CROWN POINT ENERGY INC.

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2022
(Unaudited)

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

As at	Note	March 31 2022	December 31 2021
Assets			
Current assets:			
Cash		$ 183,358	$ 3,221,118
Trade and other receivables	4	1,684,367	3,312,898
Oil inventory		1,463,935	271,332
Prepaid expenses and other current assets	5	4,147,781	3,456,336
		7,479,441	10,261,684
Property and equipment	6	36,542,836	35,536,342
Exploration and evaluation assets	7	14,665,533	12,210,949
Restricted cash	9	296,501	299,560
		$ 58,984,311	$ 58,308,535
Liabilities and Shareholders' Equity			
Current liabilities:			
Trade and other payables		$ 5,507,951	$ 4,420,016
Bank debt	8	1,828,985	-
Current portion of notes payable	9	2,499,457	2,169,965
Current taxes payable		65,651	70,950
Current portion of decommissioning provision	10	443,117	597,195
Current portion of lease liabilities	11	72,680	76,900
		10,417,841	7,335,026
Non-current trade and other payables		283,542	285,693
Non-current taxes payable		43,774	65,045
Notes payable	9	2,498,349	3,209,280
Decommissioning provision	10	11,397,635	11,355,084
Lease liabilities	11	217,086	243,013
Deferred tax liability	16	3,945,968	4,038,821
		28,804,195	26,531,962
Shareholders' equity:			
Share capital		56,456,328	56,456,328
Contributed surplus		631,200	600,462
Accumulated other comprehensive loss		(18,201,460)	(18,216,364)
Deficit		(8,705,952)	(7,063,853)
		30,180,116	31,776,573
		$ 58,984,311	$ 58,308,535

Commitments (Note 20)
Subsequent events (Note 22)

Approved on behalf of the Board of Directors: *"Gordon Kettleson"* Gordon Kettleson, Director — *"Pablo Peralta"* Pablo Peralta, Director

See accompanying notes to condensed interim consolidated financial statements.

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

For the three months ended March 31	Note		2022		2021
Revenue					
Oil and natural gas sales	14	$	5,487,831	$	3,528,369
Processing income			64,051		45,408
Export tax			(135,975)		(117,062)
Royalties and turnover tax			(850,199)		(554,644)
			4,565,708		2,902,071
Expenses					
Operating			2,783,790		1,315,787
General and administrative			898,346		672,601
Depletion and depreciation			1,439,765		1,059,054
Gain on acquisition of working interest	21		-		(8,182,410)
Loss on decommissioning provision	7		33,501		-
Fair value adjustment of contingent consideration			(28,225)		-
Share-based payments	12		30,738		27,148
Foreign exchange loss			685,264		252,800
			5,843,179		(4,855,020)
Operating (loss) income			(1,277,471)		7,757,091
Net finance expense	15		(457,481)		(173,212)
(Loss) income before taxes			(1,734,952)		7,583,879
Tax recovery	16		92,853		512,227
Net (loss) income			(1,642,099)		8,096,106
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Exchange differences on translation of the Canadian parent company			14,904		21,785
Total comprehensive (loss) income		$	(1,627,195)	$	8,117,891
Net (loss) income per share	13				
Basic		$	(0.02)	$	0.11
Diluted		$	(0.02)	$	0.11

Weighted average shares outstanding		
- basic	72,903,038	72,903,038
- diluted	72,903,038	72,903,038

See accompanying notes to these condensed interim consolidated financial statements.

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

(Unaudited)
(United States Dollars)

For the three months ended March 31	Note	2022	2021
Share capital			
Balance, January 1 and March 31		$ 56,456,328	$ 56,456,328
Contributed surplus			
Balance, January 1		600,462	412,947
Share-based payments	12	30,738	27,148
Balance, March 31		631,200	440,095
Accumulated other comprehensive loss			
Balance, January 1		(18,216,364)	(18,239,476)
Exchange differences on translation of Canadian parent company		14,904	21,785
Balance, March 31		(18,201,460)	(18,217,691)
Deficit			
Balance, January 1		(7,063,853)	(16,838,606)
Net (loss) income		(1,642,099)	8,096,106
Balance, March 31		(8,705,952)	(8,742,500)
Total shareholders' equity		$ 30,180,116	$ 29,936,232

See accompanying notes to these condensed interim consolidated financial statements.

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

For the three months ended March 31	Note	2022	2021
Operating activities:			
Net (loss) income		$ (1,642,099)	$ 8,096,106
Items not affecting cash:			
Depletion and depreciation		1,439,765	1,059,054
Gain on acquisition of working interest		-	(8,182,410)
Loss on decommissioning provision	7	33,501	-
Fair value adjustment of contingent consideration		(28,225)	-
Share-based payments	12	30,738	27,148
Unrealized foreign exchange (gain) loss		43,439	(72,401)
Finance expense		371,909	104,663
Decommissioning expenditures	10	(109,490)	-
Tax recovery	16	(92,853)	(512,227)
Funds flow provided by operating activities		46,685	519,933
Change in non-cash working capital	17	(78,919)	1,035,588
Net cash provided by (used in) operating activities		(32,234)	1,555,521
Financing activities:			
Bank debt proceeds	8	2,376,251	561,167
Bank debt repayment	8	(500,000)	(662,881)
Notes payable proceeds	9	-	5,312,393
Restricted cash		3,059	(279,498)
Lease payments	11	(18,715)	(7,577)
Interest paid	17	(541,613)	(46,181)
Net cash provided by financing activities		1,318,982	4,877,423
Investing activities:			
Property and equipment expenditures	6	(2,749,363)	(724,933)
Exploration and evaluation expenditures	7	(2,533,160)	-
Change in other non-current assets		-	(285)
Change in non-cash working capital	17	1,197,301	(61,601)
Net cash used in investing activities		(4,085,222)	(786,819)
Change in cash		(2,798,474)	5,646,125
Foreign exchange effect on cash held in foreign currencies		(239,286)	(31,196)
Cash, January 1		3,221,118	654,743
Cash, March 31		$ 183,358	$ 6,269,672

See accompanying notes to these condensed interim consolidated financial statements.

1. REPORTING ENTITY:

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.

These unaudited condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, CanAmericas (Argentina) Energy Ltd. and Crown Point Energía S.A..

As at March 31, 2022, Liminar Energía S.A. ("Liminar"), the Company's largest shareholder, owned approximately 59.5% of the Company’s issued and outstanding common shares.

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 (“IFRS”) as issued by the International Accounting Standards Board, applicable to the preparation of interim financial statements as set out in International Accounting Standard 34 Interim Financial Reporting.

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, 2021.

The duration and extent of the impact from the COVID-19 pandemic remains uncertain and depends on future developments that cannot be accurately predicted at this time. This situation is changing rapidly and future impacts may materialize that are not yet known. There are no comparable recent events that provide guidance as to the effect the COVID-19 pandemic may have, and, as a result, the ultimate impact and lasting effects on the Company's business, operations and financial condition, and on the energy industry as whole, are highly uncertain.

Estimates and judgements made by management in the preparation of the Company’s March 31, 2022 unaudited condensed interim consolidated financial statements are increasingly difficult and subject to a higher degree of measurement uncertainty during this volatile period.

These unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 11, 2022.

3. AMENDED ACCOUNTING PRONOUNCEMENTS:

The Company has adopted amendments to the following accounting pronouncements effective January 1, 2022 with no impact on the Company’s March 31, 2022 condensed interim consolidated financial statements:

IAS 16 Property, Plant and Equipment

Amendments to IAS 16 Property, Plant and Equipment prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, the entity will recognize such sales proceeds and related costs in profit or loss.

IAS 37 Provisions, Contingent Liabilities and Contingent Assets

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

(United States dollars)

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 to two Argentine companies; the majority of the Company's natural gas production is sold by the Company to several Argentine companies.

Two major purchasers that represent 100% of oil revenue reported in the three months ended March 31, 2022 comprise $1,126,415 of accounts receivable at March 31, 2022 (December 31, 2021 – three major purchasers, 100% of oil revenue, $2,674,905 of accounts receivable) and three major purchasers that represent 43% of natural gas revenue reported in in the three months ended March 31, 2022 comprise $177,688 of accounts receivable at March 31, 2022 (December 31, 2021 – three major purchasers, 43% of natural gas revenue, $241,877 of accounts receivable) (Note 14).

The Company's maximum exposure to credit risk in respect of trade and other receivables consists of:

		March 31 2022		December 31 2021
Due from Argentine companies	$	1,948,636	$	1,893,440
Due from an international company		–		1,658,327
Other receivables		54,638		80,201
Allowance for credit losses		(318,907)		(319,070)
Total trade and other receivables	$	1,684,367	$	3,312,898

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

		March 31 2022		December 31 2021
Not past due (less than 90 days)	$	1,711,735	$	3,306,349
Past due (more than 90 days)		291,539		325,619
		2,003,274		3,631,968
Allowance for credit losses		(318,907)		(319,070)
Total trade and other receivables	$	1,684,367	$	3,312,898

5. PREPAID EXPENSES AND OTHER CURRENT ASSETS:

		March 31 2022		December 31 2021
Prepaid expenses	$	1,872,092	$	1,587,047
Value Added Tax		2,275,689		1,869,289
	$	4,147,781	$	3,456,336

(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, 2021	102,867,626	367,468	538,617	308,465	104,082,176
Additions	2,748,053	–	1,310	–	2,749,363
Effect of change in exchange rates	–	(18,600)	–	4,151	(14,449)
Balance, March 31, 2022	105,615,679	348,868	539,927	312,616	106,817,090
Accumulated depletion and depreciation:					
Balance, December 31, 2021	67,712,043	59,085	477,674	297,032	68,545,834
Depletion and depreciation	1,704,113	14,987	6,221	846	1,726,167
Effect of change in exchange rates	–	(1,757)	–	4,010	2,253
Balance, March 31, 2022	69,416,156	72,315	483,895	301,888	70,274,254
Net carrying amount:					
At December 31, 2021	35,155,583	308,383	60,943	11,433	35,536,342
At March 31, 2022	36,199,523	276,553	56,032	10,728	36,542,836

Right-of-use assets:

The Company recognizes right-of-use assets and corresponding lease liabilities (Note 11) related to certain office premises and equipment in Argentina. Right-of-use assets are depreciated on a straight-line basis over the 10-year term of the related leases.

Future development costs:

The depletion expense calculation for the three months ended March 31, 2022 included $43.1 million (December 31, 2021 – $45.9 million) for estimated future development costs associated with proved and probable reserves in Argentina.

7. EXPLORATION AND EVALUATION ASSETS (''E&E''):

Carrying amount, December 31, 2021	$	12,210,949
Additions		2,533,160
Loss on decommissioning (Note 10)		(78,576)
Carrying amount, March 31, 2022	$	14,665,533

E&E assets consist of the Company's intangible exploration projects in Argentina which are pending the determination of proven or probable reserves.

During the three months ended March 31, 2022, the Company fulfilled the decommissioning obligation for an E&E well that was written-off in a previous year. The loss on decommissioning represents the write-off of the carrying amount of decommissioning revisions related to the previously written-off well.

8. BANK DEBT:

A continuity of the Company's bank debt is as follows:

Balance, December 31, 2021	$	–
Proceeds		2,376,251
Repayment		(500,000)
Interest accrued (Note 15)		50,888
Interest paid		(33,265)
Effect of change in exchange rates		(64,889)
Balance, March 31, 2022	$	1,828,985

(a) Banco Hipotecario

On February 23, 2022, the Company obtained an overdraft loan of up to ARS 150 million ($1.4 million) with Banco Hipotecario at an interest rate of 40.5% to 45% per annum for a maximum term of six months. The overdraft is guaranteed by Liminar under the agreement with Banco Hipotecario (Note 18).

As at March 31, 2022, ARS 141 million ($1.3 million) was drawn on the overdraft loan. During the three months ended March 31, 2022, the Company recognized $30,955 of interest on the overdraft loan, of which $23,215 was paid and $7,740 is included in bank debt as at March 31, 2022.

(b) Sociedad de Bolsa Centaurus S.A.

On January 14, 2022, the Company obtained a $0.5 million working capital loan with Sociedad de Bolsa Centaurus S.A. at an interest rate of 4% per annum and a fee of 0.5% of the loan principal. The loan plus $384 of accrued interest was repaid on January 21, 2022.

(c) Banco CMF S.A.

On February 18, 2022, the Company obtained an ARS 30 million ($0.3 million) working capital loan with Banco CMF S.A. repayable on August 18, 2022 and bearing interest at a variable rate calculated and payable monthly. The interest rate is 46% for the first month and thereafter will be calculated based on the BADLAR Corregida (currently 49%) plus 4.5% per annum. The Company paid a structuring fee of 0.5% of the loan principal.

During the three months ended March 31, 2022, the Company recognized $14,828 of interest on the Banco CMF S.A. loan, of which $9,666 was paid and $5,162 is included in bank debt as at March 31, 2022.

(d) Banco Galicia S.A.

On March 18, 2022, the Company obtained an ARS 30 million ($0.3 million) working capital loan with Banco Galicia S.A. repayable on October 23, 2022 and at an interest rate of 41% calculated and payable monthly.

During the three months ended March 31, 2022, the Company recognized $4,721 of interest on the Banco Galicia S.A. loan, of which $nil was paid and $4,721 is included in bank debt as at March 31, 2022.

9. NOTES PAYABLE:

In 2021, Crown Point Energía issued $3.38 million principal amount of Class I notes payable and $2.07 million (ARS 190 million) principal amount of Class II notes payable for aggregate gross proceeds of $5.44 million. Class I notes payable are guaranteed, denominated in USD integrated in ARS at the initial exchange rate and repayable in ARS at the applicable exchange rate. Class II notes payable are guaranteed, denominated in ARS and repayable in ARS.

The notes payable are repayable in eight equal installments commencing on July 1, 2022 until the maturity date of March 31, 2024 and bear interest at 8% per annum and BADLAR Privados (37.82% at March 31, 2022) plus 6.75% per annum, respectively, payable quarterly.

(United States dollars)

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

Balance, December 31, 2021	$	5,379,245
Accretion of transaction costs (Note 15)		11,668
Interest accrued (Note 15)		260,567
Interest paid		(508,348)
Effect of change in exchange rates		(145,326)
Balance, March 31, 2022	$	4,997,806
Current portion of notes payable		(2,499,457)
Long-term notes payable	$	2,498,349

Restricted cash

As at March 31, 2022, $296,501 (ARS 32.9 million) (December 31, 2021 – $299,560 (ARS 30.7 million)) was reported as restricted cash. The restricted cash is assigned as collateral for the 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. DECOMMISSIONING PROVISION:

As at March 31, 2022, the estimated total undiscounted inflation-adjusted amount of cash flows required to settle the Company's obligations were approximately $15.1 million to be incurred in the next 1 to 24 years (December 31, 2021 – $15.2 million). A risk-free interest rate of 1.23% to 1.90% (December 31, 2021 – 1.23% to 1.90%) and an inflation rate of 1.8% (December 31, 2021 – 1.8%) was used to calculate the fair value of the decommissioning provision.

A reconciliation of the decommissioning provision is provided below:

Balance, December 31, 2021	$	11,952,279
Expenditures		(109,490)
Gain on settlement		(45,075)
Accretion (Note 15)		43,038
Balance, March 31, 2022		11,840,752
Current portion of decommissioning provision		(443,117)
Long-term portion of decommissioning provision	$	11,397,635

The gain on settlement represents the difference between the decommissioning provision and the actual expenditures made to settle the obligation. The gain on settlement has been net against the loss on decommissioning (Note 7) resulting in the recognition of a $33,501 loss on decommissioning provision.

(United States dollars)

11. 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, 2021	$	319,913
Interest (Note 15)		5,748
Payments		(18,715)
Effect of change in exchange rates		(17,180)
Balance, March 31, 2022		289,766
Current portion of lease liabilities		(72,680)
Long-term lease liabilities	$	217,086

Total expected payments under lease agreements for office and equipment are $6,057 per month ($72,680 per year) until December 31, 2026.

12. SHARE-BASED PAYMENTS:

As at March 31, 2022 and December 31, 2021, the Company had 4,350,000 stock options outstanding. Information about stock options outstanding as at March 31, 2022 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	2.0	2,175,000
May 31, 2026	2,175,000	$ 0.20	4.2	725,000
	4,350,000	$ 0.48	3.1	2,900,000

During the three months ended March 31, 2022, the Company recognized $30,738 (three months ended March 31, 2021 – $ 27,148) of share-based payment expense. As at March 31, 2022, the balance of unvested share-based payments was $84,409.

13. PER SHARE AMOUNTS:

For the three months ended March 31		2022		2021
Net (loss) income	$	(1,642,099)	$	8,096,106
Weighted average number of shares – basic and diluted:				
Issued common shares, beginning and end of year		72,903,038		72,903,038
Net (loss) income per share – basic and diluted	$	(0.02)	$	0.11

The effect of stock options is anti-dilutive in loss periods. The Company did not have any in-the-money stock options outstanding during the three months ended March 31, 2022 or 2021.

(United States dollars)

14. 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	2022	2021
Oil	$ 4,523,428	$ 2,786,874
Natural gas	942,390	735,744
Natural gas liquids	22,013	5,751
	$ 5,487,831	$ 3,528,369

Of the Company's revenue from oil sales earned in the three months ended March 31, 2022, 40% was for export sales to one purchaser and 60% was for domestic sales to one purchaser (three months ended March 31, 2021 – 89% was for export sales to one purchaser and 11% was for domestic sales to one purchasers) and $1,126,415 was in accounts receivable at March 31, 2022 (December 31, 2021 – $2,674,905).

All of the Company's revenue from natural gas sales earned in the three months ended March 31, 2022, was for domestic sales, of which 43% was to three major purchasers (three months ended March 31, 2021 – domestic sales of which 41% was to three major purchasers), of which $177,688 was in accounts receivable at March 31, 2022 (December 31, 2021 – $241,877).

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

For the three months ended March 31	2022	2021
Export	$ 1,822,366	$ 2,486,530
Domestic	3,665,465	1,041,839
	$ 5,487,831	$ 3,528,369

15. NET FINANCE EXPENSE:

For the three months ended March 31	2022	2021
Interest income	$ 79,105	$ 9,074
Financing fees and bank charges	(164,677)	(77,623)
Interest on bank debt (Note 8)	(50,888)	(111,347)
Interest on notes payable (Note 9)	(260,567)	(3,033)
Amortization of notes payable transaction costs (Note 9)	(11,668)	–
Accretion of decommissioning provision (Note 10)	(43,038)	(14,437)
Interest on lease liabilities (Note 11)	(5,748)	(2,846)
Gain on revision of right of use assets and lease liabilities	–	27,000
	$ (457,481)	$ (173,212)

(United States dollars)

16. TAXES:

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

For the three months ended March 31		2022		2021
Current tax	$	–	$	–
Deferred tax recovery		92,853		512,227
Tax recovery	$	92,853	$	512,227

Crown Point Energía S.A.’s 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 months ended March 31, 2022 and 2021 is related to changes in the Company’s ARS denominated tax pools combined with the effect of an increase in the Argentine corporate income tax rate applied to certain temporary tax differences and the devaluation of the ARS during the period on the translation of ARS denominated tax pools to USD.

17. SUPPLEMENTAL CASH FLOW INFORMATION:

As of March 31, 2022, the Company has $2,938,400 working capital deficit which includes $1,867,725 of financial assets comprised of cash and trade and other receivables and $9,974,724 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, 2022, the Company reported net cash used in operating activities in the amount of $32,234.

(a) Change in non-cash working capital items

For the three months ended March 31		2022		2021
Trade and other receivables	$	1,575,497	$	1,277,372
Inventory		(906,201)		(427,063)
Prepaid expenses and other current assets		(691,445)		(136,481)
Trade and other payables		1,167,043		301,614
Taxes payable		(26,570)		(41,519)
Effect of change in exchange rates		58		64
	$	1,118,382	$	973,987
Attributable to:				
Operating activities	$	(78,919)	$	1,035,588
Investing activities		1,197,301		(61,601)
	$	1,118,382	$	973,987

(b) As at March 31, 2022, the Company held $183,358 (December 31, 2021 – $3,221,118) of cash in Canadian, United States and Argentine banks.

(c) During the three months ended March 31, 2022, the Company paid $541,613 (three months ended March 31, 2021 – $46,181) of interest expense on bank debt and notes payable (Notes 8 and 9).

(d) During the three months ended March 31, 2022, the Company paid $16,790 (ARS 1,808,933) (three months ended March 31, 2021 – $41,519 (ARS 1,822,138)) to Argentine tax authorities related to corporate income tax.

18. RELATED PARTY TRANSACTIONS:

Mr. Pablo Peralta is a director of the Company and is the President and a director of Liminar and controls 30% of the voting shares of Liminar. Liminar owns approximately 59.5% of the Company's outstanding common shares.

Liminar has provided a guarantee of Banco Hipotecario loans (Note 8(a)) for which the Company is charged loan guarantee fee 1% of the loan balance per annum. During the three months ended March 31, 2022, Liminar charged the Company $674 (three months ended March 31, 2021 – $2,495) in loan guarantee fees.

Included in trade and other payables as at March 31, 2022 is $674 (December 31, 2021 – $nil) payable to Liminar.

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

19. FOREIGN CURRENCY EXCHANGE 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 has not entered into foreign exchange rate contracts to mitigate this risk.

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

As at March 31, 2022	Balance denominated in		Total USD
	CAD	ARS	equivalents
Cash	$ 501	$ 17,218,693	$ 155,790
Restricted cash	$ –	$ 32,855,291	$ 296,501
Trade and other receivables	$ 1,285	$ 12,226,338	$ 111,365
Trade and other payables	$ (245,281)	$ (344,568,205)	$ (3,300,342)
Bank debt	$ –	$ (203,035,574)	$ (1,828,985)
Current and long-term taxes payable	$ –	$ (12,147,533)	$ (109,425)
Notes payable	$ –	$ (179,685,492)	$ (1,618,637)
Lease liabilities	$ –	$ (23,144,999)	$ (208,495)

As at December 31, 2021	Balance denominated in		Total USD
	CAD	ARS	equivalents
Cash	$ 1,920	$ 328,003,537	$ 3,200,927
Restricted cash	$ –	$ 30,710,927	$ 299,560
Trade and other receivables	$ 5,497	$ 8,878,853	$ 90,949
Trade and other payables	$ (300,489)	$ (302,193,747)	$ (3,179,334)
Current and long-term taxes payable	$ –	$ (13,969,672)	$ (135,995)
Notes payable	$ –	$ (198,587,585)	$ (1,933,286)
Lease liabilities	$ –	$ (24,150,899)	$ (235,114)

(b) Currency devaluation:

Exchange rates as at	March 31 2022	December 31 2021
CAD to USD (1)	0.8007	0.7901
ARS to USD (1)	0.0090	0.0098
USD to ARS (2)	110.91	102.62

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

Currency devaluation in Argentina impacts the cost of ARS denominated items which are translated to the USD functional currency of the Argentine subsidiaries. A portion of the TDF and CH concessions operating costs and general and administrative expenses incurred in Argentina are denominated in ARS. During the three months ended March 31, 2022, the devaluation of ARS resulted in lower TDF and CH operating costs and general and administrative expenses incurred in Argentina by approximately 4% (three months ended March 31, 2021 – devaluation of ARS; lower by approximately 6%).

During the three months ended March 31, 2022, 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, 2021 – devaluation of ARS; reduction by approximately $0.2 million).

(United States dollars)

The effect of currency devaluation on ARS denominated bank debt and notes payable during the three months ended March 31, 2022 was a $210,215 reduction (three months ended March 31, 2021 – $124,879 reduction of bank debt and notes payable) in the USD equivalent amount (Notes 8 and 9).

(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, 2022:

	Change in exchange rates		Impact on net income
Foreign exchange - effect of strengthening USD:			
CAD denominated financial assets and liabilities	5%	$	9,750
ARS denominated financial assets and liabilities	10%	$	631,400

20. COMMITMENTS:

(a) TDF Concessions

As at March 31, 2022, 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.

(b) CH Concession

As at March 31, 2022, the Company's share of expenditure commitments with respect to the CH Concession is $39.7 million, consisting of a work program for well work overs, infrastructure optimization and a multi-well drilling program to be completed over a ten-year period until March 2031.

21. ACQUISITION OF WORKING INTEREST:

On March 13, 2021, the Company (50% working interest), together with partner Petrolera Aconcagua Energía ("Aconcagua") (50% working interest), was awarded a 25 year exploitation license for the 40.6 square kilometre Chañares Herrados producing oil block (the "CH Concession"), located in the Cuyo Basin approximately 50 kilometers south of Mendoza City, Province of Mendoza. Consideration for the exploitation license was cash payment of $8.33 million ($4.17 million net to Crown Point) to the Province.

Under the terms of the exploitation license agreement, the joint venture will pay a 13% royalty on oil production and commit to an $85.7 million ($42.85 million net to Crown Point) ten-year work program which includes well work overs, infrastructure optimization and a multi- well drilling program. The CH Concession will be operated by Aconcagua.

The acquisition of the 50% working interest in the CH Concession was accounted for as a business combination in accordance with IFRS 3 Business Combinations whereby the assets acquired and liabilities assumed were recorded at their estimated fair values on the acquisition date as follows:

(United States dollars)

Fair value of net assets:		
Property and equipment	$	15,386,342
Inventory		63,737
Non-current trade and other payables		(129,228)
Decommissioning provision		(166,981)
Deferred tax liability		(2,804,960)
		12,348,910
Gain on acquisition of working interest		(8,182,410)
	$	4,166,500
Consideration:		
Due to the Province of Mendoza (paid April 12, 2021)	$	4,166,500

The CH Concession was revoked by the Province in 2019 when the predecessor concession holder was unable to complete their expenditure commitments and subsequently filed for bankruptcy in 2020. The Company and Aconcagua were awarded the CH Concession in March 2021 through a bid-process that was evaluated based on cash consideration, a committed work program to invest in the Province and the financial and technical ability to complete the work program. As a result, the fair value of net assets acquired is in excess of the cash consideration payable to the Province of Mendoza, thereby resulting in the recognition of an $8.2 million gain on the acquisition of the working interest.

The preliminary estimates of fair value were made by management at the time of preparation of March 31, 2021 unaudited interim condensed consolidated financial statements based on available information at that date.

22. SUBSEQUENT EVENTS:

On April 6, 2022, the Company obtained an overdraft for up to ARS 10 million ($0.1 million) with Banco Galicia S.A., payable on April 13, 2022, at an annual interest rate of 55%. The overdraft loan was repaid on April 13, 2022.

On April 12, 2022, the Company obtained an ARS 250 million ($2.3 million) working capital loan with Banco Macro S.A. at an annual interest rate of 48.5% and repayable on June 11, 2022. The loan is guaranteed by Liminar.

On April 13, 2022, the Company obtained a $0.25 million working capital loan with Sociedad de Bolsa Centaurus S.A. at an annual interest rate of 4% and a commission fee of 0.5% of the principal of the loan. The loan was paid on April 27, 2022.

On May 5, 2022, the Company increased the overdraft limit to up to ARS 225 million ($2.2 million) on its overdraft loan with Banco Hipotecario S.A. The overdraft is guaranteed by Liminar under the agreement with Banco Hipotecario.