CROWN POINT VENTURES LTD.

Condensed Interim Consolidated Financial Statements
For the Three Months Ended November 30, 2011
(Unaudited)

CROWN POINT VENTURES LTD.

Condensed Interim Consolidated Statements of Financial Position (unaudited)

(CDN $)	November 30, 2011	August 31, 2011 (Note 14)	September 1, 2010 (Note 14)
Assets			
Current assets:			
Cash and cash equivalents	$ 21,046,439	$ 27,230,325	$ 1,769,501
Trade and other receivables	1,068,832	1,077,426	348,157
Inventory	199,256	-	-
Prepaid expenses	783,458	614,147	233,434
	23,097,985	28,921,898	2,351,092
Property and equipment (note 3)	18,120,899	16,486,633	7,504,028
Exploration and evaluation assets (note 4)	5,147,187	6,003,404	4,218,303
Deferred income taxes	-	-	41,000
	$ 46,366,071	$ 51,411,935	$ 14,114,423
Liabilities and shareholders' equity			
Current liabilities:			
Trade and other payables	1,091,683	4,516,471	2,537,161
Decommissioning provision (note 5)	432,642	565,291	283,453
	1,524,325	5,081,762	2,820,614
Shareholders' equity:			
Share capital (note 6)	67,147,442	67,132,442	28,093,271
Contributed Surplus	2,856,964	2,463,973	1,229,144
Accumulated other comprehensive loss	(3,574,940)	(2,412,149)	-
Deficit	(21,587,720)	(20,854,093)	(18,028,606)
	44,841,746	46,330,173	11,293,809
	$ 46,366,071	$ 51,411,935	$ 14,114,423

Commitments (note 11)
Subsequent event (note 12)

See notes to Condensed Interim Consolidated Financial Statements

CROWN POINT VENTURES LTD.

Condensed Interim Consolidated Statements of Comprehensive Loss (unaudited)
For the Three Month Periods Ended November 30,

(CDN $)		2011		2010
				(Note 14)
Revenues:				
Oil and gas	$	1,878,685	$	1,034,974
Royalties		(436,917)		(218,224)
		1,441,768		816,750
Interest		74,113		-
		1,515,881		816,750
Expenses:				
Operating		342,252		251,268
General and administrative		852,368		269,323
Share-based payments		392,991		586,852
Financing fees and bank charges		74,672		18,140
Depletion and depreciation		578,822		246,482
Finance costs		22,850		7,564
Foreign exchange loss (gain)		(14,451)		(20,625)
		2,249,508		1,359,004
Loss from continuing operations before income taxes		(733,627)		(542,254)
Deferred income tax expense (reduction)		-		(41,000)
Loss from continuing operations		(733,627)		(501,254)
Income from discontinued operations (note 3)		-		3,209
Net loss for the period		(733,627)		(498,045)
Exchange differences on translation of foreign operations		(1,162,791)		(631,320)
Total comprehensive loss for the period	$	(1,896,416)	$	(1,129,365)
Loss from continuing operations per share (note 7):				
Basic and diluted	$	(0.01)	$	(0.01)
Income from discontinued operations per share (note 7):				
Basic and diluted	$	-	$	-
Net loss per share (note 7):				
Basic and diluted	$	(0.01)	$	(0.01)

See notes to Condensed Interim Consolidated Financial Statements

CROWN POINT VENTURES LTD.

Condensed Interim Consolidated Statements of Changes in Equity (unaudited)

(CDN $)	Share Capital Number	Share Capital Amount	Contributed Surplus	Accumulated Other Comprehensive Loss	Deficit	Total Equity
Balance as of September 1, 2010 (Note 14)	30,353,129	$ 28,093,271	$ 1,229,144	$ -	$ (18,028,606)	$ 11,293,809
Exercise of warrants	213,560	213,560	-	-	-	213,560
Exercise of finders options	198,107	148,582	-	-	-	148,582
Share-based payments	-	-	586,852	-	-	586,852
Transfer on exercise of finders options	-	118,496	(118,496)	-	-	-
Other comprehensive loss for the period	-	-	-	(631,320)	-	(631,320)
Loss for the period	-	-	-	-	(498,045)	(498,045)
Balance as of November 30, 2010	30,764,796	$ 28,573,909	$ 1,697,500	$ (631,320)	$ (18,526,651)	$ 11,113,438
Private placements	21,992,917	39,342,139	-	-	-	39,342,139
Exercise of warrants	1,283,925	1,407,705	-	-	-	1,407,705
Exercise of options	370,000	189,350	-	-	-	189,350
Exercise of finders options	5,204	3,902	-	-	-	3,902
Share-based payments	-	-	891,506	-	-	891,506
Purchase of CanAmericas	258,065	477,420	-	-	-	477,420
Transfer on exercise of stock options and finders options	-	125,033	(125,033)	-	-	-
Share issue expenses	-	(2,987,016)	-	-	-	(2,987,016)
Other comprehensive loss for the period	-	-	-	(1,780,829)	-	(1,780,829)
Loss for the period	-	-	-	-	(2,327,442)	(2,327,442)
Balance as of August 31, 2011	54,674,907	$ 67,132,442	$ 2,463,973	$ (2,412,149)	$ (20,854,093)	$ 46,330,173
Exercise of warrants	15,000	15,000	-	-	-	15,000
Share-based payments	-	-	392,991	-	-	392,991
Other comprehensive loss for the period	-	-	-	(1,162,791)	-	(1,162,791)
Loss for the period	-	-	-	-	(733,627)	(733,627)
Balance as of November 30, 2011	54,689,907	$ 67,147,442	$ 2,856,964	$ (3,574,940)	$ (21,587,720)	$ 44,841,746

See notes to Condensed Interim Consolidated Financial Statements

CROWN POINT VENTURES LTD.

Condensed Interim Consolidated Statements of Cash Flows (unaudited)
For the Three Month Period Ended November 30,

(CDN $)	2011	2010 (Note 14)
Cash provided by (used in):		
Operating:		
Loss from continuing operations	$ (733,627)	$ (501,254)
Items not affecting cash:		
Depletion and depreciation	578,822	246,482
Finance costs	22,850	7,564
Share-based payments	392,991	586,852
Unrealized foreign exchange gain	(218,100)	-
	42,936	339,644
Changes in non-cash working capital (note 8)	(245,155)	(656,984)
Cash used in operating activities - continuing operations	(202,219)	(317,340)
Discontinued operations:		
Income from discontinued operations	-	3,209
Items not involving cash:		
Depreciation included in discontinued operations	-	13,300
Finance costs included in discontinued operations	-	1,800
Cash from discontinued operations	-	18,309
Investing:		
Expenditures on property and equipment	(2,232,801)	(1,375,478)
Expenditures on exploration and evaluation assets	(218,023)	(86,585)
Changes in non-cash working capital (note 8)	(3,399,578)	77,608
Cash used in investing activities	(5,850,402)	(1,384,455)
Financing:		
Proceeds from issuance of common shares	15,000	362,142
Cash from financing activities	15,000	362,142
Change in cash and cash equivalents	(6,037,621)	(1,321,344)
Foreign exchange effect on cash	(146,265)	21,625
Cash and cash equivalents, beginning of period	27,230,325	1,769,501
Cash and cash equivalents, end of period	$ 21,046,439	$ 469,782

See notes to Condensed Interim Consolidated Financial Statements

1. Nature of business and basis of presentation:

Crown Point Ventures Ltd. ("Crown Point" or the "Company") is incorporated under the laws of British Columbia. 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 petroleum and natural gas operations are principally in the pre-production stage, other than one concession in Argentina. During the year ended August 31, 2011, Crown Point commenced production operations in Argentina. The Company's ability to continue operations is dependent on identifying commercial petroleum and natural gas reserves, generating profitable operations and raising sufficient capital to complete planned exploration and development activities. The outcome of these matters cannot be predicted at this time.

The Company currently relies on equity financing to pay for exploration activities and overhead expenses. The Company currently has significant cash resources, and has raised additional capital subsequent to November 30, 2011 (note 12), to finance operations and capital activities.

Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). These are the Company's first set of financial statements prepared under International Financial Reporting Standards ("IFRS") for part of the period covered by the first IFRS annual financial statements and IFRS 1 First Time Adoption of International Financial Reporting Standards has been applied.

These financial statements should be read in conjunction with the Company's annual financial statements for the year ended August 31, 2011. They do not include all of the information required for full annual financial statements; previously the financial statements were presented under Canadian generally accepted accounting principles ("GAAP"). As a result, reconciliations have been prepared between GAAP and IFRS to illustrate the impact adoption of IFRS had on the financial statements of the Company (note 14).

These condensed interim consolidated financial statements were approved by the Board of Directors on February 27, 2012.

Basis of measurement

The financial statements have been prepared in accordance with IFRS on a historical cost basis.

Certain amounts have been reclassified to conform to current period presentation.

Functional and presentation currency

The presentation currency of the Company is the Canadian dollar.

The functional currency of each of the parent company and its subsidiaries is measured using the currency of the primary economic environment in which that entity operates. The functional currency of

1. Nature of business and basis of presentation (continued):

Crown Point Oil & Gas SA and CanAmericas (Argentina) Energy Ltd. is the Argentina Peso, and for the Company, the functional currency is Canadian dollars.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Following are the accounting policies subject to such judgments and the key sources of estimation uncertainty that the Company believes could have the most significant impact on the reported results and financial position:

Reserves

The estimate of petroleum and natural gas reserves is integral to the calculation of the amount of depletion charged to the statement of operations and is also a key determinant in assessing whether the carrying value of any of the Company's development and production assets has been impaired. Changes in reported reserves can impact asset carrying values and the decommissioning provision due to changes in expected future cash flows.

The Company's reserves are evaluated and reported on by independent reserve engineers at least annually in accordance with Canadian Securities Administrators' National Instrument 51-101. Reserve estimation is based on a variety of factors including engineering data, geological and geophysical data, projected future rates of production, commodity pricing and timing of future expenditures, all of which are subject to significant judgment and interpretation.

Carrying value of development and production and exploration and evaluation assets

The Company assesses at each reporting date whether there is an indication that an asset or cash generating unit ("CGU") may be impaired. A CGU is defined as the lowest grouping of assets that generate identifiable cash inflows that are largely independent of cash inflows of other assets or groups of assets. The allocation of assets into CGU's requires significant judgment and interpretations with respect to the way in which management monitors operations.

If any indication exists that an asset or CGU may be impaired, the Company estimates the recoverable amount. The recoverable amounts of individual assets and cash-generating units have been determined based on the higher of value-in-use calculations and fair value less costs to sell. These calculations require the use of estimates and assumptions, such as estimates of proved plus probable reserves, future production rates, oil and natural gas prices, future costs and other relevant assumptions, all of which are subject to change. A material adjustment to the carrying value of the Company's development and production and exploration and evaluation assets may be required as a result of changes to these estimates and assumptions.

1. Nature of business and basis of presentation (continued):

Decommissioning provisions

Amounts recorded for decommissioning obligations require the use of management's best estimates of future decommissioning expenditures, expected timing of expenditures and future inflation rates. The estimates are based on internal and third party information and calculations and are subject to change over time and may have a material impact on profit and loss or financial position. For more information on the Company's decommissioning provisions, see note 5.

Share-based payments

The Company measures the cost of its share-based payments to directors, officers, employees and certain consultants by reference to the fair value of the equity instruments at the date at which they are granted. The assumptions used in determining fair value include: expected lives of options, risk-free rates of return and stock price volatility. Changes to assumptions may have a material impact on the amounts presented. For more information on the Company's share-based payments, see note 6.

2. Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these condensed interim consolidated financial statements. They have also been applied in preparing the opening IFRS Statement of Financial Position as at September 1, 2010 for the purpose of the transition to IFRS, as required by IFRS 1. The impact of the transition from GAAP to IFRS is explained in note 14.

(a) Consolidation:

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Crown Point Oil & Gas SA and CanAmericas (Argentina) Energy Ltd. Intercompany transactions and balances are eliminated on consolidation.

(b) Cash and cash equivalents:

Cash and cash equivalents consist of cash deposits and short-term money market investments with an original maturity of three months or less.

(c) Inventory:

Inventory of crude oil is valued at the lower of cost and net realizable value. Cost is determined on a first in - first out basis and relates to the direct cost of production.

(d) Oil and gas exploration and development expenditures:

Exploration and evaluation costs ("E&E" assets")

All costs incurred prior to obtaining the legal right to explore an area are expensed when incurred.

Generally, costs directly associated with the exploration and evaluation of crude oil and natural gas reserves are initially capitalized. Exploration and evaluation costs are those expenditures for an area where technical feasibility and commercial viability has not yet been demonstrated. These costs

2. Significant accounting policies (continued):

(d) Oil and gas exploration and development expenditures (continued):

generally include unproved property acquisition costs, geological and geophysical costs, sampling and appraisals, drilling and completion costs and capitalized decommissioning costs. Interest and borrowing costs incurred on E&E assets are not capitalized.

E&E costs are not depleted and are accumulated in cost centres by well, field or exploration area pending determination of technical feasibility and commercial viability, which is assessed at least annually. Technical feasibility and commercial viability is considered to be demonstrable when proved or probable reserves have been assigned and there is a reasonable assessment of the economics associated with the future production of those reserves, required government and regulatory approvals have been obtained or are likely to be obtained, and management has made the decision to proceed with development and production of those reserves by incurring the future capital costs attributed to them. When the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, E&E assets will be tested for impairment and reclassified from exploration assets to development and production assets, a separate category within property and equipment.

Impairment

E&E assets are assessed for impairment when facts and circumstances suggest that the carrying amount exceeds the recoverable amount and when they are reclassified to development and production ("D&P") assets. For the purpose of impairment testing, E&E assets are grouped by concession or field with other E&E and D&P assets belonging to the same concession or field. The impairment loss will be calculated as the excess of the carrying value over recoverable amount of the E&E impairment grouping and any resulting impairment loss is recognized in profit or loss. Recoverable amount is determined by reference to the greater of value in use or fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Fair value less cost to sell is determined as the amount that would be obtained from the sale of the assets in an arm's length transaction between knowledgeable and willing parties. The fair value less cost to sell of oil and gas assets is generally determined as the net present value of the estimated future cash flows expected to arise from the continued use of the assets, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted by an appropriate discount rate which would be applied by such a market participant to arrive at a net present value of the assets.

(e) Property and equipment:

Development and production expenditures

D&P assets include costs incurred in developing commercial reserves and bringing them into production, together with the E&E expenditures incurred in finding the commercial reserves that

2. Significant accounting policies (continued):

(e) Property and equipment (continued):

have been reclassified from E&E assets as outlined above, the projected cost of retiring the assets and any directly attributable general and administrative expenses. Items of property and equipment, including D&P assets, are carried at cost less accumulated depletion and depreciation and accumulated impairment losses.

When significant parts of an item of property and equipment, including D&P assets, have different useful lives, they are accounted for as separate items (major components).

Gains and losses on disposal of an item of property and equipment, including D&P assets, are determined by comparing the proceeds of disposal with the carrying amount of the item and are recognized in profit or loss.

Subsequent costs

Costs incurred subsequent to the determination of technical feasibility and commercial viability, costs of replacing parts of property and equipment and workovers of property and equipment are recognized only if they increase the economic benefits of the assets to which they relate. All other expenditures are recognized in profit or loss when incurred. The carrying amounts of previous inspections or any replaced or sold components are derecognized. The costs of day-to-day servicing of an item of property and equipment are recognized in profit or loss as incurred.

Depletion and depreciation

The net book value of producing assets are depleted on a field-by-field basis using the unit of production method with reference to the ratio of production in the year to the related proved and probable reserves, taking into account estimated future development costs necessary to bring those reserves into production. For purposes of these calculations, relative volumes of natural gas production and reserves are converted at the energy equivalent conversion rate of six thousand cubic feet of natural gas to one barrel of crude oil.

Other assets are depreciated over the estimated useful lives of the assets using a 20% declining balance basis for Canadian office furniture and equipment, a straight line basis over 3 - 10 years for Argentina office furniture and equipment and a straight line basis over the term of the lease for all leasehold improvements.

The Company assesses the method of depreciation, useful lives and residual values at least annually.

Impairment

At the end of each reporting period, the Company reviews the D&P assets for circumstances that indicate the assets may be impaired. Assets are grouped together into cash-generating units (''CGU'') for the purpose of impairment testing, which is the lowest level at which there are identifiable cash inflows that are largely independent of the cash inflows of other groups of assets. If any such indication of impairment exists, the Company makes an estimate of its recoverable amount. A CGUs recoverable amount is the higher of its fair value less costs to sell and its value in

2. Significant accounting policies (continued):

(e) Property and equipment (continued):

use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use is generally computed by reference to the present value of future cash flows expected to be derived from the production of proved and probable reserves.

Fair value less cost to sell is determined as the amount that would be obtained from the sale of a CGU in an arm's length transaction between knowledgeable and willing parties. The fair value less cost to sell of oil and gas assets is generally determined as the net present value of the estimated future cash flows expected to arise from the continued use of the CGU, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted by an appropriate discount rate which would be applied by such a market participant to arrive at a net present value of the CGU. When the recoverable amount is less than the carrying amount, the asset or CGU is impaired. For impairment losses identified on a CGU, the loss is allocated on a pro rata basis to the assets within the CGU. The impairment loss is recognized as an expense in profit or loss.

At the end of each subsequent reporting period these impairments are assessed for indicators of reversal. Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss have been recognized for the asset or CGU in prior periods. A reversal of an impairment loss is recognized in profit or loss.

(f) Decommissioning provision:

The Company recognizes a decommissioning provision in the period in which a well is drilled or acquired and a reasonable estimate of the fair value of the future costs associated with removal, site restoration and asset retirement can be made. The estimated decommissioning provision is recorded with a corresponding increase in the carrying amount of the related cost centre.

Decommissioning obligations are measured at the present value of management's best estimate of the expenditures required to settle the present obligation at the statement of financial position date. Subsequent to the initial measurement, the provision is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as finance costs whereas increases/decreases due to changes in the estimated future cash flows are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established.

2. Significant accounting policies (continued):

(g) Income tax:

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded, using the statement of financial position method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. However, deferred tax is not recorded on taxable temporary differences arising on the initial recognition of goodwill or on the initial recognition of assets and liabilities in a transaction other than a business combination that affect neither accounting nor taxable profit or loss. Deferred tax is also not recorded on differences relating to investments in subsidiaries and jointly controlled entities to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(h) Revenue recognition:

Petroleum and natural gas revenues are recognized when title and risks pass to the purchaser and payment is reasonably assured.

(i) Share-based payments:

The Company follows the fair value method of accounting for stock options. The fair value of each stock option is calculated using the Black-Scholes option pricing model and is charged to income over the vesting period of the option, with a corresponding increase recorded in contributed surplus. Forfeitures are accounted for at grant date and adjusted based on actual vesting. Upon exercise of the stock option, the consideration received plus the amount previously recorded in contributed surplus is recorded as an increase to share capital.

2. Significant accounting policies (continued):

(j) Per share amounts:

The Company presents basic and diluted earnings per share (EPS) data for its common shares. Basic EPS is calculated by dividing the profit of loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted, for the effects of all dilutive potential common shares.

(k) Joint interests:

Substantially all of the Company's operations are conducted jointly with others, and accordingly, the financial statements reflect only the Company's interests in such activities.

(l) Foreign currency translation:

Foreign currency transactions are translated into the respective functional currencies of the Company and its subsidiaries using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss.

The financial results and position of foreign operations whose functional currency is different from the presentation currency are translated as follows:

- Assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- Income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are transferred directly to the Company's exchange difference on translating foreign operations on the Statement of Comprehensive Loss and are reported as a separate component of shareholders' equity titled "Accumulated Other Comprehensive Income". These differences are recognized in profit or loss in the period in which the operation is disposed of.

(m) Financial instruments

i. Financial assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. The Company determines the classification of its financial assets at initial recognition.

Fair value through profit or loss

A financial asset or liability is classified in this category if it is held for trading or it was designated upon initial recognition at fair value through profit or loss. Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded through income.

2. Significant accounting policies (continued):

(m) Financial instruments (continued):

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement at fair value, such financial assets are subsequently measured at amortized cost less impairment. Loans and receivables are comprised of trade and other receivables and cash and cash equivalents.

Held-to-maturity investments

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

Available-for-sale financial assets

Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized as other comprehensive income and classified as a component of equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the income statement. When financial assets classified as available for sale are sold, the accumulated fair value adjustments recognized in other comprehensive income are included in profit or loss.

ii. Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss and other financial liabilities, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

Fair value through profit or loss

This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities:

This category includes liabilities which are recognized at amortized cost and includes trade and other payables.

2. Significant accounting policies (continued):

(n) Share capital

Common and preferred shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity.

3. Property and equipment:

	Argentina		Canada	
	Development and Production Assets	Other Assets	Other Assets	Total
	$	$	$	$
Cost:				
Balance at September 1, 2010	7,324,436	33,646	172,718	7,530,800
Additions	11,224,986	31,111	15,844	11,271,941
Disposals	-	-	(109,666)	(109,666)
Effect of movement in exchange rates	(1,364,171)	(5,684)	-	(1,369,855)
Balance at August 31, 2011	17,185,251	59,073	78,896	17,323,220
Additions	2,209,382	9,802	13,617	2,232,801
Transferred from E&E assets	854,928	-	-	854,928
Decommissioning changes	(118,407)	-	-	(118,407)
Effect of movement in exchange rates	(770,747)	(2,032)	-	(772,779)
Balance at November 30, 2011	19,360,407	66,843	92,513	19,519,763
Accumulated depletion and depreciation:				
Balance at September 1, 2010	-	7,772	18,999	26,771
Depletion and depreciation for the period	1,157,237	8,958	39,877	1,206,072
Disposals	-	-	(29,115)	(29,115)
Effect of movement in exchange rates	(365,828)	(1,313)	-	(367,141)
Balance at August 31, 2011	791,409	15,417	29,761	836,587
Depletion and depreciation for the period	644,625	4,297	7,972	656,894
Effect of movement in exchange rates	(93,400)	(1,217)	-	(94,617)
Balance at November 30, 2011	1,342,634	18,497	37,733	1,398,864
Net carrying value				
At September 1, 2010	7,324,436	25,873	153,719	7,504,028
At August 31, 2011	16,393,842	43,656	49,135	16,486,633
At November 30, 2011	18,017,773	48,346	54,780	18,120,899

The amounts capitalized as D&P assets in Argentina at November 30, 2011 include $3,182,769 of Value Added Tax ("VAT") (August 31, 2011 - $2,764,837). VAT is payable on goods and services supplied to the Company and is not recoverable from the Government of Argentina, however the Company is allowed to retain VAT on any sales that it collects to the extent of the VAT recorded and paid on previous expenditures.

3. Property and equipment (continued):

The depletion expense calculation for the three months ended November 30, 2011 included $10 million (2010 – $4 million) for estimated future development costs associated with proved and probable reserves in Argentina

During the year ended August 31, 2011 the Company sold Canadian oil and gas properties for total proceeds of $427,500 resulting in a gain of $462,578.

4. Exploration and evaluation assets (''E&E''):

	Three months ended November 30, 2011 $	Year ended August 31, 2011 $
Carrying amount, beginning of period	6,003,404	4,218,303
Additions	218,023	2,528,792
Transferred to property and equipment	(854,928)	-
Decommissioning changes	(16,041)	-
Effect in movement in exchange rates	(203,271)	(743,691)
Carrying amount, end of period	5,147,187	6,003,404

E&E assets consist of the Company's intangible exploration projects in Argentina which are pending the determination of proven or probable reserves. Additions represent the Company's share of costs incurred on E&E assets during the period. E&E assets are not depreciated or depleted.

The amounts capitalized as Argentina E&E assets at November 30, 2011 include $934,353 of VAT (August 31, 2011 - $995,495).

5. Decommissioning provision:

The Company's decommissioning provision results from net ownership interests in petroleum and natural gas assets including well sites, gathering systems and processing facilities. At November 30, 2011 the estimated total undiscounted inflation-adjusted amount of cash flows required to settle the Company's obligations were approximately $2.8 million (August 31, 2011 – $3.1 million). These costs are expected to be incurred over the next 15 years. The decommissioning obligations have been estimated using existing technology at current prices and discounted using discount rates that reflect current market assessments of the time value of money and the risks specific to each liability. An average risk-free interest rate of 14.3% (August 31, 2011 – 12.5%) and an inflation rate of 9.5% (August 31, 2011 – 9.9%) was used to calculate the fair value of the decommissioning provision in Argentina.

A reconciliation of the asset retirement obligations is provided below:

		Three months ended November 30, 2011		Year ended August 31, 2011
Balance, beginning of period	$	565,291	$	283,453
Incurred		-		261,600
Accretion expense		22,850		46,551
Acquired		-		69,575
Disposed		-		(29,402)
Change in estimates		(134,448)		(13,249)
Effect in movement in exchange rates		(21,051)		(53,237)
Balance, end of period	$	432,642	$	565,291

6. Share capital:

(a) Authorized

Unlimited number of common shares without par value
Unlimited number of Class "A" preferred shares of $1 each par value

(b) Issued and Outstanding

On March 10, 2011 the Company issued 12,825,000 common shares pursuant to a bought deal financing at a price of $1.95 per share for gross proceeds of $25,008,750. Share issue costs of $1,669,406 were incurred as part of the financing.

During December 2010 the Company issued 9,167,917 common shares pursuant to a bought deal financing at a price of $1.55 per share for gross proceeds of $14,210,271. Share issue costs of $1,189,438 were incurred as part of the financing.

6. Share capital (continued):

During the year ended August 31, 2010, the Company issued 5,924,850 units ("Units") at a price of $0.75 per unit for gross proceeds of $4,443,638. The Company issued 130,320 units in consideration of finder's fees and commissions. Each Unit consists of one common share in the capital of the Company

one-half of one non-transferable share purchase warrant (each whole warrant a "Series A Warrant"), with each Series A Warrant entitling the holder to purchase one additional common share at a price of $1.00 for a period of 2 years from the date of closing of the Private Placement, provided that, in the event the closing price of the Company's shares as traded on the TSX Venture Exchange is $1.50 or greater for a period of 20 consecutive trading days, the Company may give notice of an earlier expiry of the Series A Warrants, in which case they would expire 30 calendar days from the giving of such notice; provided further that, in the event a subscriber exercises any Series A Warrants during the term thereof, the Company will issue to that subscriber that number of Series B Warrants equal to the number of Series A Warrants exercised, with each Series B Warrant entitling the holder to purchase one additional common share at a price of $1.50 for a period of 3 years from the date of closing of the private placement, provided further that, in the event the closing price of the Company's shares as traded on the TSX Venture Exchange is $2.00 or greater for a period of 20 consecutive trading days, the Company may give notice of an earlier expiry of the Series B Warrants, in which case they would expire 30 calendar days from the giving of such notice. The units are subject to regulations governing private placement distributions, and are being sold with a four-month plus one day restriction period, during which time the shares will be restricted from trading. Finder's fees of $114,135 and 203,707 finders options valued at $120,199 where each finders option entitles the holder to purchase one finders unit at a price of $0.75 per finders unit for a period of two years from the closing date. Each finders unit has the same terms as the Units noted above. The fair value of the finders option is estimated using the Black-Scholes option pricing model assuming a risk free interest rate of 1.43%, expected dividend yield of 0%, expected stock volatility of 119.57%, and an expected option life of two years. In addition, share issue costs of $39,500 were incurred as part of the private placement.

(c) Finders Warrants

In connection with the financings during the 2010 year, the Company issued 203,311 warrants exercisable into common shares at an exercise price of $0.75 per warrant. A fair value of $0.61 per warrant was ascribed to the warrants based on the Black-Scholes option pricing model. Assumptions used in the Black-Scholes calculation included an expected life of 2 years, volatility of 182% and a risk free interest rate of 1.72%. The cost of the warrants has been recorded as share issue costs.

	Number	Exercise price	
Balance, September 1, 2010	–	$	–
Warrants issued	203,311		0.75
Balance August 31, 2011 and November 30, 2011	203,311	$	0.75

6. Share capital (continued):

(d) Share-based payments

Stock options

The Company's stock option plan provides for the granting of options to directors, officers, employees and consultants. Under the terms of the option plan, options issued will not exceed 10% of the issued and outstanding shares from time to time. The option price under each option is not less than the market price on the grant date. One third of the options granted vest immediately and the remainder generally vest in equal tranches on the first and second year anniversaries of the date of grant. The expiry date for each option is set by the Board of Directors at the time of issue and cannot be more than five years after the grant date.

Stock option activity is summarized as follows:

	November 30, 2011		August 31, 2011	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance outstanding, beginning of period	3,365,000	$ 1.32	2,440,000	$ 0.85
Granted	150,000	1.25	1,355,000	1.95
Forfeited	-	-	(60,000)	-
Exercised	-	-	(370,000)	0.51
Balance outstanding, end of period	3,515,000	$ 1.32	3,365,000	$ 1.32
Balance exercisable, end of period	2,201,658	$ 1.08	2,145,000	$ 1.06

Stock options outstanding and exercisable at November 30, 2011 are as follows:

Expiry date	Exercise price	Outstanding	Exercisable
December 15, 2011	$ 0.70	100,000	100,000
March 6, 2012	0.89	100,000	100,000
August 24, 2012	0.63	275,000	275,000
July 9, 2013	0.60	360,000	360,000
July 18, 2013	0.60	150,000	150,000
October 7, 2014	0.70	150,000	150,000
February 23, 2015	0.86	25,000	-
June 9, 2015	1.22	800,000	531,663
June 24, 2015	1.22	50,000	33,333
March 18, 2016	1.96	1,205,000	401,663
June 9, 2016	1.98	100,000	33,333
August 3, 2016	1.70	50,000	16,666
October 19, 2016	1.25	150,000	50,000
		3,515,000	2,201,658

6. Share capital (continued):

(d) Share-based payments (continued)

The fair value of each stock option is estimated using Black-Scholes options pricing model with the following weighted average assumptions:

	November 30, 2011	August 31, 2011
Risk free interest rate	1.3%	2.5%
Expected life	5 years	5 years
Expected volatility	116%	104%
Dividend yield	0%	0%

The grant date weighted average fair value of stock options granted for the period ended November 30, 2011 was $1.02 per option (August 31, 2011 - $0.87 per option). The fair value, estimated at the grant date for options issued to directors, officers and employees and the measurement date for options issued to consultants, is expensed on a graded basis over the vesting terms of the options.

Finders Options

A summary of the finders options issued and outstanding during the three months ended November 30, 2011 and the year ended August 31, 2011 is as follows:

	Number of Options	Exercise Price
Balance outstanding and exercisable at September 1, 2010	203,707	$ 0.75
Exercised	(203,311)	0.75
Balance outstanding and exercisable at August 31, 2011	396	$ 0.75
Balance outstanding and exercisable at November 30, 2011	396	$ 0.75

The fair value of the finders options was estimated using the Blask-Scholes option pricing model assuming a risk-free interest rate of 1.43%, expected dividend yield of 0%, expected stock volatility of 119.57% and an expected option life of two years.

6. Share capital (continued):

(e) Share purchase warrants

April 2010 Share purchase warrants

Share purchase warrants, issued in connection with the April 2010 Units, activity is summarized as follows:

	Class A warrant	Exercise price	Class B warrant	Exercise price
Balance, September 1, 2010	3,027,585	$ -	-	$ -
Issued	101,656	1.00	1,249,925	1.50
Exercised	(1,249,925)	1.00	(247,560)	1.50
Balance, August 31, 2011	1,879,316	1.00	1,002,365	1.50
Issued	-	1.00	15,000	1.50
Exercised	(15,000)	1.00	-	1.50
Balance, November 30, 2011	1,864,316	$ 1.00	1,017,365	$ 1.50

Upon exercise of a class A warrant, a class B warrant will be issued entitling the holder to acquire a common share of the Company at $1.50 until dates ranging from May 5, 2012 to May 31, 2013.

Share purchase warrants outstanding are as follows:

Expiry date	Exercise price	November 30, 2011	August 31, 2011
May 5, 2012	$ 1.00	1,230,477	1,245,477
May 31, 2012	$ 1.00	599,839	599,839
June 11, 2012	$ 1.00	34,000	34,000
May 5, 2013	$ 1.50	881,994	866,994
May 31, 2013	$ 1.50	135,371	135,371
		2,881,681	2,881,681

A total combined fair value of $0.16 per class A and class B warrant was ascribed to the warrants based on the Black-Scholes option pricing model. Assumptions used in the Black-Scholes calculation included an expected life of 1 year (class B – 3 years), volatility of 102% (class B – 102%) and a risk free interest rate of 1.26% (class B – 1.26%).

The fair value of the warrants has been recorded in the same caption as the common shares issued.

7. Per share amounts

The weighted average number of shares for basic and diluted calculations for the period ended November 30, 2011 was 54,677,709 (2010 – 30,518,326). During the three month period ended November 30, 2011 and 2010, all options, finders options, warrants and share purchase warrants were excluded from the diluted per share amounts as their effect was anti-dilutive.

8. Supplemental cash flow information

Change in non-cash working capital items:

Three months ended November 30,		2011		2010
Trade and other receivables	$	45,340	$	(409,490)
Inventory		(121,184)		-
Prepaid expenses		(169,311)		(177,494)
Trade and other payables		(3,399,758)		7,608
Change in non-cash working capital	$	(3,644,913)	$	(579,376)
Attributable to:				
Operating activities	$	(245,155)	$	(656,984)
Investing activities		(3,399,758)		77,608
	$	(3,644,913)	$	(579,376)

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

		November 30, 2011		August 31, 2011
Cash in bank	$	745,679	$	1,953,611
Short term investments		20,300,760		25,276,714
	$	21,046,439	$	27,230,325

9. Financial risk management and capital management

The Company is exposed to various risks that arise from its business environment and the financial instruments it holds. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework, policies and procedures. The following outlines the Company's risk exposures and explains how these risks and its capital structure are managed.

(a) Capital management:

The Company's objective is to maintain a strong capital position in order to execute on its exploration and development plans and maximize shareholder value.

The Company currently defines its capital as shareholders' equity. Changes to the relative weighting of the capital structure are driven by our business plans, changes in economic conditions and risks inherent in the oil and gas industry. In order to maintain or adjust the capital structure, the Company may consider any or all of the following activities, depending on existing economic conditions and access to external capital sources:

- Issue new shares through a public offering or private placement;
- Consolidate outstanding common shares;
- Farm-out existing exploration opportunities; or
- Raise fixed or floating interest rate debt.

The Company is not subject to any external restrictions on its capital structure and has no debt facilities.

9. Financial risk management and capital management (continued):

(a) Capital management (continued):

The Company periodically reviews its capital structure in relation to its exploration and development budgets. The Company's capital management is currently focused on completion of existing exploration commitments and providing for the Company's share of any development programs.

(b) Credit risk:

The Company is exposed to credit risk in relation to its cash and cash equivalents and trade and other receivables.

Cash and cash equivalents are held with highly rated Canadian and international banks. Therefore, the Company does not believe these financial instruments are subject to material credit risk.

The Company's trade and other receivables are exposed to the risk of financial loss if the counterparty fails to meet its contractual obligations. The Company's trade and other receivables include amounts due from the sale of crude oil and from its Argentina operators which are subject to normal industry credit risk. The majority of the Company's oil production is sold to the Argentina subsidiary of a major international oil and gas company. The carrying amounts of cash and cash equivalents and trade and other receivables represent the Company's maximum credit exposure. The Company does not record an allowance for doubtful accounts and has not written off any trade and other receivables in the periods ended November 30, 2011 and August 31, 2011.

As at November 30, 2011 and August 31, 2011, the Company's trade and other receivables are aged as follows:

	November 30, 2011	August 31, 2011
Not past due (less than 90 days)	$ 1,066,254	$ 925,521
Past due (more than 90 days)	2,578	151,905
Total trade and other receivables	$ 1,068,832	$ 1,077,426

(c) Liquidity risk:

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company manages its liquidity risk through management of its capital structure and annual budgeting of its revenues, expenditures and cash flows. As of November 30, 2011 the Company has working capital of $23,840,136 (August 31, 2011 - $23,840,136) which given planned capital expenditures, administrative overhead requirements and commitments, is sufficient to meet all current financial obligations in the upcoming year.

9. Financial risk management and capital management (continued):

(d) Market risk:

Changes in commodity prices, interest rates and foreign currency exchange rates can expose the Company to fluctuations in its net earnings and in the fair value of its financial assets and liabilities.

(i) Commodity price risk:

Price fluctuations for both crude oil and natural gas are determined by world supply and demand factors. The Company has no influence over the pricing of oil and natural gas and has not attempted to mitigate commodity price risk through the use of financial derivatives. Currently all of the Company's oil and gas revenue is from an oil and natural gas property in Argentina. Oil prices in Argentina are subject to domestic market discounts which result in prices significantly below world benchmark rates.

(ii) Interest rate risk:

The Company is exposed to interest rate fluctuations on its investments of excess cash in short-term money market investments held with international banks. Assuming all other variables remain constant, a 1% decrease or increase in the interest rate applicable to the Company's cash and cash equivalents would result in a $203,000 decrease or increase to net loss.

(iii) 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 US dollars (USD) and Argentina Pesos (ARS). The Company has not entered into foreign exchange rate contracts to mitigate this risk.

(iv) Sensitivity analysis:

The following table presents an estimate of the impact on net loss of the market risk factors discussed above and is calculated based on the noted change in the market factor applied to the balance at the end of the period.

Market risk	Change in market factor	Increase in loss before tax
Foreign exchange - effect of strengthening CAD$:		
USD denominated financial assets and liabilities	5%	$ 26,475
ARS denominated financial assets and liabilities	5%	$ 78,293

(v) Fair value of financial instruments:

The Company's financial instruments include cash and cash equivalents, trade and other receivables and trade and other payables, the carrying values of which approximate their fair values due to their short-term nature.

9. Financial risk management and capital management (continued):

(d) Market risk (continued):

The following table provides information on the foreign currency denominated financial instruments held by the Company at November 30, 2011:

	Balance denominated in		Total CDN$
	USD	ARS	equivalent
Cash and cash equivalents	$ 8,346	$ 1,949,112	$ 423,926
Accounts receivable	1,013,965	-	993,791
Accounts payable and accrued liabilities	720,541	383,244	787,951

10. Segmented information:

The Company's one reportable operating segment is the acquisition, exploration and development of oil and gas properties. Geographic information is as follows:

	Canada	**Argentina**	**Total**
November 30, 2011			
Assets	20,933,068	25,433,003	46,366,071
Liabilities	(274,759)	(1,249,566)	(1,524,325)
Three months ended November 30, 2011			
Revenue	-	1,878,685	1,878,685
Net loss (profit) for the period	(748,137)	14,510	(733,627)
August 31, 2011			
Assets	25,673,837	25,738,098	51,411,935
Liabilities	(190,531)	(4,891,231)	(5,081,762)
Three months ended November 30, 2010			
Revenue	-	1,034,974	1,034,974
Net loss for the period	(372,169)	(125,876)	(498,045)

11. Commitments:

As at November 30, 2011 the Company is committed to future payments for office space rental and a proportionate share of operating costs in the amounts of $39,935 (2011 - $4,437, 2012 $35,598)

As of November 30, 2011 the Company had no outstanding material work commitments in any areas of its operations as all of its significant obligations are discretionary. However, the Company does have a US$6.75 million working commitment over a three year period with respect to the Cerro De Los Leones Concession which will commence, following the receipt by the Company of the necessary environmental permits, in its planned 3-D and 2-D seismic program. If the Company fails to make the necessary expenditures during such period, it will surrender all of the land on that concession.

The Company is also waiting on environmental permits on the Laguna de Piedra and Cañadón Ramirez concessions. If and when these permits are received, the Company would be committed to spending US$0.8 million and US$1.5 million over the following 12 months from the date of receipt on the concessions, respectively.

12. Subsequent event:

The Company closed a short-form prospectus bought deal equity financing on December 15, 2011 and issued a total of 13,774,900 common shares of the Company pursuant to the offering at a price of $0.95 per common share for gross proceeds of $13,086,155.

13. Change in accounting policy:

Effective March 1, 2011 the Company retrospectively changed its accounting policy for recognition of stock-based compensation to more appropriately align itself with policies applied by other comparable companies. Prior to March 1, 2011 the Company used the straight-line approach to recognize the fair value of the options granted.

The Company now recognizes the fair value of options based on the graded-vesting method. The impact of this change on the previously reported consolidated financial statements is as follows:

	Previously reported	Adjustment	Restated
Consolidated balance sheet at September 1, 2010:			
Deficit	$ (15,950,556)	$ (44,443)	$ (15,994,999)
Contributed surplus	1,476,163	44,443	1,520,606
November 30, 2010:			
Deficit	$ (16,786,275)	$ (83,688)	$ (16,869,963)
Contributed surplus	1,905,274	83,688	1,988,962
Consolidated statement of operations for the period ended November 30, 2010:			
Share-based payments	$ 73,823	$ 39,245	$ 113,068

There was no effect on amounts per share as a result of the change in accounting policy.

14. Transition to IFRS:

As stated in note 2, these are the Company's first IFRS condensed interim consolidated financial statements prepared in accordance with IFRS. The impact that the transition from Canadian GAAP to IFRS had on the Company's financial position, financial performance and cash flow is set out in this note.

The significant accounting policies described in note 2 have been applied in the preparation of these financial statements for the quarter ended November 30, 2011, as well as in the preparation of the comparative information presented for the year ended August 31, 2011, the three months ended November 30, 2010 and in the opening IFRS balance sheet at September 1, 2010 (the "transition date"), except where certain IFRS 1 exemptions have been applied as described below.

14. Transition to IFRS (continued):

Exemptions Applied

IFRS 1 *First-time Adoption of International Financial Reporting Standards* allows first-time adopters certain exemptions from the general requirement to retrospectively apply IFRS that were effective as at September 1, 2010. The Company has applied the following exemptions:

- IFRS 3 *Business Combinations* has not been applied to acquisitions of subsidiaries that occurred before September 1, 2010.

- The deemed cost of exploration and evaluation assets is the amount determined under Canadian GAAP. For assets in the development or production phases the deemed cost is the amount

- determined for the cost centre under Canadian GAAP, allocated to the cost centre's underlying assets pro rata using reserve values as of September 1, 2010.

- IAS 21 The Company set cumulative translation differences for its foreign operations to zero at transition.

- IAS 37 The Company measured decommissioning provisions in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and recognized directly into retained earnings the difference between that amount and the carrying amount of decommissioning provisions under Canadian GAAP for the provision that arose from the D&P assets.

IFRS 1 also requires that an entity's estimates under IFRS at the date of transition be consistent with estimates made under its Canadian GAAP for the same date, unless there is objective evidence that those estimates were made in error. The Company's IFRS estimates at September 1, 2010 are consistent with the estimates made under Canadian GAAP for that same date.

Reconciliations from Canadian GAAP to IFRS

An explanation of how the transition from Canadian GAAP to IFRS has affected the Company's consolidated statements of financial position, statements of operations and comprehensive loss as at the date of transition and for comparative periods is set out in the following reconciliations and in the notes that accompany the reconciliations. Certain amounts on the statements of financial position and the statements of operations and comprehensive loss have been reclassified to conform to the presentation adopted under IFRS.

CROWN POINT VENTURES LTD.

Notes to Condensed Interim Consolidated Financial Statements
As at and for the three month period ended November 30, 2011 (unaudited)
All amounts in CDN$ except where noted.

Reconciliation of Assets, Liabilities and Equity as reported under Canadian GAAP to IFRS

		August 31, 2011			November 30, 2010			September 1, 2010		
	Note	**CDN GAAP**	**Adj**	**IFRS**	**CDN GAAP Restated** (note 13)	**Adj**	**IFRS**	**CDN GAAP Restated** (note 13)	**Adj**	**IFRS**
		($)	($)	($)	($)	($)	($)	($)	($)	($)
ASSETS										
Current assets:										
Cash and cash equivalents		27,230,325	-	27,230,325	469,782	-	469,782	1,769,501	-	1,769,501
Trade and other receivables		1,077,426	-	1,077,426	757,647	-	757,647	329,183	18,974	348,157
Prepaid expenses		614,147	-	614,147	410,928	-	410,928	233,434	-	233,434
Income tax receivable		-	-	-	70,000	-	70,000	-	-	-
Trade and other receivables related to discontinued operations		-	-	-	-	-	-	18,974	(18,974)	-
		28,921,898	-	28,921,898	1,708,357	-	1,708,357	2,351,092	-	2,351,092
Property and equipment	**A,B&D**	25,916,364	(9,429,731)	16,486,633	14,302,866	(6,787,328)	7,515,538	13,873,644	(6,369,616)	7,504,028
Exploration & evaluation assets	**A&B**	-	6,003,404	6,003,404	-	4,304,888	4,304,888	-	4,218,303	4,218,303
Property and equipment related to discontinued operations		-	-	-	-	-	-	80,551	(80,551)	-
Deferred income taxes		-	-	-	41,000	-	41,000	41,000	-	41,000
		54,838,262	(3,426,327)	51,411,935	16,052,223	(2,482,440)	13,569,783	16,346,287	(2,231,864)	14,114,423
LIABILITIES & SHAREHOLDER'S EQUITY										
Current liabilities:										
Trade and other payables		4,516,471	-	4,516,471	2,163,984	-	2,163,984	2,388,208	148,953	2,537,161
Trade and other payables related to discontinued operations		-	-	-	-	-	-	148,953	(148,953)	-
		4,516,471	-	4,516,471	2,163,984	-	2,163,984	2,537,161	-	2,537,161
Decommissioning provision	**A**	248,310	316,981	565,291	195,331	97,030	292,361	160,846	122,607	283,453
Decommissioning provision related to discontinued operations		-	-	-	-	-	-	29,402	(29,402)	-
		4,764,781	316,981	5,081,762	2,359,315	97,030	2,456,345	2,727,409	93,205	2,820,614
Shareholder's equity:										
Share capital		67,132,442	-	67,132,442	28,573,909	-	28,573,909	28,093,271	-	28,093,271
Contributed surplus	**D**	2,755,436	(291,463)	2,463,973	1,988,962	(291,462)	1,697,500	1,520,606	(291,462)	1,229,144
Accumulated other comprehensive loss	**A**	-	(2,412,149)	(2,412,149)	-	(631,320)	(631,320)	-	-	-
Deficit	**A to D**	(19,814,397)	(1,039,696)	(20,854,093)	(16,869,963)	(1,656,688)	(18,526,651)	(15,994,999)	(2,033,607)	(18,028,606)
		50,073,481	(3,743,308)	46,330,173	13,692,908	(2,402,605)	11,113,438	13,618,878	(2,325,069)	11,293,809
		54,838,262	(3,426,327)	51,411,935	16,052,223	(2,482,440)	13,569,783	16,346,287	(2,231,864)	14,114,423

Reconciliation of Net Earnings for the year ended August 31, 2011 and the three months ended November 30, 2010

		November 30, 2010			August 31, 2011		
	Note	**CDN GAAP Restated** (note 13)	**Adj.**	**IFRS**	**CDN GAAP**	**Adj.**	**IFRS**
Revenues:							
Oil and gas		1,034,974	-	1,034,974	3,839,359	-	3,839,359
Royalties		(218,224)	-	(218,224)	(818,877)	-	(818,877)
		816,750		816,750	3,020,482		3,020,482
Interest		-	-	-	179,409	-	179,409
		816,750	-	816,750	3,199,891	-	3,199,891
Expenses:							
Operating		251,268	-	251,268	1,044,832	-	1,044,832
General and administrative		269,323	-	269,323	2,230,172	-	2,230,172
Share-based payments		586,852	-	586,852	1,478,359	-	1,478,359
Financing fees and bank charges		18,140	-	18,140	408,014	-	408,014
Depletion and depreciation	**D**	632,605	(386,123)	246,482	2,185,745	(979,673)	1,206,072
Transaction costs	**B**	-	-	-	23,001	-	23,001
Finance costs		-	7,564	7,564	-	46,551	46,551
Foreign exchange loss (gain)	**A**	(22,265)	1,640	(20,625)	70,744	(60,789)	9,955
		1,735,923	(376,919)	1,359,004	7,440,867	(993,911)	6,446,956
Loss from continuing operations before income taxes		(919,173)	376,919	(542,254)	(4,240,976)	993,911	(3,247,065)
Deferred income tax expense (reduction)		(41,000)	-	(41,000)	41,000	-	41,000
Loss from continuing operations		(878,173)	376,919	(501,254)	(4,281,976)	993,911	(3,288,065)
Income from discontinued operations		3,209	-	3,209	462,578	-	462,578
Net loss for the period		(874,964)	376,919	(498,045)	(3,819,398)	993,911	(2,825,487)
Exchange differences on translation of foreign operations	**A**	-	(631,320)	(631,320)	-	(2,412,149)	(2,412,149)
Total comprehensive loss for the period		(874,964)	(254,401)	(1,129,365)	(3,819,398)	(1,418,238)	(5,237,636)

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A. Changes in functional currency

Under Canadian GAAP, the basis of measurement for foreign operations is dependent upon whether an operation is classified as integrated or self-sustaining. The measurement currency of integrated subsidiaries is the same currency as the parent and the measurement currency of a self-sustaining subsidiary is the foreign currency. Under IFRS, the concepts of integrated and self-sustaining subsidiaries are not relevant, rather the functional currency of each individual entity must be determined.

IAS 21 requires management to give priority to certain primary factors in determining functional currency before considering secondary factors; whereas under Canadian GAAP the factors for determining whether an operation is integrated or self-sustaining are not weighted. The weighting under IFRS may result in an entity reaching a different conclusion on functional currency for its foreign operations even though the IFRS factors are similar to those under Canadian GAAP.

14. Transition to IFRS (continued):

A. Changes in functional currency (continued)

Under Canadian GAAP, the Company concluded that the functional currency of its foreign operations was the Canadian dollar. As a result of differences in the guidance for functional currency determination, the Company concluded that under IFRS the functional currency of its foreign subsidiary is Argentine pesos (ARS).

In accordance with IFRS, foreign currency transactions are translated into the respective functional currencies of Crown Point and subsidiary using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss. Under IFRS Crown Point continues to present its consolidated financial statements in CDN$. The Company translates the results and financial position of its subsidiaries from their functional currencies into CDN$ as follows:

(a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(b) income and expenses for each year are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(c) all resulting exchange differences are recognized in a separate component of equity called ''accumulated other comprehensive income".

The Company did not recognize such gains and losses under Canadian GAAP because the measurement and presentation currencies of Crown Point's entities were all CDN$. As a consequence of this change, gains and losses related to the translation of the financial statements of the subsidiaries are recorded through other comprehensive income and do not impact net income until a disposal or partial disposal of a foreign operation occurs.

On transition to IFRS, Crown Point elected to utilize the IFRS 1 cumulative translation differences exemption, which exempted the Company from calculating the translation difference related to foreign operations retrospectively. At September 1, 2010, Crown Point's cumulative translation differences of $896,306 arising from the retrospective application of the change in the functional currencies of the subsidiary were reclassified to deficit.

For the three month period ended November 30, 2010, IFRS transition differences resulted in an exchange loss on translation of foreign operations of $631,320. For the year ended August 31, 2010, IFRS transition differences resulted in an exchange loss on translation of foreign operations of $2,412,149.

B. Exploration and evaluation assets ("E&E")

IFRS 1 – Deemed Cost. The Company applied the IFRS 1 exemption whereby the value of its opening plant, property and equipment at April 1, 2010 was deemed to be equal to the net book value as determined under Canadian GAAP and the corresponding Cash Generating Units ("CGU's") were tested for impairment. The Company chose to allocate its costs to its CGU's based on proved plus probable reserve volumes.

Under Canadian GAAP, the Company followed the full cost method of accounting for expenditures on petroleum and natural gas properties. All costs associated with the exploration for and the development of petroleum and natural gas reserves are capitalized in country-based cost centers. Under IFRS, pre-exploration costs are recognized in the profit or loss as incurred. Costs incurred after the legal right to explore has been obtained and before technical feasibility and commercial viability have been determined are capitalized as E&E assets. Once an exploration area has been deemed to be technically feasible and commercially viable, E&E

14. Transition to IFRS (continued):

B. Exploration and evaluation assets ("E&E") (continued)

costs are reclassified to development and production ("D&P") assets, a separate category of property and equipment.

As at		September 1, 2010
E&E assets, amount determined under Previous GAAP	$	4,535,639
Impact of change in functional currency		(317,336)
E&E assets, net book value	$	4,218,303

The following reclassifications were made from property, plant and equipment under Canadian GAAP:

At September 1, 2010, $4,218,303 was reclassified from property and equipment to E&E assets and $3,043 was charged to the deficit and loss for pre-exploration costs. For the three months ended November 30, 2010 a reduction in property and equipment of $4,304,888 with a corresponding increase in E&E assets was recorded; and for the year ended August 31, 2011 a total of $6,033,404 was recorded in E&E assets.

Impairment:

Upon transition to IFRS, the Company assessed the existence of facts and circumstances that would suggest that the carrying value of the E&E and D&P assets may exceed their recoverable value. The assessment resulted in the write-off of a $1,332,514, being one component of the E&E assets and one component of the D&P assets, which have been ascribed a $nil value, following the decision to abandon the components.

C. Decommissioning liabilities

Consistent with IFRS, decommissioning obligations (asset retirement obligations under Canadian GAAP) were measured under Canadian GAAP based on the estimated cost of the decommissioning, discounted to their net present value upon initial recognition. Under Canadian GAAP, asset retirement obligations were discounted at a credit adjusted risk free rate.

Under IFRS, it is required that the entity risk-adjust its rate or its estimated cash flows, but not both. The Company risk-adjusts its estimated cash flows and uses a risk-free rate to discount its decommissioning obligations under IFRS.

From a financial statement presentation perspective, under IFRS the periodic unwinding of discounted decommissioning liabilities is recognized in profit and loss as a finance cost, as opposed to accretion expense as it was under Canadian GAAP.

On transition to IFRS, Crown Point elected to utilize the IFRS1 exemption related to decommissioning provisions and measured the obligation as at September 1, 2010 in accordance with IAS 37. The Company recognized directly into retained earnings the difference between that amount and the carrying amount of ARO under Canadian GAAP. As a result of the change in discount rates and change in functional currency of its foreign operations (see note above), Crown Point recorded an increase in the decommissioning provision liability of $93,205 at transition to IFRS.

At November 30, 2010, IFRS transition differences resulted in an increase in decommissioning liabilities of $97,030. As at August 31, 2011, IFRS transition differences resulted in an increase in decommissioning liabilities of $316,981.

14. Transition to IFRS (continued):

D. Depletion

Upon transition to IFRS, the Company adopted a policy of depleting the componentized net book values of producing assets using the unit of production method with reference to the ratio of production in the year to the related proved and probable reserves, taking into account estimated future development costs necessary to bring those reserves into production. Depletion under Previous GAAP was calculated with reference to proved reserves whereby costs accumulated in each country cost center together with an estimate of future costs to develop proved reserves were depleted using the unit of production method.

At September 1, 2010, El Valle, in Argentina, was deemed by management to be technically feasible and commercially viable and costs attributed to the concession were transferred from E&E assets to D&P assets, a separate category within property and equipment. Therefore, there was no impact of this difference on adoption of IFRS at September 1, 2010. Depletion was calculated on the D&P assets beginning in the first quarter of 2011.

As a result of the transition to IFRS, depletion for the period ended November 30, 2010 decreased by $386,123. For the year ended August 31, 2010, depletion decreased by $979,673.

E. Cash flow statement

The effect of the transition to IFRS on the Company's cash flows primarily relates to the change in functional currency of the Company's foreign operations. The effect of the transition on the Company's cash flows is summarized as follows:

	Three months ended November 31, 2010 $	Year ended August 31, 2011 $
Cash used in operating activities	(1,640)	(1,255,613)
Cash provided by (used in) investing activities	(19,985)	1,208,200
Impact of foreign exchange on cash balance	21,625	47,413
Net effect on cash flow	-	-