

CROWN POINT ENERGY INC.
Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2016
(Unaudited)

CROWN POINT ENERGY INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(United States Dollars)

As at	March 31 2016	December 31 2015
Assets		
Current assets:		
Cash and cash equivalents (Note 16)	\$ 963,677	\$ 1,053,847
Short-term bonds (Note 4)	-	307,672
Trade and other receivables (Note 5)	1,941,267	1,648,539
Inventory	455,827	727,427
Prepaid expenses	870,607	731,327
Deposits (Note 10)	1,130,000	800,000
	5,361,378	5,268,812
Exploration and evaluation assets (Note 6)	7,814,423	7,731,691
Property and equipment (Note 7)	30,513,453	32,250,082
Other non-current assets (Note 8)	1,032,934	917,210
Deposits (Note 10)	700,000	1,030,000
	\$ 45,422,188	\$ 47,197,795
Liabilities and Shareholders' Equity		
Current liabilities:		
Trade and other payables	\$ 2,214,350	\$ 3,463,267
Current portion of bank debt (Note 10)	1,647,542	1,162,717
	3,861,892	4,625,984
Bank debt (Note 10)	947,928	1,253,469
Decommissioning provision	3,164,630	3,148,251
Deferred tax liability (Note 14)	483,000	-
	8,457,450	9,027,704
Shareholders' equity:		
Share capital	116,003,355	116,003,355
Contributed surplus	6,868,286	6,854,813
Accumulated other comprehensive loss	(17,997,539)	(18,122,491)
Deficit	(67,909,364)	(66,565,586)
	36,964,738	38,170,091
	\$ 45,422,188	\$ 47,197,795

Reporting entity and going concern (Note 1)
Subsequent event (Note 19)

See accompanying notes to condensed interim consolidated financial statements.

CROWN POINT ENERGY INC.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

For the three months ended March 31

(Unaudited)

(United States Dollars)

	2016	2015
Revenue		
Oil and gas (Note 17)	\$ 3,676,349	\$ 4,042,683
Royalties	(682,621)	(715,714)
	2,993,728	3,326,969
Expenses		
Operating	1,393,827	1,486,983
General and administrative	676,991	1,120,012
Depletion and depreciation	1,720,953	1,445,986
Share-based payments	12,519	68,395
Foreign exchange gain	(124,734)	(267,810)
	3,679,556	3,853,566
Results from operating activities	(685,828)	(526,597)
Net finance expense (Note 12)	(213,726)	(395,827)
Other income (expenses) (Note 13)	38,776	(724,896)
Loss before taxes	(860,778)	(1,647,320)
Deferred tax expense (Note 14)	(483,000)	-
Net loss	(1,343,778)	(1,647,320)
Exchange differences on translation of the Canadian parent company	124,952	(464,537)
Comprehensive loss	\$ (1,218,826)	\$ (2,111,857)
Net loss per share	\$ (0.01)	\$ (0.01)
Weighted average shares outstanding - basic and diluted (Note 15)	164,515,222	132,515,466

See accompanying notes to condensed interim consolidated financial statements.

CROWN POINT ENERGY INC.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

For the three months ended March 31

(Unaudited)

(United States Dollars)

	2016	2015
Share capital		
Balance, January 1	\$ 116,003,355	\$ 107,575,856
Issuance of share capital, net of costs	-	2,604,480
Balance, March 31	116,003,355	110,180,336
Contributed surplus		
Balance, January 1	6,854,813	6,724,551
Share-based payments	13,473	72,271
Balance, March 31	6,868,286	6,796,822
Accumulated other comprehensive loss		
Balance, January 1	(18,122,491)	(17,412,508)
Exchange differences on translation of Canadian parent company	124,952	(464,537)
Balance, March 31	(17,997,539)	(17,877,045)
Deficit		
Balance, January 1	(66,565,586)	(51,192,226)
Net loss	(1,343,778)	(1,647,320)
Balance, March 31	(67,909,364)	(52,839,546)
Total shareholders' equity	\$ 36,964,738	\$ 46,260,567

See accompanying notes to condensed interim consolidated financial statements.

CROWN POINT ENERGY INC.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN CASH FLOWS**

For the three months ended March 31

(Unaudited)

(United States Dollars)

	2016	2015
Operating:		
Net loss	\$ (1,343,778)	\$ (1,647,320)
Items not affecting cash:		
Depletion and depreciation	1,720,953	1,445,986
Share-based payments	12,519	68,395
Unrealized foreign exchange gain	(147,895)	(34,824)
Interest expense	125,362	234,823
Accretion of decommissioning provision	16,379	11,571
Fair value adjustment on short-term bonds	3,471	-
Other income	(38,776)	-
Deferred tax expense	483,000	-
	831,235	78,631
Change in non-cash working capital (Note 16)	(38,373)	(230,686)
Operating cash flows	792,862	(152,055)
Financing:		
Bank debt proceeds, net of repayment	477,689	(395,907)
Interest expense	(125,362)	(234,823)
Proceeds from share issuance, net of costs	-	2,604,480
Financing cash flows	352,327	1,973,750
Investing:		
Proceeds from the sale of short-term bonds	304,201	-
Exploration and evaluation expenditures	(82,090)	(110,384)
Property and equipment expenditures, net of recoveries	77,202	(3,080,149)
Change in other non-current assets	(216,264)	(183,534)
Change in non-cash working capital (Note 16)	(1,389,767)	(263,963)
Investing cash flows	(1,306,718)	(3,638,030)
Change in cash and cash equivalents	(161,529)	(1,816,335)
Foreign exchange effect on cash held in foreign currencies	71,359	(581,890)
Cash and cash equivalents, January 1	1,053,847	4,653,853
Cash and cash equivalents, March 31	\$ 963,677	\$ 2,255,628

See accompanying notes to condensed interim consolidated financial statements.

CROWN POINT ENERGY INC.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended March 31, 2016

(Unaudited)

(United States dollars)

1. REPORTING ENTITY AND GOING CONCERN:

Crown Point Energy Inc. ("Crown Point" or the "Company") was incorporated under the laws of British Columbia and continued under the laws of Alberta on July 27, 2012. Crown Point is based in Calgary, Alberta and is involved in the exploration for, and development and production of petroleum and natural gas in Argentina.

The Company's registered office is Suite 1600, 700 – 6th Street SW, Calgary, Alberta, T2P OT8.

These consolidated financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. During the three months ended March 31, 2016, the Company incurred a net loss of approximately \$1.3 million. As at March 31, 2016, the Company has working capital of approximately \$1.5 million and significant future capital commitments to develop its properties.

The ability of the Company to continue as a going concern and the recoverability of its assets is dependent upon the existence of economically recoverable reserves and upon the Company's ability to obtain additional financing to continue the development of the Company's properties and generate funds there from and to meet current and future obligations. The need to obtain capital to fund the existing and ongoing operations creates a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not reflect adjustments in the carrying values of the assets and liabilities, expenses and the statements of financial position classifications that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

2. BASIS OF PRESENTATION:

The consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, including International Accounting Standard 34 – Interim Financial Reporting.

The Company has consistently applied the same accounting policies throughout all periods presented (see Note 3). These unaudited condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2015.

These unaudited condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, CanAmericas (Argentina) Energy Ltd. and Antrim Argentina S.A.

These unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 10, 2016.

3. CHANGES IN ACCOUNTING STANDARDS:

On January 1, 2016, the Company adopted amendments to *IFRS 11 Joint Arrangements*. The adoption of these amendments had no impact on the amounts recorded in the condensed interim consolidated financial statements for the three months ended March 31, 2016.

4. SHORT-TERM BONDS:

	March 31 2016	December 31 2015
Bonad 2018	\$ –	\$ 52,583
Bonar 2024	–	255,089
	\$ –	\$ 307,672

The Company sold the short-term bonds in February 2016 for net proceeds of \$304,201.

CROWN POINT ENERGY INC.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended March 31, 2016

(Unaudited)

(United States dollars)

5. TRADE AND OTHER RECEIVABLES:

The Company's trade and other receivables consist of:

	March 31 2016	December 31 2015
Due from Argentine companies	\$ 2,168,399	\$ 1,859,803
Other receivables	53,927	108,571
Impairment	(281,059)	(319,835)
Total trade and other receivables	\$ 1,941,267	\$ 1,648,539

During the three months ended March 31, 2016, the Company recovered \$38,776 of a \$319,835 receivable due from an Argentine operator that was previously provided for due to collectability concerns.

The Company's trade and other receivables are aged as follows:

	March 31 2016	December 31 2015
Not past due (less than 90 days)	\$ 1,893,853	\$ 1,575,505
Past due (more than 90 days)	47,414	73,034
Total trade and other receivables	\$ 1,941,267	\$ 1,648,539

6. EXPLORATION AND EVALUATION ASSETS ("E&E"):

Carrying amount, December 31, 2015	\$ 7,731,691
Additions	82,732
Carrying amount, March 31, 2016	\$ 7,814,423

Capitalized amounts:

The amounts capitalized as exploration and evaluation assets in Argentina during the three months ended March 31, 2016 include \$61,067 of general and administrative costs and \$642 of share-based compensation (three months ended March 31, 2015 – \$nil and \$nil, respectively).

CROWN POINT ENERGY INC.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended March 31, 2016

(Unaudited)

(United States dollars)

7. PROPERTY AND EQUIPMENT:

	Argentina		Canada	
	Development and Production Assets	Other Assets	Other Assets	Total
Cost:	\$	\$	\$	\$
Balance at December 31, 2015	49,394,986	573,574	607,464	50,576,024
Additions, net of VAT recoveries	(127,323)	50,433	—	(76,890)
Effect of change in exchange rates	—	—	39,937	39,937
Balance at March 31, 2016	49,267,663	624,007	647,401	50,539,071
Accumulated depletion and depreciation:				
Balance at December 31, 2015	17,590,236	363,522	372,184	18,325,942
Depletion and depreciation	1,628,548	31,793	14,067	1,674,408
Effect of change in exchange rates	—	—	25,268	25,268
Balance at March 31, 2016	19,218,784	395,315	411,519	20,025,618
Net carrying amount:				
At December 31, 2015	31,804,750	210,052	235,280	32,250,082
At March 31, 2016	30,048,879	228,692	235,882	30,513,453

Capitalized amounts:

The amounts capitalized as D&P assets in Argentina during the three months ended March 31, 2016 include \$49,810 of general and administrative costs and \$312 of share-based compensation (three months ended March 31, 2015 – \$57,311 and \$3,876, respectively).

Future development costs:

The March 31, 2016 depletion expense calculation included \$32.4 million (December 31, 2015 – \$32.4 million) for estimated future development costs associated with proved and probable reserves in Argentina.

8. OTHER NON-CURRENT ASSETS:

	March 31 2016	December 31 2015
Interest-bearing bonds	\$ 93,271	\$ 112,040
Long-term receivables	979,044	847,687
	1,072,315	959,727
Current portion of interest-bearing bonds included in trade and other receivables	(39,381)	(42,517)
Total non-current assets	\$ 1,032,934	\$ 917,210

CROWN POINT ENERGY INC.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended March 31, 2016

(Unaudited)

(United States dollars)

9. VAT:

	March 31 2016	December 31 2015
Included in prepaid expenses	\$ 41,926	\$ 51,910
Included in E&E assets (Note 6)	1,403,915	1,403,915
Included in property and equipment (Note 7)	2,575,285	2,971,599
	\$ 4,021,126	\$ 4,427,424

10. BANK DEBT:

	March 31 2016	December 31 2015
Development loan facility (a)	\$ 611,236	\$ 948,710
Loan facility (b)	1,300,016	1,467,476
Loan facility (c)	684,218	–
	2,595,470	2,416,186
Current portion of bank debt	(1,647,542)	(1,162,717)
Long-term portion of bank debt	\$ 947,928	\$ 1,253,469

- (a) The Company has an ARS denominated development loan facility with HSBC Argentina which bears interest at 15.25% per annum, calculated and paid monthly. The loan principal is repayable in monthly installments of ARS 1,116,667 commencing December 8, 2014 until December 8, 2016 and is secured by a USD denominated letter of credit held as a guaranteed investment certificate ("GIC") in the amount of \$400,000 (December 31, 2015 – \$800,000) on deposit with a major Canadian financial institution.

The use of the loan is restricted to the acquisition of capital assets and/or the building of facilities necessary for the production and/or commercialization of oil and natural gas from the Company's TDF concession.

As at March 31, 2016, the balance owing under the development loan facility was ARS 8,933,328 (\$611,236) (December 31, 2015 – ARS 12,283,329 (\$948,710)).

- (b) The Company has an ARS denominated loan facility with HSBC Argentina which bears interest at 19%, calculated and paid monthly commencing on the date the amounts are drawn.

ARS 9,500,000 of loan principal is secured by a \$350,000 (December 31, 2015 – \$530,000) USD denominated letter of credit held as a GIC with a major Canadian financial institution and is repayable in 24 monthly installments commencing July 17, 2016.

ARS 9,500,000 loan principal is secured by a \$350,000 (December 31, 2015 – \$500,000) USD denominated letter of credit held as a GIC with a major Canadian financial institution and is repayable in 24 monthly installments commencing October 23, 2016.

As at March 31, 2016, the total balance owing under this loan facility was ARS 19,000,000 (\$1,300,016) (December 31, 2015 – ARS 19,000,000 (\$1,467,476)).

- (c) On February 2, 2016, the Company obtained a ARS 10,000,000 (\$709,300) loan facility with HSBC Argentina. The loan is secured by a \$730,000 USD denominated letter of credit held as a GIC with a major Canadian financial institution, bears interest at 34%, calculated and paid monthly commencing on February 2, 2016 and is repayable in one installment on May 2, 2016. See Note 19.

As at March 31, 2016, the balance owing under this loan facility was ARS 10,000,000 (\$684,218).

CROWN POINT ENERGY INC.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended March 31, 2016

(Unaudited)

(United States dollars)

11. SHARE-BASED PAYMENTS:

Stock option activity for the three months ended March 31, 2016 is summarized as follows:

	Number of options	Weighted average exercise price (CAD)
Balance, December 31, 2015	4,565,000	\$ 0.77
Expired	(445,000)	(1.96)
Balance, March 31, 2016	4,120,000	\$ 0.64
Balance exercisable, March 31, 2016	3,831,667	\$ 0.63

Stock options outstanding and exercisable at March 31, 2016 are as follows:

Expiry date	Weighted Average Exercise Price (CAD)	Outstanding	Exercisable
June 9, 2016	1.98	100,000	100,000
May 1, 2017	0.78	1,090,000	1,090,000
May 31, 2017	0.78	150,000	150,000
June 15, 2017	0.58	150,000	150,000
August 1, 2017	0.40	75,000	75,000
January 31, 2018	0.37	1,590,000	1,590,000
May 1, 2018	0.26	100,000	100,000
May 9, 2019	0.87	865,000	576,667
	\$ 0.64	4,120,000	3,831,667

12. NET FINANCE EXPENSE:

For the three months ended March 31	2016	2015
Interest income	\$ 10,640	\$ 12,562
Fair value adjustment on short-term bonds	(3,471)	—
Financing fees and bank charges	(79,154)	(161,995)
Interest on bank debt (Note 10)	(125,362)	(234,823)
Accretion of decommissioning provision	(16,379)	(11,571)
	\$ (213,726)	\$ (395,827)

13. OTHER INCOME (EXPENSES):

For the three months ended	2016	2015
Recovery of impaired receivable (Note 5)	\$ 38,776	\$ —
Special meeting expenses (a)	—	(724,896)
	\$ 38,776	\$ (724,896)

- (a) During the three months ended March 31, 2015, the Company incurred \$724,896 of expenses in response to actions by a dissident shareholder, which resulted in the preparation of various documents in advance of the

CROWN POINT ENERGY INC.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended March 31, 2016

(Unaudited)

(United States dollars)

special meeting of shareholders held on February 24, 2015.

14. DEFERRED TAX

During the three months ended March 31, 2016, the Company recognized a \$483,000 deferred tax liability and corresponding expense in the consolidated statement of loss and comprehensive loss. The deferred tax liability arose in Argentina due to the effect of the devaluation of the ARS on Antrim's ARS denominated tax pools which reduced the USD equivalent amount upon conversion to Antrim's USD functional currency.

15. PER SHARE AMOUNTS:

For the three months ended	2016	2015
Net loss	\$ (1,343,778)	\$ (1,647,320)
Opening number of shares	164,515,222	130,480,926
Effect of shares issued	–	2,034,540
Basic weighted average number of shares	164,515,222	132,515,466
Basic and diluted net loss per share	\$ (0.01)	\$ (0.01)

For the three months ended March 31, 2016 and 2015, all stock options were excluded from the diluted per share amounts as their effect was anti-dilutive.

16. SUPPLEMENTAL CASH FLOW INFORMATION:

(a) Change in non-cash working capital items:

For the three months ended March 31	2016	2015
Trade and other receivables	\$ (253,952)	\$ 194,626
Inventory	225,055	3,704
Prepaid expenses	(139,280)	(304,328)
Trade and other payables	(1,248,917)	(437,216)
Effect of change in exchange rates	(11,046)	48,565
	\$ (1,428,140)	\$ (494,649)
Attributable to:		
Operating activities	\$ (38,373)	\$ (230,686)
Investing activities	(1,389,767)	(263,963)
	\$ (1,428,140)	\$ (494,649)

(b) The breakdown of the Company's cash and cash equivalents is as follows:

	March 31 2016	December 31 2015
Cash in bank	\$ 954,984	\$ 709,244
Short-term investments	8,693	344,603
	\$ 963,677	\$ 1,053,847

(c) During the three months ended March 31, 2016, the Company paid \$125,362 (three months ended March 31, 2015 – \$234,823) of interest expense on bank debt (Note 10).

CROWN POINT ENERGY INC.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended March 31, 2016

(Unaudited)

(United States dollars)

17. RELATED PARTY TRANSACTION:

During Q1 2016, the TDF UTE (of which the Company is a member) sold a portion of natural gas production to Energía y Soluciones SA, a company controlled by Gabriel Obrador, who is a director of the Company and the majority shareholder of GORC S.A., a shareholder of the Company, for which the Company recognized \$125,262 of oil and gas revenue for its working interest share.

18. FOREIGN CURRENCY EXCHANGE RATE RISK:

A substantial portion of the Company's exploration and development activities are conducted in foreign jurisdictions and a portion of the Company's cash and cash equivalents are denominated in CAD and ARS. The Company has not entered into foreign exchange rate contracts to mitigate this risk.

(a) Foreign currency denominated financial instruments held by the Company:

As at March 31, 2016	Balance denominated in		Total USD equivalents
	CAD	ARS	
Cash and cash equivalents	\$ 73,686	\$ 12,231,498	\$ 893,701
Trade and other receivables	\$ 13,252	\$ 5,980,119	\$ 419,375
Interest-bearing bonds	\$ –	\$ 787,630	\$ 53,890
Trade and other payables	\$ (346,197)	\$ (22,629,440)	\$ (1,814,922)
Bank debt	\$ –	\$ (37,933,328)	\$ (2,595,470)

As at December 31, 2015	Balance denominated in		Total USD equivalents
	CAD	ARS	
Cash and cash equivalents	\$ 123,869	\$ 8,484,807	\$ 744,824
Trade and other receivables	\$ 11,634	\$ 4,873,506	\$ 384,814
Interest-bearing bonds	\$ –	\$ 1,580,967	\$ 122,106
Trade and other payables	\$ (267,468)	\$ (33,116,162)	\$ (2,750,992)
Bank debt	\$ –	\$ (31,283,329)	\$ (2,416,186)

(b) Currency devaluation:

Currency devaluation in Argentina impacts the cost of ARS denominated items which are translated to the USD functional currency of the Argentine subsidiaries. A portion of TDF operating costs and general and administrative expenses incurred in Argentina are denominated in ARS. During the three months ended March 31, 2016, the devaluation of ARS resulted in lower TDF operating costs and general and administrative expenses incurred in Argentina by approximately 6% (three months ended March 31, 2015 – 2%).

During the three months ended March 31, 2016, the devaluation of ARS since the previous year end date resulted in a reduction in the USD equivalent of ARS denominated foreign currency denominated financial instruments, excluding bank debt, by approximately \$95,000 (three months ended March 31, 2015 – \$26,000).

During the three months ended March 31, 2016, the devaluation of ARS since the previous year end date resulted in a reduction in the USD equivalent of ARS denominated bank debt by \$298,405 (three months ended March 31, 2015 – \$176,602) (Note 10).

CROWN POINT ENERGY INC.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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(Unaudited)

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(c) Sensitivity analysis:

The following table presents an estimate of the impact on net loss for the market risk factors discussed above and is calculated based on the noted change in exchange rates applied to balances as at March 31, 2016:

	Change in exchange rates	Three months ended March 31 2016
Market risk		
Foreign exchange - effect of strengthening USD:		
CAD denominated financial assets and liabilities	5%	\$ 9,980
ARS denominated financial assets and liabilities	5%	\$ 142,380

19. SUBSEQUENT EVENT:

On May 2, 2016, the Company renewed the ARS 10,000,000 (\$702,700) loan facility described in Note 10 (c). Pursuant to the renewed terms, the loan is secured by a \$730,000 USD denominated letter of credit held as a GIC with a major Canadian financial institution, bears interest at 38.75%, calculated and paid monthly commencing May 2, 2016 and is repayable in one installment on July 2, 2016.