

## **CROWN POINT ENERGY INC.**

### **INSIDER TRADING POLICY**

#### **The Policy**

Crown Point Energy Inc. (the "**Corporation**") is committed to ensuring compliance with all applicable securities laws governing trading in securities of the Corporation while in possession of material non-public information concerning the Corporation and tipping or disclosing material non-public information to outsiders.

In conjunction with regulatory requirements, it is the policy of the Corporation that, once a person becomes a "reporting insider" (as described below), his or her security holdings in the Corporation, and any change therein, must be reported to the appropriate securities commissions. The responsibility for compliance with insider reporting obligations rests with the reporting insiders and not with the Corporation. However, the Corporation has an interest in monitoring the holdings of its reporting insiders and ensuring that reporting insider's holdings are accurately reported, as the identity of reporting insiders and the size of their holdings may be relevant in determining whether the Corporation is permitted, under applicable securities laws and stock exchange rules, to undertake certain types of transactions.

#### **Scope**

This policy covers all officers and directors of the Corporation and all employees and consultants of the Corporation. Directors, officers, employees and consultants are responsible for ensuring compliance by their families and other members of their households.

This policy applies to any transactions in any securities of the Corporation, including shares, debentures, options, warrants or other securities exchangeable or exercisable into shares, as well as exchange-traded options or other derivative securities that are not issued by the Corporation but are based on securities of the Corporation.

This policy applies not only to the securities of the Corporation which a director, officer, employee or consultant owns, but also those over which direct or indirect control or direction is exercised (for example as a trustee or executor of an estate) and also to the securities of the Corporation that are indirectly owned (for example by a corporation controlled by a director, officer, employee or consultant or by an immediate family member of a director, officer, employee or consultant).

This policy applies not only during the course of a director's, officer's, employee's or consultant's service to the Corporation, but also after the completion of such service to the extent the relevant person possesses material non-public information at the time such service is completed.

#### **Insiders**

The directors and officers of the Corporation and certain other persons are considered to be "insiders" of the Corporation pursuant to applicable securities laws. The directors and certain senior officers of the Corporation and certain other persons are considered to be "**reporting insiders**" of the Corporation pursuant to applicable securities laws and as such are subject to a higher standard of scrutiny and disclosure requirements than other people who may trade in securities of the Corporation. If you are uncertain as to whether you are a "reporting insider", you should consult with a senior officer of the Corporation, who may consult with the Corporation's legal counsel. The following rules apply to reporting insiders:

**Initial Reports** - An initial report must be filed within ten (10) days of the date on which a person or corporation becomes a reporting insider. An initial report is not required, however, when a person becomes a reporting insider if he or she has no direct or indirect beneficial ownership, control or direction over securities of the Corporation.

**Changes in Beneficial Ownership** - A person or corporation who is a reporting insider must report any changes in his or her direct or indirect beneficial ownership of, or control or direction over, securities of the Corporation within five (5) days of the date such change takes place.

**Stock Options** - A person or corporation who is a reporting insider is reminded that the grant of an option, or the exercise of an option or the expiry of an option, gives rise to reporting obligations and an insider report must be filed with respect to these matters within five (5) days of the date such transaction takes place.

**Filing** - A person or corporation who is a reporting insider is required to use the System for Electronic Disclosure by Insiders ("**SEDI**") for reporting insider trades. Reporting insiders are referred to the internet website for SEDI at [www.sedi.ca](http://www.sedi.ca). Please note that there are financial penalties arising from late filings and that such penalties will be the sole responsibility of the reporting insider.

## **Definitions**

The following definitions apply to this Policy:

**Material Information** - Securities legislation and this policy make frequent reference to material information. In this policy, material information includes "material changes" and "material facts". A "material change" is a change in the business, operations or capital of the Corporation that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Corporation, or a decision to implement a change referred to above made by the board of directors or by senior management of the Corporation who believe that confirmation of the decision by the board of directors is probable. A "material fact" is a fact that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Corporation.

**Non-public Information** - Material information is "non-public" if it has not been generally disclosed. Information is considered to have been generally disclosed if: (i) the information has been disseminated in a manner calculated to effectively reach the marketplace, and (ii) public investors have been given a reasonable amount of time to analyze the information. For the purposes of this policy, information will be considered public; i.e., no longer non-public, after information has been generally disclosed by means of a broadly disseminated press release and two (2) full trading days have elapsed since such press release was disseminated.

If you are unsure whether the information that you possess is material or non-public, legal counsel to the Corporation should be consulted before trading in any securities of the Corporation.

## **Statement of Policy and Procedures**

### ***Prohibited Activities***

1. No insider, employee or consultant may trade in securities of the Corporation while in possession of material non-public information concerning the Corporation.

2. No insider, employee or consultant may trade in securities of the Corporation outside of the "trading windows" described below, or during any designated special trading blackout periods.
3. No insider, employee or consultant may trade in securities of the Corporation during any trading blackout period imposed on insiders, employees and consultants of the Corporation generally.
4. No insider, employee or consultant may disclose material non-public information concerning the Corporation to any outside person (including family members, analysts, individual investors and members of the investment community and news media) unless such disclosure is necessary in the course of business. In any instance where such information is disclosed to outsiders, the outsider must be advised that they must not disclose the information to anyone else, other than in the necessary course of business, and they may not trade in securities of the Corporation until the information has been generally disclosed.
5. No insider, employee or consultant may give trading advice of any kind relating to securities of the Corporation to anyone while possessing material non-public information about the Corporation, except that insiders, employees and consultants should advise others not to trade securities of the Corporation if such trade might violate the law or this policy.
6. No insider, employee or consultant may: (a) trade in securities of any other public company, trust, partnership or other entity (a "**company**") while possessing material non-public information concerning that company; (b) "**tip**" or disclose material non-public information concerning any company to anyone; or (c) give trading advice of any kind to anyone concerning any other company while possessing material non-public information about that company that such insider, employee or consultant learned in the course of service to the Corporation.
7. No insider, employee or consultant may: (a) engage in "short sales" of securities of the Corporation, or (b) buy or sell puts, calls or other derivatives in respect of securities of the Corporation.

### **Trading Windows and Blackout Periods**

***Blackout Periods and Trading Windows*** - A "blackout period" is any time where an insider, employee or consultant is restricted by the terms of this policy or applicable securities law from trading in securities of the Corporation. Alternatively, a "trading window" is the period of time between blackout periods where an insider, employee or consultant is not restricted by the terms of this policy or applicable securities law from trading in securities of the Corporation.

***Designation of Blackout Periods*** - The Corporation will notify insiders, employees and consultants by e-mail when a general blackout period is in effect, and will provide a brief explanation of the reason for the blackout period. The Corporation will similarly advise the insiders, employees and consultants by e-mail when the general blackout period has ceased. However, it is the obligation of every insider, employee and consultant to ensure, prior to effecting a trade, that a blackout period is not in effect or such person is not otherwise restricted from trading in securities of the Corporation. In the event that an insider, employee or consultant is unsure whether they may trade in securities of the Corporation, they should contact the Chief Executive Officer or Chief Financial Officer of the Corporation to determine if a general blackout period is in effect or if the insider, employee or consultant is in possession of material non-public information.

***Standing Orders*** - In the event that an insider, employee or consultant wishes to place a "standing order" for the sale of securities, it shall be the responsibility of the insider, employee or consultant to ensure

(either personally or through the use of an agent), that prior to the execution of such trade, no blackout period has arisen subsequent to the issuance of the approval.

**Trading Windows** - Subject to the next paragraph, insiders, employees and consultants may trade in securities of the Corporation only during the period beginning after the close of trading two (2) full trading days following widespread public release of quarterly or year-end operating and financial results and ending at the close of trading on the earlier to occur of the tenth (10th) day preceding a meeting of the board of directors of the Corporation or the Audit Committee to approve any earnings press release or any financial statements reflecting the Corporation's operating or financial results.

**No Trading While in Possession of Material Non-public Information or During Blackout Periods** - No insider, employee or consultant possessing material non-public information concerning the Corporation may trade in securities of the Corporation even during applicable trading windows. Persons possessing such information may trade during a trading window only after the close of trading two (2) full trading days following the widespread public release of the information. No insider, employee or consultant may trade in securities of the Corporation outside of applicable trading windows or during any designated blackout periods. No insider, employee or consultant may disclose to any outside third party that a special blackout period has been designated.

**Priority of Statutory or Regulatory Trading Restrictions** The trading prohibitions and restrictions set forth in this policy will be superseded by any greater prohibition or restrictions prescribed by securities laws and regulations.

### **Enforcement**

The consequences of prohibited insider trading or tipping can be severe. Under securities laws, persons violating insider trading or tipping rules may be required to disgorge the profit made or the loss avoided by trading, pay the loss suffered by the persons who purchased securities from or sold securities to the insider tippee, pay fines up to the greater of \$1,000,000 and three times the profit made or loss avoided, pay administrative penalties of up to \$500,000 and serve a jail term of up to five years less a day. The Corporation may also be required to pay penalties and could, under certain circumstances, be subject to private lawsuits by traders for damages suffered as a result of illegal insider trading or tipping by persons under the Corporation's control.

Violation of this policy or applicable tipping laws by any insider, employee or consultant may subject such person to disciplinary action up to and including termination for cause in the case of an insider or employee or termination of the consulting contract in the case of a consultant.

If it is discovered that anyone subject to these policies has violated applicable securities laws, the matter may be referred to the appropriate regulatory authorities.

**July 27, 2012**