CROWN POINT ENERGY INC.
Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024
(Unaudited)

Notice of No Auditor Review of
Condensed Interim Consolidated Financial Statements

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed these unaudited condensed interim consolidated financial statements as at and for the three months ended March 31, 2024.

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

As at	Note		March 31 2024		December 31 2023
Assets					
Current assets:					
Cash		$	314,986	$	191,507
Investments	3		–		2,667,792
Trade and other receivables	4		2,829,003		1,917,440
Hydrocarbon inventories			922,795		1,456,822
Prepaid expenses and other current assets	5		2,047,714		1,402,847
			6,114,498		7,636,408
Exploration and evaluation assets			14,103,353		14,103,353
Property and equipment	6		43,892,301		45,834,731
Restricted cash	9		127,645		123,653
Other non-current assets	7		2,487,520		87,520
		$	66,725,317	$	67,785,665
Liabilities and Shareholders' Equity					
Current liabilities:					
Trade and other payables	10	$	7,132,247	$	5,768,105
Bank debt	8		2,490,067		508,114
Current portion of notes payable	9		15,599,848		12,298,533
Current portion of decommissioning provision	11		364,923		360,546
Current portion of lease liabilities	12		388,730		487,044
			25,975,815		19,422,342
Non-current trade and other payables	10		1,480,545		1,480,545
Notes payable	9		10,911,617		16,459,187
Decommissioning provision	11		10,166,410		10,061,672
Lease liabilities	12		357,787		378,124
Deferred tax liability	18		926,266		2,151,708
			49,818,440		49,953,578
Shareholders' equity					
Share capital			56,456,328		56,456,328
Contributed surplus			691,343		691,343
Accumulated other comprehensive loss			(18,240,776)		(18,217,300)
Deficit			(22,000,018)		(21,098,284)
			16,906,877		17,832,087
		$	66,725,317	$	67,785,665
Going concern	1				
Commitments	23				
Subsequent events	24				

Approved on behalf of the Board of Directors:

"Gordon Kettleson"
Gordon Kettleson, Director

"Pablo Peralta"
Pablo Peralta, Director

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

For the three months ended March 31	Note		2024		2023
Revenue					
Oil and natural gas sales	15	$	6,101,086	$	7,100,558
Processing income			74,251		61,895
Export tax			(152,016)		(138,196)
Royalties and turnover tax			(1,016,422)		(1,108,697)
			5,006,899		5,915,560
Expenses					
Operating			4,252,711		4,652,387
General and administrative	16		581,318		695,413
Depletion and depreciation			2,264,034		2,004,768
Share-based payments	13		–		9,594
Foreign exchange gains			(270,041)		(247,534)
			6,828,022		7,114,628
Operating loss			(1,821,123)		(1,199,068)
Net finance expense	17		(306,053)		(1,194,127)
Loss before taxes			(2,127,176)		(2,393,195)
Tax recovery	18		1,225,442		531,625
Net loss			(901,734)		(1,861,570)
Other comprehensive income (loss)					
Items that may subsequently be reclassified to profit or loss					
Exchange differences on translation of Canadian parent company			(23,476)		4,549
Total comprehensive loss		$	(925,210)	$	(1,857,021)
Net loss per share	14				
Basic		$	(0.01)	$	(0.03)
Diluted		$	(0.01)	$	(0.03)

CROWN POINT ENERGY INC.
CONSENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
(United States Dollars)

For the three months ended March 31	Note		2024		2023
Share capital					
72,903,038 common shares issued and outstanding					
Balance, January 1 and March 31		$	56,456,328	$	56,456,328
Contributed surplus					
Balance, January 1			691,343		675,195
Share-based payments	13		–		9,594
Balance, March 31			691,343		684,789
Accumulated other comprehensive loss					
Balance, January 1			(18,217,300)		(18,260,539)
Exchange differences on translation of Canadian parent company			(23,476)		4,549
Balance, March 31			(18,240,776)		(18,255,990)
Deficit					
Balance, January 1			(21,098,284)		(12,970,652)
Net loss			(901,734)		(1,861,570)
Balance, March 31			(22,000,018)		(14,832,222)
Total shareholders' equity		$	16,906,877	$	24,052,905

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

For the three months ended March 31	Note	2024	2023
Operating activities			
Net loss		$ (901,734)	$ (1,861,570)
Items not affecting cash:			
Depletion and depreciation		2,264,034	2,004,768
Share-based payments	13	–	9,594
Net finance expense		337,718	1,129,446
Unrealized foreign exchange gains		(3,082)	(615,170)
Tax recovery	18	(1,225,442)	(531,625)
Funds flow provided by operating activities		471,494	135,443
Change in non-cash working capital	19	(8,154)	788,331
Net cash provided by operating activities		463,340	923,774
Financing activities			
Bank debt proceeds	8	2,176,056	1,867,484
Bank debt repayments	8	(282,267)	(205,576)
Notes payable repayments	9	(2,093,967)	–
Notes payable interest payments	9	(317,583)	(147,740)
Restricted cash		17,536	46,248
Lease payments	12	(133,364)	(143,061)
Interest paid	8	(243,128)	(891,558)
Net cash provided by (used in) financing activities		(876,717)	525,797
Investing activities			
Exploration and evaluation expenditures		–	(3,139)
Property and equipment expenditures	6	(280,202)	(1,042,009)
Settlement of contingent consideration liability		–	(178,296)
Collection of contingent consideration receivable		–	86,022
Proceeds from redemption of investments	3	2,930,954	–
Acquisition advance payment	7	(2,400,000)	–
Change in non-cash working capital	19	296,272	(351,139)
Net cash provided by (used in) investing activities		547,024	(1,488,561)
Change in cash		133,647	(38,990)
Foreign exchange effect on cash held in foreign currencies		(10,168)	(64,608)
Cash, January 1		191,507	536,752
Cash, March 31		$ 314,986	$ 433,154

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 2400, 525 – 8th Avenue SW, Calgary, Alberta, T2P 1G1.

As at March 31, 2024, Liminar Energía S.A. ("Liminar"), the Company's largest shareholder owned approximately 63.9% of the Company's issued and outstanding common shares. See Note 20(a).

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.

For the three months ended March 31, 2024, the Company reported a loss of $0.9 million (three months ended March 31, 2023 – $1.9 million) and a working capital deficit of $19.9 million at that date (December 31, 2023 – $11.8 million working capital deficit). As of March 31, 2024, the carrying amount of notes payable outstanding is $26.5 million (Note 9), of which $15.6 million is classified as a current liability. The maturities of the Company's financial liabilities based on contractual cash flows are disclosed in Note 21. In addition, the Company has significant future capital commitments to develop its properties (Note 23).

The ability of the Company to continue as a going concern is dependent upon the Company's ability to obtain additional financing through bank debt and/or the issuance of notes payable or equity, and the generation of funds from operating activities to meet current and future obligations. Management plans to secure the necessary financing for its debt and future capital commitments through the issuance of new notes payable or other debt or equity instruments, however, there is no assurance that these initiatives will be successful. The need to obtain additional capital to repay or refinance bank debt and notes payable and to fund the Company's existing commitments, including the purchase price for the proposed Acquisition of the Santa Cruz Concessions and ongoing operations, creates a material uncertainty that may cast significant doubt about the Company's ability to meet its obligations as they become due, and accordingly, the appropriateness of the use of accounting principles applicable to 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 unaudited condensed interim consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and adhere to the guidance of International Accounting Standard 34 – Interim Financial Reporting. Certain information and disclosures normally included in the notes to the audited consolidated financial statements and notes thereto for the year ended December 31, 2023 prepared in accordance with IFRS Accounting Standards have been condensed or omitted. The Company has consistently applied the same accounting policies throughout all periods presented. 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, 2023.

The unaudited condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 13, 2024.

(United States Dollars)

3. INVESTMENTS:

A continuity of the Company's investments is as follows:

Balance, December 31, 2023	$	2,667,792
Proceeds on redemption		(2,930,954)
Interest income		333,324
Change in fair value (Note 17)		(23,182)
Effect of change in exchange rates		(46,980)
Balance, March 31, 2024	$	–

4. TRADE AND OTHER RECEIVABLES:

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 natural gas. The majority of the Company's oil production is exported by the Company to two international traders and sold to two Argentine companies; the majority of the Company's natural gas production is sold by the Company to several Argentine companies.

Three major purchasers that represents 90% of oil revenue reported in the three months ended March 31, 2024 comprise $1,620,953 of accounts receivable at March 31, 2024 (December 31, 2023 – two major purchasers, 89% of oil revenue, $1,394,639 of accounts receivable) and one major purchaser that represent 79% of natural gas revenue reported in the three months ended March 31, 2024 comprise $454,935 of accounts receivable at March 31, 2024 (December 31, 2023 – two major purchasers, 75% of natural gas revenue, $290,808 of accounts receivable) (Note 15).

The Company's maximum exposure to credit risk at March 31, 2024 and December 31, 2023 in respect of trade and other receivables consists of:

		March 31 2024		December 31 2023
Due from Argentine companies	$	1,734,894	$	1,470,396
Due from an international company		847,037		296,157
Due from related parties (Note 20(c))		454,935		290,769
Other receivables		26,619		95,157
Allowance for credit losses		(234,482)		(235,039)
Total trade and other receivables	$	2,829,003	$	1,917,440

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

		March 31 2024		December 31 2023
Not past due (less than 90 days)	$	2,844,847	$	1,934,822
Past due (more than 90 days)		218,638		217,657
		3,063,485		2,152,479
Allowance for credit losses		(234,482)		(235,039)
Total trade and other receivables	$	2,829,003	$	1,917,440

5. PREPAID EXPENSES AND OTHER CURRENT ASSETS:

		March 31 2024		December 31 2023
Prepaid expenses	$	1,762,593	$	1,027,441
Value Added Tax		285,121		375,406
Total prepaid expenses and other current assets	$	2,047,714	$	1,402,847

Value Added Tax ("VAT") on purchases is applied against VAT on sales to reduce the amount paid to the Argentine Government. VAT is included in prepaid expenses when amounts are expected to be offset with VAT on current sales. VAT does not expire and may be carried forward indefinitely.

(United States Dollars)

6. PROPERTY AND EQUIPMENT:

	Argentina			Canada	
	Development and production assets	Right-of-use assets	Other assets	Other assets	Total
Cost:	$	$	$	$	$
Balance, December 31, 2023	126,133,260	1,225,613	658,466	295,192	128,312,531
Additions	280,202	–	–	–	280,202
Government grants	(50,850)	–	–	–	(50,850)
Effect of change in exchange rates	–	(316)	–	(7,066)	(7,382)
Balance, March 31, 2024	126,362,612	1,225,297	658,466	288,126	128,534,501
Accumulated depletion and depreciation:					
Balance, December 31, 2023	72,355,454	379,147	577,368	289,831	73,601,800
Depletion and depreciation	2,042,277	121,660	7,180	393	2,171,510
Effect of change in exchange rates	–	(170)	–	(6,940)	(7,110)
Balance, March 31, 2024	74,397,731	500,637	584,548	283,284	75,766,200
Accumulated impairment:					
Balance, December 31, 2023 and March 31, 2024	8,876,000	–	–	–	8,876,000
Net carrying amount:					
At December 31, 2023	44,901,806	846,466	81,098	5,361	45,834,731
At March 31, 2024	43,088,881	724,660	73,918	4,842	43,892,301

Government grants

In July 2021 the Province of Mendoza created the Mendoza Activa Hydrocarbons II Program ("Program II") to promote and increase the development and reactivation of hydrocarbon activity in the Province. Program II provides a refund ("government grant") of up to 40% of amounts invested in the Province prior to December 31, 2022, that met certain technical and economic requirements. Government grants are paid as follows:

- 50% in the form of a turnover tax credit that is freely transferable and may be applied against up to 10% of the holder's monthly turnover tax balance; and
- 50% in the form of a royalty credit that can be applied against provincial royalties on incremental production obtained from the related investment.

Government grants received under Program II expire on December 31, 2025, and may be extended for up to three years if certain criteria are met.

During the three months ended March 31, 2024, the Company received ARS 43.5 million ($0.05 million) of Program II turnover tax and royalty credits related to investments in the CH Concession.

Future development costs

The depletion expense calculation for the three months ended March 31, 2024 included $76.2 million (December 31, 2023 – $76.2 million) for estimated future development costs associated with petroleum and natural gas proved and probable reserves in Argentina.

7. OTHER NON-CURRENT ASSETS

		March 31 2024		December 31 2023
Acquisition advance payment (a)	$	2,400,000	$	–
Contingent consideration receivable		87,520		87,520
Total non-current assets	$	2,487,520	$	87,520

(a) On February 1, 2024, the Company's wholly owned subsidiary, Crown Point Energía S.A. ("Crown Point Energía"), entered into an asset sale and purchase agreement (the "Acquisition Agreement") with Pan American Energy S.L., Sucursal Argentina (the “Seller”) to acquire the Seller’s 100% working interest in the Piedra Clavada and Koluel Kaike hydrocarbon exploitation concessions (the “Santa Cruz Concessions”, and collectively, the "Acquisition"). The purchase price is comprised of $12 million cash, subject to closing adjustments, plus contingent in-kind consideration payable throughout a 15-year period following closing. On February 7, 2024, the Company made a $2.4 million advance payment to the Seller. The advance payment will be refundable if the Acquisition Agreement is terminated by the Seller in circumstances where the cause of the termination is not the responsibility of the Company.

(United States Dollars)

Completion of the acquisition is subject to the receipt of all necessary regulatory and Provincial approvals, including the approval of the TSX Venture Exchange and other customary closing conditions. Completion of the acquisition is not subject to approval by the Company's shareholders. The effective date of the acquisition will be January 1, 2024.

8. BANK DEBT:

The Company’s bank debt is not subject to covenants. A continuity of the Company’s current bank debt is as follows:

Balance, December 31, 2023	$	508,114
Proceeds		2,176,056
Repayments		(282,267)
Interest accrued (Note 17)		376,016
Interest paid		(243,128)
Effect of change in exchange rates		(44,724)
Balance, March 31, 2024	$	2,490,067

As at March 31, 2024 and December 31, 2023, bank debt was comprised of the following balances:

		March 31 2024		December 31 2023
Banco Hipotecario S.A. (a)	$	1,532,505	$	–
Banco Galicia S.A.U. (b)		126,106		67,019
Banco de la Nación S.A.(c)		831,456		441,095
	$	2,490,067	$	508,114

(a) Banco Hipotecario S.A.

The Company had an overdraft loan agreement available until April 30, 2024 of up to ARS 1,600 million ($1.86 million) with Banco Hipotecario S.A. at variable interest rate which is determined monthly. The overdraft loan was guaranteed by Grupo ST S.A. or ST Inversiones S.A. under an agreement with Banco Hipotecario S.A. pursuant to which the Company is charged a loan guarantee fee of 1% of the loan balance per annum (Note 20(b)). The overdraft loan agreement was extended until June 30, 2024.

As at March 31, 2024, ARS 1,235.1 million ($1.44 million) (December 31, 2023 – $nil) was drawn on the overdraft loan.

During the three months ended March 31, 2024, the Company recognized $225,079 (three months ended March 31, 2023 – $624,220) of interest on the Banco Hipotecario S.A. overdraft loan, of which $131,884 was paid and $93,195 is included in the loan balance as at March 31, 2024 (December 31, 2023 – $nil).

(b) Banco Galicia S.A.U.

On October 5, 2023, the Company obtained a working capital loan of ARS 50 million ($0.2 million) with Banco Galicia S.A.U. at an annual interest rate of 115% payable monthly. The working capital loan was repaid on April 5, 2024 (Note 24(a)).

On March 26, 2024, the Company obtained a working capital loan of ARS 50 million ($0.06 million) with Banco Galicia S.A.U. at an annual interest rate of 102% payable monthly. The working capital loan is repayable on September 26, 2024.

As at March 31, 2024, a total of ARS 100 million ($0.12 million) (December 31, 2023 – ARS 50 million ($0.1 million)) was drawn on the Banco Galicia S.A.U. working capital loans.

During the three months ended March 31, 2024, the Company recognized $22,237 (three months ended March 31, 2023 – $74,586) of interest on Banco Galicia S.A.U. loans, of which $17,568 was paid and $9,842 is included in the loan balance as at March 31, 2024 (December 31, 2023 – $5,173).

(c) Banco de la Nación S.A. (“BNA”)

As at March 31, 2024, the Company had a credit limit of ARS 429 million ($0.5 million) available which can be drawn and repaid in various amounts. The terms for each amount drawn as at March 31, 2024 and December 31, 2023 are as follows:

(i) BNA Working Capital Loan III

On March 16, 2023, the Company obtained an ARS 27.5 million ($0.13 million) BNA Working Capital Loan III repayable in four equal installments commencing on June 13, 2023 until the maturity date of March 11, 2024 and bearing interest at a variable rate based on the BADLAR(1) plus 10%. During 2023, the Company repaid three installments of the loan in the amount of ARS 20.6 million ($0.07 million) and during the three months ended March 31, 2024, the Company paid the final installment in the amount of ARS 6.9 million ($0.01 million). As at March 31, 2024, the outstanding amount on the BNA Working Capital Loan III was $nil (December 31, 2023 – ARS 6.9 million ($0.01 million)).

(ii) BNA Working Capital Loan IV

On March 28, 2023, the Company obtained an ARS 13.75 million ($0.07 million) BNA Working Capital Loan IV repayable in four equal installments commencing on June 23, 2023 until the maturity date of March 19, 2024 and bearing interest at a variable rate calculated and payable quarterly based on the BADLAR(1) plus 10% per annum. During 2023, the Company repaid three installments of the loan in the amount of ARS 10.3 million ($0.03 million) and during the three months ended March 31, 2024, the Company paid the final installment in the amount of ARS 3.4 million ($0.004 million). As at March 31, 2024, the outstanding amount on the BNA Working Capital Loan IV was $nil (December 31, 2023 – ARS 3.4 million ($0.004 million)).

(iii) BNA Working Capital Loan V

On June 27, 2023, the Company obtained an ARS 51.5 million ($0.2 million) BNA Working Capital Loan V repayable in four equal installments commencing on September 27, 2023 until the maturity date of June 24, 2024 and bearing interest at a variable rate calculated and payable quarterly based on the BADLAR(1) plus 10% per annum. During 2023, the Company repaid two installments of the loan in the amount of ARS 25.8 million ($0.05 million) and during the three months ended March 31, 2024, the Company repaid the third installment in the amount of ARS 12.9 million ($0.02 million). As at March 31, 2024, the outstanding amount on the BNA Working Capital Loan V was ARS 12.9 million ($0.02 million) (December 31, 2023 – ARS 25.8 million ($0.03 million)).

(iv) BNA Working Capital Loan VI

On October 3, 2023, the Company obtained an ARS 87 million ($0.25 million) BNA Working Capital Loan VI with Banco Nación S.A. that is repayable in four equal installments commencing on January 2, 2024 until the maturity date of September 30, 2024, and bearing interest at a variable rate based on the BADLAR(1) plus 10% per annum, calculated and payable quarterly. On January 3, 2024, the Company repaid the first installment of ARS 21.8 million ($0.03 million). As at March 31, 2024, the outstanding amount on the BNA Working Capital Loan VI was ARS 65.2 million ($0.08 million) (December 31, 2023 – ARS 87 million ($0.11 million)).

(v) BNA Working Capital Loan VII

On February 5, 2024, the Company obtained an ARS 288 million ($0.34 million) BNA Working Capital Loan VII with Banco Nación S.A. that is repayable in one installment on May 6, 2024 and bears interest at a variable rate based on the BADLAR(1) less 5% per annum, calculated monthly and payable at maturity. As at March 31, 2024, the outstanding amount on the BNA Working Capital Loan VII was ARS 288 million ($0.34 million). The BNA Working Capital Loan VII was repaid on May 7, 2024 (Note 24(a)).

(vi) BNA Export Financing Loan I

On December 4, 2023, the Company obtained an ARS 187.5 million ($0.5 million) Export Financing Loan I with BNA at an annual interest rate of 139.25% which was repaid on January 23, 2024.

(vii) BNA Export Financing Loan II

On February 14, 2024, the Company obtained an Export Financing Loan II with BNA for ARS 127.2 million ($0.15 million) at an annual interest rate of BADLAR(1) less 1%, repayable on May 14, 2024.

(viii) BNA Export Financing Loan III

On February 14, 2024, the Company obtained an Export Financing Loan III with BNA for ARS 137.9 million ($0.17 million) at an annual interest rate of BADLAR(1) less 1%, repayable on June 14, 2024.

(ix) BNA overdraft balance

The Company has an overdraft loan agreement available until May 24, 2024 of up to ARS 95 million ($0.1 million) with

Banco Nación S.A. at variable interest rate which is determined monthly.

As at March 31, 2024, ARS 7.7 million ($0.01 million) (December 31, 2023 – $nil) was drawn on the overdraft loan.

As at March 31, 2024, a total of ARS 631.2 million ($0.75 million) was drawn on the BNA working capital loans and export financing loans (December 31, 2023 – ARS 310.6 million ($0.38 million)).

During the three months ended March 31, 2024, the Company recognized $225,079 (three months ended March 31, 2023 – $214,832) of interest on the BNA loans, of which $131,884 (three months ended March 31, 2023 – $187,952) of interest was paid and $93,195 is included in the loan balance as at March 31, 2024 (December 31, 2023 – $56,950).

(1) As at March 31, 2024, the BADLAR rate was 70.875% (December 31, 2023 – 109.75%).

9. NOTES PAYABLE:

On March 25, 2021, Crown Point Energía obtained approval from Argentina's National Security Commission to launch offerings for notes payable for up to $75 million (or its equivalent in other currencies) effective until March 18, 2026.

As at March 31, 2024, the Company had $12.6 million (December 31, 2023 – $14.65 million) principal amount of Series III Notes and $13.48 million (December 31, 2023 – $13.48 million) principal amount of Series IV Notes issued by Crown Point Energía S.A. outstanding.

Series III Notes are secured, denominated in USD and payable in ARS, due 36 months after the issue date. The principal amount of Series III Notes is repayable in seven equal quarterly installments, starting on February 10, 2024 and ending on August 10, 2025. Series III Notes accrue interest at a fixed rate of 4% per annum, payable every three months in arrears from the issue date.

The Series IV Notes are unsecured, denominated in USD and repayable in ARS in four quarterly equal installments, starting on October 20, 2024 and ending on July 20, 2025. The Series IV Notes accrue interest at a fixed rate of 5% per annum, payable every three months in arrears from the issue date. A portion of Series IV Notes were issued at a $0.74 million premium over the principal amount which has been recognized as a premium liability and is amortized to finance income over the term of related Series IV Notes using the effective interest method.

A continuity of the Company's notes payable is as follows:

Balance, December 31, 2023	$	28,757,720
Principal repayment		(2,093,967)
Amortization of premium (Note 17)		(182,062)
Amortization of transaction costs (Note 17)		44,710
Interest accrued (Note 17)		302,647
Interest paid		(317,583)
Balance, March 31, 2024	$	26,511,465

The carrying amount of notes payable is reported as follows:

		March 31 2024		December 31 2023
Total notes payable	$	26,511,465	$	28,757,720
Current portion of notes payable		(15,599,848)		(12,298,533)
Long-term portion of notes payable	$	10,911,617	$	16,459,187

Restricted cash

As at March 31, 2024, $127,645 (ARS 109.1 million) (December 31, 2023 – $123,653 (ARS 99.6 million)) was reported as restricted cash. The restricted cash is assigned as collateral for the for the Series III Notes payable and has been deposited in a trust account with Banco de Servicios y Transacciones S.A., the beneficiary of which is Crown Point Energía. The trust account funds are invested as prescribed by the related escrow agreement; these funds are restricted and cannot be used by the Company other than for the purpose stated in the escrow agreement. The amount of funds held in trust is based on the Company's estimate of the next upcoming quarterly interest payment. The trust account is required to be in place until the maturity date of the notes payable.

(United States Dollars)

10. TRADE AND OTHER PAYABLES

		March 31 2024		December 31 2023
Trade payables	$	3,679,238	$	3,366,945
Accruals		1,846,940		1,913,955
Other payables		1,606,069		487,205
Current trade and other payables		7,132,247		5,768,105
Accruals		291,715		291,715
Contingent consideration liability		1,188,830		1,188,830
Non-current trade and other payables		1,480,545		1,480,545
Total trade and other payables	$	8,612,792	$	7,248,650

11. DECOMMISSIONING PROVISION:

As at March 31, 2024, the estimated total undiscounted inflation-adjusted amount of cash flows required to settle the Company's obligations were approximately $17.1 million (December 31, 2023 – $17.1 million) expected to be incurred over the next 1 to 22 years. Risk-free interest rates of 4.19% to 4.32% (December 31, 2023 – 4.19% to 4.32%) and an inflation rate of 2.7% (December 31, 2023 – 2.7%) was used to calculate the fair value of the decommissioning provision.

A reconciliation of the decommissioning provision is provided below:

Balance, December 31, 2023	$	10,422,218
Accretion (Note 17)		109,115
Balance, March 31, 2024		10,531,333
Current portion of decommissioning provision		(364,923)
Non-current portion of decommissioning provision	$	10,166,410

12. LEASE LIABILITIES:

The Company incurs lease payments related to certain office premises and equipment in Argentina. Leases are entered into and exited in coordination with specific business requirements which includes the assessment of the appropriate durations for the related leased assets.

Balance, beginning of year	$	865,168
Interest (Note 17)		14,925
Payments		(133,364)
Effect of change in exchange rates		(212)
Balance, end of year		746,517
Current portion of lease liability		(388,730)
Non-current portion of lease liability	$	357,787

Total expected payments under lease agreements for office and equipment are $44,450 per month ($533,397 per year) until December 31, 2026.

13. SHARE-BASED PAYMENTS:

As at March 31, 2024 and December 31, 2023, the Company had 4,350,000 stock options outstanding.

Information about stock options outstanding as at March 31, 2024 is as follows:

Expiry date	Number of options outstanding	Weighted average exercise price (CAD)	Weighted average life remaining (years)	Number of options exercisable
April 3, 2024	2,175,000	$ 0.75	0.01	2,175,000
May 31, 2026	2,175,000	0.20	2.20	2,175,000
	4,350,000	$ 0.48	2.20	4,350,000

(United States Dollars)

During the three months ended March 31, 2024, the Company recognized $nil (three months ended March 31, 2023 – $9,594) of share-based payment expense. As at March 31, 2024, the balance of unvested share-based payments was $nil.

14. PER SHARE AMOUNTS:

For the three months ended March 31		2024		2023
Net loss	$	(901,734)	$	(1,861,570)
Weighted average number of shares – basic and diluted				
Issued common shares, beginning and end of period		72,903,038		72,903,038
Net loss per share – basic and diluted	$	(0.01)	$	(0.03)

All stock options were excluded from the diluted per share amounts as their effect is anti-dilutive in loss periods.

15. OIL AND NATURAL GAS SALES:

The following table represents the Company's oil and natural gas sales disaggregated by commodity:

For the three months ended March 31		2024		2023
Oil	$	5,105,252	$	5,769,321
Natural gas		930,626		1,301,674
Natural gas liquids		65,208		29,563
	$	6,101,086	$	7,100,558

All of the Company's production is produced in Argentina. The Company sells its production pursuant to fixed and variable price contracts with varying length terms up to 1 year. Under the contracts, the Company is required to deliver a fixed or variable volume of light oil, natural gas or natural gas liquids to the contract counterparty. The transaction price is based on the commodity price, adjusted for quality, location or other factors. Pricing for contracts varies depending on the commodity.

- The transaction price for oil is determined for each shipment from the storage point at TDF to mainland Argentina or abroad and for each transaction from the storage point at the Mendoza Concessions to the delivery point in Tupungato, Mendoza. For oil transported by tanker, delivery charges are free on board; for oil transported by truck, delivery charges are paid by the Company.
- Natural gas is sold to the Argentine industrial and residential markets. 100% of the Company's natural gas revenue earned in the 2024 and 2023 periods was from sales to the industrial market. The transaction price for natural gas sales to the industrial market are negotiated between the TDF UTE (of which the Company is a member) and the customer. The transaction price for natural gas sales to the residential market is set by the Argentine government.

Of the Company's revenue from oil sales earned in the three months ended March 31, 2024, 43% was for export sales to three purchasers and 57% was for domestic sales to two purchasers (three months ended March 31, 2023 – 35% was for export sales to three purchasers; 65% was for domestic sales to one purchaser) and $2,137,789 was in accounts receivable at March 31, 2024 (December 31, 2023 – $1,394,639).

All of the Company's revenue from natural gas sales earned in the three months ended March 31, 2024 was for domestic sales, of which 79% was to one major purchaser (three months ended March 31, 2023 – domestic sales of which 75% was to three major purchasers), of which $454,935 was in accounts receivable at December 31, 2023 (December 31, 2023 – $290,808).

The following table represents the Company's oil and natural gas sales disaggregated by market:

For the three months ended March 31		2024		2023
Export	$	2,186,975	$	2,004,000
Domestic		3,914,111		5,096,558
	$	6,101,086	$	7,100,558

(United States Dollars)

16. GENERAL AND ADMINISTRATIVE EXPENSES:

For the three months ended March 31		2024		2023
Salaries and benefits	$	266,473	$	411,953
Professional fees		213,508		129,264
Office and general		94,196		128,826
Travel and promotion		7,141		25,370
	$	581,318	$	695,413

17. NET FINANCE EXPENSE:

For the three months ended March 31		2024		2023
Interest income	$	476,617	$	79,759
Gain on fair value of financial instruments		79,631		–
Amortization of notes payable premium (Note 9)		182,062		–
Finance income		738,310		79,759
Financing fees and bank charges		(161,905)		(144,440)
Interest on bank debt (Note 8)		(376,016)		(833,846)
Interest on notes payable (Note 9)		(302,647)		(144,526)
Loss on fair value of investments (Note 3)		(23,182)		–
Amortization of notes payable transaction costs (Note 9)		(44,710)		(18,666)
Accretion of decommissioning provision (Note 11)		(109,115)		(102,151)
Interest on lease liabilities (Note 12)		(14,925)		(25,703)
Accretion of other liabilities		(11,863)		(4,554)
Finance expense		(1,044,363)		(1,273,886)
Net finance expense	$	(306,053)	$	(1,194,127)

18. TAXES:

As at March 31, 2024, the Company’s deferred tax liability was $926,266 (December 31, 2023 – $2,151,708).

The Company’s tax provision is comprised of the following current and deferred taxes:

		March 31 2024		March 31 2023
Current tax recovery	$	–	$	–
Deferred tax recovery		(1,225,442)		(531,625)
Tax recovery	$	(1,225,442)	$	(531,625)

Crown Point Energía S.A.’s has sufficient non-capital loss and other tax pools available to reduce taxable income in Argentina to $nil.

Crown Point Energía S.A. has sufficient non-capital loss and other tax pools available to reduce taxable income in Argentina to $nil. The deferred tax recovery reported in March 31, 2024 is mainly related to the increase in tax losses combined with changes in the Company’s ARS denominated tax pools. The deferred tax recovery reported in March, 31 2023 is mainly related to the increase in tax losses combined with changes in the Company’s ARS denominated tax pools partially offset by the effect of the devaluation of the ARS during the period on the translation of ARS denominated tax pools to USD.

(United States Dollars)

19. SUPPLEMENTAL CASH FLOW INFORMATION:

(a) Change in non-cash working capital items

For the three months ended March 31		2024		2023
Trade and other receivables	$	(911,563)	$	627,107
Inventory		441,503		(79,252)
Prepaid expenses and other current assets		(594,017)		336,613
Trade and other payables		1,364,142		(432,826)
Taxes payable		(11,863)		(14,459)
Effect of change in exchange rates		(84)		9
	$	288,118	$	437,192
Attributable to:				
Operating activities		(8,154)		788,331
Investing activities		296,272		(351,139)
	$	288,118	$	437,192

(b) As at March 31, 2024, the Company held $314,986 (December 31, 2023 – $191,509) of cash in Canadian, United States and Argentine banks.

(c) During the three months ended March 31, 2024, the Company paid $243,128 (three months ended March 31, 2023 – $891,558) of interest expense on bank debt (Note 8) and $317,583 (three months ended March 31, 2023 – $147,740) on notes payable (Note 9).

(d) During three months ended March 31, 2024, the Company paid $nil to Argentine tax authorities related to corporate income tax (three months ended March 31, 2023 – $9,167 (ARS 1.8 million)).

20. RELATED PARTY TRANSACTIONS:

(a) Liminar Energía S.A. (“Liminar”)

Mr. Pablo Peralta is a director of the Company and is the President and a director of Liminar and controls 45% of the voting shares of Liminar. Mr. Roberto Dominguez is the President of Crown Point Energía S.A. and is a director of Liminar and controls 45% of the voting shares of Liminar. Liminar owns approximately 63.9% of the Company’s outstanding common shares.

(b) Grupo ST S.A.

Mr. Pablo Peralta and Mr. Roberto Dominguez are also the President and Vice President, respectively, of Grupo ST S.A. and jointly control, directly and indirectly, 96.65% of the voting shares of Grupo ST S.A.

Grupo ST S.A. has provided a guarantee of certain Banco Hipotecario S.A. loans (Note 8(a)) for which the Company is charged a loan guarantee fee of 1% of the loan balance per annum. During the three months ended March 31, 2024, Grupo ST S.A. charged the Company $1,917 (three months ended March 31, 2023 – $7,263) of loan guarantee fees. Included in trade and other payables as at March 31, 2024 is $1,917 (December 31, 2023 – $141) payable to Grupo ST S.A.

(c) Energía y Soluciones S.A.

Gabriel Obrador is the President, Chief Executive Officer and a director of the Company and also controls Energíay Soluciones S.A.. During the three months ended March 31, 2024, the Company sold a portion of natural gas production from the TDF Concessions to Energía y Soluciones S.A. for which the Company recognized $734,027 (ARS 620.1 million) (three months ended March 31, 2023 – $253,377 (ARS 50.7 million)) of oil and gas revenue. Included in trade and other receivables as at March 31, 2024 is $454,935 (ARS 389 million) (December 31, 2023 – $290,769 (ARS 234 million)) in respect of this revenue.

Energía y Soluciones S.A. owns a 1.46% overriding royalty on revenue earned from the CLL Permit. As of March 31, 2024, no revenue has been earned from the CLL Permit.

Transactions with related parties are conducted and recorded at the exchange amount.

21. LIQUIDITY RISK:

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as reasonable, that it will have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses.

As at March 31, 2024, the Company has a working capital deficit of $19,861,317 (December 31, 2023 – $11,785,934) which includes $3,143,989 (December 31, 2023 – $4,776,739) of financial assets comprised of cash, investments and trade and other receivables and $25,610,892 (December 31, 2023 – $19,061,796) of financial liabilities comprised of trade and other payables, bank debt, current portion of notes payable and current portion of lease liabilities with a contractual maturity of less than one year. During the three months ended March 31, 2024, the Company reported net cash provided by operating activities in the amount of $463,340 (three months ended March 31, 2023 – $923,774).

The Company prepares operating and capital expenditure budgets which are regularly monitored and updated as considered necessary. In addition, the Company utilizes authorizations for expenditures to manage capital expenditures. See Note 1

The following table summarizes the maturities of the Company's financial liabilities based on contractual cash flows:

	Carrying amount $	Contractual amount $	Due on or before March 31 2025 $	2026 $	2027 $	2028 - 2029 $
Trade and other payables	8,612,792	8,612,792	7,132,247	8,569	296,131	1,175,845
Bank debt	2,490,067	2,490,067	2,490,067	–	–	–
Notes payable	26,511,465	26,035,403	15,113,866	10,921,537	–	–
Lease liabilities	746,517	807,912	451,988	203,749	152,175	–
	38,360,841	37,946,174	25,188,168	11,133,855	448,306	1,175,845

22. 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 is denominated in CAD and ARS. The Company had no foreign exchange rate contracts in place at March 31, 2024 and December 31, 2023.

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

As at March 31, 2024	Balance denominated in CAD $	ARS $	Total USD equivalents $
Cash and cash equivalents	3,170	255,064,131	300,663
Restricted cash	–	109,136,475	127,645
Trade and other receivables	8,635	55,455,993	71,234
Trade and other payables	(1,056,183)	(3,798,817,669)	(5,206,988)
Bank debt	–	(2,136,477,950)	(2,490,067)
Lease liabilities	–	(2,761,948)	(3,219)

As at December 31, 2023	Balance denominated in CAD $	ARS $	Total USD equivalents $
Cash and cash equivalents	10,051	137,736,260	178,607
Investments	–	1,448,772,721	1,798,712
Restricted cash	–	99,596,309	123,653
Trade and other receivables	4,667	84,800,904	108,812
Trade and other payables	(813,571)	(1,756,818,086)	(2,788,212)
Bank debt	–	(410,784,730)	(508,114)
Lease liabilities	–	(3,145,725)	(3,981)

(b) Currency devaluation:

Exchange rates as at	March 31 2024	December 31 2023
CAD to USD [(1)]	0.7380	0.7561
ARS to USD [(1)]	0.0012	0.0012
USD to ARS [(2)]	856.5	806.95

[(1)] Source OFX [(2)] Source BNA (National Bank of Argentina)

Currency devaluation in Argentina partially impacts the cost of ARS denominated items which are translated to the USD functional currency of the Argentine subsidiaries. A portion of the TDF, CH and PPCO Concessions operating costs and general and administrative expenses incurred in Argentina are denominated in ARS and are also subject to inflation adjustments. During the three months ended March 31, 2024, the devaluation of ARS resulted in lower TDF, CH and PPCO operating costs and general and administrative expenses incurred in Argentina by approximately 3% (three months ended March 31, 2023 – devaluation of ARS; lower by approximately 25%), without considering cost increases related to inflation.

During the three months ended March 31, 2024, the devaluation of ARS since the previous year end date resulted in a decrease in the USD equivalent of ARS denominated foreign currency denominated financial instruments, excluding bank debt and notes payable, by approximately $0.1 million (three months ended March 31, 2023 – devaluation of ARS; reduction by approximately $0.5 million).

The effect of currency devaluation on ARS denominated bank debt during the three months ended March 31, 2024 was a $44,724 reduction (three months ended March 31, 2023 – $683,853 reduction) in the USD equivalent amounts (Note 8).

(c) Sensitivity analysis:

The following table presents an estimate of the impact on net loss for the market risk factors discussed above and is calculated based on the noted change in exchange rates applied to balances as at March 31, 2024:

	Change in exchange rates	Impact
Foreign exchange – effect of strengthening USD		
CAD denominated financial assets and liabilities	5%	$ 38,540
ARS denominated financial assets and liabilities	50%	$ 3,221,480

23. COMMITMENTS:

(a) TDF Concessions

As at March 31, 2024, the Company’s share of expenditure commitments with respect to the Rio Cullen exploitation concession in TDF is $0.62 million which must be completed by August 2026. The UTE RCLV expects to offset the outstanding commitment in the Rio Cullen exploitation concession with infrastructure investments made in other parts of the TDF Concessions.

(b) Mendoza Concessions

As at March 31, 2024, the Company’s share of expenditure commitments with respect to the CH Concession is $30.5 million, consisting of a work program for well work-overs, infrastructure optimization and a multi-well drilling program to be fulfilled by March 2031.

As at March 31, 2024, the Company’s share of expenditure commitments with respect to the PPCO Concession is $11.8 million, consisting of a work program for well work-overs, infrastructure optimization and a multi-well drilling program to be fulfilled by August 2028.

(c) CLL Permit

As at March 31, 2024, the Company is in conversations with the Province of Mendoza for the extension of the CLL Permit or other alternatives for the CLL Permit, including the potential compensation of the Company's only outstanding commitment estimated at $0.5 million, consisting of a well repair, with working units performed by the Company in excess of what was otherwise required during the exploration period of the CLL Permit.

24. SUBSEQUENT EVENTS:

(a) Bank debt

On April 5, 2024, the Company repaid the ARS 50 million ($0.06 million) Banco Galicia S.A.U. working capital loan I (Note 8 (b)).

On April 8, 2024, the Company obtained an ARS 50 million ($0.06 million) Banco Galicia S.A.U. working capital loan at an annual interest rate of 90%, payable monthly. The working capital loan is repayable on October 8, 2024.

On April 26, 2024, the Company obtained an ARS 1,700 million ($1.95 million) overdraft loan with Banco de Servicios y Transacciones S.A. at an annual interest rate of 62%, payable monthly. The overdraft loan is repayable on May 31, 2024.

On May 7, 2024, the Company repaid the ARS 288 million ($0.33 million) BNA Working Capital Loan VII (Note 8 (c)) and obtained an ARS 200 million ($0.2 million) overdraft loan with HSBC Bank Argentina S.A. at an annual interest rate of 53.5% payable monthly. The overdraft loan is repayable in 30 days.

On May 8, 2024, the Company obtained a $2.5 million working capital loan with Banco Macro S.A. at an annual interest rate of 7.5%, repayable in 180 days; a $0.5 million working capital loan with Banco Ciudad S.A. at an annual interest rate of 5%, repayable in 178 days, and an ARS 195 million ($0.22 million) working capital loan with Banco Nación S.A. at an annual interest rate of BADLAR less 7%, repayable in 180 days.

(b) Notes payable

On May 10, 2024, the Company repaid the second $2.1 million installment of principal on the Series III Notes (Note 9).