

CROWN POINT ENERGY INC.
Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2016
(Unaudited)

CROWN POINT ENERGY INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited)
(United States Dollars)

As at	June 30 2016	December 31 2015
Assets		
Current assets:		
Cash and cash equivalents (Note 17)	\$ 688,304	\$ 1,053,847
Short-term bonds (Note 4)	-	307,672
Trade and other receivables (Note 5)	2,513,421	1,648,539
Inventory	384,914	727,427
Prepaid expenses	640,041	731,327
Deposits (Note 10)	1,010,000	800,000
	5,236,680	5,268,812
Exploration and evaluation assets (Note 6)	8,447,055	7,731,691
Property and equipment (Note 7)	28,973,490	32,250,082
Other non-current assets (Note 8)	1,021,333	917,210
Deposits (Note 10)	700,000	1,030,000
	\$ 44,378,558	\$ 47,197,795
Liabilities and Shareholders' Equity		
Current liabilities:		
Trade and other payables	\$ 2,140,872	\$ 3,463,267
Current portion of bank debt (Note 10)	1,557,073	1,162,717
	3,697,945	4,625,984
Bank debt (Note 10)	773,622	1,253,469
Decommissioning provision (Note 11)	3,442,018	3,148,251
Deferred tax liability (Note 15)	1,299,000	-
	9,212,585	9,027,704
Shareholders' equity:		
Share capital	116,003,355	116,003,355
Contributed surplus	6,887,166	6,854,813
Accumulated other comprehensive loss	(17,985,837)	(18,122,491)
Deficit	(69,738,711)	(66,565,586)
	35,165,973	38,170,091
	\$ 44,378,558	\$ 47,197,795

Reporting entity and going concern (Note 1)
Subsequent event (Note 20)

See accompanying notes to condensed interim consolidated financial statements.

CROWN POINT ENERGY INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)
(United States Dollars)

	For the three months ended June 30		For the six months ended June 30	
	2016	2015	2016	2015
Revenue				
Oil and gas (Note 18)	\$ 3,778,045	\$ 3,887,066	\$ 7,454,394	\$ 7,929,749
Royalties	(663,882)	(671,291)	(1,346,503)	(1,387,005)
	3,114,163	3,215,775	6,107,891	6,542,744
Expenses				
Operating	1,274,911	1,420,083	2,668,738	2,907,066
General and administrative	858,329	1,418,968	1,535,320	2,538,980
Depletion and depreciation	1,749,139	1,417,515	3,470,092	2,863,501
Share-based payments	17,707	32,127	30,226	100,522
Foreign exchange (gain) loss	2,116	(183,603)	(122,618)	(451,413)
	3,902,202	4,105,090	7,581,758	7,958,656
Results from operating activities	(788,039)	(889,315)	(1,473,867)	(1,415,912)
Net finance expense (Note 13)	(225,308)	(229,977)	(439,034)	(625,804)
Other income (expenses) (Note 14)	-	49,221	38,776	(675,675)
Loss before taxes	(1,013,347)	(1,070,071)	(1,874,125)	(2,717,391)
Deferred tax expense (Note 15)	(816,000)	-	(1,299,000)	-
Net loss	(1,829,347)	(1,070,071)	(3,173,125)	(2,717,391)
Exchange differences on translation of the Canadian parent company	11,702	64,441	136,654	(400,096)
Comprehensive loss	\$ (1,817,645)	\$ (1,005,630)	\$ (3,036,471)	\$ (3,117,487)
Net loss per share	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.02)
Weighted average shares outstanding - basic and diluted (Note 16)	164,515,222	161,183,271	164,515,222	146,928,561

See accompanying notes to condensed interim consolidated financial statements.

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

For the six months ended June 30

(Unaudited)

(United States Dollars)

For the six months ended June 30	2016	2015
Share capital		
Balance, January 1	\$ 116,003,355	\$ 107,575,856
Issuance of share capital, net of costs	-	8,427,499
Balance, June 30	116,003,355	116,003,355
Contributed surplus		
Balance, January 1	6,854,813	6,724,551
Share-based payments	32,353	105,319
Balance, June 30	6,887,166	6,829,870
Accumulated other comprehensive loss		
Balance, January 1	(18,122,491)	(17,412,508)
Exchange differences on translation of Canadian parent company	136,654	(400,096)
Balance, June 30	(17,985,837)	(17,812,604)
Deficit		
Balance, January 1	(66,565,586)	(51,192,226)
Net loss	(3,173,125)	(2,717,391)
Balance, June 30	(69,738,711)	(53,909,617)
Total shareholders' equity	\$ 35,165,973	\$ 51,111,004

See accompanying notes to condensed interim consolidated financial statements.

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

For the six months ended June 30
(Unaudited)
(United States Dollars)

For the six months ended June 30	2016	2015
Operating:		
Net loss	\$ (3,173,125)	\$ (2,717,391)
Items not affecting cash:		
Depletion and depreciation	3,470,092	2,863,501
Share-based payments	30,226	100,522
Unrealized foreign exchange gain	(156,012)	(200,185)
Interest expense	273,767	344,796
Accretion of decommissioning provision	32,844	23,342
Fair value adjustment on short-term bonds	3,471	-
Other income	(38,776)	-
Deferred tax expense	1,299,000	-
	1,741,487	414,585
Change in non-cash working capital (Note 17)	(295,515)	(502,337)
Operating cash flows	1,445,972	(87,752)
Financing:		
Bank debt proceeds, net of repayment	240,743	(2,396,105)
Proceeds from return (payment) of deposits	120,000	1,700,000
Interest expense	(273,767)	(344,796)
Proceeds from share issuance, net of costs	-	8,427,499
Financing cash flows	86,976	7,386,598
Investing:		
Proceeds from the sale of short-term bonds	304,201	-
Exploration and evaluation - expenditures	(710,043)	(718,687)
Property and equipment - expenditures	(766,322)	(6,793,453)
Property and equipment - VAT recoveries	930,350	-
Change in other non-current assets	(216,393)	(3,409)
Change in non-cash working capital (Note 17)	(1,515,013)	(810,621)
Investing cash flows	(1,973,220)	(8,326,170)
Change in cash and cash equivalents	(440,272)	(1,027,324)
Foreign exchange effect on cash held in foreign currencies	74,729	(561,282)
Cash and cash equivalents, January 1	1,053,847	4,653,853
Cash and cash equivalents, June 30	\$ 688,304	\$ 3,065,247

See accompanying notes to condensed interim consolidated financial statements.

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

For the three and six months ended June 30, 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 six months ended June 30, 2016, the Company incurred a net loss of approximately \$3.2 million. As at June 30, 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 August 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 and six months ended June 30, 2016.

4. SHORT-TERM BONDS:

	June 30 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 and six months ended June 30, 2016

(Unaudited)

(United States dollars)

5. TRADE AND OTHER RECEIVABLES:

The Company's trade and other receivables consist of:

	June 30 2016	December 31 2015
Due from Argentine companies	\$ 2,745,123	\$ 1,859,803
Other receivables	49,357	108,571
Impairment	(281,059)	(319,835)
Total trade and other receivables	\$ 2,513,421	\$ 1,648,539

During the six months ended June 30, 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:

	June 30 2016	December 31 2015
Not past due (less than 90 days)	\$ 2,489,609	\$ 1,575,505
Past due (more than 90 days)	23,812	73,034
Total trade and other receivables	\$ 2,513,421	\$ 1,648,539

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

Carrying amount, December 31, 2015	\$ 7,731,691
Additions	711,422
Decommissioning changes (Note 11)	3,942
Carrying amount, June 30, 2016	\$ 8,447,055

Capitalized amounts:

The amounts capitalized as exploration and evaluation assets in Argentina during the six months ended June 30, 2016 include \$128,731 of general and administrative costs and \$1,379 of share-based compensation (six months ended June 30, 2015 – \$nil and \$nil, respectively).

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

For the three and six months ended June 30, 2016

(Unaudited)

(United States dollars)

7. PROPERTY AND EQUIPMENT:

	Argentina		Canada	
	Development and Production		Other Assets	Total
	Assets	Other Assets		
Cost:	\$	\$	\$	\$
Balance at December 31, 2015	49,394,986	573,574	607,464	50,576,024
Additions	717,053	50,017	–	767,070
VAT recoveries (Note 9)	(930,350)	–	–	(930,350)
Decommissioning changes (Note 11)	256,981	–	–	256,981
Effect of change in exchange rates	–	–	43,468	43,468
Balance at June 30, 2016	49,438,670	623,591	650,932	50,713,193
Accumulated depletion and depreciation:				
Balance at December 31, 2015	17,590,236	363,522	372,184	18,325,942
Depletion and depreciation	3,248,264	108,969	29,055	3,386,288
Effect of change in exchange rates	–	–	27,473	27,473
Balance at June 30, 2016	20,838,500	472,491	428,712	21,739,703
Net carrying amount:				
At December 31, 2015	31,804,750	210,052	235,280	32,250,082
At June 30, 2016	28,600,170	151,100	222,220	28,973,490

Capitalized amounts:

The amounts capitalized as D&P assets in Argentina during the six months ended June 30, 2016 include \$115,905 of general and administrative costs and \$748 of share-based compensation (six months ended June 30, 2015 – \$158,016 and \$4,797, respectively).

Future development costs:

The June 30, 2016 depletion expense calculation included \$32.0 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:

	June 30 2016	December 31 2015
Interest-bearing bonds	\$ 83,132	\$ 112,040
Long-term receivables	975,836	847,687
	1,058,968	959,727
Current portion of interest-bearing bonds included in trade and other receivables	(37,635)	(42,517)
Total non-current assets	\$ 1,021,333	\$ 917,210

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

For the three and six months ended June 30, 2016

(Unaudited)

(United States dollars)

9. VAT:

	June 30 2016	December 31 2015
Included in prepaid expenses	\$ 46,283	\$ 51,910
Included in E&E assets (Note 6)	1,490,763	1,403,915
Included in property and equipment (Note 7)	2,041,249	2,971,599
	\$ 3,578,295	\$ 4,427,424

10. BANK DEBT:

	June 30 2016	December 31 2015
Development loan facility (a)	\$ 376,281	\$ 948,710
Loan facility (b)	1,280,478	1,467,476
Loan facility (c)	673,936	–
	2,330,695	2,416,186
Current portion of bank debt	(1,557,073)	(1,162,717)
Long-term portion of bank debt	\$ 773,622	\$ 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 \$280,000 (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 June 30, 2016, the balance owing under the development loan facility was ARS 5,583,327 (\$376,281) (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 June 30, 2016, the total balance owing under this loan facility was ARS 19,000,000 (\$1,280,478) (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 was repayable in one installment on May 2, 2016.

On May 2, 2016, the Company renewed the ARS 10,000,000 (\$702,700) loan facility at an interest rate of 38.75%, calculated and paid monthly commencing May 2, 2016 and repayable in one installment on July 2,

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

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(Unaudited)

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2016. On July 4, 2016, the Company repaid ARS 3,000,000 (\$199,750) and renewed the remaining ARS 7,000,000 (\$466,100) (Note 20).

As at June 30, 2016, the balance owing under this loan facility was ARS 10,000,000 (\$673,936).

11. 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 June 30, 2016 the estimated total undiscounted inflation-adjusted amount of cash flows required to settle the Company's obligations were approximately \$4.0 million (December 31, 2015 – \$3.9 million). These costs are expected to be incurred over the next 10 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 1.6% (December 31, 2015 – 2%) and an inflation rate of 1% (December 31, 2015 – 0.7%) was used to calculate the decommissioning provision in Argentina.

A reconciliation of the decommissioning provision is provided below:

Balance, December 31, 2015	\$	3,148,251
Additions		19,463
Accretion		32,844
Change in estimates		241,460
Balance, June 30, 2016	\$	3,442,018

12. SHARE-BASED PAYMENTS:

Stock option activity for the six months ended June 30, 2016 is summarized as follows:

	Number of options	Weighted average exercise price (CAD)
Balance, December 31, 2015	4,565,000	\$ 0.77
Expired	(545,000)	(1.96)
Balance, June 30, 2016	4,020,000	\$ 0.61
Balance exercisable, June 30, 2016	4,020,000	\$ 0.61

Stock options outstanding and exercisable at June 30, 2016 are as follows:

Expiry date	Weighted Average Exercise Price (CAD)	Outstanding	Exercisable
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	865,000
	\$ 0.61	4,020,000	4,020,000

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

For the three and six months ended June 30, 2016

(Unaudited)

(United States dollars)

13. NET FINANCE EXPENSE:

	Three months ended		Six months ended	
	June 30		June 30	
	2016	2015	2016	2015
Interest income	\$ 10,600	\$ 42,335	\$ 21,240	\$ 54,897
Fair value adjustment on short-term bonds	–	–	(3,471)	–
Financing fees and bank charges	(71,038)	(150,568)	(150,192)	(312,563)
Interest on bank debt (Note 10)	(148,405)	(109,973)	(273,767)	(344,796)
Accretion of decommissioning provision (Note 11)	(16,465)	(11,771)	(32,844)	(23,342)
	\$ (225,308)	\$ (229,977)	\$ (439,034)	\$ (625,804)

14. OTHER INCOME (EXPENSES):

	Three months ended		Six months ended	
	June 30		June 30	
	2016	2015	2016	2015
Recovery of impaired receivable (Note 5)	\$ –	\$ –	\$ 38,776	\$ –
Export tax recovery (a)	–	64,313	–	64,313
Special meeting expenses (b)	–	(15,092)	–	(739,988)
	\$ –	\$ 49,221	\$ 38,776	\$ (675,675)

- (a) In November 2006, the TDF UTE filed a lawsuit against the Ministry of Economy and Production claiming certain export taxes were unconstitutional and for such export taxes to be reimbursed. In June 2014, after numerous appeals at various levels of court by both sides, the Supreme Court of Justice of the Nation ruled in favor of the UTE for the reimbursement of export duties plus accrued interest. The Company recognizes income for its share of the export tax recovery when proceeds are received.
- (b) During the three and six months ended June 30, 2015, the Company incurred special meeting expenses in response to actions by a dissident shareholder, which resulted in the preparation of various documents in advance of the special meeting of shareholders held on February 24, 2015.

15. DEFERRED TAX:

During the six months ended June 30, 2016, the Company recognized a \$1,299,000 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 expiry of certain tax pools and 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.

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

For the three and six months ended June 30, 2016

(Unaudited)

(United States dollars)

16. PER SHARE AMOUNTS:

	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Net loss	\$ (1,829,347)	\$ (1,070,071)	\$ (3,173,125)	\$ (2,717,391)
Opening number of shares	164,515,222	130,480,926	164,515,222	130,480,926
Effect of shares issued	–	30,702,345	–	16,447,635
Basic and diluted weighted average number of shares	164,515,222	161,183,271	164,515,222	146,928,561
Basic and diluted net loss per share	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.02)

For the three and six months ended June 30, 2016 and 2015, all stock options were excluded from the diluted per share amounts as their effect was anti-dilutive.

17. SUPPLEMENTAL CASH FLOW INFORMATION:

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

For the six months ended June 30	2016	2015
Trade and other receivables	\$ (826,106)	\$ 8,006
Inventory	258,709	44,912
Prepaid expenses	91,286	(29,684)
Trade and other payables	(1,322,395)	(1,377,322)
Effect of change in exchange rates	(12,022)	41,130
	\$ (1,810,528)	\$ (1,312,958)
Attributable to:		
Operating activities	\$ (295,515)	\$ (502,337)
Investing activities	(1,515,013)	(810,621)
	\$ (1,810,528)	\$ (1,312,958)

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

	June 30 2016	December 31 2015
Cash in bank	\$ 679,582	\$ 709,244
Short-term investments	8,722	344,603
	\$ 688,304	\$ 1,053,847

(c) During the three and six months ended June 30, 2016, the Company paid \$148,405 and \$273,767, respectively (three and six months ended June 30, 2015 – \$109,973 and \$344,796) of interest expense on bank debt (Note 10).

18. RELATED PARTY TRANSACTION:

During the three and six months ended June 30, 2016, the Tierra del Fuego 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 \$38,560 and \$163,680, respectively, of oil and gas revenue for its working interest share.

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

For the three and six months ended June 30, 2016

(Unaudited)

(United States dollars)

19. 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 June 30, 2016	Balance denominated in		Total USD equivalents
	CAD	ARS	
Cash and cash equivalents	\$ 12,374	\$ 9,651,476	\$ 660,089
Trade and other receivables	\$ 11,942	\$ 17,533,521	\$ 1,190,892
Interest-bearing bonds	\$ –	\$ 675,112	\$ 45,497
Trade and other payables	\$ (545,249)	\$ (20,965,652)	\$ (1,835,084)
Bank debt	\$ –	\$ (34,583,327)	\$ (2,330,695)

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 six months ended June 30, 2016, the devaluation of ARS resulted in lower TDF operating costs and general and administrative expenses incurred in Argentina by approximately 6% (six months ended June 30, 2015 – 3%).

During the six months ended June 30, 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 \$56,000 (six months ended June 30, 2015 – \$13,000).

During the six months ended June 30, 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 \$326,234 (six months ended June, 2015 – \$264,749) (Note 10).

(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 June 30, 2016:

Market risk	Change in exchange rates	Six months ended June 30 2016
Foreign exchange - effect of strengthening USD:		
CAD denominated financial assets and liabilities	5%	\$ 20,170
ARS denominated financial assets and liabilities	5%	\$ 93,300

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

For the three and six months ended June 30, 2016

(Unaudited)

(United States dollars)

20. SUBSEQUENT EVENT:

On July 4, 2016, the Company repaid ARS 3,000,000 (\$199,750) of the ARS 10,000,000 loan facility (Note 10(c)) at which time \$250,000 of the \$730,000 USD denominated letter of credit was returned to the Company. The Company renewed the remaining ARS 7,000,000 (\$466,100) of the loan facility which is secured by a \$480,000 USD denominated letter of credit held as a GIC with a major Canadian financial institution, bears interest at 36%, calculated and paid monthly commencing on July 4, 2016 and is repayable in one installment on September 2, 2016.