	13,191	14,615
Working capital surplus	**21,718**	23,538	28	426	926	815	1,142	1,295
Long-term liabilities	**7,542**	7,213	9,292	9,123	8,876	8,743	8,018	8,265
Shareholders' equity	**20,818**	25,640	1,190	1,853	2,645	3,044	4,460	4,616
Average daily production (BOE/d)	**251**	223	215	237	224	229	257	249
% Oil and NGLs	**17%**	20%	17%	16%	21%	18%	22%	20%
Average realized price ($ per BOE)	**16.34**	21.33	12.94	13.74	24.90	15.01	22.04	19.48
Operating netback (loss) ($ per BOE) (1)	**(4.33)**	(7.95)	(8.80)	(7.40)	6.47	(7.30)	1.44	4.19

(1) "Funds used in operations" and "Operating netback (loss)" do not have standardized meanings under IFRS, refer to "Non-IFRS Measures" section of this MD&A.

Generally speaking, the Company's results have been negatively impacted by low commodity prices over the past eight consecutive quarters. Due to the challenging economic environment and limited access to capital, Return suspended its capital expenditure program in the second half of 2018, launched a strategic alternatives process and began divesting of non-core assets. During the fourth quarter of 2019, the Company completed the $25.0 million Recap Private Placement as part of the Recapitalization Transaction. The significant increase in the net loss reported for the first quarter of 2020 is primarily due to an impairment loss of $3.0 million recognized as at March 31, 2020, which was also the main driver of the decrease in total assets and shareholders equity in the current quarter (see "Results of Operations – Depletion, Depreciation and Impairment").

SIGNIFICANT ESTIMATES AND JUDGEMENTS

The timely preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ materially from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are reviewed and for any future years affected. The significant judgments, estimates and assumptions made by management in the financial statements are outlined in note 2 of the December 31, 2019 consolidated annual financial statements.

Although there have been no changes to the general nature of the Company's judgments and estimates during the interim period ended March 31, 2020 relative to those described in the most recent annual financial statements as at December 31, 2019, the outbreak of COVID-19 impacted certain key assumptions with respect to the valuation of property, plant and equipment, decommissioning obligations, and expected credit losses. Where applicable, details of specific changes in significant assumptions and estimates are provided in the respective sections of this MD&A and in the notes to the interim financial statements as at March 31, 2020.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company are described in note 3 of the December 31, 2019 consolidated annual financial statements. The condensed consolidated interim financial statements at March 31, 2020 have been prepared following the same accounting policies and methods of computation as the most recent consolidated annual financial statements for the year ended December 31, 2019.

During the interim period, the Company's accounting policy disclosure was updated to add the following information to supplement its existing accounting policy for "Financial Instruments":

- The Company may utilize financial derivatives and commodity sales contracts requiring physical delivery to manage financial risks (see "Risks and Uncertainties" below). The Company does not enter into derivative financial instruments for trading or speculative purposes. Financial derivatives are classified as fair value through profit or loss.

- The Company has accounted for its forward physical commodity sales contracts, which were entered into and continue to be held for the purpose of receipt or delivery of non-financial items in accordance with its expected purchase, sale or usage requirements, as executory contracts. As such, physical sales contracts are not considered to be derivative financial instruments and have not been recorded at fair value on the statement of financial position. Settlements on these physical sales contracts are recognized in oil and gas sales.

Adoption of Amendments to IFRS 3 Business Combinations ("IFRS 3")

IFRS 3 has been amended to update the definition of a business. The narrow-scope amendments help entities determine whether an acquired set of activities and assets is a business or not. Entities are required to apply the amendments to business combinations for which the acquisition date is on or after January 1, 2020.

The amendments clarify the minimum requirements to be a business, narrow the definition of outputs, and remove the assessment of a market participant's ability to replace missing elements. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present. To be a business without outputs, there will now need to be an organized workforce. The definition of the term 'outputs' is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

The amendments also introduce an optional concentration test to permit a simplified assessment. An entity can apply a 'concentration test' that, if met, eliminates the need for further assessment. Under this optional test, where substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets), the assets acquired would not represent a business. Entities may elect whether or not to apply the concentration test on a transaction-by-transaction basis.

The adoption of the amendments to IFRS 3 did not impact the financial statements for the quarter ended March 31, 2020, however the guidance will be incorporated into the Company's assessment of future business combinations, including the BXE Asset Acquisition announced subsequent to the reporting period.

RISKS AND UNCERTAINTIES

The business of exploring for, developing and producing oil and natural gas reserves is inherently risky. The following information is a summary only of certain risk factors relating to the Company and should be read in conjunction with the Company's most recent MD&A as at December 31, 2019 and its AIF, which can be found at www.sedar.com. Prospective investors should carefully consider the risk factors set out below and consider all other information contained in this MD&A and in the Company's other public filings before making an investment decision. The risks set out below are not an exhaustive list, nor should be taken as a complete summary or description of all the risks associated with the Company's business and the oil and natural gas business generally.

Public Health Crises

Return's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics or pandemics or other health crises. In December 2019, COVID-19 was reported to have surfaced in Wuhan, China. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency and on March 11, 2020, the World Health Organization declared the outbreak a pandemic. In China, reactions to the spread of COVID-19 have led to, among other things, significant restrictions on travel within China, temporary business closures, quarantines and a general reduction in consumer activity. The outbreak has spread throughout Europe, the Middle East, Canada and the United States, causing companies and various international jurisdictions to impose restrictions such as quarantines, business closures, restrictions on public gatherings and travel restrictions. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time. Similarly, Return cannot estimate whether, or to what extent, this outbreak and the potential financial impact may extend to countries outside of those currently impacted.

Such public health crises can result in volatility and disruptions in the supply and demand for oil and natural gas, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. In particular, oil prices have significantly weakened in response to the outbreak of COVID-19. The risks to Return of such public health crises also include risks to employee health and safety and a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak. At this point, the extent to which COVID-19 may impact Return is uncertain; however, it is possible that COVID-19 may have a material adverse effect on the Return's business, results of operations and financial condition.

Market Risks

As at March 31, 2020, there are no derivative financial assets or liabilities currently outstanding, however the Company may use derivative financial instruments in the future in order to manage market risks associated with commodity prices, interest rates, foreign exchange rates and other risks. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing long-term returns. All such transactions are conducted in accordance with the Company's established risk management policies.

Price Risks

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatility. The ability of the Company to explore its resource properties and future profitability of the Company are directly related to the market price of commodities. The Company monitors commodity and equity prices to determine appropriate actions to be undertaken.

Commodity Price Risk

Further to the discussion under "Price Risks" above, commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices. Inherent to the business of producing oil and gas, the Company's cash provided by operating activities is subject to commodity price risk. Commodity prices are impacted by world economic events that dictate the levels of supply and demand as well as the currency exchange rate relationship between the Canadian and U.S. dollar.

To date in 2020, crude oil prices have declined dramatically, largely due to the actual and anticipated impact of COVID-19 on global commerce and energy demand, and due to disagreements between major oil producing nations of Saudi Arabia and Russia with respect to production quotas. The production cuts by the OPEC in late 2019 and discussions of potentially further cuts in 2020 had, until recently, kept WTI oil prices in the mid-to-low US$50s. On March 9, 2020, oil prices fell precipitously and WTI dropped into the low US$20s at the end of March. Subsequent to the quarter, the prompt month WTI contracts for May and June have traded as low as *negative* US$40. Natural gas prices have also been adversely affected by oversupply and expectations of lower industrial demand resulting from the global economic slow down. In addition to the immediate impacts of low oil and gas prices on cash flow, the material decrease in long term commodity price forecasts indicated that the carrying amount of the Company's petroleum and natural gas assets may not be recoverable. As at March 31, 2020, the Company recognized an impairment loss of $3.0 million. Refer to additional information regarding the impairment calculation and the change in forecast future commodity prices under the heading "Results of Operations – Depletion, Depreciation and Impairment".

In March 2020, the Company entered into a forward physical commodity sales contract to fix the price of 750 gigajoules per day of natural gas production at CA$1.54 per gigajoule from April 1 to October 31, 2020. Physical sales contracts are not considered to be derivative financial instruments and have not been recorded at fair value on the consolidated statement of financial position. Settlements on this contract will be recognized in oil and gas sales each month as incurred.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Return's exposure to interest rate risk is not significant as the Company does not currently have interest bearing debt. The Company earns interest income on cash and cash equivalents held on deposit in an interest-bearing savings account. If interest rates increased (decreased) by 25 basis points, the amount of interest income earned during the three months ended March 31, 2020 would have increased (decreased) by approximately $15,000. As at March 31, 2020, there are no interest rate risk management contracts outstanding.

Currency Risk

Currency risk is the risk that future cash flows will fluctuate as a result of changes in foreign exchange rates. All of the Company's petroleum and natural gas sales are currently conducted in Canada and are denominated in Canadian dollars. Return is exposed to fluctuations of the Canadian to U.S. dollar exchange rate given the Company's realized pricing in Canadian dollars is directly influenced by U.S. dollar denominated benchmark pricing. The CA$/US$ exchange rate closed at 1.4187 on March 31, 2020, up 9.2% from 1.2988 at December 31, 2019, and averaged 1.3442 during the quarter. While a stronger U.S. dollar has a positive impact on Canadian dollar equivalent commodity prices, it did not translate into stronger realized pricing for the Company during the first quarter of 2020 as the discount of domestic crude oil and natural gas prices widened. As at March 31, 2020, there were no foreign exchange risk management contracts outstanding.

Liquidity Risk

Liquidity risk is the risk that a company will not be able to meet its financial obligations as they become due. The Company prepares and regularly updates its capital and operating budget to forecast future cash flows to ensure, to the extent possible, that it will have sufficient liquidity to meet its obligations. The Company had a working capital surplus of $21.7 million as of March 31, 2020, including $23.8 million of cash on hand. Return's cash is invested in high-interest business savings accounts and is available on demand to the Company.

The Company's financial liabilities include accounts payable and accrued liabilities of $2.2 million as at March 31, 2020, up from $0.9 million at December 31, 2019. The increase is primarily due to a higher activity levels during the first quarter of 2020 compared to the fourth quarter of 2019. In addition, "social distancing" efforts by the Company and its employees throughout the COVID-19 outbreak impacted the timing and reduced the frequency of payment processing during the period.

Of the $2.2 million total financial liabilities outstanding at March 31, 2020, approximately $1.0 million are trade payables expected to be paid in 30 to 60 days and $1.2 million are accrued liabilities expected to be settled in three to six months.

Subsequent to March 31, 2020, in conjunction with the anticipated completion of the BXE Asset Acquisition, the Company closed a non-brokered private placement for gross proceeds of $64.0 million and has received commitments from a syndicate of lenders to establish a $100.0 million revolving credit facility. Refer to additional information under the heading "Subsequent Events".

The Company is early in its life cycle and its growth strategy is capital intensive. As such, Return will be dependent on obtaining regular financings in order to continue its exploration, development and acquisition plans. Despite the Company's recent success completing equity private placements for $25.0 million in December 2019 and $64.0 million subsequent to the quarter in May 2020, there is no guarantee of obtaining future financings.

Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's financial assets include cash, accounts receivable and deposits. Cash and cash equivalents are held on deposit with a Canadian chartered bank. The Company's credit risk exposure arises primarily from receivables from oil and gas marketers and joint venture partners. The oil and gas industry has a pre-arranged monthly clearing day for payment of revenues from all buyers of oil and natural gas; this occurs on the 25th day following the month of sale. As a result, the Company's production revenues are current. All other accounts receivable are generally contractually due within 30 days, however the collection period is typically between 60 to 90 days. Amounts outstanding for more than 90 days are generally considered "past due" and relate primarily to receivables from the Company's joint venture partners. When determining whether amounts that are past due are collectible, management assesses the creditworthiness and past payment history of the counterparty, as well as the nature of the past due amount. Due to the current business environment and low commodity prices, many oil and gas companies, including some of Return's partners, are facing significant financial challenges. Management has reviewed past due accounts receivable balances as at March 31, 2020 and expects the accounts to be collectible, except for approximately $41,894 of accounts receivable which are provided for in the expected credit loss provision (December 31, 2019 – $31,605).

<u>NON-IFRS MEASURES</u>

This MD&A contains certain financial measures, as described below, which do not have standardized meanings prescribed by IFRS. As these non-IFRS financial measures are commonly used in the oil and gas industry, the Company believes that their inclusion is useful to investors. The reader is cautioned that these amounts may not be directly comparable to measures for other companies where similar terminology is used.

"Operating income (loss)" is calculated by deducting operating expenses from total revenue, which is comprised of oil and gas sales, net of royalties, and processing and other revenue. The Company refers to operating income expressed per unit of production as an "operating netback (loss)".

"Funds used in operations" is calculated as cash used in operating activities before changes in non-cash operating working capital. Refer to reconciliation provided under the heading "Cash Used in Operating Activities".

Funds used in operations, operating income (loss), and operating netback (loss) are used by Return as key measures of performance and are not intended to represent operating profits nor should they be viewed as an alternative to cash provided by operating activities, profit or other measures of financial performance calculated in accordance with IFRS.

OTHER MEASUREMENTS

All dollar amounts are referenced in Canadian dollars, except when noted otherwise. This MD&A contains various references to the abbreviation BOE which means barrels of oil equivalent. Where amounts are expressed on a BOE basis, natural gas volumes have been converted to oil equivalence at six thousand cubic feet per barrel. The term BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet per barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead and is significantly different than the value ratio based on the current price of crude oil and natural gas. This conversion factor is an industry accepted norm and is not based on either energy content or current prices. Such abbreviation may be misleading, particularly if used in isolation. References to “oil” in this MD&A include crude oil and field condensate. References to “natural gas liquids” or “NGLs” include pentane, butane, propane, and ethane. References to “gas” in this discussion include natural gas.

OTHER ABBREVIATIONS

AECO	Natural gas storage facility located at Suffield, Alberta
API	American Petroleum Institute gravity
bbl	barrel
bbls/d	barrels per day
BOE	barrels of oil equivalent
BOE/d	barrels of oil equivalent per day
COVID-19	refers to the outbreak of the novel coronavirus, a public health crisis
GJ	gigajoule
mbbls	one thousand barrels
mBOE	one thousands barrels of oil equivalent
mcf	one thousand cubic feet
mcf/d	one thousand cubic feet per day
MMBtu	one million British thermal units
mmcf	one million cubic feet
NGL	natural gas liquids
NYMEX	New York Mercantile Exchange
TSX	Toronto Stock Exchange
US$	United States dollar
WTI	West Texas Intermediate

FORWARD-LOOKING STATEMENTS

Certain statements contained within this MD&A constitute forward-looking statements within the meaning of applicable Canadian securities legislation. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "budget", "plan", "endeavour", "continue", "estimate", "evaluate", "expect", "forecast", "monitor", "may", "will", "can", "able", "potential", "target", "intend", "consider", "focus", "identify", "use", "utilize", "manage", "maintain", "remain", "result", "cultivate", "could", "should", "believe" and similar expressions. The Company believes that the expectations reflected in such forward-looking statements are reasonable, but no assurance can be given that such expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

Without limitation, this MD&A contains forward-looking statements pertaining to:

- the intentions of management and the Company;
- Return's intention to maintain a flexible capital structure;
- Return's intentions to maintain balance sheet flexibility to allow the Company to take advantage of opportunities;
- future drilling plans;
- investment and capital allocation strategies;

- deferred tax assets;
- estimates used to value outstanding warrants;
- Return's position to withstand future crude oil price volatility;
- estimates used to calculate the decommissioning obligations, depletion and impairment of PP&E;
- Return's expectations of challenging long-term market conditions;
- the completion of the name change to “Spartan Delta Corp.” and timing thereof;
- the expected completion of the Share Consolidation and the ratio and timing thereof;
- the estimated total purchase price of the BXE Asset Acquisition, which includes an estimate of certain liabilities to be assumed;
- estimated production the Assets of 25,000 BOE per day as of the Closing Date;
- the anticipated completion of the BXE Asset Acquisition and timing thereof;
- the expected release of proceeds of the May 2020 Private Placement from escrow to the Company and the corresponding issuance of common shares in exchange for Subscription Receipts, upon closing the BXE Asset Acquisition;
- the commitments of the Lenders to establish a $100.0 million Credit Facility;
- commitments and contingencies; and
- expectations for realized commodity prices in 2020 and beyond.

With respect to the forward-looking statements contained in this MD&A, Return has made assumptions regarding, among other things:

- future commodity prices, price differentials and the actual prices received for the Company's products;
- delays in the optimization of operations at the Company's properties;
- operating costs and expenditures;
- future production and recovery;
- anticipated fluctuations in foreign exchange rates;
- deterioration in general economic conditions, including from the actions of oil and gas producing countries and the impact of COVID-19;
- expected net production and transportation expenses and operating costs;
- estimated reserves of oil and natural gas;
- the ability to obtain equipment and services in the field in a timely and efficient manner;
- the ability to add production and reserves through acquisition and/or drilling at competitive prices;
- the ability to explore diversified gas markets;
- the timing of anticipated future production additions from the Company's properties and acquisitions;
- the continued availability of capital and skilled personnel;
- the ability to obtain financing on acceptable terms;
- the impact of increasing competition;
- the ability of the Company to secure adequate product transportation; and
- the continuation of the current tax, royalty and regulatory regime.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated or implied by such forward-looking statements due to a number of factors and risks. These include:

- adverse effects on general economic conditions in Canada, the United States and globally, including due to the recent outbreak of COVID-19;
- the material uncertainties and risks described under the headings "Risks and Uncertainties" and "Non-IFRS Measures";
- the risks associated with the oil and gas industry in general, such as operational risks in development, exploration and production;
- delays or changes in plans with respect to exploration or development projects or capital expenditures;
- volatility in market prices for oil and natural gas;
- uncertainties associated with estimating oil and natural gas reserves and the ability of the Company to realize value from its properties;
- geological, technical, drilling and processing problems;
- facility and pipeline capacity constraints and access to processing facilities and to markets for production;

- fluctuations in foreign exchange or interest rates and stock market volatility;
- marketing and transportation;
- prevailing weather and break-up conditions;
- environmental risks;
- competition for, among other things, capital, acquisition of reserves, undeveloped lands and skilled personnel;
- net production and transportation costs and future development costs;
- the ability to access sufficient capital from internal and external sources; and
- changes in tax, royalty and environmental legislation.

Readers are cautioned that the foregoing list of risk factors is not exhaustive. The risk factors above should be considered in the context of current economic conditions, increased supply resulting from evolving exploitation methods, the attitude of lenders and investors towards corporations in the energy industry, potential changes to royalty and taxation regimes and to environmental and other government regulations, the condition of financial markets generally, as well as the stability of joint venture and other business partners, all of which are outside the control of the Company. Also to be considered are increased levels of political uncertainty and possible changes to existing international trading agreements and relationships. Legal challenges to asset ownership, limitations to rights of access and adequacy of pipelines or alternative methods of getting production to market may also have a significant effect on the Company's business. Additional information on these and other factors that could affect the business, operations or financial results of Return are included in reports on file with applicable securities regulatory authorities, including (but not limited to) the AIF, which may be accessed on Return's SEDAR profile at www.sedar.com or on the Company's website at www.spartandeltacorp.com.

This MD&A contains future-oriented financial information and financial outlook information (collectively, "FOFI"), including about Return's prospective results of operations, capital expenditures and operating netbacks, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs and outlined under "Non-IFRS Measures".

The forward-looking statements and FOFI contained in this MD&A are made as of the date hereof and Return undertakes no obligation to update publicly or revise any forward-looking statements, forward-looking information or FOFI whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. The forward-looking statements and FOFI contained herein are expressly qualified by this cautionary statement.