

**CROWN POINT ENERGY INC.**  
**Condensed Interim Consolidated Financial Statements**

For the three and six months ended June 30, 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 and six months ended June 30, 2024.

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

(Unaudited)  
(United States Dollars)

As at	Note	June 30 2024	December 31 2023
<b>Assets</b>			
Current assets:			
Cash		\$ 706,184	\$ 191,507
Investments	3	–	2,667,792
Trade and other receivables	4	2,397,252	1,917,440
Hydrocarbon inventories		836,910	1,456,822
Prepaid expenses and other current assets	5	1,909,693	1,402,847
		5,850,039	7,636,408
Exploration and evaluation assets			
Property and equipment	6	14,103,353	14,103,353
Restricted cash	9	42,815,119	45,834,731
Deferred tax asset	18	138,772	123,653
Other non-current assets	7	364,344	–
		2,487,520	87,520
		\$ 65,759,147	\$ 67,785,665
<b>Liabilities and Shareholders' Equity</b>			
Current liabilities:			
Trade and other payables	10	\$ 6,748,949	\$ 5,768,105
Bank debt	8	8,073,283	508,114
Current portion of notes payable	9	18,810,173	12,298,533
Current portion of decommissioning provision	11	369,354	360,546
Current portion of lease liabilities	12	331,242	487,044
		34,333,001	19,422,342
Non-current trade and other payables			
Notes payable	9	1,480,545	1,480,545
Decommissioning provision	11	5,458,597	16,459,187
Lease liabilities	12	10,272,237	10,061,672
Deferred tax liability	18	375,051	378,124
		–	2,151,708
		51,919,431	49,953,578
Shareholders' equity:			
Share capital		56,456,328	56,456,328
Contributed surplus		691,343	691,343
Accumulated other comprehensive loss		(18,249,253)	(18,217,300)
Deficit		(25,058,702)	(21,098,284)
		13,839,716	17,832,087
		\$ 65,759,147	\$ 67,785,665
Going concern			
Commitments	1		
Subsequent events	23		
	24		

Approved on behalf of the Board of Directors:

"Gordon Kettleison"  
Gordon Kettleison, Director

"Pablo Peralta"  
Pablo Peralta, Director

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

(Unaudited)  
(United States Dollars)

	Note	For the three months ended June 30		For the six months ended June 30	
		2024	2023	2024	2023
<b>Revenue</b>					
Oil and natural gas sales	15	\$ 5,584,314	\$ 6,733,782	\$ 11,685,400	\$ 13,834,340
Processing income		85,814	65,256	160,065	127,151
Export tax		(80,779)	(100,274)	(232,795)	(238,470)
Royalties and turnover tax		(1,028,669)	(1,149,468)	(2,045,091)	(2,258,165)
		4,560,680	5,549,296	9,567,579	11,464,856
<b>Expenses</b>					
Operating		4,988,866	5,602,934	9,241,577	10,255,321
General and administrative	16	832,411	747,582	1,413,729	1,442,995
Depletion and depreciation		2,347,273	1,793,954	4,611,307	3,798,722
Share-based payments	13	–	6,554	–	16,148
Foreign exchange gains		(207,699)	(563,306)	(477,740)	(810,840)
		7,960,851	7,587,718	14,788,873	14,702,346
Operating loss		(3,400,171)	(2,038,422)	(5,221,294)	(3,237,490)
Other income		56,824	–	133,993	–
Net finance expense	17	(1,005,947)	(1,234,445)	(1,389,169)	(2,428,572)
Loss before taxes		(4,349,294)	(3,272,867)	(6,476,470)	(5,666,062)
Tax recovery	18	1,290,610	1,130,525	2,516,052	1,662,150
<b>Net loss</b>		(3,058,684)	(2,142,342)	(3,960,418)	(4,003,912)
<b>Other comprehensive income (loss)</b>					
Items that may subsequently be reclassified to profit or loss					
Exchange differences on translation of Canadian parent company		(8,477)	23,614	(31,953)	28,163
<b>Total comprehensive loss</b>		\$ (3,067,161)	(2,118,728)	\$ (3,992,371)	(3,975,749)
<b>Net loss per share</b>					
Basic	14	\$ (0.04)	(0.03)	\$ (0.05)	(0.05)

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

(Unaudited)  
(United States Dollars)

For the six months ended June 30	Note	2024	2023
<b>Share capital</b>			
72,903,038 common shares issued and outstanding			
Balance, January 1 and June 30	\$	56,456,328	\$ 56,456,328
<b>Contributed surplus</b>			
Balance, January 1		691,343	675,195
Share-based payments	13	–	16,148
Balance, June 30		691,343	691,343
<b>Accumulated other comprehensive loss</b>			
Balance, January 1		(18,217,300)	(18,260,539)
Exchange differences on translation of Canadian parent company		(31,953)	28,163
Balance, June 30		(18,249,253)	(18,232,376)
<b>Deficit</b>			
Balance, January 1		(21,098,284)	(12,970,652)
Net loss		(3,960,418)	(4,003,912)
Balance, June 30		(25,058,702)	(16,974,564)
<b>Total shareholders' equity</b>	<b>\$</b>	<b>13,839,716</b>	<b>\$ 21,940,731</b>

See accompanying notes to condensed interim consolidated financial statements.

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

(Unaudited)  
(United States Dollars)

For the six months ended June 30	Note	2024	2023
<b>Operating activities</b>			
Net loss		\$ (3,960,418)	\$ (4,003,912)
Items not affecting cash:			
Depletion and depreciation		4,611,307	3,798,722
Share-based payments	13	—	16,148
Net finance expense		1,181,442	2,270,917
Unrealized foreign exchange gains		(200,912)	(1,543,246)
Tax recovery	18	(2,516,052)	(1,662,150)
Funds flow used in operating activities		(884,633)	(1,123,521)
Change in non-cash working capital	19	(183,076)	1,432,372
Net cash (used) provided by operating activities		(1,067,709)	308,851
<b>Financing activities</b>			
Bank debt proceeds	8	8,835,671	4,812,054
Bank debt repayments	8	(1,108,989)	(882,031)
Bank debt interest payments	8	(891,084)	(1,627,036)
Notes payable transaction costs	9	(2,107)	(131)
Notes payable repayments	9	(4,187,933)	—
Notes payable interest payments	9	(609,435)	(290,658)
Restricted cash		22,946	89,380
Lease payments	12	(267,763)	(285,873)
Net cash provided by financing activities		1,791,306	1,815,705
<b>Investing activities</b>			
Exploration and evaluation expenditures		—	(9,349)
Property and equipment expenditures	6	(1,311,222)	(2,856,338)
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	591,191	580,445
Net cash used in investing activities		(189,077)	(2,377,516)
Change in cash		534,520	(252,960)
Foreign exchange effect on cash held in foreign currencies		(19,843)	(69,326)
Cash, January 1		191,507	536,752
<b>Cash, June 30</b>		<b>\$ 706,184</b>	<b>\$ 214,466</b>

# **CROWN POINT ENERGY INC.**

## **NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and six months ended June 30, 2024

(Unaudited)

(United States Dollars)

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### **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 – 8<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 1G1.

As at June 30, 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 and six months ended June 30, 2024, the Company reported a loss of \$4 million (six months ended June 30, 2023 – \$4 million) and a working capital deficit of \$28.5 million at that date (December 31, 2023 – \$11.8 million working capital deficit). As of June 30, 2024, the carrying amount of notes payable outstanding is \$24.3 million (Note 9), of which \$18.8 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 included in the December 31, 2023 audited consolidated financial statements, 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 August 12, 2024.

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

For the three and six months ended June 30, 2024

(Unaudited)

(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)
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Balance, June 30, 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 94% of oil revenue reported in the six months ended June 30, 2024 comprise \$1,509,870 of accounts receivable at June 30, 2024 (December 31, 2023 – two major purchasers, 89% of oil revenue, \$1,394,639 of accounts receivable) and one major purchaser that represents 77% of natural gas revenue reported in the six months ended June 30, 2024 comprise \$416,093 of accounts receivable at June 30, 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 June 30, 2024 and December 31, 2023 in respect of trade and other receivables consists of:

	June 30 2024	December 31 2023
Due from Argentine companies	\$ 1,854,678	\$ 1,470,396
Due from an international company	246,101	296,157
Due from related parties (Note 20(d))	416,093	290,769
Other receivables	115,386	95,157
Allowance for credit losses	(235,006)	(235,039)
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Total trade and other receivables	\$ 2,397,252	\$ 1,917,440

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

	June 30 2024	December 31 2023
Not past due (less than 90 days)	\$ 2,409,547	\$ 1,934,822
Past due (more than 90 days)	222,711	217,657
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	2,632,258	2,152,479
Allowance for credit losses	(235,006)	(235,039)
<hr/>		
Total trade and other receivables	\$ 2,397,252	\$ 1,917,440

**5. PREPAID EXPENSES AND OTHER CURRENT ASSETS:**

	June 30 2024	December 31 2023
Prepaid expenses	\$ 1,502,682	\$ 1,027,441
Value Added Tax	407,011	375,406
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Total prepaid expenses and other current assets	\$ 1,909,693	\$ 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.



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

For the three and six months ended June 30, 2024

(Unaudited)

(United States Dollars)

**6. PROPERTY AND EQUIPMENT:**

	Development and production assets	Argentina		Canada	Total
		Right-of-use assets	Other assets	Other assets	
<b>Cost:</b>	\$	\$	\$	\$	\$
Balance, December 31, 2023	126,133,260	1,225,613	658,466	295,192	128,312,531
Additions	1,295,585	–	15,637	–	1,311,222
Right-of-use asset revisions	–	30,941	–	–	30,941
Government grants	(50,850)	–	–	–	(50,850)
Effect of change in exchange rates	–	(8,833)	–	(9,948)	(18,781)
<b>Balance, June 30, 2024</b>	<b>127,377,995</b>	<b>1,247,721</b>	<b>674,103</b>	<b>285,244</b>	<b>129,585,063</b>
<b>Accumulated depletion and depreciation:</b>					
Balance, December 31, 2023	72,355,454	379,147	577,368	289,831	73,601,800
Depletion and depreciation	4,093,321	250,515	21,839	781	4,366,456
Right-of-use asset revisions	–	(63,840)	–	–	(63,840)
Effect of change in exchange rates	–	(699)	–	(9,773)	(10,472)
<b>Balance, June 30, 2024</b>	<b>76,448,775</b>	<b>565,123</b>	<b>599,207</b>	<b>280,839</b>	<b>77,893,944</b>
<b>Accumulated impairment:</b>					
Balance, December 31, 2023 and June 30, 2024	8,876,000	–	–	–	8,876,000
<b>Net carrying amount:</b>					
At December 31, 2023	44,901,806	846,466	81,098	5,361	45,834,731
At June 30, 2024	42,053,220	682,598	74,896	4,405	42,815,119

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 six months ended June 30, 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 six months ended June 30, 2024, included \$74.9 million (December 31, 2023 – \$76.2 million) for estimated future development costs associated with petroleum and natural gas proved and probable reserves in Argentina.

Right-of-use asset revisions

During the six months ending June 30, 2024, the Company renewed certain leases for which the related lease liability and right-of-use asset was determined to be \$138,667 on the renewal date. The remaining right-of-use asset net book value of the original office lease was \$43,886 with a corresponding lease liability of \$50,537 (Note 12), resulting in \$6,651 gain reported in finance income (Note 17).

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

For the three and six months ended June 30, 2024

(Unaudited)

(United States Dollars)

**7. OTHER NON-CURRENT ASSETS**

	June 30 2024	December 31 2023
Acquisition advance payment (a)	\$ 2,400,000	\$ –
Contingent consideration receivable	87,520	87,520
<b>Total non-current assets</b>	<b>\$ 2,487,520</b>	<b>\$ 87,520</b>

- (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.

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	8,835,671
Repayments	(1,108,989)
Interest accrued (Note 17)	981,078
Interest paid	(891,084)
Effect of change in exchange rates	(251,507)
<b>Balance, June 30, 2024</b>	<b>\$ 8,073,283</b>

As at June 30, 2024 and December 31, 2023, bank debt was comprised of the following balances:

	June 30 2024	December 31 2023
Banco Hipotecario S.A. (a)	\$ 1,632,995	\$ –
Banco Galicia S.A.U. (b)	202,623	67,019
Banco de la Nación (c)	448,367	441,095
Banco de Servicios y Transacciones S.A. (d)	1,838,380	–
HSBC Bank Argentina S.A. (e)	227,804	–
Banco CMF S.A. (f)	88,755	–
Banco Macro S.A. (g)	2,503,667	–
Banco Ciudad (h)	526,993	–
Related party loan (i)	603,699	–
	<b>\$ 8,073,283</b>	<b>\$ 508,114</b>

- (a) Banco Hipotecario S.A.

The Company has an overdraft loan agreement available until August 7, 2024 of up to ARS 1,600 million (\$1.75 million) with Banco Hipotecario S.A. at variable interest rate which is determined monthly. The overdraft loan is guaranteed by Grupo ST 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(c)).

As at June 30, 2024, ARS 1,470.6 million (\$1.61 million) (December 31, 2023 – \$nil) was drawn on the overdraft loan.

During the six months ended June 30, 2024, the Company recognized \$473,918 (six months ended June 30, 2023 – \$1,245,222) of interest on the Banco Hipotecario S.A. overdraft loan, of which \$432,012 was paid and \$20,220 is included in the loan balance as at June 30, 2024 (December 31, 2023 – \$nil).

# CROWN POINT ENERGY INC.

## NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2024

(Unaudited)

(United States Dollars)

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(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.

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.

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.

The Company has an overdraft loan agreement available until July 2024 of up to ARS 80 million (\$0.09 million) with Banco Galicia S.A.U. at variable interest rate which is determined monthly. See Note 24 (a).

As at June 30, 2024, a total of ARS 179.6 million (\$0.19 million) (December 31, 2023 – ARS 50 million (\$0.1 million)) was drawn on the Banco Galicia S.A.U. working capital loans and overdraft loan.

During the six months ended June 30, 2024, the Company recognized \$58,660 (six months ended June 30, 2023 – \$113,614) of interest on Banco Galicia S.A.U. loans, of which \$57,510 was paid and \$5,647 is included in the loan balance as at June 30, 2024 (December 31, 2023 – \$5,173).

(c) Banco de la Nación (“BNA”)

As at June 30, 2024, the Company has a credit limit of ARS 460 million (\$0.5 million) available which can be drawn and repaid in various amounts. The terms for each amount drawn as at June 30, 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<sup>(1)</sup> 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 six months ended June 30, 2024, the Company paid the final installment in the amount of ARS 6.9 million (\$0.01 million). As at June 30, 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<sup>(1)</sup> 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 six months ended June 30, 2024, the Company paid the final installment in the amount of ARS 3.4 million (\$0.004 million). As at June 30, 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<sup>(1)</sup> 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 six months ended June 30, 2024, the Company repaid ARS 25.7 million (\$0.03 million). As at June 30, 2024, the outstanding amount on the BNA Working Capital Loan V was nil (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 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<sup>(1)</sup> plus 10% per annum, calculated and payable quarterly. During the six months ended June 30, 2024, the Company repaid ARS 43.5 million (\$0.05 million). As at June 30, 2024, the outstanding amount on the BNA Working Capital Loan VI was ARS 43.5 million (\$0.05 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 repayable in one installment on May 6, 2024 which bore interest at a variable rate based on the BADLAR<sup>(1)</sup> less 5%

# CROWN POINT ENERGY INC.

## NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2024

(Unaudited)

(United States Dollars)

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per annum, calculated monthly and payable at maturity. The BNA Working Capital Loan VII was repaid on May 7, 2024.

(vi) BNA Working Capital Loan VIII

On May 8, 2024, the Company obtained an ARS 150 million (\$0.16 million) BNA Working Capital Loan VIII repayable in four installments commencing on September 24, 2024 until the maturity date of June 23, 2025, and bearing interest at a variable rate based on the BADLAR per annum, calculated and payable quarterly. As at June 30, 2024, the outstanding amount on the BNA Working Capital Loan VIII was ARS 150 million (\$0.16 million).

(vii) 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.

(viii) 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<sup>(1)</sup> less 1%, repaid on April 19, 2024.

(ix) 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<sup>(1)</sup> less 1%, repaid on June 26, 2024.

(x) BNA Export Financing Loan IV

On May 8, 2024, the Company obtained an Export Financing Loan IV with BNA for ARS 195 million (\$0.22 million) at an annual interest rate of BADLAR<sup>(1)</sup> less 7%, repayable in two equal installments on August 8, 2024 and November 7, 2024.

(xi) BNA overdraft balance

The Company has an overdraft loan agreement available until August 31, 2024, of up to ARS 95 million (\$0.1 million) with Banco Nación at variable interest rate which is determined monthly. As at June 30, 2024 the amount drawn on the overdraft balance was \$nil.

As at June 30, 2024, a total of ARS 396.2 million (\$0.43 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 six months ended June 30, 2024, the Company recognized \$280,480 (six months ended June 30, 2023 – \$177,133) of interest on the BNA loans, of which \$311,491 (six months ended June 30, 2023 – \$193,041) of interest was paid and \$22,381 is included in the loan balance as at June 30, 2024 (December 31, 2023 – \$56,950).

<sup>(1)</sup> As at June 30, 2024, the BADLAR rate was 36.0625% (December 31, 2023 – 109.75%).

(d) Banco de Servicios y Transacciones S.A. (“BST”)

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 variable interest rate which is determined monthly. As at June 30, 2024 the amount drawn on the overdraft balance was ARS 1,627.1 million (\$ 1.78 million) and bears an annual interest rate of 47.55%.

During the six months ended June 30, 2024, the Company recognized \$104,498 of interest on the BST overdraft loan, of which \$61,173 of interest was paid and \$54,331 is included in the loan balance as at June 30, 2024.

(e) HSBC Bank Argentina S.A.

On May 7, 2024, the Company obtained an ARS 200 million (\$0.2 million) overdraft loan with HSBC Bank Argentina S.A. at variable interest rate which is determined monthly. As at June 30, 2024 the amount drawn on the overdraft balance was ARS 207.8 million (\$ 0.23 million) and bears an annual interest rate of 46%.

During the six months ended June 30, 2024, the Company recognized \$16,081 of interest on the HSBC Bank Argentina S.A. overdraft loan, all of which was paid and \$nil is included in the loan balance as at June 30, 2024.

(f) Banco CMF S.A.

During June 2024 the Company obtained an ARS 80 million (\$ 0.09 million) overdraft loan with Banco CMF S.A. at a variable interest rate which is determined monthly. As at June 30, 2024 the amount drawn on the overdraft balance was ARS 80.9 million (\$ 0.09 million) and bears an annual interest rate of 52%.

During the six months ended June 30, 2024, the Company recognized \$12,817 of interest on the Banco CMF overdraft loan,

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

For the three and six months ended June 30, 2024

(Unaudited)

(United States Dollars)

all of which was paid and \$nil is included in the loan balance as at June 30, 2024.

(g) Banco Macro S.A.

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 on November 4, 2024.

The loan is guaranteed by Grupo ST S.A under an agreement with Banco Macro S.A. pursuant to which the Company is charged a loan guarantee fee of 1% of the loan (Note 20 (c)).

During the six months ended June 30, 2024, the Company recognized \$27,226 of interest on the Banco Macro working capital loan, all of which is included in the loan balance as at June 30, 2024.

(h) Banco Ciudad

On May 7, 2024, the Company obtained a \$0.5 million working capital loan with Banco Ciudad S.A. at an annual interest rate of 5%, repayable on November 1, 2024.

The loan is guaranteed by Grupo ST S.A under an agreement with Banco Ciudad pursuant to which the Company is charged a loan guarantee fee of 1% of the loan (Note 20 (c)).

During the six months ended June 30, 2024, the Company recognized \$3,699 of interest on the Banco Ciudad working capital loan, all of which is included in the loan balance as at June 30, 2024.

(i) Related party loan

On May 31, 2024, the Company obtained a loan for an amount of \$600,000 from Mr. Pablo Peralta, which accrues interest at an annual rate of 7.5%, repayable on August 29, 2024.

During the six months ended June 30, 2024, the Company recognized \$3,699 of interest on the loan, all of which is included in the loan balance as at June 30, 2024 (Note 20(b)).

**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 June 30, 2024, the Company had \$10.46 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. 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		(4,187,933)
Transaction costs		(2,107)
Amortization of premium (Note 17)		(364,124)
Amortization of transaction costs (Note 17)		90,467
Interest accrued (Note 17)		584,182
Interest paid		(609,435)
Balance, June 30, 2024	\$	24,268,770

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

For the three and six months ended June 30, 2024

(Unaudited)

(United States Dollars)

The carrying amount of notes payable is reported as follows:

	June 30 2024	December 31 2023
Total notes payable	\$ 24,268,770	\$ 28,757,720
Current portion of notes payable	(18,810,173)	(12,298,533)
Long-term portion of notes payable	\$ 5,458,597	\$ 16,459,187

Restricted cash

As at June 30, 2024, \$138,772 (ARS 126.1 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.

**10. TRADE AND OTHER PAYABLES**

	June 30 2024	December 31 2023
Trade payables	\$ 4,526,159	\$ 3,366,945
Accruals	1,638,919	1,913,955
Other payables	583,871	487,205
Current trade and other payables	6,748,949	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	\$ 8,229,494	\$ 7,248,650

**11. DECOMMISSIONING PROVISION:**

As at June 30, 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)	219,373
Balance, June 30, 2024	10,641,591
Current portion of decommissioning provision	(369,354)
Non-current portion of decommissioning provision	\$ 10,272,237

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

For the three and six months ended June 30, 2024

(Unaudited)

(United States Dollars)

**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, December 31, 2023	\$	865,168
Additions (Note 6)		88,130
Interest (Note 17)		29,246
Payments		(267,763)
Effect of change in exchange rates		(8,488)
Balance, June 30, 2024		706,293
Current portion of lease liability		(331,242)
<b>Non-current portion of lease liability</b>	<b>\$</b>	<b>375,051</b>

Total expected payments under lease agreements for office and equipment are \$44,991 per month (\$539,889 per year) until December 31, 2026.

**13. SHARE-BASED PAYMENTS:**

As at June 30, 2024 the Company had 1,825,000 (December 31, 2023 – 3,650,000) stock options outstanding, all of which are exercisable. Stock options outstanding at June 30, 2024 are exercisable at CAD \$0.20 per share and expire on May 31, 2026.

During the three and six months ended June 30, 2024, the Company recognized \$nil (three and six months ended June 30, 2023 – \$6,554 and \$16,148) of share-based payment expense. As at June 30, 2024, the balance of unvested share-based payments was \$nil.

**14. PER SHARE AMOUNTS:**

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Net loss for the period	\$ (3,058,684)	\$ (2,142,342)	\$ (3,960,418)	\$ (4,003,912)
Weighted average number of shares – basic:				
Issued common shares, beginning and end of period	72,903,038	72,903,038	72,903,038	72,903,038
Net loss per share – basic	\$ (0.04)	\$ (0.03)	\$ (0.05)	\$ (0.05)

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:

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Oil	\$ 4,333,753	\$ 5,037,810	\$ 9,439,005	\$ 10,807,131
Natural gas liquids	35,116	103,328	100,324	132,891
Natural gas	1,215,445	1,592,644	2,146,071	2,894,318
	<b>\$ 5,584,314</b>	<b>\$ 6,733,782</b>	<b>\$ 11,685,400</b>	<b>\$ 13,834,340</b>

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

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

For the three and six months ended June 30, 2024

(Unaudited)

(United States Dollars)

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 may be sold to both 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 is 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 and six months ended June 30, 2024, 24% and 34%, respectively, was for export sales to three purchasers and 76% and 66%, respectively, was for domestic sales to two purchasers (three and six months ended June 30, 2023 – 34% was for export sales to three purchasers; 66% was for domestic sales to one purchaser) and \$1,516,808 was in accounts receivable at June 30, 2024 (December 31, 2023 – \$1,394,639).

All of the Company's revenue from natural gas sales earned in the three and six months ended June 30, 2024 was for domestic sales, of which 77% was to one major purchaser (three and six months ended June 30, 2023 – domestic sales of which 45% was to three major purchasers), of which \$416,093 was in accounts receivable at June 30, 2024 (December 31, 2023 – \$290,808).

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

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Export	\$ 1,031,859	\$ 1,690,580	\$ 3,218,834	\$ 3,694,580
Domestic	4,552,455	5,043,202	8,466,566	10,139,760
	\$ 5,584,314	\$ 6,733,782	\$ 11,685,400	\$ 13,834,340

**16. GENERAL AND ADMINISTRATIVE EXPENSES:**

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Salaries and benefits	\$ 387,471	\$ 391,776	\$ 653,944	\$ 803,729
Professional fees	273,533	205,128	487,041	334,392
Office and general	144,090	142,314	238,286	271,140
Travel and promotion	27,317	8,364	34,458	33,734
	\$ 832,411	\$ 747,582	\$ 1,413,729	\$ 1,442,995



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

For the three and six months ended June 30, 2024

(Unaudited)

(United States Dollars)

**17. NET FINANCE EXPENSE:**

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Interest income	\$ 37,800	\$ 55,179	\$ 437,248	\$ 134,938
Gain on fair value of financial instruments	13,432	–	93,063	–
Gain on revision of lease liabilities (Note 6)	6,651	–	6,651	–
Gain on foreign exchange rate contract	34,979	–	34,979	–
Amortization of notes payable premium (Note 9)	182,062	–	364,124	–
<b>Finance income</b>	<b>274,924</b>	<b>55,179</b>	<b>936,065</b>	<b>134,938</b>
Financing fees and bank charges	(223,938)	(148,153)	(385,843)	(292,593)
Loss on fair value of investments (Note 3)	–	–	(23,182)	–
Interest on bank debt (Note 8)	(605,062)	(848,428)	(981,078)	(1,682,274)
Interest on notes payable (Note 9)	(281,535)	(146,132)	(584,182)	(290,658)
Amortization of notes payable transaction costs (Note 9)	(45,757)	(19,170)	(90,467)	(37,836)
Accretion of decommissioning provision (Note 11)	(110,258)	(104,228)	(219,373)	(206,379)
Interest on lease liabilities (Note 12)	(14,321)	(23,513)	(29,246)	(49,216)
Accretion of other liabilities	–	–	(11,863)	(4,554)
<b>Finance expense</b>	<b>(1,280,871)</b>	<b>(1,289,624)</b>	<b>(2,325,234)</b>	<b>(2,563,510)</b>
	<b>\$ (1,005,947)</b>	<b>\$ (1,234,445)</b>	<b>\$ (1,389,169)</b>	<b>\$ (2,428,572)</b>

**18. TAXES:**

As at June 30, 2024, the Company's deferred tax asset was \$364,344 (December 31, 2023 – \$2,151,708 deferred tax liability).

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

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Current tax	\$ –	\$ –	\$ –	\$ –
Deferred tax recovery	1,290,610	1,130,525	2,516,052	1,662,150
<b>Tax recovery</b>	<b>\$ 1,290,610</b>	<b>\$ 1,130,525</b>	<b>\$ 2,516,052</b>	<b>\$ 1,662,150</b>

Crown Point Energía has sufficient non-capital loss and other tax pools available to reduce taxable income in Argentina to \$nil. The deferred tax recovery reported in the three and six months ended June 30, 2024 and 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.

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

For the three and six months ended June 30, 2024

(Unaudited)

(United States Dollars)

**19. SUPPLEMENTAL CASH FLOW INFORMATION:**

(a) Change in non-cash working capital items

For the six months ended June 30	2024	2023
Trade and other receivables	\$ (479,812)	\$ 512,797
Inventory	375,061	(211,423)
Prepaid expenses and other current assets	(455,996)	1,002,366
Trade and other payables	968,981	734,698
Taxes payable	–	(25,877)
Effect of change in exchange rates	(119)	256
	<u>\$ 408,115</u>	<u>\$ 2,012,817</u>
Attributable to:		
Operating activities	(183,076)	1,432,372
Investing activities	591,191	580,445
	<u>\$ 408,115</u>	<u>\$ 2,012,817</u>

(b) As at June 30, 2024, the Company held \$706,184 (December 31, 2023 – \$191,509) of cash in Canadian, United States and Argentine banks.

(c) During the six months ended June 30, 2024, the Company paid \$891,084 (six months ended June 30, 2023 – \$1,627,036) of interest expense on bank debt (Note 8) and \$609,435 (six months ended June 30, 2023 – \$290,658) on notes payable (Note 9).

(d) During the six months ended June 30, 2024, the Company paid \$nil to Argentine tax authorities related to corporate income tax (six months ended June 30, 2023 – \$16,980 (ARS 3.6 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 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) Mr. Pablo Peralta

During the three and six months ended June 30, 2024, the Company was charged \$3,699 of loan interest by Mr. Pablo Peralta (Note 8 (i)).

(c) 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 the Banco Hipotecario S.A., Banco Macro S.A. and Banco Ciudad S.A. loans (Note 8(a), (g) and (h), respectively) for which the Company is charged loan guarantee fees. During the three and six months ended June 30, 2024, Grupo ST S.A. charged the Company \$32,666 and \$34,583 (three and six months ended June 30, 2023 – \$25,615 and \$32,877), respectively, of loan guarantee fees. Included in trade and other payables as at June 30, 2024 is \$2,008 (December 31, 2023 – \$141) payable to Grupo ST S.A.

(d) Energía y Soluciones S.A.

Gabriel Obrador is the President, Chief Executive Officer and a director of the Company and also controls Energía y Soluciones S.A.. During the three and six months ended June 30, 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 \$928,822 (ARS 837.9 million) and \$1,662,849 (ARS 1,458 million) (three and six months ended June 30, 2023 – \$1,007,070 (ARS 250.1 million) and \$1,260,448 (ARS 300.8 million), respectively, of oil and gas revenue. Included in trade and other receivables as at June 30, 2024 is \$416,093 (ARS 378.2 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 June 30, 2024, no revenue has been earned from the CLL Permit.

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

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

For the three and six months ended June 30, 2024

(Unaudited)

(United States Dollars)

**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 June 30, 2024, the Company has a working capital deficit of \$28,482,962 (December 31, 2023 – \$11,785,934) which includes \$3,103,436 (December 31, 2023 – \$4,776,739) of financial assets comprised of cash, investments and trade and other receivables and \$33,963,647 (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 contractual maturities of less than one year. During the six months ended June 30, 2024, the Company reported \$1,067,709 of net cash used in operating activities (six months ended June 30, 2023 – \$308,851 of net cash provided by operating activities). See Note 1.

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.

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 June 30			
			2025 \$	2026 \$	2027 \$	2028 - 2029 \$
Trade and other payables	8,229,494	8,229,494	6,748,949	8,569	296,131	1,175,845
Bank debt	8,073,283	8,073,283	8,073,283	–	–	–
Notes payable	24,268,770	23,941,437	18,482,866	5,458,571	–	–
Lease liabilities	706,293	748,191	385,314	237,730	125,147	–
	41,277,840	40,992,405	33,690,412	5,704,870	421,278	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 June 30, 2024 and December 31, 2023.

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

As at June 30, 2024	Balance denominated in		Total USD equivalents \$
	CAD \$	ARS \$	
Cash and cash equivalents	6,260	561,466,238	622,251
Restricted cash	–	126,143,748	138,772
Trade and other receivables	7,957	175,219,372	198,575
Trade and other payables	(774,875)	(165,857,270)	(748,002)
Bank debt	–	(4,048,057,599)	(4,438,660)
Lease liabilities	–	(118,066,808)	(129,459)

As at December 31, 2023	Balance denominated in		Total USD equivalents \$
	CAD \$	ARS \$	
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)

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

For the three and six months ended June 30, 2024

(Unaudited)

(United States Dollars)

(b) Currency devaluation:

Exchange rates as at	June 30 2024	December 31 2023
CAD to USD <sup>(1)</sup>	0.7306	0.7561
ARS to USD <sup>(1)</sup>	0.0011	0.0012
USD to ARS <sup>(2)</sup>	910.50	806.95

<sup>(1)</sup> Source OFX <sup>(2)</sup> 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 and Mendoza Concessions operating costs and general and administrative expenses incurred in Argentina are denominated in ARS and are also subject to inflation adjustments. During the six months ended June 30, 2024, the devaluation of ARS resulted in lower TDF and Mendoza Concessions operating costs and general and administrative expenses incurred in Argentina by approximately 7% (six months ended June 30, 2023 – devaluation of ARS; lower by approximately 15%), without considering cost increases related to inflation.

During the six months ended June 30, 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 \$0.04 million (six months ended June 30, 2023 – devaluation of ARS; reduction by approximately \$0.9 million).

The effect of currency devaluation on ARS denominated bank debt during the six months ended June 30, 2024 was a \$251,507 reduction (six months ended June 30, 2023 – \$1,639,271 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 June 30, 2024:

	Change in exchange rates	Impact
Foreign exchange – effect of strengthening USD		
CAD denominated financial assets and liabilities	5%	\$ 27,790
ARS denominated financial assets and liabilities	50%	\$ 1,905,080

**23. COMMITMENTS:**

(a) TDF Concessions

As at June 30, 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 June 30, 2024, the Company's share of expenditure commitments with respect to the CH Concession is \$29.5 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 June 30, 2024, the Company's share of expenditure commitments with respect to the PPCO Concession is \$11.7 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 June 30, 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.

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

For the three and six months ended June 30, 2024

(Unaudited)

(United States Dollars)

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**24. SUBSEQUENT EVENTS:**

(a) Bank debt

On July 2, 2024, the Company paid the third installment of the BNA VI working capital loan in the amount of ARS 21.8 million (\$0.02 million).

On July 24, 2024, the Company obtained a working capital loan from BNA for ARS 638 million (\$0.7 million) that accrues a variable interest rate BADLAR less 1% and is repayable in 180 days.

During July 2024, the Company obtained an increase in the available amount of the overdraft loan from Banco Galicia S.A.U. (Note 8(b)) from ARS 80 million (\$0.09 million) to ARS 200 million (\$0.22 million) at an annual interest rate of 52%, payable monthly. The overdraft loan is repayable on August 20, 2024.

On July 24, 2024, the Company obtained a working capital loan from Banco Galicia S.A.U for ARS 43 million (\$0.05 million) that accrues an annual interest rate of 61% payable monthly and is repayable in 180 days.

(b) Notes payable

On August 7, 2024, the Company issued Series V unsecured fixed-rate notes ("Series V Notes") denominated in USD and payable in ARS for an amount of \$7.2 million, equivalent to ARS 6,721.7 million. The principal amount will be repaid in a single installment on February 8, 2026. Series V Notes accrue interest at a fixed rate of 8% per annum, payable every three months in arrears from the issue date.

On August 12, 2024, the Company paid the third capital installment of the Series III Notes payables for an amount of \$2.1 million.