PETROLYMPIC

PETROLYMPIC LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2014

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

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 and nine months ended September 30, 2014 and 2013 have not been reviewed by the Company's auditors.

Petrolympic Ltd.

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

		As at September 30, 2014		As at December 31, 2013
ASSETS				
Current assets				
Cash and cash equivalents (note 3)	**$**	**609,345**	$	312,028
Tax credit receivable		**84,030**		14,767
Amounts receivable and other assets (note 4)		**71,871**		62,068
Total current assets		**765,246**		388,863
Non-current assets				
Equipment (note 5)		**39,442**		50,893
Reclamation bond		**8,921**		8,465
Total non-current assets		**48,363**		59,358
Total assets	**$**	**813,609**	$	448,221
EQUITY (DEFICIT) AND LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (notes 6 and 14(a)(b))	**$**	**107,200**	$	316,288
Loan payable (notes 7 and 14(a)(iv))		**-**		195,735
Total current liabilities		**107,200**		512,023
Equity (deficit)				
Share capital (note 8)		**7,822,254**		6,894,450
Units to be issued		**-**		316,164
Reserves		**1,825,209**		884,407
Deficit		**(8,941,054)**		(8,158,823)
Total equity (deficit)		**706,409**		(63,802)
Total equity (deficit) and liabilities	**$**	**813,609**	$	448,221

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)

On behalf of the Board:

(Signed) Mendel Ekstein
Director

(Signed) Frank Ricciuti
Director

Petrolympic Ltd.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Operating expenses				
Exploration and evaluation expenditures (note 12)	**$ 135,062**	$ 169,025	**$ 254,570**	$ 248,788
General and administrative (note 13)	**44,714**	56,541	**745,967**	429,505
Operating loss	**(179,776)**	(225,566)	**(1,000,537)**	(678,293)
Sale of oil	**9,014**	-	**25,321**	-
Premium on flow-through shares	**-**	-	**-**	13,143
Depreciation	**-**	-	**-**	(509)
Accretion expense (note 7)	**-**	-	**(4,265)**	-
Net loss for the period	**(170,762)**	(225,566)	**(979,481)**	(665,659)
Other comprehensive loss				
Item that will be reclassified subsequently to income				
Exchange differences on translating foreign operations	**(326)**	(48,301)	**(1,236)**	(44,728)
Net loss and comprehensive loss for the period	**$ (171,088)**	$ (273,867)	**$ (980,717)**	$ (710,387)
Basic and diluted net loss per share (note 11)	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.01)
Weighted average number of common shares outstanding (note 11)	**100,021,099**	89,274,243	**98,142,915**	87,592,528

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

Petrolympic Ltd.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

Nine Months Ended September 30,	2014	2013
Operating activities		
Net loss for the period	**$ (979,481)**	$ (665,659)
Adjustment for:		
Depreciation	**11,451**	4,427
Share-based payment (note 9)	**605,350**	261,067
Change in unrealized foreign exchange	**(1,236)**	(44,728)
Premium on flow-through shares	**-**	(13,143)
Accretion expense (note 7)	**4,265**	-
Non-cash working capital items:		
Tax credit receivable	**(69,263)**	-
Amounts receivable and other assets	**(9,803)**	265,885
Accounts payable and accrued liabilities	**(209,088)**	(24,121)
Reclamation bond	**(456)**	-
Net cash and cash equivalents used in operating activities	**(648,261)**	(216,272)
Investing activities		
Purchase of oil and gas equipment	**-**	(56,947)
Net cash and cash equivalents used in investing activities	**-**	(56,947)
Financing activities		
Loan (repayment) payable (note 7)	**(200,000)**	185,000
Net proceeds from private placement (note 8(b)(i)(ii))	**947,958**	154,680
Net proceeds from warrant exercise	**197,620**	-
Net cash and cash equivalents provided by financing activities	**945,578**	339,680
Net change in cash and cash equivalents	**297,317**	66,461
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	**-**	(268)
Cash and cash equivalents, beginning of period	**312,028**	101,411
Cash and cash equivalents, end of period	**$ 609,345**	$ 167,604

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

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

	Share capital	Units to be issued	Reserves: Contributed surplus	Reserves: Warrant reserve	Reserves: Other comprehensive income (loss)	Deficit	Total
Balance, December 31, 2012	**$ 6,792,663**	**$ -**	**$ 2,208,397**	**$ 37,491**	**$ 14,986**	**$ (8,932,533)**	**$ 121,004**
Common share units issued (note 8(b)(i))	101,787	-	-	50,893	-	-	152,680
Reclassification of expired options	-	-	(1,876,427)	-	-	1,876,427	-
Share-based payment (note 9)	-	-	261,067	-	-	-	261,067
Net loss and comprehensive loss for the period	-	-	-	-	(44,728)	(665,659)	(710,387)
Balance, September 30, 2013	**$ 6,894,450**	**$ -**	**$ 593,037**	**$ 88,384**	**$ (29,742)**	**$ (7,721,765)**	**$ (175,636)**
Balance, December 31, 2013	**$ 6,894,450**	**$ 316,164**	**$ 807,769**	**$ 88,384**	**$ (11,746)**	**$ (8,158,823)**	**$ (63,802)**
Common share units issued (note 8(b)(ii))	692,693	(316,164)	-	571,429	-	-	947,958
Warrants exercised	235,111	-	-	(37,491)	-	-	197,620
Share-based payment (note 9)	-	-	605,350	-	-	-	605,350
Reclassification of expired options	-	-	(197,250)	-	-	197,250	-
Net loss and comprehensive loss for the period	-	-	-	-	(1,236)	(979,481)	(980,717)
Balance, September 30, 2014	**$ 7,822,254**	**$ -**	**$ 1,215,869**	**$ 622,322**	**$ (12,982)**	**$ (8,941,054)**	**$ 706,409**

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

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 deposits, nor has it earned any income. The Company's common shares are listed on the TSX Venture Exchange under the symbol PCQ. The primary office is located at 36 Toronto Street, Suite 1000, Toronto, Ontario, Canada, M5C 2C5. The Company's year end is December 31st.

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. In the absence of additional financing or strategic alternatives, these factors cast substantial doubt in the Company's ability to continue as a going concern. 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.

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 $658,046 at September 30, 2014 (December 31, 2013 - working capital deficit of $123,160). For the three and nine months ended September 30, 2014, the Company had a net loss and comprehensive loss of $171,088 and $980,717, respectively (three and nine months ended September 30, 2013 - net loss and comprehensive loss of $273,867 and $710,387, respectively). For the nine months ended September 30, 2014, the Company had cash inflows of $297,317 (nine months ended September 30, 2013 - cash inflows of $66,461). These circumstances cast significant doubt as to the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern. 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. 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.

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 November 18, 2014, 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, 2013, 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, 2014 could result in restatement of these unaudited condensed interim consolidated financial statements.

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

Change in accounting policies

IAS 32 - Financial Instruments, Presentation ("IAS 32") was amended to clarify that the right of offset must be available on the current date and cannot be contingent on a future date. At January 1, 2014, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

Future accounting changes

IFRS 9 - Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 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, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company is currently assessing the impact of this pronouncement.

3. Cash and cash equivalents

	As at September 30, 2014	As at December 31, 2013
Cash	**$ 599,345**	$ 302,028
Cash equivalents	**10,000**	10,000
Total	**$ 609,345**	$ 312,028

4. Amounts receivable and other assets

	As at September 30, 2014	As at December 31, 2013
Sales tax receivable - (Canada)	**$ 34,721**	$ 28,123
Prepaid expenses	**29,150**	33,945
Petroleum receivable	**8,000**	-
	$ 71,871	$ 62,068

(Expressed in Canadian Dollars)

5. Equipment

Cost

		Oil and gas equipment
Balance, December 31, 2013 and September 30, 2014	**$**	**56,947**

Accumulated depreciation

		Oil and gas equipment
Balance, December 31, 2013	**$**	**6,054**
Depreciation		11,451
Balance, September 30, 2014	**$**	**17,505**

Carrying amounts

		Oil and gas equipment
At December 31, 2013	**$**	**50,893**
At September 30, 2014	**$**	**39,442**

6. Accounts payable and accrued liabilities

		As at September 30, 2014		As at December 31, 2013
Trade payables	**$**	**61,779**	$	168,611
Accrued liabilities		**45,421**		147,677
	$	**107,200**	$	316,288

7. Loan payable

The Company entered into a financing arrangement (the "Loan") for the purposes of funding exploration on the Chittim Ranch property and increasing its working capital, whereby the Company borrowed $200,000 (the "Principal") from Mendel Ekstein, the Chief Executive Officer ("CEO") and the President of the Company (the "Lender"), for a term of 12 months, which Principal will bear no interest (but will bear interest at a rate of 30% per annum in the case of a default). In connection with the Loan, Petrolympic has entered into a promissory note and other agreements and executed certain documents, including entering into a share pledge agreement (the "Share Pledge Agreement") with the Lender, providing for the pledge by the Company to the Lender of shares in the capital of Petrolympia Inc. and Petrolympic USA, Inc., upon the terms and conditions set out in the Share Pledge Agreement. The Loan had a settlement date of February 20, 2014 and was repaid in January 2014.

8. Share capital

a) Authorized share capital

At September 30, 2014, 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.

(Expressed in Canadian Dollars)

8. Share capital (continued)

b) Common shares issued

At September 30, 2014, the issued share capital amounted to $7,822,254.

Issued:

	Number of common shares		Amount
Balance, December 31, 2012	**86,696,243**	**$**	**6,792,663**
Private placement, net of costs (i)	2,578,000		101,787
Balance, September 30, 2013	**89,274,243**	**$**	**6,894,450**
Balance, December 31, 2013	**89,274,243**	**$**	**6,894,450**
Private placement, net of costs (ii)	8,770,666		692,693
Exercise of warrants	1,976,190		235,111
Balance, September 30, 2014	**100,021,099**	**$**	**7,822,254**

(i) On June 27, 2013, the Company closed the first tranche of its non-brokered private placement ("Private Placement"), pursuant to which it has issued 2,578,000 units of the Company (the "Units") at a price of $0.06 per Unit for aggregate gross proceeds of $154,680. Each Unit consists of one common share of the Company and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one common share ("a "Warrant Share") at a price of $0.10 per Warrant Share for a period of 20 months from the date of issuance (the "Expiry Time"). In the event that the common shares of the Company trade at or above $0.20 for a period of thirty (30) consecutive trading days at any time prior to the Expiry Time, the Company may accelerate the Expiry Time by giving at least thirty (30) days prior written notice (the "Notice") to the warrant holders, and in such a case the Warrants shall expire on the 30th day after the date on which such Notice is delivered by the Company or such later expiry date set out in the Notice.

A value of $51,560 was estimated for the 2,578,000 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%; expected volatility of 115% using the historical price history of the Company; risk-free interest rate of 1.13%; and an expected average life of 20 months.

Total share issue costs of $2,000 were allocated between common shares and warrants as follows: common shares - $1,333; warrants - $667.

(ii) In Q1 2014, the Company issued 8,770,666 units of the Company (the "Securities") at a price of $0.15 per Security for aggregate gross proceeds of $1,315,600. Each Security consists of one common share of the Company (a "Unit Share") and one common share purchase warrant (a "Warrant Security"). Each Warrant Security entitles the holder to purchase one common share at a price of $0.25 per Warrant Security for a period of 18 months from the date of issuance.

Compensation options were also issued to certain finders. The finders received 877,066 compensation options (“Compensation Options”), each Compensation Option being exercisable into one Security within 18 months of closing, at an exercise price of $0.15.

(Expressed in Canadian Dollars)

8. Share capital (continued)

b) Common shares issued (continued)

(ii) (continued) A value of $526,240 was estimated for the 8,770,666 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%; expected volatility of 158% using the historical price history of the Company; risk-free interest rate of 1.01%; and an expected average life of 18 months.

Total share issue costs of $51,478 were charged and allocated $30,887 to share capital and $20,591 to warrants.

A value of $109,633 was estimated for the 877,066 Compensation Options on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 158% using the historical price history of the Company; risk-free interest rate of 1.01%; and an expected average life of 18 months. This value charged $65,780 to share capital and $43,853 to warrants as transaction costs.

9. Stock options

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

	Number of stock options	Weighted average exercise price ($)
Balance, December 31, 2012	**7,800,002**	**0.34**
Expired	(5,600,002)	0.40
Granted (i)(ii)	4,800,002	0.10
Balance, September 30, 2013	**7,000,002**	**0.13**

	Number of stock options	Weighted average exercise price ($)
Balance, December 31, 2013	**8,400,002**	**0.13**
Expired	(750,000)	0.295
Granted (iii)(iv)	2,080,000	0.36
Balance, September 30, 2014	**9,730,002**	**0.17**

(i) On March 25, 2013, the Company granted 3,333,335 options of the Company at a price of $0.10 per share, expiring March 25, 2018. 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 $0.07; 119% volatility; risk-free interest rate of 1.32%; 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 $183,333 which was expensed in the unaudited condensed interim consolidated statement of loss and comprehensive loss with a corresponding amount allocated to contributed surplus. These options have fully vested.

(ii) On June 26, 2013, the Company granted a total of 1,466,667 options to purchase common shares of the Company to directors and an officer at an exercise price of $0.10 per share, expiring on June 26, 2018. 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 $0.07; 110% volatility; risk-free interest rate of 1.69%; 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 $77,734 which was expensed in the unaudited condensed interim consolidated statement of loss and comprehensive loss with a corresponding amount allocated to contributed surplus. These options have fully vested.

(Expressed in Canadian Dollars)

9. Stock options (continued)

(iii) On May 20, 2014, the Company granted 1,330,000 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 $392,350 which was expensed in the unaudited condensed interim consolidated statement of loss and comprehensive loss with a corresponding amount allocated to contributed surplus. These options have fully vested.

(iv) 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 unaudited condensed interim consolidated statement of loss and comprehensive loss with a corresponding amount allocated to contributed surplus. These options have fully vested.

The following table reflects the actual stock options issued and outstanding as of September 30, 2014:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
April 23, 2015	0.280	0.56	100,000	100,000
April 24, 2017	0.120	2.57	1,100,000	1,100,000
March 25, 2018	0.100	3.48	3,333,335	3,333,335
June 26, 2018	0.100	3.74	1,466,667	1,466,667
November 21, 2018	0.175	4.15	800,000	800,000
December 9, 2018	0.150	4.19	850,000	850,000
May 20, 2019	0.360	4.64	1,330,000	1,330,000
June 20, 2019	0.370	4.72	750,000	750,000
		3.76	**9,730,002**	**9,730,002**

(Expressed in Canadian Dollars)

10. Warrants

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

	Number of warrants	Grant date fair value ($)
Balance, December 31, 2012	**1,976,190**	**37,491**
Granted (note 8(b)(i))	2,578,000	50,893
Balance, September 30, 2013	**4,554,190**	**88,384**

	Number of warrants	Grant date fair value ($)
Balance, December 31, 2013	**4,554,190**	**88,384**
Granted (note 8(b)(ii))	8,770,666	505,649
Compensation Options issued (note 8(b)(ii))	877,066	65,780
Exercised	(1,976,190)	(37,491)
Balance, September 30, 2014	**12,225,732**	**622,322**

The following table reflects the actual warrants issued as of September 30, 2014:

Number of warrants outstanding	Grant date fair value ($)	Exercise price ($)	Expiry date
2,578,000	50,893	0.10	February 27, 2015
6,300,000	363,209	0.25	July 13, 2015
2,470,666	142,440	0.25	August 7, 2015
877,066	65,780	0.15	August 7, 2015
12,225,732	**622,322**		

11. Net loss per share

The calculation of basic and diluted loss per share for the three and nine months ended September 30, 2014 was based on the loss attributable to common shareholders of $170,762 and $979,481, respectively (three and nine months ended September 30, 2013 - loss of $225,566 and $665,659, respectively) and the weighted average number of common shares outstanding of 100,021,099 and 98,142,915, respectively (three and nine months ended September 30, 2013 - 89,274,243 and 87,592,528, respectively). Diluted loss per share did not include the effect of 9,730,002 options outstanding (comparative period - 7,000,002 options outstanding) as they are anti-dilutive. Diluted loss per share did not include the effect of 12,225,732 warrants outstanding (comparative period - 4,554,190 warrants outstanding) as they are anti-dilutive.

(Expressed in Canadian Dollars)

12. Exploration and evaluation expenditures

	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Québec, Canada (a)				
Gross exploration activities				
General exploration costs	**$ 74,324**	$ 104,999	**$ 144,202**	$ 137,040
Consulting	**19,498**	-	**19,498**	-
Geology	**975**	-	**975**	-
Geophysical	**-**	-	**-**	500
Permits and licenses	**24,446**	14,605	**24,446**	24,446
Net costs	**$ 119,243**	$ 119,604	**$ 189,121**	$ 161,986
Texas, USA (b)				
Development costs	**$ 12,002**	$ 47,285	**$ 53,998**	$ 82,884
Depreciation	**3,817**	2,136	**11,451**	3,918
Net costs	**$ 15,819**	$ 49,421	**$ 65,449**	$ 86,802
Total exploration costs	**$ 135,062**	$ 169,025	**$ 254,570**	$ 248,788

(a) Québec Properties, Québec (Canada)

During the three and nine months ended September 30, 2014, the Company's share of exploration and evaluation expenditures on its Québec, Canada property interests amounted to $119,243 and $189,121, respectively (three and nine months ended September 30, 2013 - $119,604 and $161,986, respectively). Total cumulative exploration and evaluation expenditures incurred on its Québec, Canada property interests to September 30, 2014 amounted to $4,636,834 (December 31, 2013 - $4,447,713).

(b) Chittim Ranch Property, Texas (USA)

During the three and nine months ended September 30, 2014, the Company's share of exploration and evaluation expenditures on its Chittim Ranch property in Texas (USA) amounted to $15,819 and $65,449, respectively (three and nine months ended September 30, 2013 - $49,421 and $86,802, respectively). Total cumulative exploration and evaluation expenditures incurred on its Chittim Ranch property to September 30, 2014 amounted to $1,773,153 (December 31, 2013 - $1,707,704).

(Expressed in Canadian Dollars)

13. General and administrative

	Three Months Ended September 30,				Nine Months Ended September 30,			
		2014		**2013**		**2014**		**2013**
Share-based payment (note 9)	**$**	**-**	$	-	**$**	**605,350**	$	261,067
Professional fees		**22,585**		20,181		**43,653**		37,557
Management fees		**31,256**		15,000		**3,871**		48,000
Administrative and general		**(13,337)**		9,197		**44,659**		36,526
Salaries and benefits		**-**		8,273		**3,384**		24,769
Investor relations and promotion		**875**		2,105		**32,463**		11,351
Reporting issuer costs		**3,335**		1,785		**12,587**		10,235
	$	**44,714**	$	56,541	**$**	**745,967**	$	429,505

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 September 30, 2014, Mendel Ekstein, an officer and director of the Company, controls or indirectly controls 26,274,736 common shares of the Company, or approximately 26% of the total common shares outstanding. As at September 30, 2014, Andreas Jacob, a director of the Company, controls or indirectly controls 11,967,625 common shares of the Company, or approximately 12% of the total common shares outstanding. As at September 30, 2014, 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 September 30,				Nine Months Ended September 30,			
	Notes		**2014**		**2013**		**2014**		**2013**
Marrelli Support Services Inc. ("Marrelli Support")	(i)	**$**	**5,917**	$	19,102	**$**	**17,941**	$	41,175
DSA Corporate Services Inc. ("DSA")	(ii)		**2,275**		4,000		**12,396**		12,140
Fogler Rubinoff LLP ("Fogler")	(iii)		**6,250**		8,520		**6,250**		22,548
Loan payable - Mendel Ekstein	(iv)		**-**		-		**-**		185,000
Andreas Jacob	(v)		**-**		-		**51,478**		-

(i) For the three and nine months ended September 30, 2014, the Company expensed $5,917 and $17,941, respectively (three and nine months ended September 30, 2013 - $19,102 and $41,175, respectively) 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. The amounts charged by Marrelli Support are based on what Marrelli Support usually charges its regular clients. The Company expects to continue to use Marrelli Support for an indefinite period of time. As at September 30, 2014, Marrelli Support was owed $2,179 (December 31, 2013 - $15,633) and this amount was included in accounts payable and accrued liabilities.

(Expressed in Canadian Dollars)

14. Related party balances and transactions (continued)

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

(ii) For the three and nine months ended September 30, 2014, the Company expensed $2,275 and $12,396, respectively (three and nine months ended September 30, 2013 - $4,000 and $12,140, respectively) 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. The amounts charged by DSA are based on what DSA usually charges its regular clients. The Company expects to continue to use DSA for an indefinite period of time. As at September 30, 2014, DSA was owed $884 (December 31, 2013 - $7,960) and this amount was included in accounts payable and accrued liabilities.

(iii) For the three and nine months ended September 30, 2014, the Company expensed $6,250 (three and nine months ended September 30, 2013 - $8,520 and $22,548, respectively) to Fogler for professional services. The amounts charged by Fogler are based on what Fogler usually charges its regular clients. The Company expects to continue to use Fogler for an indefinite period of time. Adam Szweras, the Corporate Secretary of Petrolympic, is a partner at Fogler. As at September 30, 2014, Fogler was owed $11,557 (December 31, 2013 - $25,270).

(iv) The total loan balance owed to the President and CEO of the Company as of September 30, 2014 amounted to $nil (December 31, 2013 - $200,000). In Q1 2014, the Company repaid the loan in full (see note 7).

(v) In Q1 2014, Andreas Jacob, Vice-President and a director of the Company was paid $51,478 as a finders' fee for assisting in the financing which raised gross proceeds of $1,315,600 (note 8(b)(ii)).

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	**2014**	2013
Salaries and benefits	**$ 31,255**	$ 20,248	**$ 8,691**	$ 60,744
Share-based payment	**-**	-	**575,850**	261,067
Total remuneration	**$ 31,255**	$ 20,248	**$ 584,541**	$ 321,811

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. During the three and nine months ended September 30, 2014, the Company reversed amounts owed to Mendel Ekstein and Andreas Jacob from prior periods as part of its cost saving measures. As at September 30, 2014, directors and key management personnel of the Company were owed $16,890 (December 31, 2013 - $95,742) 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.