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**Petrolympic Ltd.**  
**Condensed Interim Consolidated Financial Statements**  
**Three Months Ended March 31, 2016**  
**(Expressed In Canadian Dollars)**  
**(Unaudited)**

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**NOTICE TO READER**

The accompanying unaudited condensed interim consolidated financial statements of Petrolympic Ltd. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the three months ended March 31, 2016 have not been reviewed by the Company's auditors.

# Petrolympic Ltd.

## Unaudited Condensed Interim Consolidated Statements of Financial Position (Expressed in Canadian Dollars)

	As at March 31, 2016	As at December 31, 2015
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 3)	\$ 898,006	\$ 1,076,553
Amounts receivable and other assets (note 4)	51,345	44,437
<b>Total current assets</b>	<b>949,351</b>	1,120,990
<b>Non-current assets</b>		
Equipment (note 5)	23,067	24,937
Reclamation bond	10,338	11,017
<b>Total non-current assets</b>	<b>33,405</b>	35,954
<b>Total assets</b>	<b>\$ 982,756</b>	<b>\$ 1,156,944</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (notes 6, 11(b) and 14)	\$ 79,470	\$ 105,413
Advances from related party (note 7)	-	4,844
Deferred premium on flow-through shares (note 8(b)(i))	152,945	158,802
<b>Total current liabilities</b>	<b>232,415</b>	269,059
<b>Equity</b>		
Share capital (note 8)	8,887,828	8,887,828
Reserves	1,750,028	1,750,119
Deficit	(9,887,515)	(9,750,062)
<b>Total equity</b>	<b>750,341</b>	887,885
<b>Total equity and liabilities</b>	<b>\$ 982,756</b>	<b>\$ 1,156,944</b>

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

### Nature of operations and going concern (note 1) Commitments and contingencies (note 15)

On behalf of the Board:

(Signed) Mendel Ekstein  
Director

(Signed) Frank Ricciuti  
Director

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**Petrolympic Ltd.****Unaudited Condensed Interim Consolidated Statements of Loss and Comprehensive Loss  
(Expressed in Canadian Dollars)****Three Months Ended  
March 31,  
2016                      2015**

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**Operating expenses**

Exploration and evaluation expenditures (note 11)	\$ 34,420	\$ 24,963
General and administrative (note 13)	108,904	71,008

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**Operating loss** (143,324) (95,971)**Other Income**

Premium on flow-through shares	5,856	-
Interest income	15	-

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**Net loss for the period** (137,453) (95,971)

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**Other comprehensive (loss) income**

Item that will be reclassified subsequently to income		
Exchange differences on translating foreign operations	(91)	5,113

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**Net loss and comprehensive loss for the period** \$ (137,544) \$ (90,858)

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**Basic and diluted net loss per share** (note 12) \$ (0.00) \$ (0.00)

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**Weighted average number of common shares outstanding** (note 12) 105,505,199 100,749,768

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The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

## Petrolympic Ltd.

### Unaudited Condensed Interim Consolidated Statements of Cash Flows (Expressed in Canadian Dollars)

Three Months Ended  
March 31,  
2016                      2015

#### Operating activities

Net loss for the period	\$ (137,453)	\$ (95,971)
Adjustment for:		
Depreciation (note 5)	1,870	2,672
Change in unrealized foreign exchange loss	66,374	5,113
Premium on flow-through shares	(5,856)	-
Non-cash working capital items:		
Amounts receivable and other assets	(6,908)	20,737
Accounts payable and accrued liabilities	(25,943)	(11,445)
Reclamation bond	678	(862)
<b>Net cash and cash equivalents used in operating activities</b>	<b>(107,238)</b>	<b>(79,756)</b>

#### Financing activities

Loan proceeds (note 7)	(4,844)	-
Net proceeds from private placement (note 8(b)(i))	-	993,523
Net proceeds from warrant exercise	-	257,800
<b>Net cash and cash equivalents from financing activities</b>	<b>(4,844)</b>	<b>1,251,323</b>
<b>Effect of exchange rate fluctuations on cash in foreign currency held</b>	<b>(66,465)</b>	<b>-</b>
<b>Net change in cash and cash equivalents</b>	<b>(178,547)</b>	<b>1,171,567</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>1,076,553</b>	<b>265,355</b>
<b>Cash and cash equivalents, end of period (note 3)</b>	<b>\$ 898,006</b>	<b>\$ 1,436,922</b>

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

**Petrolympic Ltd.****Unaudited Condensed Interim Consolidated Statements of Changes in Equity  
(Expressed in Canadian Dollars)**

	Share capital	Contributed surplus	Reserves			Total
			Warrant reserve	Other comprehensive income (loss)	Deficit	
<b>Balance, December 31, 2014</b>	<b>\$ 7,835,540</b>	<b>\$ 1,215,869</b>	<b>\$ 609,036</b>	<b>\$ (9,657)</b>	<b>\$ (9,188,113)</b>	<b>\$ 462,675</b>
Flow-through shares issued (note 8(b)(i))	731,235	-	-	-	-	731,235
Common share units issued (note 8(b)(i))	124,995	-	-	-	-	124,995
Fair value of warrants issued (note 8(b)(i))	(23,974)	-	23,974	-	-	-
Fair value of compensation options issued (note 8(b)(i))	(24,234)	-	24,234	-	-	-
Cost of issuance (note 8(b)(i))	(64,427)	-	-	-	-	(64,427)
Warrants exercised	308,693	-	(50,893)	-	-	257,800
Net loss and comprehensive loss for the period	-	-	-	5,113	(95,971)	(90,858)
<b>Balance, March 31, 2015</b>	<b>\$ 8,887,828</b>	<b>\$ 1,215,869</b>	<b>\$ 606,351</b>	<b>\$ (4,544)</b>	<b>\$ (9,284,084)</b>	<b>\$ 1,421,420</b>
<b>Balance, December 31, 2015</b>	<b>\$ 8,887,828</b>	<b>\$ 1,200,789</b>	<b>\$ 553,857</b>	<b>\$ (4,527)</b>	<b>\$ (9,750,062)</b>	<b>\$ 887,885</b>
Net loss and comprehensive loss for the period	-	-	-	(91)	(137,453)	(137,544)
<b>Balance, March 31, 2016</b>	<b>\$ 8,887,828</b>	<b>\$ 1,200,789</b>	<b>\$ 553,857</b>	<b>\$ (4,618)</b>	<b>\$ (9,887,515)</b>	<b>\$ 750,341</b>

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

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# Petrolympic Ltd.

## Notes to Unaudited Condensed Interim Consolidated Financial Statements Three Months Ended March 31, 2016 (Expressed in Canadian Dollars)

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### 1. Nature of operations and going concern

Petrolympic Ltd. (the "Company" or "Petrolympic") was incorporated under the Business Corporations Act (Ontario). Petrolympic is an exploration company, engaged in the acquisition, exploration and development of petroleum and natural gas properties. At the date of these unaudited condensed interim consolidated financial statements, the Company has not yet discovered any significant deposits, nor has it earned any profit from its activities. The Company's common shares are listed on the TSX Venture Exchange under the symbol PCQ and on the OTCQX International under the symbol PCQRF. The primary office is located at 36 Toronto Street, Suite 1000, Toronto, Ontario, Canada, M5C 2C5. The Company's year end is December 31st.

Petrolympic is at an early stage of development and, as is common with many exploration companies, it raises financing for its exploration and acquisition activities in discrete tranches. The Company had working capital of \$716,936 at March 31, 2016 (December 31, 2015 - working capital of \$851,931). For the three months ended March 31, 2016, the Company had a net loss and comprehensive loss of \$137,544 (three months ended March 31, 2015 - net loss and comprehensive loss of \$90,858). For the three months ended March 31, 2016, the Company had total cash outflows of \$178,547 (three months ended March 31, 2015 - cash inflows of \$1,171,567).

The Company's ability to continue as a going concern is dependent upon its obtaining additional financing and eventually achieving profitable production in the future. These factors indicate the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern. The Company is currently evaluating various options in order to address its financing needs. There can be no assurance that the Company's financing activities will continue to be successful or sufficient.

These unaudited condensed interim consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. These unaudited condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to continue as a going concern and was required to realize its assets or discharge its obligations in anything other than the ordinary course of operations. These adjustments could be material.

### 2. Significant accounting policies

#### Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB and interpretations issued by the IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of May 25, 2016, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2015, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2016 could result in restatement of these unaudited condensed interim consolidated financial statements.

#### Change in accounting policies

IAS 1 - Presentation of Financial Statements was amended in December 2014 in order to clarify among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard required a specific disclosure, materiality considerations do apply. At January 1, 2016, the Company adopted this standard and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

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## Petrolympic Ltd.

### Notes to Unaudited Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2016

(Expressed in Canadian Dollars)

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#### 2. Significant accounting policies (continued)

##### Recent Accounting Pronouncements

IFRS 9 - Financial Instruments ("IFRS 9") was issued in final form in July 2014 by the IASB and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 also includes requirements relating to a new hedge accounting model, which represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements. The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The Company is currently evaluating the impact of the above standard on its financial performance and financial statement disclosures but expects it will not be material.

#### 3. Cash and cash equivalents

	As at March 31, 2016	As at December 31, 2015
Cash	\$ 888,006	\$ 1,066,553
Cash equivalents	10,000	10,000
Total	\$ 898,006	\$ 1,076,553

#### 4. Amounts receivable and other assets

	As at March 31, 2016	As at December 31, 2015
Sales tax receivable - (Canada)	\$ 18,042	\$ 15,509
Prepaid expenses	33,303	28,928
	\$ 51,345	\$ 44,437

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**Petrolympic Ltd.****Notes to Unaudited Condensed Interim Consolidated Financial Statements****Three Months Ended March 31, 2016****(Expressed in Canadian Dollars)**

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**5. Equipment****Cost**

	<b>Oil and gas equipment</b>
<b>Balance, December 31, 2015 and March 31, 2016</b>	<b>\$ 56,947</b>

**Accumulated depreciation**

	<b>Oil and gas equipment</b>
<b>Balance, December 31, 2015</b>	<b>\$ 32,010</b>
Depreciation	1,870
<b>Balance, March 31, 2016</b>	<b>\$ 33,880</b>

**Carrying amounts**

	<b>Oil and gas equipment</b>
<b>At December 31, 2015</b>	<b>\$ 24,937</b>
<b>At March 31, 2016</b>	<b>\$ 23,067</b>

**6. Accounts payable and accrued liabilities**

	<b>As at March 31, 2016</b>	<b>As at December 31, 2015</b>
Trade payables	<b>\$ 50,178</b>	\$ 47,425
Accrued liabilities	<b>29,292</b>	57,988
	<b>\$ 79,470</b>	\$ 105,413

**7. Advances from related party**

During the three months ended March 31, 2016, the Company repaid Mendel Ekstein fully for his advance to the Company in 2015. Mendel Ekstein is a major shareholder of the Company.

**8. Share capital**

## a) Authorized share capital

At March 31, 2016, the authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.



## Petrolympic Ltd.

### Notes to Unaudited Condensed Interim Consolidated Financial Statements Three Months Ended March 31, 2016 (Expressed in Canadian Dollars)

#### 8. Share capital (continued)

##### b) Common shares issued

At March 31, 2016, the issued share capital amounted to \$8,887,828.

Issued:

	Number of common shares	Amount
<b>Balance, December 31, 2014</b>	<b>100,021,099</b>	<b>\$ 7,835,540</b>
Private placement (i)	2,906,100	1,057,950
Premium on flow-through shares (i)	-	(201,720)
Fair value of warrants issued (i)	-	(23,974)
Fair value of compensation options issued (i)	-	(24,234)
Costs of issuance - cash (i)	-	(64,427)
Exercise of warrants	2,578,000	308,693
<b>Balance, March 31, 2015, December 31, 2015 and March 31, 2016</b>	<b>105,505,199</b>	<b>\$ 8,887,828</b>

(i) On March 27, 2015, the Company issued 2,521,500 "flow-through" shares (the "Flow-Through Shares") at a price of \$0.37 per Flow-Through Share and 384,600 units of the Company ("Units") at a price of \$0.325 per Unit for aggregate gross proceeds of \$1,057,950. Each Unit consists of one common share of the Company (a "Unit Share") and one-half of one common share purchase warrant (each whole warrant, a "Warrant"), with each Warrant entitling the holder thereof to purchase one additional common share (a "Warrant Share") at a price of \$0.45 per Warrant Share for a period of 18 months from the date of issuance.

Finder's warrants were also issued to certain finders. The finders received a cash finder's fees of \$62,898 and 145,305 finder's warrants (5% of the total number of Units and Flow-Through Shares), each finder's warrant exercisable into one common share of the Company for a period of 18 months from the date of issuance at a price of \$0.325, in the case of finder's warrants issued for the subscribed Units and, \$0.37 in the case of finder's warrants issued for the subscribed Flow-Through Shares.

The fair value of the common shares was determined to be \$731,235 using the closing trading price on March 27, 2015 of \$0.29. A value of \$26,274 was estimated for the 192,300 warrants on the date of grant using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; share price of \$0.29; expected volatility of 143% using the historical price history of the Company; risk-free interest rate of 0.52%; and an expected average life of 18 months.

A value of \$24,234 was estimated for the 145,305 finder's warrants on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; share price of \$0.29; expected volatility of 143% using the historical price history of the Company; risk-free interest rate of 0.52%; and an expected average life of 18 months. This value charged \$23,534 to share capital and \$700 to warrants as transaction costs. The finder's warrants were valued based on the equity instrument granted as no value could be reasonably determined for the services. Total share issue costs of \$64,427 were charged and allocated \$62,827 to share capital and \$1,600 to warrants. The remaining \$201,720 was determined to be the premium on flow-through shares of which, \$152,945 remains outstanding as of March 31, 2016 (December 31, 2015 - \$158,802).

## Petrolympic Ltd.

Notes to Unaudited Condensed Interim Consolidated Financial Statements  
Three Months Ended March 31, 2016  
(Expressed in Canadian Dollars)

### 9. Stock options

The following table reflects the continuity of stock options for the periods presented:

	Number of stock options	Weighted average exercise price (\$)
<b>Balance, December 31, 2014 and March 31, 2015</b>	<b>9,730,002</b>	<b>0.17</b>

	Number of stock options	Weighted average exercise price (\$)
<b>Balance, December 31, 2015 and March 31, 2016</b>	<b>9,730,002</b>	<b>0.17</b>

The following table reflects the actual stock options issued and outstanding as of March 31, 2016:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
April 24, 2017	0.120	1.07	1,100,000	1,100,000
March 25, 2018	0.100	1.98	3,333,335	3,333,335
June 26, 2018	0.100	2.24	1,466,667	1,466,667
November 21, 2018	0.175	2.64	800,000	800,000
December 9, 2018	0.150	2.69	850,000	850,000
May 20, 2019	0.360	3.14	1,330,000	1,330,000
June 20, 2019	0.370	3.22	750,000	750,000
August 21, 2020	0.100	4.39	100,000	100,000
		<b>2.31</b>	<b>9,730,002</b>	<b>9,730,002</b>

### 10. Warrants

The following table reflects the continuity of warrants for the periods presented:

	Number of warrants	Grant date fair value (\$)
<b>Balance, December 31, 2014</b>	<b>12,225,732</b>	<b>609,036</b>
Granted (note 8(b)(i))	192,300	23,974
Finder's warrants issued (note 8(b)(i))	145,305	24,234
Exercised	(2,578,000)	(50,893)
<b>Balance, March 31, 2015</b>	<b>9,985,337</b>	<b>606,351</b>

	Number of warrants	Grant date fair value (\$)
<b>Balance, December 31, 2015 and March 31, 2016</b>	<b>9,108,271</b>	<b>553,857</b>

## Petrolympic Ltd.

### Notes to Unaudited Condensed Interim Consolidated Financial Statements Three Months Ended March 31, 2016 (Expressed in Canadian Dollars)

#### 10. Warrants (continued)

The weighted average market price on the date of exercise of warrants during the three months ended March 31, 2016 was \$nil (three months ended March 31, 2015 - \$0.36).

The following table reflects the actual warrants issued as of March 31, 2016:

	Number of warrants outstanding	Grant date fair value (\$)	Exercise price (\$)	Expiry date
(a)	6,300,000	363,209	0.25	March 13, 2017
(b)	2,470,666	142,440	0.25	April 7, 2017
	192,300	23,974	0.45	September 27, 2016
	126,075	20,903	0.37	September 27, 2016
	19,230	3,331	0.325	September 27, 2016
	<b>9,108,271</b>	<b>553,857</b>		

(a) On March 11, 2016, the Company announced that it received TSX Venture Exchange acceptance to extend the expiry date of 6,300,000 warrants to March 13, 2017 from March 13, 2016

(b) On March 11, 2016, the Company announced that it received TSX Venture Exchange acceptance to extend the expiry date of 2,470,666 warrants to April 7, 2017 from April 7, 2016.

#### 11. Exploration and evaluation expenditures

	Three Months Ended March 31,	
	2016	2015
<b>Québec, Canada (a)</b>		
Gross exploration activities		
General exploration costs	\$ 8,913	\$ -
Consulting	18,173	7,800
Permits and licenses	2,445	8,149
<b>Net costs</b>	<b>\$ 29,531</b>	<b>\$ 15,949</b>
<b>Texas, USA (b)</b>		
Development costs	\$ 3,019	\$ 6,342
Depreciation	1,870	2,672
<b>Net costs</b>	<b>\$ 4,889</b>	<b>\$ 9,014</b>
<b>Total exploration costs</b>	<b>\$ 34,420</b>	<b>\$ 24,963</b>

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## Petrolympic Ltd.

### Notes to Unaudited Condensed Interim Consolidated Financial Statements Three Months Ended March 31, 2016 (Expressed in Canadian Dollars)

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#### 11. Exploration and evaluation expenditures (continued)

##### (a) Québec Properties, Québec (Canada)

During the three months ended March 31, 2016, the Company's share of exploration and evaluation expenditures on its Québec, Canada property interests amounted to \$29,531 (three months ended March 31, 2015 - \$15,949). Total cumulative exploration and evaluation expenditures incurred on its Québec, Canada property interests to March 31, 2016 amounted to \$5,129,307 (December 31, 2015 - \$5,099,776).

##### (b) Chittim Ranch Property, Texas (USA)

During the three months ended March 31, 2016, the Company's share of exploration and evaluation expenditures on its Chittim Ranch property in Texas (USA) amounted to \$4,889 (three months ended March 31, 2015 - \$9,014). Total cumulative exploration and evaluation expenditures incurred on its Chittim Ranch property to March 31, 2016 amounted to \$1,815,800 (December 31, 2015 - \$1,810,911).

For the three months ended March 31, 2016, the Company paid \$nil in royalties to SWEPI (three months ended March 31, 2015 - \$nil). As at March 31, 2016, the Company owed \$19,600 (15,092USD) in royalties to SWEPI (December 31, 2015 - \$20,887 (15,092USD)) and this amount was included in accounts payable and accrued liabilities.

#### 12. Net loss per share

The calculation of basic and diluted loss per share for the three months ended March 31, 2016 was based on the loss attributable to common shareholders of \$137,453 (three months ended March 31, 2015 - \$95,971) and the weighted average number of common shares outstanding of 105,505,199 (three months ended March 31, 2015 - 100,749,768). Diluted loss per share did not include the effect of 9,730,002 options outstanding (three months ended March 31, 2015 - 9,730,002 options outstanding) as they are anti-dilutive. Diluted loss per share did not include the effect of 9,108,271 warrants outstanding (three months ended March 31, 2015 - 9,985,337 warrants outstanding) as they are anti-dilutive.

#### 13. General and administrative

	Three Months Ended March 31,	
	2016	2015
Professional fees	\$ 21,997	\$ 18,316
Management fees	59,013	33,421
Administrative and general	12,684	(4,860)
Investor relations and promotion	7,913	21,006
Reporting issuer costs	7,297	3,125
	<b>\$ 108,904</b>	<b>\$ 71,008</b>

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# Petrolympic Ltd.

## Notes to Unaudited Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2016

(Expressed in Canadian Dollars)

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### 14. Related party balances and transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

As at March 31, 2016, Mendel Ekstein, an officer and director of the Company, controls or indirectly controls 26,528,736 common shares of the Company, or approximately 25% of the total common shares outstanding. As at March 31, 2016, Andreas Jacob, a director of the Company, controls or indirectly controls 11,967,625 common shares of the Company, or approximately 11% of the total common shares outstanding. As at March 31, 2016, the remaining directors and/or officers of the Company collectively control 276,874 common shares of the Company or less than 1% of the total common shares outstanding. To the knowledge of directors and officers of Petrolympic, the remainder of the Company's outstanding common shares are widely held. These holdings can change at any time at the discretion of the owner.

(a) Petrolympic entered into the following transactions with related parties:

	Three Months Ended March 31,	
	2016	2015
Marrelli Support Services Inc. ("Marrelli Support") (i)	\$ 7,422	\$ 7,648
DSA Corporate Services Inc. ("DSA") (ii)	2,068	2,350
Fogler Rubinoff LLP ("Fogler") (iii)	5,231	-

(i) For the three months ended March 31, 2016, the Company expensed \$7,422 (three months ended March 31, 2015 - \$7,648) to Marrelli Support for the services of Carmelo Marrelli to act as Chief Financial Officer ("CFO") of the Company. In addition, Marrelli Support also provides bookkeeping services to the Company. Carmelo Marrelli is the president of Marrelli Support. As at March 31, 2016, Marrelli Support was owed \$4,957 (December 31, 2015 - \$2,472) and this amount was included in accounts payable and accrued liabilities.

(ii) For the three months ended March 31, 2016, the Company expensed \$2,068 (three months ended March 31, 2015 - \$2,350) to DSA for corporate secretarial services. DSA is a private company controlled by Carmelo Marrelli, the CFO of the Company. Carmelo Marrelli is also the corporate secretary and sole director of DSA. As at March 31, 2016, DSA was owed \$1,601 (December 31, 2015 - \$4,547) and this amount was included in accounts payable and accrued liabilities.

(iii) For the three months ended March 31, 2016, the Company expensed \$5,231 (three months ended March 31, 2015 - \$nil) to Fogler for legal services. Adam Szweras, the Corporate Secretary of Petrolympic, is a partner at Fogler. As at March 31, 2016, Fogler was owed \$6,011 (December 31, 2015 - \$1,235) and this amount was included in accounts payable and accrued liabilities.

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**Petrolympic Ltd.****Notes to Unaudited Condensed Interim Consolidated Financial Statements****Three Months Ended March 31, 2016****(Expressed in Canadian Dollars)**

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**14. Related party balances and transactions (continued)**

(b) Remuneration of directors and key management personnel of the Company was as follows:

	<b>Three Months Ended March 31,</b>	
	<b>2016</b>	<b>2015</b>
Salaries and benefits	<b>\$ 54,896</b>	<b>\$ 33,421</b>

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Payments to directors and key management personnel of the Company include certain transactions with related parties in (a) above, and (b) remuneration to directors and key management personnel of the Company. As at March 31, 2016, directors and key management personnel of the Company were owed \$7,332 (December 31, 2015 - \$6,920) for remuneration and reimbursable expenses, excluding amounts disclosed in (a) above.

**15. Commitments and contingencies**

(a) Québec, Canada

In order to maintain its petroleum and natural gas permits in good standing, the Company must pay an annual rent of \$0.102 per hectare and incur minimum exploration expenditures equivalent to \$0.50 per hectare in the first year, increasing by \$0.50 per hectare every subsequent year to a maximum of \$2.50. The Quebec Government has decided to maintain the annual rent obligations until further notice while completing environmental studies and preparing new Quebec oil and gas laws and regulations. Until then, permits owners must only pay the annual rental and have no work obligations to keep their permits. Present exploration expenditures (without hydraulic fracturation) are allowed and will be cumulated and credited to future permits work obligations.

Annual rentals and minimum exploration expenditures are reduced by past expenditures exceeding the minimum amounts due.

The Company's operations are subject to government environmental protection legislation. Environmental consequences are difficult to identify in terms of results, timetable and impact.

At this time, to management's best knowledge, the Company's operations are in compliance with current laws and regulations.

(b) Flow-through shares

Pursuant to the terms of the flow-through share agreements, the Company is in the process of complying with its flow-through contractual obligations with subscribers with respect to the Income Tax Act (Canada) requirements for flow-through shares.

As at March 31, 2016, the Company was committed to incurring approximately \$932,955 in Canadian Exploration Expenditures by December 31, 2016, arising from the flow-through offerings. Of this amount, approximately \$225,582 has been spent as of March 31, 2016.

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**Petrolympic Ltd.****Notes to Unaudited Condensed Interim Consolidated Financial Statements****Three Months Ended March 31, 2016****(Expressed in Canadian Dollars)**

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**16. Segmented information**

As at March 31, 2016, the Company operates primarily in two reportable geographical segments, being the exploration for petroleum and natural gas interests in Canada and the USA. The Company maintains a head office in Toronto, Canada.

**Three Months Ended March 31, 2016**

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	<b>Canada</b>	<b>USA</b>	<b>Total</b>
Revenues	\$ nil	\$ nil	\$ nil
Net loss and comprehensive loss	\$ (128,112)	\$ (9,432)	\$ (137,544)

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**Three Months Ended March 31, 2015**

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	<b>Canada</b>	<b>USA</b>	<b>Total</b>
Revenues	\$ nil	\$ nil	\$ nil
Net loss and comprehensive loss	\$ (79,288)	\$ (11,570)	\$ (90,858)

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**As at March 31, 2016**

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	<b>Canada</b>	<b>USA</b>	<b>Total</b>
Current assets	\$ 942,167	\$ 7,184	\$ 949,351
Non-current assets	\$ -	\$ 33,405	\$ 33,405

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**As at December 31, 2015**

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	<b>Canada</b>	<b>USA</b>	<b>Total</b>
Current assets	\$ 1,113,353	\$ 7,637	\$ 1,120,990
Non-current assets	\$ -	\$ 35,954	\$ 35,954

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