

CROWN POINT VENTURES LTD.

Interim Consolidated Financial Statements For the Six Month Period Ended February 28, 2011 (Unaudited – Prepared by Management)

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The interim consolidated financial statements of Crown Point Ventures Ltd. are the responsibility of the Company's management. The interim consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada and reflect management's best estimates and judgment based on information currently available.

Management has developed and maintains a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded, and financial information is reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal controls through an audit committee, which is comprised of non-management directors. The Audit Committee reviews the results of the consolidated financial statements prior to their submission to the Board of Directors for approval.

"Murray McCartney"

Murray McCartney
President

Calgary, Alberta
April 28, 2011

"Arthur J.G. Madden"

Arthur J.G. Madden
Chief Financial Officer

CROWN POINT VENTURES LTD.
INTERIM CONSOLIDATED BALANCE SHEETS

Unaudited – prepared by management

As at	February 28, 2011	August 31, 2010
ASSETS		
Current assets		
Cash and cash equivalents	\$ 11,018,299	\$ 1,769,501
Accounts receivable	687,113	319,157
Income tax receivable	70,000	29,000
Prepaid expenses and deposits	443,307	233,434
	12,218,719	2,351,092
Long-term assets		
Property and equipment <i>(note 5)</i>	16,100,135	13,954,195
Future income taxes	41,000	41,000
	\$ 28,359,854	\$ 16,346,287
LIABILITIES and SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 421,764	\$ 2,537,161
Long-term liabilities		
Asset retirement obligations <i>(note 6)</i>	192,456	190,248
	614,220	2,727,409
Shareholders' equity		
Capital stock <i>(note 8)</i>	43,035,157	28,093,271
Contributed surplus	1,523,078	1,476,163
Deficit	(16,812,601)	(15,950,556)
	27,745,634	13,618,878
	\$ 28,359,854	\$ 16,346,287

Basis of presentation *(note 2)*

Commitment *(note 11)*

Subsequent events *(note 12)*

Approved on Behalf of the Board:

"Gordon Kettleon"

..... Director

Gordon Kettleon

"Murray McCartney"

..... Director

See accompanying notes to the interim consolidated financial statements.

CROWN POINT VENTURES LTD.
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

Unaudited – prepared by management

	Three months ended February 28,		Six months ended February 28,	
	2011	2010	2011	2010
Revenue				
Oil and gas sales	\$ 1,020,462	\$ 120,037	\$ 2,097,173	\$ 233,116
Royalties	202,038	4,916	422,948	16,546
Operating expenses	313,858	36,800	585,868	94,560
Oil and gas, net	504,566	78,321	1,088,357	122,010
Expenses				
General and administrative	468,348	270,397	737,671	516,292
Stock-based compensation (note 8)	73,024	585	146,837	84,345
Warrant issuance (note 8(b)(e))	1,561	-	115,434	-
Financing fees and bank charges	69,996	19,324	88,132	60,572
Depletion, depreciation and accretion	616,721	109,613	1,264,426	191,280
	1,229,650	399,919	2,352,500	852,489
Loss Before Other Item and Income Taxes	(725,084)	(321,598)	(1,264,143)	(730,479)
Gain on sale of property and equipment	244,558	396,320	244,558	396,320
Foreign exchange gain (loss)	94,275	(69,795)	116,540	(131,508)
Income (Loss) before income taxes	(386,251)	4,927	(903,045)	(465,667)
Income Tax				
Current	-	129,297	(41,000)	129,297
Future (recovery)	-	(12,746)	-	-
	-	116,551	(41,000)	129,297
Net Loss and Comprehensive Loss for Period	(386,251)	(111,624)	(862,045)	(594,964)
Deficit, Beginning of Period	(16,426,350)	(14,883,078)	(15,950,556)	(14,399,738)
Deficit, End of Period	\$(16,812,601)	\$ (14,994,702)	\$ (16,812,601)	\$(14,994,702)
Loss per Share				
Basic and diluted	\$ (0.01)	\$ (0.00)	\$ (0.02)	\$ (0.02)
Weighted Average Number of Common Shares Outstanding – Basic and diluted	38,887,731	23,592,958	34,678,187	23,592,958

See accompanying notes to the interim consolidated financial statements.

CROWN POINT VENTURES LTD.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
Unaudited – prepared by management

	Three months ended February 28,		Six months ended February 28,	
	2011	2010	2011	2010
Operating activities				
Net (loss) for the period	\$ (386,251)	\$ (111,624)	\$ (862,045)	\$ (594,964)
Items not affecting cash:				
Gain on sale of property and equipment	(244,558)	(396,320)	(244,558)	(396,320)
Stock-based compensation	73,024	585	146,837	84,345
Warrant issuance	1,561	-	115,434	-
Depletion, depreciation, and accretion	616,721	109,613	1,264,426	191,280
Future income tax recovery	-	(12,746)	-	-
Foreign exchange gain	(26,612)	-	(26,612)	-
	33,885	(410,492)	393,482	(715,659)
Changes in non-cash working capital items				
Accounts receivable	70,534	(807,657)	(367,956)	(907,425)
Prepaid expenses	(32,379)	(2,418)	(209,873)	(13,390)
Accounts payable and accrued liabilities	(2,454,474)	(490,360)	(2,376,866)	(327,629)
Income tax receivable	-	59,326	(41,000)	59,326
	(2,416,319)	(1,241,109)	(2,995,695)	(1,189,118)
Cash used in Operating Activities	(2,382,434)	(1,651,601)	(2,602,213)	(1,904,777)
Financing Activities				
Issuance of share capital (net)	13,886,967	(15,750)	14,249,109	3,184,600
Acquisition of CanAmericas (Argentina) Energy Limited	(73,901)	-	(73,901)	-
Cash acquired from CanAmericas (Argentina) Energy Limited	9,554	-	9,554	-
Cash provided by (used in) Financing Activities	13,822,620	(15,750)	14,184,762	3,184,600
Investing Activities				
Expenditures on property and equipment	(1,171,669)	(403,408)	(2,613,751)	(3,582,386)
Property and equipment proceeds	280,000	707,560	280,000	707,560
Cash provided by (used in) Investing Activities	(891,669)	304,152	(2,333,751)	(2,874,826)
Change in cash and cash equivalents	10,548,517	(1,363,199)	9,248,798	(1,595,003)
Cash and cash equivalents, beginning of period	469,782	1,806,326	1,769,501	2,038,130
Cash and cash equivalents, end of period	\$11,018,299	\$ 443,127	\$ 11,018,299	\$ 443,127
Supplemental information:				
Income taxes paid	-	100,000	-	100,000
Property and equipment expenditures included in accounts payable	-	(414,271)	-	35,729

See accompanying notes to the interim consolidated financial statements.

CROWN POINT VENTURES LTD.
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
Three and six months ended February 28, 2011 and 2010

1. NATURE OF OPERATIONS

Crown Point Ventures Ltd. (the "Company") was incorporated under the laws of British Columbia on March 16, 1966. The Company is a public company that trades on the TSX Venture Exchange ("TSX") and is engaged in the exploration for, and development and production of oil and gas in Canada and Latin America.

These financial statements have been prepared on a going concern basis, which contemplates the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's net loss for the six month period ended February 28, 2011 was \$862,045 (February 28, 2010 - \$594,964. As at February 28, 2011, the Company had an accumulated deficit \$16,812,601 (August 31, 2010 - \$15,950,556) and working capital (deficiency) of \$11,796,955 (August 31, 2010 - \$(186,069)).

The Company expects its current capital resources combined with the March 10, 2011 financing described in Note 12(a) will be sufficient to carry its exploration programs and operating costs well into 2011.

Effective September 1, 2010, the Company achieved commercial production in Argentina. Upon the attainment of commercial production the Company started to record proceeds from the sale of crude oil as revenues and related expenses as royalties and operating costs instead of charging them against property and equipment.

2. BASIS OF PRESENTATION

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") for interim financial information. They do not include all of the information and disclosures required by Canadian GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation of the financial position, results of operations and cash flows have been included in these financial statements. The unaudited interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements including the notes thereto for the years ended August 31, 2010 and 2009.

The accounting policies followed by the Company are set out in note 2 to the audited consolidated financial statements for the years ended August 31, 2010 and 2009 and have been consistently followed in preparation of these unaudited interim consolidated financial statements.

Future Accounting Pronouncements

International Financial Reporting Standards ("IFRS")

In 2008, the Canadian Accounting Standards Board ("AcSB") confirmed publicly-listed companies will use IFRS replacing Canadian GAAP, effective for the Company for interim and annual financial statements beginning on September 1, 2011. The change date will require the restatement for comparative purposes of amounts reported by the Company for interim periods and for the year ended August 31, 2011. The Company has commenced the process to transition from current Canadian GAAP to IFRS. The transition process consists of diagnostic phase; impact analysis, evaluation and design phase; and implementation and review phase. The Company has engaged a consultant to perform a diagnostic study on the significant differences and will assess its IFRS 1 exemptions and policy choices.

CROWN POINT VENTURES LTD.
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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Significant Accounting Policies (Continued)

Business Combinations

In January 2009, the CICA issued Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements" and Section 1602, "Non-Controlling Interests". These sections replace the former Section 1581, "Business Combinations", and Section 1600, "Consolidated Financial Statements", and establish a new section for a non-controlling interest in a subsidiary.

Section 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests will be reported as components of equity. In addition, the definition of a business is expanded and is described as an integrated set of activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners. Acquisition costs are not part of the consideration and are to be expensed when incurred. Section 1601 establishes standards for the preparation of consolidated financial statements.

These new sections apply to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. The Company is currently evaluating the impact of the adoption of these standards.

3. FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. Financial instruments are classified as follows: cash and cash equivalents as held-for-trading; accounts receivable as loans and receivables; and accounts payable and accrued liabilities as other financial liabilities.

The carrying values of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's accounts receivable are from joint venture partners in the oil and gas industry and are subject to normal industry credit risks. As at February 28, 2011, the Company's receivables consisted of \$642,314 from joint venture partners and \$44,799 from government agencies.

Joint venture receivables are typically collected within one to three months of the joint venture bill being issued to the partner. The Company mitigates the risk from joint venture receivables by obtaining partner approval of capital expenditures prior to starting a project. However, the receivables are from participants in the petroleum and natural gas sector, and collection is dependent on typical industry factors such as commodity price fluctuations, escalating costs and risk of unsuccessful drilling.

CROWN POINT VENTURES LTD.
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The Company's other financial assets that are exposed to credit risk consist of cash and cash equivalents. This risk is minimized as cash is placed with well-capitalized major financial institutions.

Concentration of credit risk exists with respect to the Company's cash and cash equivalents as all amounts are held at a major Canadian and Argentinean financial institutions. The Company's concentration of credit risk and maximum exposure thereto is as follows:

	February 28, 2011	August 31, 2010
<i>Canada</i>		
Cash	\$ 1,027,404	\$ 1,468,734
Cash equivalents	9,181,568	147,323
	10,208,972	1,616,057
<i>Argentina</i>		
Cash	809,327	153,444
	\$ 11,018,299	\$ 1,769,501

Included in cash equivalents at February 28, 2011 are money market mutual funds that are cashable at any time. The credit risk is minimized substantially by ensuring that these financial assets are placed with a major Canadian financial institution with a strong investment-grade rating by a primary ratings agency.

The Company's cash and cash equivalents are not subject to any externally imposed restrictions.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures there is sufficient cash available to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash.

At February 28, 2011, the Company has cash and cash equivalents of \$11,018,299 (August 31, 2010 - \$1,769,501), and accounts payable and accrued liabilities of \$421,764 (August 31, 2010 - \$2,537,161), due within 30 days.

(c) Market Risk

Market risk consists of interest rate risk, foreign currency risk and other price risk. The Company is exposed to foreign currency risk and other price risk as follows:

Foreign currency risk

The Company is exposed to foreign exchange risk with respect to cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities as a portion of these amounts are denominated in Argentinean pesos. The Company has not entered into any foreign currency contracts to mitigate this risk.

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The sensitivity analysis of the Company's exposure to foreign exchange risk at the reporting date has been determined based upon hypothetical changes taking place at February 28, 2011 and August 31, 2010, which includes a hypothetical change in the foreign currency exchange rate between the Canadian dollar and Argentinean peso of 8%. An 8% change in exchange rate would result in \$97,555 (August 31, 2010 – \$155,000) change in net loss and comprehensive loss.

Funds Held In Argentinean Peso	February 28, 2011	August 31, 2010
Held-for-trading (1)	\$ 809,327	\$ 153,444
Loans and receivables (2)	507,731	297,019
Other financial liabilities (3)	(97,625)	(2,388,208)
Total	\$ 1,219,433	\$ (1,937,745)

- (1) Includes cash and cash equivalents
(2) Includes accounts receivable
(3) Includes accounts payable and accrued liabilities

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to significant other price risk with respect to its cash equivalents. Assuming all other variables remain constant, a 1% decrease or increase in the market price of the Company's mutual funds would result in a \$91,816 (August 31, 2010 - \$1,467) decrease or increase, respectively, in the Company's comprehensive income or loss.

4. ACQUISITION

On January 12, 2011, the Company completed the acquisition of CanAmericas (Argentina) Energy Limited ("CanAmericas"). The acquisition resulted in the Company issuing 285,065 common shares at \$1.85 per share based on the market price of the Company's common shares and \$50,000 in cash for 100% of the outstanding common shares of CanAmericas. The acquisition has been accounted for as an acquisition of assets whereby all the assets acquired and liabilities assumed are recorded at fair value.

The following table summarizes the allocation of the purchase price to the estimated fair value of the net assets acquired at the date of acquisition.

Consideration:	
Issue of 258,065 common shares	\$ 477,420
Cash	50,000
Transaction costs	23,901
Total consideration	\$ 551,321
Allocated to:	
Cash	\$ 9,554
Other receivables	822,905
Accounts payable	(261,469)
Asset retirement obligations	(19,669)
	\$ 551,321

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The above amounts are preliminary estimates made by management based on currently available information. Revisions may be made to the purchase equation as cost estimates and balances are finalized.

5. PROPERTY AND EQUIPMENT

At February 28, 2011 and August 31, 2010, the Company's oil and gas interests are comprised of properties located in Canada and Argentina. Expenditures incurred are as follows:

February 28, 2011			
	Cost	Accumulated Depletion, Amortization, and Impairment	Net
Oil and gas interests	\$ 10,378,956	\$ 2,538,144	\$ 7,840,812
Wellhead equipment	621,901	272,661	349,240
Undeveloped oil and gas interests	7,823,038	-	7,823,038
Office equipment	132,276	45,231	87,045
	\$ 18,956,171	\$ 2,856,036	\$ 16,100,135

August 31, 2010			
	Cost	Accumulated Depletion, Amortization, and Impairment	Net
Oil and gas interests	\$ 10,159,580	\$ 1,268,382	\$ 8,891,198
Wellhead equipment	661,382	265,987	395,395
Undeveloped oil and gas interests	4,576,000	-	4,576,000
Office equipment	119,948	28,346	91,602
	\$ 15,516,910	\$ 1,562,715	\$ 13,954,195

During the period ended February 28, 2011, the Company sold Canadian oil and gas properties for total proceeds of \$280,000 resulting in a gain of \$244,558.

During the year ended August 31, 2010, the Company sold Canadian oil and gas properties for total proceeds of \$707,560 resulting in a gain of \$587,879.

During the year ended August 31, 2010, the Company performed a ceiling test on its property and equipment and an impairment charge of \$180,876 was recorded. The impairment test is calculated using the data provided by the Company's independent engineering consultant for Canadian and Argentinean properties using future prices for the years 2010 to 2014 as follows:

	2010	2011	2012	2013	2014
Crude oil \$/bbl (Canada)	\$81.72	\$84.20	\$87.89	\$91.41	\$97.84
Crude oil \$/bbl (Argentina)	\$50.31	\$54.00	\$58.00	\$62.00	\$65.28

Subsequent to 2014 prices are estimated to increase by approximately 2% per year.

CROWN POINT VENTURES LTD.
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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6. ASSET RETIREMENT OBLIGATIONS

The Company's property closure and abandonment provision relates to the restoration and closure of its oil and gas property interests. This ARO has been recorded as a liability at fair value, assuming a credit-adjusted risk-free discount rate of 10% and an inflation factor of 2%. The amount of the liability is subject to re-measurement during each reporting period.

The following table summarizes the movements in the carrying amount of obligations associated with the ARO for the period ended February 28, 2011 and August 31, 2010:

	February 28, 2011	August 31, 2010
Balance, beginning of period	\$ 190,248	\$ 44,293
Additions	19,669	160,396
Disposals	(8,309)	(16,381)
Accretion	(9,152)	1,940
Balance, end of period	\$ 192,456	\$ 190,248

7. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its oil and gas interests. In the management of capital, the Company includes the components of shareholders' equity as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, option its oil and gas interests for cash and/or expenditures, or dispose of assets. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary.

The Company's investment policy is to hold cash in interest-bearing bank accounts and highly liquid short-term interest-bearing investments with maturities of one year or less, which can be liquidated at any time without penalties. The Company is not subject to externally imposed capital requirements. The Company expects its current capital resources combined with the March 10, 2011 financing described in Note 12(a) will be sufficient to carry its exploration programs and operating costs well into 2011.

CROWN POINT VENTURES LTD.
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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8. CAPITAL STOCK

- (a) Authorized
Unlimited number of common shares without par value
Unlimited number of Class "A" preferred shares of \$1 each par value
- (b) Issued and Outstanding

Common Shares	Number of Shares	Amount	Contributed Surplus
Balance, August 31, 2009	18,690,459	\$ 20,608,432	\$ 987,789
Issued during the period			
For cash			
Exercise of warrants	5,187,500	3,112,498	-
Private placements	6,055,170	4,541,378	-
Exercise of options	420,000	121,600	-
Stock-based compensation	-	-	449,111
Share issue expenses	-	(371,573)	120,199
Transfer on exercise of stock options	-	80,936	(80,936)
Balance, August 31, 2010	30,353,129	\$ 28,093,271	\$ 1,476,163
Issued during the period			
For cash			
Exercise of warrants	891,517	926,797	-
Exercise of options	320,000	152,100	-
Exercise of finders options	199,172	149,379	-
Private placement	9,167,917	14,210,271	-
Purchase of CanAmericas	258,065	477,420	-
Stock-based compensation	-	-	262,452
Share issue expenses	-	(1,189,438)	-
Transfer on exercise of stock options	-	215,357	(215,537)
Balance, February 28, 2011	41,189,800	\$ 43,035,157	\$ 1,523,078

During the period ended February 28, 2011 the Company issued 9,167,917 common shares pursuant to a bought deal financing at a price of \$1.55 per share for gross proceeds of \$14,210,271 (\$13,020,833 net of issue expenses).

During the year ended August 31, 2010 the Company issued 5,924,850 units ("Units") at a price of \$0.75 per unit for gross proceeds of \$4,443,638. The Company issued 130,320 units in consideration of finders fees and commissions. Each Unit consists of one common share in the capital of the Company and one-half of one non-transferable share purchase warrant (each whole warrant a "Series A Warrant"), with each Series A Warrant entitling the holder to purchase one additional common share at a price of \$1.00 for a period of 2 years from the date of closing of the Private Placement, provided that, in the event the closing price of the Company's shares as traded on the TSX Venture Exchange is \$1.50 or greater for a period of 20 consecutive trading days, the Company may give notice of an earlier expiry of the Series A Warrants, in which case they would expire 30 calendar days from the giving of such notice; provided further that, in the event a subscriber exercises any Series A Warrants during the term thereof, the Company will issue to that subscriber that number of Series B Warrants equal to the number of Series A Warrants exercised, with each Series B Warrant entitling the holder to purchase one additional common share at a price of \$1.50 for a period of 3 years from the date of closing of the private placement, provided further that, in the event the closing price of the Company's shares as traded on the TSX Venture Exchange is \$2.00 or greater for a

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Capital Stock (continued)

period of 20 consecutive trading days, the Company may give notice of an earlier expiry of the Series B Warrants, in which case they would expire 30 calendar days from the giving of such notice. The units are subject to regulations governing private placement distributions, and are being sold with a four-month plus one day restriction period, during which time the shares will be restricted from trading. Finder's fees of \$114,135 and 203,707 finders options valued at \$120,199 where each finders option entitles the holder to purchase one finders unit at a price of \$0.75 per finders unit for a period of two years from the closing date. Each finders unit has the same terms as the Units noted above. The fair value of the finders option is estimated using the Black-Scholes option pricing model assuming a risk free interest rate of 1.43%, expected dividend yield of 0%, expected stock volatility of 119.57%, and an expected option life of two years. In addition, share issue costs of \$39,500 were incurred as part of the private placement.

(c) Stock Options

The Company's stock option plan provides for the granting of options to directors, officers, employees and consultants. Under the terms of the option plan, options issued will not exceed 10% of the issued and outstanding shares from time to time. The option price under each option is not less than the discounted market price on the grant date. A total of 1,476,667 of the options granted are vested and the remainder generally vest in equal tranches on the first and second year anniversaries of the date of grant. The expiry date for each option is set by the Board of Directors at the time of issue and cannot be more than five years after the grant date.

Stock option activity is summarized as follows:

	February 28, 2011		August 31, 2010	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance outstanding and exercisable, beginning of period	2,440,000	\$ 0.85	1,720,000	\$ 0.55
Granted	-	\$ 0.00	1,140,000	\$ 1.12
Forfeited	(60,000)	\$ 1.22	-	\$ 0.00
Exercised	(320,000)	\$ 0.48	(420,000)	\$ 0.29
Balance outstanding, end of period	2,060,000	\$ 0.89	2,440,000	\$ 0.85
Balance exercisable, end of period	1,476,667	\$ 0.77	1,792,500	\$ 0.72

At February 28, 2011, the weighted average remaining contractual life of the Company's 2,060,000 stock options outstanding is 3 years.

CROWN POINT VENTURES LTD.
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(c) Stock Options (Continued)

Stock options outstanding are as follows:

Expiry Date	Exercise Price	February 28, 2011	August 31, 2010
December 15, 2011	\$ 0.70	100,000	100,000
March 6, 2012	\$ 0.89	100,000	100,000
August 24, 2012	\$ 0.63	300,000	400,000
July 9, 2013	\$ 0.60	360,000	360,000
July 18, 2013	\$ 0.60	150,000	190,000
May 19, 2014	\$ 0.25	-	150,000
October 7, 2014	\$ 0.70	150,000	150,000
February 23, 2015	\$ 0.86	50,000	75,000
June 9, 2015	\$ 1.22	800,000	865,000
June 24, 2015	\$ 1.22	50,000	50,000
		2,060,000	2,440,000

(d) Finders Options

A summary of the finders options issued during the period ended February 28, 2011 is as follows:

	Number of Options	Weighted Average Exercise Price
Balance outstanding and exercisable, September 1, 2010	203,707	\$ 0.75
Exercised	(199,172)	\$ 0.75
Balance outstanding and exercisable, February 28, 2011	4,535	\$ 0.75

During the period ended February 28, 2011 the Company issued 199,172 common shares pursuant to the exercise of finders options for gross proceeds of \$149,379. Each option contained one common share issued and one-half of one non-transferable Series A warrant. Each whole Series A warrant entitles the holder to purchase one additional common share at a price of \$1.00 for a period of 2 years. Finders warrants were valued at \$115,434 estimated using the Black-Scholes option pricing model assuming a risk free interest rate of 1.72%, expected dividend yield of 0%, expected stock volatility of 141%, and an expected option life of 2 years.

Finders options outstanding are as follows:

Expiry Date	Exercise Price	February 28, 2011	August 31, 2010
May 5, 2012	\$0.75	-	176,907
May 31, 2012	\$0.75	4,535	26,800
		4,535	203,707

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(e) Share Purchase Warrants

Share purchase warrants activity is summarized as follows:

2011	Class A Warrant	Exercise Price	Class B Warrant	Exercise Price
Balance outstanding September 1, 2010	3,027,585	\$1.00	-	-
Issued	99,586	\$1.00	820,957	\$ 1.50
Exercised	(820,957)	\$1.00	(70,560)	\$ 1.50
Balance outstanding, February 28, 2011	2,306,214	\$1.00	750,397	\$ 1.50

* Upon exercise of a class A warrant, a common share and a class B warrant will be issued entitling the holder to acquire a common share of the Company at \$1.50 until dates ranging from May 5, 2013 to June 11, 2013.

Share purchase warrants outstanding are as follows:

Expiry Date	Exercise Price	February 28, 2011	August 31, 2010
May 5, 2012	\$ 1.00	1,718,601	2,200,977
May 31, 2012	\$1.00	553,613	792,608
June 11, 2012	\$ 1.00	34,000	34,000
May 5, 2013	\$1.50	557,494	-
May 31, 2013	\$ 1.50	192,903	-
		3,056,611	3,027,585

(f) Stock-Based Compensation

During the period ended February 28, 2011 the Company granted no options to directors and officers of the Company. For the year ended August 31, 2010 1,140,000 options were granted to directors and officers of the Company at an average exercise price of \$1.12 per share. During the period ended February 28, 2011, the Company recorded stock-based compensation expense on options vested during the period of \$146,837. Stock-based compensation of \$104,713 is for management fees and \$42,124 is for consulting fees.

During the period ended February 28, 2010, the Company granted 225,000 options to officers of the Company at an average exercise price of \$0.75 per share. The fair value of stock-based compensation in the amount \$84,345 is for management fees.

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The fair value of stock-based compensation is estimated using the Black-Scholes option pricing model with the following assumptions:

	2010	2009
Risk-free interest rate	2.59%	2.65%
Expected dividend yield	0	0
Expected stock price volatility	101.88%	99.97%
Expected option life in years	5	5

9. RELATED PARTY TRANSACTIONS

- (a) The Company paid or accrued \$ Nil (2010 - \$32,000) for management fees and \$ Nil (2010 - \$3,200) for office rent to a company controlled by the Company's chairman.
- (b) The Company has entered into participation agreements with other parties that include a company controlled by the Company's chairman for the exploration and development of certain oil and gas prospects.
- (c) The Company has farmed-in certain lands acquired by a company controlled by the Company's chairman to drill an oil and gas well.

The above transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. SEGMENTED INFORMATION

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

	February 28, 2011	August 31, 2010
Assets		
Canada	\$ 10,464,888	\$ 1,869,673
Argentina	17,894,966	14,476,614
	\$ 28,359,854	\$ 16,346,287
Revenues		
Canada	\$ 70,946	\$ 233,116
Argentina	2,026,227	-
	\$ 2,097,173	\$ 233,116

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11. COMMITMENT

As at February 28, 2011 the Company is committed to future payments for office space rental and a proportionate share of operating costs through 2012 as follows:

2011	\$	53,250
2012		35,500
Total	\$	88,750

12. SUBSEQUENT EVENTS

- (a) The Company closed an equity financing and issued a total of 12,825,000 common shares of the Company pursuant to the offering at a price of \$1.95 per common share for gross proceeds of \$25,008,750.
- (b) The Company issued 412,468 common shares for total consideration of \$412,468 pursuant to the exercise of Series A Warrants. In addition 107,500 common shares were issued for total consideration of \$161,250 for the exercise of Series B Warrants. The Company issued 412,468 Series B Warrants expiring on May 5, 2013. The common share units are fully described in note 7(b).
- (c) The Company issued 50,000 common shares for stock options at an average price of \$0.75 for total consideration of \$37,500.
- (d) The Company announced on March 18, 2011 that it has granted incentive stock options to certain of its directors, officers, employees and consultants under its Incentive Stock Option Plan, entitling them to purchase up to 1,205,000 shares at a price of \$1.96 per share for a period of 5 years.