



PETROLYMPIC LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2015

Prepared by:

PETROLYMPIC LTD.

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Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Petrolympic Ltd. ("Petrolympic" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2015. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended December 31, 2015 and December 31, 2014, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). Information contained herein is presented as of April 15, 2016, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Petrolympic common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on Petrolympic's website at www.petrolympic.com or on SEDAR at www.sedar.com.

Caution Regarding Forward-looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Petrolympic Ltd.
Management's Discussion & Analysis
Year Ended December 31, 2015
Dated – April 15, 2016

Forward-looking statements	Assumptions	Risk factors
<p>Potential of Petrolympic's interests to contain economic deposits of oil or gas</p>	<p>Financing will be available for future exploration and development of Petrolympic's properties; the actual results of Petrolympic's exploration and development activities will be favourable; operating, exploration and development costs will not exceed Petrolympic's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to Petrolympic, and applicable political and economic conditions will be favourable to Petrolympic; the price of oil or gas and applicable interest and exchange rates will be favourable to Petrolympic; no title disputes exist with respect to the Company's properties</p>	<p>Oil or gas price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with Petrolympic's expectations; availability of financing for and actual results of Petrolympic's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff</p>
<p>The Company will be able to carry out anticipated business plans as currently contemplated in relation to the costs and timing for future exploration on its properties, and the Company has sufficient cash resources to meet administrative overhead and maintain its property interests for the next twelve months ending December 31, 2016 (see "Exploration Activities in Quebec", "Chittim Ranch Property Activities", "Trends", and "Liquidity and Capital Resources"); The Company expects to incur further losses in the development of its business</p>	<p>The operating and exploration activities of the Company for the twelve month period ending December 31, 2016, and the costs associated therewith, will be consistent with Petrolympic's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to Petrolympic</p>	<p>Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; changes in the operations currently planned for 2016 and 2017</p>

Forward-looking statements	Assumptions	Risk factors
Management's outlook regarding future trends (see "Trends")	Financing will be available for the Company's exploration and operating activities; the price of oil and/or gas will be favourable to the Company	The volatility of the price of oil and/or gas; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Petrolympic's ability to predict or control. Please refer to those risk factors included in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Petrolympic's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

Petrolympic is incorporated under the *Business Corporations Act* (Ontario). The Company is an exploration stage company and it has not yet determined whether its properties contain reserves that are economically recoverable. The business of exploring for petroleum and natural gas involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable petroleum and natural gas operations.

The underlying value of the Company's interests in petroleum and natural gas properties is dependent upon the existence of such economically recoverable reserves, the Company's ability to obtain the necessary financing to develop the reserves and future profitable production.

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.

Petrolympic's goal is to deliver superior returns to shareholders by concentrating on the development of properties that have the potential to contain petroleum and natural gas. The Company plans to do this by focusing on certain properties, as set out below under "Exploration Activities in Québec", and "Chittim Ranch Property Activities".

Overall Performance

Operations

On August 31, 2015, Petrolympic announced that a drilling location has been identified and field operations are being planned in its 100% owned Mitis property in the Gaspé/Lower St. Lawrence area.

Petrolympic has identified several promising conventional drilling targets on the Mitis property after reprocessing and reinterpreting its proprietary seismic data. Three of these targets are located close to each other in a faulted anticline and are combined in one structure. Each of them corresponds to a seismic anomaly indicating the probable presence of oil and/or gas.

The depths for this prospect range from about 2,130 feet deep for the shallow target down to 3,450 feet for the deepest one. At least two of the three targets can be reached by the same well using directional drilling equipment. A drilling program is being prepared and operations in the field would be announced as soon as all permitting, equipment and preparations will be available. Other prospective targets also identified at greater depths within the Mitis property will be considered in the following phases of the exploration program.

These projects will be undertaken in parallel to the work program proposed by the Company's joint venture partner Ressources et Énergie Squatex Inc. ("Squatex"), in the adjacent Massé structure area, in which Petrolympic holds a 30% working interest. In its press release dated July 31, 2015, (the full version of which can be found on www.sedar.com under Squatex profile) (the "Squatex Press Release"), Squatex provided as follows: "The stratigraphic coring Massé No.1 and No.2 obtained significant shows of gas with condensate and oil (20° API). These holes were drilled on seismic AVO anomalies type (amplitude vs. offset) indicating the probable presence of reservoirs with significant porosity in zones of hydrothermal dolomitization within the Sayabec Formation. The geophysical interpretation performed by Squatex shows that AVO anomaly zones observed could extend over more than 300 km²."

In the Squatex Press Release, Squatex also indicated that by the end of 2015, it will make all efforts needed to evaluate the potential of the Massé structure. Squatex further advised that conditional on obtaining sufficient funding, it "plans to drill three additional core holes respectively reaching depths of 1600, 1800 and 2000 meters over porosity anomalies located at 5km, 10Km and 20km from the Massé No.1 and No.2 locations."

Squatex also announced, in a press release dated August 25, 2015, (which can be found on www.sedar.com under Squatex profile), "the conclusion of an academic partnership with the Institut National de la Recherche Scientifique ("INRS") to conduct important geosciences studies in the Lower St. Lawrence area. These studies will provide a 3D modeling and a determination of the reservoir potential of the Sayabec Formation."

Petrolympic has no further updates from Squatex at the date of this MD&A.

On November 12, 2015, Petrolympic confirms it is actively preparing for the drilling in the Mitis Property as announced on August 31, 2015 and operations on the ground would be announced as soon as all permitting, equipment and preparations will be available.

Petrolympic has also identified several additional drilling targets in the Mitis and Matapedia Properties and a complete exploration program has been prepared to reveal the full potential of these 100% owned Properties.

Petrolympic's exploration models, validated by recent results, favor conventional reservoirs of natural gas and condensates. Significant amounts of oil may be present as well, that would increase the value of each discovery. Commercial production can be achieved at very low costs and local, regional and province-wide markets are already available and can be quickly accessed by various means of transportation. This versatility confers a significant flexibility in the way Petrolympic will develop its vast properties in the future.

Financial

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 ("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, \$158,802 remains outstanding as of December 31, 2015.

On July 16, 2015, Petrolympic announced that the Company's shares have been approved for listing on the OTCQB Marketplace and have commenced trading on that exchange. Real-Time Quote Display Service for the company's US symbol (OTCQB: PCQRF) is now available at: <http://www.otcmarkets.com/stock/PCQRF/quote>.

On August 21, 2015, Petrolympic announced that a total of 100,000 options to purchase common shares of the Company have been granted to an officer at an exercise price of \$0.10 per share, expiring on August 21, 2020. The grant is to replace options that expired in April 2015 of this year.

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At December 31, 2015, the Company had assets of \$1,156,944 (December 31, 2014 - \$611,091) and equity of \$887,885 (December 31, 2014 - \$462,675). At December 31, 2015, the Company had current liabilities of \$269,059 (December 31, 2014 - \$148,416). The Company had net exploration and evaluation expenditures of \$323,814 during the year ended December 31, 2015 (year ended December 31, 2014 - \$431,456) on its petroleum and gas interests.

The Company had cash and cash equivalents of \$1,076,553 at December 31, 2015 (December 31, 2014 - \$265,355). The increase in cash and cash equivalents during the year ended December 31, 2015, was primarily due to the financing and exercise of warrants in March 2015.

At December 31, 2015, the Company had working capital of \$851,931 (December 31, 2014 - working capital of \$417,817). The Company's working capital is sufficient to maintain its general and administrative costs for at least the next 12 months ending December 31, 2016. However, further financings will be required beyond December 31, 2016 for exploration and evaluation expenditures of the Massé Structure and Mitis property as well as for general and administrative costs. Materially all of the Company's exploration activities and a portion of the general and administrative costs are discretionary. Therefore, there is considerable flexibility in terms of the pace and timing of exploration and how expenditures have been, or may be, adjusted, limited or deferred subject to current capital resources and potential to raise further funds.

Summary of Land Positions

A) Province of Québec

As at December 31, 2015, Petrolympic had an interest in a total 752,933 hectares (1,860,533 acres) of oil and gas exploration permits in the Appalachian Basin of Québec that include holdings in the St. Lawrence Lowlands and Gaspé Peninsula (see map below). The Company's holdings in the St. Lawrence Lowlands are a 30% interest in 216,933 hectares (536,051 acres) through a joint venture with Squatex; a 12% interest in 8,000 hectares (19,768 acres) through the Farmout and Joint Operating Agreement with Canbriam Energy Inc. ("Canbriam"); as well as a 100% interest in 56,152 hectares (138,754 acres) located over the Lowlands shallow carbonates platform on the south shore of the St. Lawrence River, less than 30 kilometres southwest of Montreal. These properties represent a major position in the Utica-Lorraine and Trenton-Black River plays. Petrolympic also maintains holdings in the Gaspé and Lower St. Lawrence regions, including a 30% interest in 431,160 hectares (1,065,415 acres) through a joint venture with Squatex and a 100% interest in a block of exploration permits totaling 40,688 hectares (100,542 acres) located between Rimouski and Matane prospective for hydrothermal dolomite hosted light oil. The following are permits in which Petrolympic holds an interest. Please also refer to the map that follows:

Gaspé Permits 100% Ownership:

Permit Number	Renewal Date	Area (Hectares)
2009PG573	September 1, 2016	18,705
2009RS305	September 1, 2016	21,983
Subtotal		40,688

St. Lawrence Lowlands Permits 100% Ownership:

Permit Number	Renewal Date	Area (Hectares)
2009RS302	September 1, 2016	21,930
2009RS303	September 1, 2016	14,127
2009RS304	September 1, 2016	20,095
Subtotal		56,152

St. Lawrence Lowlands Permits 30% Ownership:

Permit Number	Renewal Date	Area (Hectares)
2009RS287	September 1, 2016	20,871
2009RS288	September 1, 2016	17,990
2009RS289	September 1, 2016	20,909
2009RS290	September 1, 2016	7,248
2009RS291	September 1, 2016	22,447
2009RS292	September 1, 2016	18,827
2009RS293	September 1, 2016	14,580
2009RS294	September 1, 2016	21,664
2009RS295	September 1, 2016	19,316
2009RS296 (part)	September 1, 2016	20,339 *
2009RS297	September 1, 2016	16,342
2009RS298 (part)	September 1, 2016	24,400 *
Subtotal		224,933

* An 18% interest in over 8,000 hectares was transferred from Petrolympic to Canbriam from these two permits between surface and the top of the Trenton Formation only.

Gaspé Permits 30% Ownership:

Permit Number	Renewal Date	Area (Hectares)
2009PG554	September 1, 2016	15,150
2009PG556	September 1, 2016	23,666
Subtotal		38,816

Lower St. Lawrence 30% Ownership:

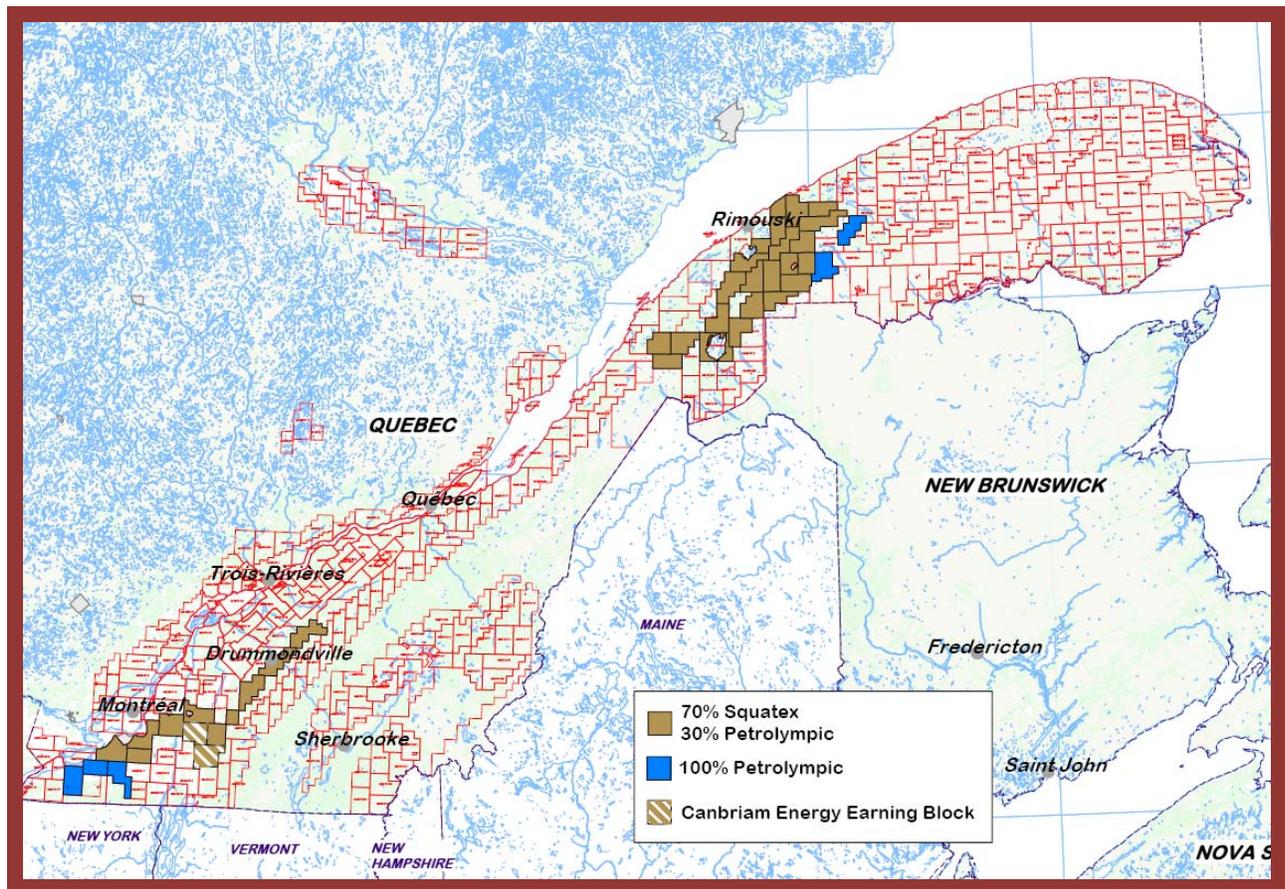
Permit Number	Renewal Date	Area (Hectares)
2009RS299	September 1, 2016	18,975
2009RS300	September 1, 2016	20,704
2009RS301	September 1, 2016	17,136
2009PG552	September 1, 2016	10,267
2009PG553	September 1, 2016	23,068
2009PG555	September 1, 2016	16,438
2009PG557	September 1, 2016	9,894
2009PG558	September 1, 2016	19,420
2009PG559	September 1, 2016	18,737
2009PG560	September 1, 2016	19,817
2009PG561	September 1, 2016	24,435
2009PG562	September 1, 2016	19,847
2009PG563	September 1, 2016	22,573
2009PG564	September 1, 2016	14,377
2009PG565	September 1, 2016	15,370
2009PG566	September 1, 2016	21,454
2009PG567	September 1, 2016	20,631
2009PG568	September 1, 2016	20,668
2009PG569	September 1, 2016	13,497
2009PG570	September 1, 2016	7,608
2009PG571	September 1, 2016	20,951
2009PG572	September 1, 2016	16,477
Subtotal		392,344

St. Lawrence Lowlands Permits 12% Ownership:

Permit Number	Renewal Date	Area (Hectares)
2009RS296 (part)	September 1, 2016	20,339
2009RS298 (part)	September 1, 2016	24,400
Subtotal		44,739

Canbriam has earned an interest between the surface and the top of the Trenton Formation of over 8,000 hectares to date and could increase its earning to up to 32,000 of the 44,739 hectares.

Map



B) Chittim Ranch, Texas, USA

In 2015, the Company did not generate any revenues from its interest in the Chittim Ranch property in the Maverick Basin, Texas.

The Company cannot quantify what the cash inflows might be from its interest in the Chittim Ranch property. Petrolympic plans to produce the oil from this reservoir for its maximum economic value and subsequently move up the pipe and test other zones encountered during drilling.

Exploration Activities in Québec

The government of Québec made several changes in June 2011 to the legislative and regulatory framework for oil and gas production. The adoption of Bill 18, an Act to limit oil and gas activities, introduced three changes aimed at:

- banning oil and gas activity on islands in the river and estuary portion of the St. Lawrence;
- exempting holders of exploration licences from performing the work required under the Mining Act for up to three years from the introduction of the legislation; and
- extending the validity of all exploration licences in Québec for the same period as the moratorium.

In addition, the Ministère du Développement Durable, de l'Environnement et des Parcs (the "MDDEP") amended the regulation respecting the application of the Environment Quality Act. As a result, an environmental authorization certificate is required for all shale drilling and fracking operations. The amendment also requires companies to hold a public consultation before applying for a certificate for this type of work. Lastly, concerning strategic environmental assessments, the MDDEP has adopted a regulation aimed at providing information on shale drilling and hydraulic fracturing operations.

The government announced in the fall of 2013 further changes to come to the Mining Act governing the exploration and exploitation of hydrocarbons and also declared a moratorium on shale gas exploration in the St. Lawrence Lowlands while new studies are taking place by the Bureau d'Audiences Publiques sur l'Environnement.

Some of Petrolympic's exploration activities will face delays due to these government decisions.

Petrolympic and Squatex can renew annually all their exploration permits until September 2019. Bill 18 is now allowing a further extension of the ownership of the permits for up to three more years while the government of Québec completes a strategic environmental assessment on shale gas development.

Specifically, the following permits are not directly affected by Bill 18, since shale gas is not the target of exploration:

- Gaspé Permits (100% ownership by Petrolympic);
- St. Lawrence Lowlands Permits (100% ownership by Petrolympic);
- Gaspé Permits (30% ownership by Petrolympic); and
- Lower St. Lawrence (30% ownership by Petrolympic).

The following permits located above the Utica Shale Fairway are directly affected by Bill 18:

- St. Lawrence Lowlands Permits (12% ownership by Petrolympic); and
- St. Lawrence Lowlands Permits (30% ownership by Petrolympic).

Petrolympic 100% Owned Permits

Gaspé Peninsula

During the summer 2015 Petrolympic has undertaken a systematic reprocessing and reinterpretation of the proprietary and governmental seismic lines available for the two Gaspé 100% owned permits. The reprocessing has significantly improved the quality of the data and the interpretation has revealed several drilling targets in the two permits. The Company is now actively preparing a drilling program to test a structure in one of the permits and has announced, in a press release dated August 31, 2015, (which can be found on www.sedar.com under Petrolympic profile), that "Petrolympic has identified several promising conventional drilling targets on the Property after reprocessing and reinterpreting its proprietary seismic data. Three of these targets are located close to each other in a faulted anticline and are combined in one structure. Each of them corresponds to a seismic anomaly indicating the probable presence of oil and/or gas. The depths for this prospect range from about 2,130 feet deep for the shallow target down to 3,450 feet for the deepest one. At least two of the three targets can be reached by the same well using directional drilling equipment. A drilling program is being prepared and operations in the field would be announced as soon as all permitting, equipment and preparations will be available. Other prospective targets also identified at greater depths within the Property will be considered in the following phases of the exploration program". In a press release dated November 12, 2015, the company further confirms the progress of the drilling program and announces that "Several additional drilling targets have been also identified in the Mitis and Matapedia Properties and a complete exploration program has been prepared to reveal the full potential of these 100% owned Properties."

The Company has enough exploration credits from its past exploration activities to cover the minimum work obligation to keep the Gaspé permits in good standing until September 1, 2016, and with Bill 18, the permits are in good standing for a further period of up to three additional years as long as annual rents are paid by Petrolympic.

St. Lawrence Lowlands

No additional work was performed on these permits during the year ended December 31, 2015. The Company has enough exploration credits from its past exploration activities to cover the minimum work obligation to keep the St. Lawrence Lowlands permits in good standing until September 1, 2016, and with Bill 18, the permits are in good standing for a further period of up to three additional years as long as annual rents are paid by Petrolympic.

Squatex-Petrolympic Joint Venture Lands

Lower St. Lawrence - Gaspé Joint Permits

Squatex announced, in a press release dated August 25, 2015, (which can be found on www.sedar.com under Squatex profile), "the conclusion of an academic partnership with the INRS to conduct important geosciences studies in the Lower St. Lawrence area. These studies will provide a 3D modeling and a determination of the reservoir potential of the Sayabec Formation."

As of December 31, 2015, Petrolympic and Squatex are actively preparing to move forward with the pursuit of a deep stratigraphic coring program to validate the Massé structure and other prospective structures with promising hydrocarbon potential across their joint venture property in the Lower St. Lawrence area (the "Property") located in the Appalachian Basin of Quebec. The Company's

discretionary exploration activities do have considerable scope for flexibility in terms of the amount and timing of exploration expenditure, and expenditures may be adjusted accordingly.

Exploration and evaluation expenditures

Québec	Year Ended, December 31, 2015 \$	Year Ended, December 31, 2014 \$
General exploration costs	118,012	480,955
Consulting	72,226	27,108
Geology	nil	975
Seismic	89,617	nil
Permits and licences	9,716	22,911
Net costs incurred	289,571	531,949
Tax credit receivable at 35%	91	(169,548)
Net costs	289,662	362,401

St. Lawrence Lowlands Joint Permits

The last exploration work performed in the St. Lawrence Lowlands by Petrolympic, Squatex and Canbriam was the drilling of the Farnham No. 1 well and the recording and interpretation of a 40-kilometre 2D seismic survey in 2010 to further refine target areas and locate the best sites to be drilled. The resulting data and profiles have been integrated into a database with all other data acquired to plan future work over the area while waiting for the strategic environmental study to be completed by the Québec government. Petrolympic remains confident that shale gas exploration will be allowed soon and will be developed safely in the Québec Lowlands in the near future.

The Company will focus on areas not directly affected by Bill 18. Due to sufficient aggregate historical expenditures, the Company is allowed but not required to incur further costs on its permits in fiscal 2016. Bill 18, voted in June 2011 by the government of Québec, is extending the life of the Company's permits and exempting work obligations for up to an additional three years. The Company's discretionary exploration activities do have considerable scope for flexibility in terms of the amount and timing of exploration expenditure, and expenditures may be adjusted accordingly.

Technical Disclosure

The above technical disclosure under the heading "Exploration Activities in Québec" has been prepared under the supervision of Stephan Sejourne, Ph.D., P. Geo., and a "qualified person" within the meaning of National Instrument 51-101.

Chittim Ranch Property Activities

The Company anticipates spending \$100,000 on well activities at the Chittim Ranch property, subject to positive results.

Chittim Ranch Property	Year Ended, December 31, 2015 \$	Year Ended, December 31, 2014 \$
Development costs	23,464	61,946
Depreciation	10,688	15,268
Reimbursement of expenses	-	(8,159)
Net costs incurred	34,152	69,055

Selected Annual Financial Information

The following is selected financial data derived from the audited annual consolidated financial statements of the Company as at December 31, 2015, 2014 and 2013 and for the years then ended.

	Year ended December 31, 2015 (\$)	Year ended December 31, 2014 (\$)	Year ended December 31, 2013 (\$)
Total revenues	nil	25,559	13,588
Total loss	(636,443)	(1,226,540)	(1,130,737)
Net loss per share – basic	(0.01)	(0.01)	(0.01)
Net loss per share – diluted	(0.01)	(0.01)	(0.01)
	As at December 31, 2015 (\$)	As at December 31, 2014 (\$)	As at December 31, 2013 (\$)
Total assets	1,156,944	611,091	448,221
Total non-current financial liabilities	nil	nil	nil
Distribution or cash dividends	nil	nil	nil

- The net loss for the year ended December 31, 2015, consisted primarily of: (i) general and administrative expenses of \$355,670; and (ii) exploration and evaluation expenditures of \$323,814. This was offset by premium on flow-through shares of \$42,918 as well as interest income of \$123.
- The net loss for the year ended December 31, 2014, consisted primarily of: (i) general and administrative expenses of \$816,459; (ii) exploration and evaluation expenditures of \$431,456;

and (iii) accretion of \$4,265. This was offset by the sale of oil of \$25,559 as well as interest income of \$81.

- The net loss for the year ended December 31, 2013, consisted primarily of: (i) general and administrative expenses of \$724,731; (ii) exploration and evaluation expenditures of \$439,351; (iii) accretion of \$26,173; and (iv) depreciation of \$509. This was offset by a deferred tax recovery of \$33,192, the sale of oil of \$13,588, premium on flow-through shares of \$13,143 as well as interest income of \$104.
- As the Company has no significant revenue, its ability to fund its operations is dependent upon its securing financing through the sale of equity or assets. See "Risk Factors" below.

Trends

The general concern over the exploitation of shale gas in the Province of Québec could delay some of the expected or proposed exploration work. Management, in conjunction with the Board of Directors, will continue to monitor these developments and their effect on the Company's business.

In addition to the risks outlined in this MD&A, the Company has identified the extreme volatility occurring in the financial markets as a significant risk for the Company. As a result, investors are moving away from assets they perceive as risky to those they perceive as less so. Companies like Petrolympic are considered risk assets and are highly speculative. The volatility in the markets and investor sentiment may make it difficult for Petrolympic to access the capital markets in order to raise the capital it will need to fund its current level of expenditures.

Environmental Liabilities

The Company is not aware of any environmental liabilities or obligations associated with its petroleum and natural gas interests. The Company is conducting its operations in a manner consistent with governing environmental legislation.

Off-Balance-Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Summary of Quarterly Results

Three Months Ended	Total Assets \$	Profit or Loss	
		Total \$	Per Share \$ ⁽⁹⁾
December 31, 2015	1,156,944	(172,331) ⁽¹⁾	(0.00)
September 30, 2015	1,382,167	(220,366) ⁽²⁾	(0.00)
June 30, 2015	1,549,775	(147,775) ⁽³⁾	(0.00)
March 31, 2015	1,760,111	(95,971) ⁽⁴⁾	(0.00)
December 31, 2014	611,091	(247,059) ⁽⁵⁾	(0.00)
September 30, 2014	813,609	(170,762) ⁽⁶⁾	(0.00)
June 30, 2014	952,737	(718,558) ⁽⁷⁾	(0.01)
March 31, 2014	968,464	(90,161) ⁽⁸⁾	(0.00)

Notes:

- (1) Net loss of \$172,331 principally relates to exploration and evaluation expenditures of \$119,050, and operating expenses related to general working capital purposes.
- (2) Net loss of \$220,366 principally relates to exploration and evaluation expenditures of \$140,355, and operating expenses related to general working capital purposes.
- (3) Net loss of \$147,775 principally relates to exploration and evaluation expenditures of \$39,446, and operating expenses related to general working capital purposes.
- (4) Net loss of \$95,971 principally relates to exploration and evaluation expenditures of \$24,963, and operating expenses related to general working capital purposes.
- (5) Net loss of \$247,059 principally relates to exploration and evaluation expenditures of \$176,886, and operating expenses related to general working capital purposes. These expenses were offset by sale of oil of \$238 and interest income of \$81.
- (6) Net loss of \$170,762 principally relates to exploration and evaluation expenditures of \$135,062, management fees of \$31,256, professional fees of \$22,585 and operating expenses related to general working capital purposes. These expenses were offset by sale of oil of \$9,014 and a net reversal of administrative and general of \$13,337.
- (7) Net loss of \$718,558 principally relates to share-based payment of \$605,350, exploration and evaluation expenditures of \$95,279, professional fees of \$12,356, administrative and general of \$37,965, investor relations and promotion of \$11,639 and operating expenses related to general working capital purposes. These expenses were offset by sale of oil of \$8,450, a net reversal of management fees of \$39,385 and a net reversal of salaries and benefits of \$2,679.
- (8) Net loss of \$90,161 principally relates to exploration and evaluation expenditures of \$24,229, professional fees of \$8,712, accretion expense of \$4,265, management fees of \$12,000, administrative and general of \$20,031, salaries and benefits of \$6,063 and operating expenses related to general working capital purposes. These were offset by sale of oil of \$7,857.
- (9) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

The Company's results have fluctuated from period to period due to the timing of exploration expenditures in each period. In addition, administrative expenses have fluctuated from period to period depending on higher or lower support costs for the Company's exploration program in Québec (Canada) and Texas (USA).

Discussion of Operations

Year ended December 31, 2015, compared with the year ended December 31, 2014

Petrolympic's net loss totaled \$636,443 for the year ended December 31, 2015, with basic and diluted loss per share of \$0.01. This compares with a net loss of \$1,226,540 with basic and diluted loss per share of \$0.01 for the year ended December 31, 2014. The decrease in the net loss of \$590,097 was principally because:

- Exploration and evaluation expenditures for the year ended December 31, 2015, were \$323,814 (year ended December 31, 2014 - \$431,456). See "Exploration Activities in Québec" and "Chittim Ranch Property Activities" above.
- During the year ended December 31, 2015, the Company recognized revenue from the sale of oil of \$nil (year ended December 31, 2014 - \$25,559) due to low oil prices.
- Operating expenses such as management fees, administrative and general, professional fees, investor relations and promotion and reporting issuer costs totaled \$355,670 for the year ended December 31, 2015 (year ended December 31, 2014 - \$816,459). The Company had lower support costs for its operations in Quebec in 2015 and was engaged in cost saving initiatives such as cutting back stock options.
- On May 20, 2014, the Company granted 1,230,000 options of the Company at a price of \$0.36 per share, expiring May 20, 2019. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: a five year expected average life; share price of \$0.36; 118% volatility; risk-free interest rate of 1.54%; and a dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the options. The fair value assigned to these options was \$362,850 which was expensed in the consolidated statement of loss and comprehensive loss with a corresponding amount allocated to contributed surplus. These options have fully vested.

On May 20, 2014, the Company granted 100,000 options to purchase common shares of the Company to a consultant of the Company at an exercise price of \$0.36 per share, expiring May 20, 2019. These options were valued based on the equity instrument granted as no value could be reasonably determined for the services. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: a five year expected average life; share price of \$0.36; 118% volatility; risk-free interest rate of 1.54%; and a dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the options. The fair value assigned to these options was \$29,500 which was expensed in the consolidated statement of loss and comprehensive loss with a corresponding amount allocated to contributed surplus. These options have fully vested.

On June 20, 2014, the Company granted 750,000 options of the Company at a price of \$0.37 per share, expiring June 20, 2019. The fair value of these options at the date of grant was estimated

using the Black-Scholes option pricing model with the following assumptions: a five year expected average life; share price of \$0.35; 117% volatility; risk-free interest rate of 1.60%; and a dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the options. The fair value assigned to these options was \$213,000 which was expensed in the consolidated statement of loss and comprehensive loss with a corresponding amount allocated to contributed surplus. These options have fully vested.

On August 21, 2015, the Company granted 100,000 options to purchase common shares of the Company to an officer of the Company at an exercise price of \$0.10 per share, expiring August 21, 2020. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: a five year expected average life; share price of \$0.085; 121% volatility; risk-free interest rate of 0.61%; and a dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the options. The fair value assigned to these options was \$6,920 which was expensed in the consolidated statement of loss and comprehensive loss with a corresponding amount allocated to contributed surplus. These options have fully vested.

Several variables were used when determining the value of stock options using the Black-Scholes option pricing model:

Expected term: the Company used the expected term of five years for the options granted, which is the maximum term ascribed to the stock options issued. The Company chose the maximum term because it is difficult to determine with any reasonable degree of accuracy when these stock options will be exercised.

Volatility: the Company used historical information on the market price of its common shares to determine the degree of volatility at the date the stock options were granted. Therefore, depending on when the stock options are granted and the period of historical information examined, the degree of volatility can be different when calculating the value of different stock options.

Risk-free interest rate: the Company used the interest rate available for government securities of an equivalent expected term at the date of the grant of the stock options. The risk-free interest rate will vary depending on the date of grant of the stock options and their expected term.

Dividend yield: the Company has not paid dividends in the past because it is in the exploration stage and has not yet earned any income from operations. Also, the Company does not expect to pay dividends in the foreseeable future. Therefore, a dividend rate of 0% was used to value the stock options.

Three months ended December 31, 2015, compared with the three months ended December 31, 2014

Petrolympic's net loss totaled \$172,331 for the three months ended December 31, 2015, with basic and diluted loss per share of \$0.00. This compares with a net loss of \$247,059 with basic and diluted loss per share of \$0.00 for the three months ended December 31, 2014. The decrease in the net loss of \$74,728 was principally because:

- Exploration and evaluation expenditures for the three months ended December 31, 2015, were \$119,050 (three months ended December 31, 2014 - \$176,886). See "Exploration Activities in Québec" and "Chittim Ranch Property Activities" above.

- Operating expenses such as management fees, administrative and general, professional fees, investor relations and promotion and reporting issuer costs totaled \$59,722 for the three months ended December 31, 2015 (three months ended December 31, 2014 - \$70,492). The Company had lower support costs for its operations in Quebec in 2015 and was engaged in cost saving initiatives such as cutting back stock options.

Liquidity and Capital Resources

The activities of the Company, principally the acquisition and exploration of properties prospective for petroleum and natural gas, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. For the year ended December 31, 2015, the Company raised gross proceeds of \$1,057,950 by issuing 2,521,500 Flow-Through Shares and 384,600 Units. The Company also received \$257,800 from the exercise of warrants.

There is no assurance that future equity capital or debt will be available to the Company in the amounts or at the times desired or on terms that are acceptable, if at all. See "Risk Factors" below.

The Company has no operating revenues, and therefore must utilize its current cash reserves, funds obtained from the exercise of warrants and stock options and other financing transactions to maintain its capacity to meet ongoing operating activities. As of December 31, 2015, the Company had 105,505,199 common shares issued and outstanding, 9,730,002 options that would raise \$1,645,800 and 9,108,271 warrants outstanding that would raise \$2,332,099, if exercised in full. This is not anticipated until the market price of the Company's traded common shares increases.

Cash and cash equivalents used in operating activities was \$487,623 for the year ended December 31, 2015. Operating activities were affected by the net increase in non-cash working capital balances of \$211,654 because of a decrease in tax credit receivable of \$178,170, a decrease in amounts receivable and other assets of \$78,271, a decrease in accounts payable and accrued liabilities of \$43,003 and an increase of \$1,784 in reclamation bond. The Company also recorded depreciation of equipment of \$10,688, share-based payment of \$6,920, income from premium of flow-through shares of \$42,918 and a change in unrealized foreign exchange loss of \$37,524.

Cash and cash equivalents provided by financing activities was \$945,578 for the year ended December 31, 2014. The Chief Executive Officer ("CEO") provided \$200,000 to the Company. \$185,000 was provided in Q1 2013 and \$15,000 was provided in Q4 2012. This was repaid in full in January 2014. In addition, the Company received net proceeds from a private placement of \$947,958 and net proceeds from warrant exercises of \$197,620. Cash and cash equivalents provided by financing activities was \$1,256,167 for the year ended December 31, 2015.

To date, the cash resources of the Company are held with two major Canadian chartered banks. The Company has no debt. Its credit and interest rate risk is minimal. Accounts payable and accrued liabilities are short-term and non-interest-bearing.

The Company's liquidity risk from financial instruments is minimal as surplus cash is invested in investment grade term deposit certificates. As of December 31, 2015, surplus cash was invested in bank-backed guaranteed investment certificates worth \$10,000, and this amount was included in cash and cash equivalents.

Current liabilities increased to \$269,059 at December 31, 2015, from \$148,416 at December 31, 2014, primarily due to the premium on flow through shares of \$201,720 of which, \$158,802 remains outstanding as of December 31, 2015.

Currently, the Company's operating expenses are approximately \$15,000 to \$50,000 per month for management fees, month-to-month professional fees and other working capital related expenses. The Company's cash and cash equivalents as at December 31, 2015 is sufficient to satisfy current liabilities and general and administrative costs up to December 31, 2016. The Company is also expected to receive net revenue from its Chittim Ranch activities in the range of \$3,000 to \$10,000 per quarter although the Company had no oil proceeds in fiscal 2015. Meanwhile Petrolympic and Squatex are actively preparing to move forward with the pursuit of a deep stratigraphic coring program to validate other prospective structures with promising hydrocarbon potential across their Property. The cost of the deep stratigraphic coring program, including the evaluation of productivity of the Massé No.2 well and the drilling of three new sites to verify possible extensions to the Massé structure is budgeted to \$4.8 million (Petrolympic's share is \$1.44 million). Petrolympic has also identified several additional drilling targets in the Mitis and Matapedia Properties and a Phase I exploration program budgeted at \$5.5 million has been prepared to validate some of these prospects in these 100% owned Properties. In addition, the Company anticipates spending \$100,000 on well activities at the Chittim Ranch property, subject to positive results. Subject to these activities, the Company needs to secure additional financing to carry on business activities. The major variables are expected to be the size, timing and results of the Company's exploration program and its ability to continue to access capital to fund its ongoing operations. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or under terms favourable to the Company. Cash spent on the properties the Company has an interest in is expected to fulfill the Company's flow-through commitment of \$734,459. See "Commitments" below.

The Company's discretionary exploration activities do have considerable scope for flexibility in terms of the amount and timing of expenditure, and expenditures may be adjusted accordingly. However, to meet long-term business plans, discovery of a petroleum and natural gas reserve is an important component of the Company's financial success.

Change in Accounting Policies

There were no relevant changes to significant accounting policies during the year ended December 31, 2015.

Future Accounting Changes

Certain new standards, amendments and interpretations are effective for annual periods beginning after January 1, 2016 and have not been applied in these financial statements. None of these are expected to have a significant impact on the Company's financial statements.

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. The amendments are effective for annual periods beginning on or after January 1, 2016.

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in July 2014 and will replace IAS 39 - Financial Instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. 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. Final amendments released in July 2014 also introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

Financial Instruments

(i) Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate and foreign currency risk). Risk management is carried out by the Company's management team with guidance from the Audit Committee. The Board of Directors also provides regular guidance for overall risk management.

(ii) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. Cash and cash equivalents are held with select major Canadian chartered banks. Management believes that the credit risk concentration with respect to financial instruments is minimal.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2015, the Company had cash and cash equivalents of \$1,076,553 (December 31, 2014 - \$265,355) to settle current liabilities of \$269,059 (December 31, 2014 - \$148,416). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms, except for deferred premium on flow-through shares, which will be taken into income by December 31 2016. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

The Company is currently looking for an equity or debt financing transaction to advance its business activities.

(iv) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

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The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance with its cash management policy.

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company is exposed to foreign currency risk with respect to the expenditures incurred by its US subsidiaries.

(v) Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve period:

The Company has subsidiaries with balances denominated in US dollars. Sensitivity to a plus or minus 5% change in exchange rates would lead to approximately a \$8,500 gain/loss in the reported net loss and comprehensive loss for the year ended December 31, 2015.

Share Capital

As at the date of this MD&A, the Company had 105,505,199 issued and outstanding common shares.

Stock options outstanding for the Company at the date of this MD&A were as follows:

Options	Expiry Date	Exercise Price
1,100,000	April 24, 2017	\$0.12
3,333,335	March 25, 2018	\$0.10
1,466,667	June 26, 2018	\$0.10
800,000	November 21, 2018	\$0.175
850,000	December 9, 2018	\$0.15
1,330,000	May 20, 2019	\$0.36
750,000	June 20, 2019	\$0.37
100,000	August 21, 2020	\$0.10
9,730,002		

Warrants outstanding for the Company at the date of this MD&A were as follows:

Warrants	Expiry Date	Exercise Price
(a) 6,300,000	March 13, 2017	\$0.25
(b) 2,470,666	April 7, 2017	\$0.25
192,300	September 27, 2016	\$0.45
126,075	September 27, 2016	\$0.37
19,230	September 27, 2016	\$0.325
9,108,271		

(a) On July 9, 2015, the Company announced that it received Exchange acceptance to extend the expiry date of 6,300,000 warrants to March 13, 2016 from July 13, 2015. On March 11, 2016, the Company announced that the Exchange provided a second extension, where the expiry date of the 6,300,000 warrants was extended to March 13, 2017 from March 13, 2016.

(b) On July 9, 2015, the Company announced that it received Exchange acceptance to extend the expiry date of 2,470,666 warrants to April 7, 2016 from August 7, 2015. On March 11, 2016, the Company announced that the Exchange provided a second extension, where the expiry date of the 2,470,666 warrants was extended to April 7, 2017 from April 7, 2016.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

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.

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As at December 31, 2015, 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 December 31, 2015, 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 December 31, 2015, 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:

Names	Year Ended December 31, 2015 \$	Year Ended December 31, 2014 \$
Marrelli Support Services Inc. ("Marrelli Support") ⁽ⁱ⁾	26,844	23,652
DSA Corporate Services Inc. ("DSA") ⁽ⁱⁱ⁾	12,768	16,063
Fogler Rubinoff LLP ("Fogler") ⁽ⁱⁱⁱ⁾	30,851	10,327
Mendel Ekstein ^(iv)	4,844	22,290
Andreas Jacob ^(v)	nil	51,478
Total	75,307	123,810

(i) For the year ended December 31, 2015, the Company expensed \$26,844 (year ended December 31, 2014 - \$23,652) 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 December 31, 2015, Marrelli Support was owed \$2,472 (December 31, 2014 - \$4,296) and this amount was included in accounts payable and accrued liabilities.

(ii) For the year ended December 31, 2015, the Company expensed \$12,768 (year ended December 31, 2014 - \$16,063) 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 December 31, 2015, DSA was owed \$4,547 (December 31, 2014 - \$2,720) and this amount was included in accounts payable and accrued liabilities.

(iii) For the year ended December 31, 2015, the Company expensed \$30,851 year ended December 31, 2014 - \$10,327) to Fogler for legal services. Adam Szweras, the Corporate Secretary of Petrolympic, is a partner at Fogler. As at December 31, 2015, Fogler was owed \$1,235 (December 31, 2014 - \$nil) and this amount was included in accounts payable and accrued liabilities.

(iv) The total loan balance owed to the President and CEO of the Company as of December 31, 2015 amounted to \$4,844 (December 31, 2014 - \$nil) (see note 10 in the audited consolidated financial statements). In Q1 2014, the Company repaid a prior loan of \$200,000, and upon repayment of the loan, the Company paid a financing fee of \$22,290 which was recorded as a general and administrative expense in 2014 (see note 11 in the audited consolidated financial statements).

(v) During the year ended December 31, 2014, Andreas Jacob, Vice-President and a director of the Company was paid \$51,478 as a bonus.

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

	Year Ended December 31, 2015 \$	Year Ended December 31, 2014 \$
Salaries and Benefits		
Mendel Ekstein (CEO)	65,117	65,738
Mendel Ekstein - reversal of amounts owed from prior periods	nil	(60,000)
Andreas Jacob (Vice-President and Director)	61,920	60,000
Andreas Jacob – reversal of amounts owed from prior periods	nil	(25,179)
Total	127,037	40,559

	Year Ended December 31, 2015 \$	Year Ended December 31, 2014 \$
Share-based Payment		
Mendel Ekstein (CEO)	nil	89,250
Andreas Jacob (Vice-President and Director)	nil	75,050
Alain Fleury (Director)	nil	60,850
Miles Pittman (Director)	nil	60,850
Adam Szweras (Officer)	nil	60,850
Frank Ricciuti (Director)	nil	60,850
Carmelo Marrelli (CFO)	6,920	32,450
Roger Creamer (Director)	nil	32,450
Glenn MacNeil (Director)	nil	103,250
Total	6,920	575,850

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 December 31, 2015, directors and key management personnel of the Company were owed \$6,920 (December 31, 2014 - \$25,000) for remuneration and reimbursable expenses, excluding amounts disclosed in (a) above.

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

Capital Management

Petrolympic manages its capital to ensure that funds are available or are scheduled to be raised to provide adequate funds to carry out the Company's defined exploration programs and to meet its ongoing administrative costs. The Company considers its capital to be equity, comprising share capital, reserves and deficit, which at December 31, 2015, totaled equity of \$887,885 (December 31, 2014 – \$462,675).

This is accomplished by the Board of Directors' review and acceptance of exploration budgets that are achievable with existing resources and the timely matching and release of the next stage of expenditures with financial resources from private placements or other fund raisings.

The Company is not subject to any material externally imposed capital requirements or covenants other than the obligation to incur eligible expenditures with respect to the flow-through shares issued and Policy 2.5 of the Exchange which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2015, the Company believes it is compliant with Policy 2.5.

There were no changes in the Company's approach to capital management during the year ended December 31, 2015.

Proposed Transactions

The Company routinely evaluates various business development opportunities which could entail farm-ins, farm-outs, acquisitions and/or divestitures. In this regard, the Company is currently in discussions with various parties, but no definitive agreements respecting any proposed transactions have been entered into as of the date of this MD&A. There can be no assurances that any such transactions will be concluded in the future.

Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

The Company requires additional capital, which may not be available to it on acceptable terms, or at all. Both the exploration for and development of oil and gas reserves can be capital-intensive businesses. The Company intends to satisfy any additional working capital requirements from cash flow and by raising capital through public or private sales of equity securities, debt financing or short-term loans, or a combination of the foregoing. The Company has no current arrangements for obtaining additional capital, and may not be able to secure additional capital on terms that will not be objectionable to it or its shareholders. Under such circumstances, the Company's failure or inability to obtain additional capital on acceptable terms or at all could have a material adverse effect on the Company.

The Company has a history of losses and a limited operating history as an oil and gas exploration and development company, which make it more difficult to evaluate its future prospects. To date, the Company has incurred significant losses. The Company has a limited operating history upon which any evaluation of it and its long-term prospects might be based. The Company is subject to the risks

inherent in the oil and gas industry, as well as the more general risks inherent in the operation of an established business. The Company and its prospects must be considered in light of the risks, expenses and difficulties encountered by all companies engaged in the extremely volatile and competitive oil and gas markets. Any future success the Company might achieve will depend upon many factors, including factors that may be beyond its control. These factors may include changes in technologies, price and product competition, developments and changes in the international oil and gas market, changes in the Company's strategy, changes in expenses, fluctuations in foreign currency exchange rates, general economic conditions, and economic and regulatory conditions specific to the areas in which the Company competes. To address these risks, the Company must, among other things, comply with environmental regulations, discover and develop petroleum and gas properties and negotiate with prospective partners.

Future operating results are subject to fluctuation based upon factors outside of the Company's control. The Company's operating results may in the future fluctuate significantly depending upon a number of factors including industry conditions, petroleum and gas prices, rate of drilling success, rates of production from completed wells and the timing of capital expenditures. Such variability could have a material adverse effect on the Company's business, financial condition and results of operations. In addition, any failure or delay in the realization of expected cash flows from operating activities could limit the Company's future ability to participate in exploration or to participate in economically attractive oil and gas projects.

Inability to manage the Company's expected growth could have a material adverse effect on its business operations and prospects. The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability to manage growth effectively will require the Company to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability to deal with this growth could have a material adverse impact on the Company's business, operations and prospects.

To compete, the Company must attract and retain qualified personnel. The Company's ability to continue its business and to develop a competitive edge in the marketplace depends, in large part, on its ability to attract and retain qualified management and personnel. Competition for such personnel is intense, and the Company may not be able to attract and retain them, which may negatively impact its share price. The Company does not have key-man insurance on any of its employees, directors or senior officers and it does not have written employment agreements with any of its employees, directors or senior officers.

The Company must continue to institute procedures designed to avoid potential conflicts involving its officers and directors. Some of the Company's directors and officers are or may serve on the board of directors of other companies from time to time. Pursuant to the provisions of the *Business Corporations Act (Ontario)*, the Company's directors and senior officers must disclose material interests in any contract or transaction (or proposed contract or transaction) material to the Company. To avoid the possibility of conflicts of interest that may arise out of their fiduciary responsibilities to each of the boards, all such directors have agreed to abstain from voting with respect to a conflict of interest between the applicable companies. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or members of management, may have a conflict.

The Company relies on the expertise of certain persons and must insure that these relationships are developed and maintained. The Company is dependent on the advice and project management

skills of various consultants and joint venture partners that it contracts from time to time. The Company's failure to develop and maintain relationships with qualified consultants and joint venture partners may have a material adverse effect on its business and operating results.

The Company must indemnify its officers and directors against certain actions. The Company's articles contain provisions that state, subject to applicable law, that it must indemnify every director or officer, subject to the limitations of the *Business Corporations Act* (Ontario), against all costs, charges and expenses that its directors or officers may sustain or incur in the execution of their duties, if they acted honestly and in good faith with a view to the Company's best interests. Such limitations on liability may reduce the likelihood of litigation against the Company's officers and directors and may discourage or deter its shareholders from suing its officers and directors based upon breaches of their duties to the Company, though such an action, if successful, might otherwise benefit the Company and its shareholders.

Recent financial conditions have been characterized by increased volatility and access to public financing, particularly for junior petroleum and natural gas companies, has been negatively impacted. These conditions may affect the Company's ability to obtain equity or debt financing in the future on terms favourable to the Company or at all. If such conditions continue, the Company's operations could be negatively impacted.

Possible volatility of stock price. The market price for the Company's common stock may be volatile and is subject to significant fluctuations in response to a variety of factors, including the liquidity of the market for the common stock, variations in the Company's quarterly operating results, regulatory or other changes in the oil and gas industry generally, announcements of business developments by the Company or its competitors, litigation, changes in operating costs and variations in general market conditions. Because the Company has a limited operating history, the market price for its common stock may be more volatile than that of a seasoned issuer. Changes in the market price of the Company's securities may have no connection with its operating results. No predictions or projections can be made as to what the prevailing market price for the Company's common stock will be at any time.

The Company does not anticipate paying dividends on its common stock. The Company plans to retain all available funds for use in its business, and therefore does not plan to pay any cash dividends on its securities in the foreseeable future. Hence, investors in the Company's common stock should not expect to receive any distribution of cash dividends for the foreseeable future.

The Company's shareholders may experience dilution of their ownership interests because of its future issuance of additional shares of common stock. The Company's articles authorize the issuance of an unlimited number of shares of common stock, without par value. In the event that the Company is required to issue additional shares of common stock or securities exercisable for or convertible into additional shares of common stock, enter into private placements to raise financing through the sale of equity securities or acquire additional oil and gas property interests in the future through the issuance of shares of its common stock to acquire such interests, the interests of the Company's existing shareholders will be diluted and existing shareholders may suffer dilution in their net book value per share depending on the price at which such securities are sold. If the Company does issue additional shares, it will cause a reduction in the proportionate ownership and voting power of all existing shareholders.

The Company's future success is dependent upon its ability to locate, obtain and develop commercially viable oil and gas deposits. The Company may not be able to consistently identify viable

prospects, and such prospects, if identified, may not be commercially exploitable. The Company's inability to consistently identify and exploit commercially viable hydrocarbon deposits would have a material and adverse effect on its business and financial position.

Exploratory drilling activities are subject to substantial risks. The Company's expected revenues and cash flows will be principally dependent upon the success of any drilling and production from prospects in which it participates. The success of such prospects will be determined by the economical location, development and production of commercial quantities of hydrocarbons. Exploratory drilling is subject to numerous risks, including the risk that no commercially productive oil and gas reservoirs will be encountered. The cost of drilling, completing and operating wells is often uncertain, and drilling operations may be curtailed, delayed or canceled as a result of a variety of factors, including unexpected formation and drilling conditions, pressure or other irregularities in formations, blowouts, equipment failures or accidents, as well as weather conditions, compliance with governmental requirements or shortages or delays in the delivery of equipment. The Company's inability to successfully locate and drill wells that will economically produce commercial quantities of oil and gas could have a material adverse effect on its business and financial position.

The Company's drilling and exploration plans will be subject to factors beyond its control. A prospect is a property that has been identified based on available geological and geophysical information that indicates the potential for hydrocarbons. Whether the Company ultimately drills on a property may depend on a number of factors including funding; the receipt of additional seismic data or reprocessing of existing data; material changes in oil or gas prices; the costs and availability of drilling equipment; the success or failure of wells drilled in similar formations or which would use the same production facilities; changes in estimates of costs to drill or complete wells; the Company's ability to attract industry partners to acquire a portion of its working interest to reduce exposure to drilling and completion costs; decisions of its joint working interest owners; and restrictions under provincial regulators.

Unforeseen title defects may result in a loss of entitlement to production and reserves. Although the Company conducts title reviews in accordance with industry practice prior to any purchase of resource assets, such reviews do not guarantee that an unforeseen defect in the chain on title will not arise and defeat its title to the purchased assets. If such a defect were to occur, the Company's entitlement to the production from such purchased assets could be jeopardized.

The Company's future success depends upon its ability to find, develop and acquire oil and gas reserves that are economically recoverable. As a result, the Company must locate, acquire and develop new oil and gas reserves. Without successful funding for acquisitions and exploration and development activities, the Company's cash resources may be depleted. The Company may not be able to find and develop reserves at an acceptable cost.

Most of the Company's competitors have substantially greater financial, technical, sales, marketing and other resources than it does. The Company engages in the exploration for and production of oil and gas, industries that are highly competitive. The Company competes directly and indirectly with oil and gas companies in its exploration for and development of desirable oil and gas properties. Many companies and individuals are engaged in the business of acquiring interests in and developing oil and gas properties in Québec, Canada, and the industry is not dominated by any single competitor or a small number of competitors. Many such competitors have substantially greater financial, technical, sales, marketing and other resources, as well as greater historical market acceptance than Petrolympic does. The Company will compete with numerous industry participants for the acquisition of

land and rights to prospects, and for the equipment and labour required to operate and develop such prospects. Competition could materially and adversely affect the Company's business, operating results and financial condition. Such competitive disadvantages could adversely affect the Company's ability to participate in projects with favourable rates of return.

Shortages of supplies and equipment could delay the Company's operations and result in higher operating and capital costs. The Company's ability to conduct operations in a timely and cost effective manner is subject to the availability of natural gas and crude oil field supplies, rigs, equipment and service crews. Although none is expected currently, any shortage of certain types of supplies and equipment could result in delays in the Company's operations as well as in higher operating and capital costs.

The Company's business is subject to interruption from severe weather. The Company's operations are conducted principally in Québec, Canada. The weather in this area and other areas in which the Company may operate in the future can be extreme and can cause interruption or delays in its drilling and construction operations.

The Company's business is subject to operating hazards and uninsured risks. The oil and gas business involves a variety of operating risks, including fire, explosion, pipe failure, casing collapse, abnormally pressured formations, adverse weather conditions, governmental and political actions, premature reservoir declines, and environmental hazards such as oil spills, gas leaks and discharges of toxic gases. The occurrence of any of these events on any property operated or owned (in whole or in part) by the Company could have a material adverse impact on it. Insurance coverage is not always economically feasible and is not obtained to cover all types of operational risks. The occurrence of a significant event that is not insured or not insured fully could have a material adverse effect on the Company's financial condition.

The Company's business is subject to restoration, safety and environmental risk. The Company's present operations are primarily in Québec, and certain laws and regulations exist that require companies engaged in petroleum activities to obtain necessary safety and environmental permits to operate. Such legislation may restrict or delay the Company from conducting operations in certain geographical areas. Further, such laws and regulations may impose liabilities on the Company for remedial and clean-up costs, or for personal injuries related to safety and environmental damages, such liabilities collectively referred to as "asset retirement obligations". While the Company has been careful in managing such risks, it may not always be successful in protecting itself from the impact of all such risks.

The termination or expiration of any of the Company's permits may have a material adverse effect on its results of operations. The Company's properties are held in the form of permits. If the Company, or the holder of the permit, fails to meet the specific requirement of a permit, the permit may terminate or expire. The Company may not meet the obligations required to maintain each permit. The termination or expiration of the Company's permits may have a material adverse effect on its results of operations and business.

Compliance with new or modified environmental laws or regulations could have a material adverse impact on the Company. The Company is subject to various Canadian federal and provincial laws and regulations relating to the environment. The Company believes that it is currently in compliance with such laws and regulations. However, such laws and regulations may change in the future in a manner that would increase the burden and cost of compliance. The Company could incur significant liability under such laws for damages, clean-up costs and penalties in the event of certain discharges into the

environment. In addition, environmental laws and regulations may impose liability on the Company for personal injuries, clean-up costs, environmental damage and property damage as well as administrative, civil and criminal penalties. The Company maintains limited insurance coverage for accidental environmental damages, but does not maintain insurance for the full potential liability that could be caused by such environmental damage. Accordingly, the Company may be subject to significant liability, or may be required to cease production in the event of the noted liabilities.

The oil and natural gas industry (exploration, production, pricing, marketing and transportation) is subject to extensive controls and regulations imposed by various levels of government. Governments may regulate or intervene with respect to price, taxes, royalties and the exportation of oil and natural gas. Such regulations may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and natural gas industry could reduce demand for natural gas and crude oil and increase the Company's costs, any of which may have a material adverse effect on the Company's intended business, financial condition and results of operations. The Company's operations require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development on its properties. It is not expected that any of these controls or regulations will affect the operations of the Company in a manner materially different than they would affect other oil and gas companies of similar size. All current legislation is a matter of public record and the Company is unable to predict what additional legislation or amendments may be enacted. In particular, in Québec, delays in shale gas development are expected to continue as the province completes a strategic environmental assessment.

Commitments

(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 December 31, 2015, 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 \$198,496 has been spent as of December 31, 2015.

Subsequent Event

- a) On March 11, 2016, the Company received the consent of the Exchange to extend the term of the February 2014 Warrants and the March 2014 Warrants. Those warrants were issued as part of a private placement of its securities. The terms of the warrants were previously extended by 8 months on July 9, 2015. The expiry dates of the February 2014 Warrants and March 2014 Warrants are now extended as follows:

February 13, 2014

Number of Warrants: 6,300,000
Original Expiry Date of Warrants: July 13, 2015
July 9, 2015 Revised Expiry Date of Warrants: March 13, 2016
New Expiry Date of Warrants: March 13, 2017
Exercise Price of Warrants: \$0.25

March 6, 2014

Number of Warrants: 2,470,666
Original Expiry Date of Warrants: August 7, 2015
July 9, 2015 Revised Expiry Date of Warrants: April 7, 2016
New Expiry Date of Warrants: April 7, 2017
Exercise Price of Warrants: \$0.25

All other terms of the February 2014 Warrants and the March 2014 Warrants remain unchanged.

- b) On February 22, 2016, the Company repaid Mendel Ekstein fully for his advance to the Company during the year ended December 31, 2015, for \$4,844. Mendel Ekstein is a major shareholder of the Company.

Additional Disclosure for Venture Issuers

General and administrative expenses

Detail	Year Ended December 31, 2015 \$	Year Ended December 31, 2014 \$
Share-based payment	6,920	605,350
Professional fees	92,631	71,081
Management fees	161,245	5,738
Administrative and general	19,919	52,648
Salaries and benefits	nil	28,246
Investor relations and promotion	50,650	38,593
Reporting issuer costs	24,305	14,803
Total cost incurred	355,670	816,459