PETROLYMPIC

Petrolympic Ltd.

Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2019

(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 months ended March 31, 2019 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 March 31, 2019	As at December 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents (note 3)	**$ 36,417**	$ 102,591
Amounts receivable and other assets (note 4)	**94,502**	76,843
Total current assets	**130,919**	179,434
Non-current assets		
Equipment (note 5)	**7,913**	8,555
Reclamation bond	**10,624**	10,859
Total non-current assets	**18,537**	19,414
Total assets	**$ 149,456**	$ 198,848
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (notes 6, 11(b) and 14)	**$ 489,217**	$ 442,536
Advances from related party (note 7)	**54,739**	27,300
Total current liabilities	**543,956**	469,836
Deficiency / Equity		
Share capital (note 8)	**9,417,016**	9,417,016
Reserves	**1,449,683**	1,366,885
Deficit	**(11,261,199)**	(11,054,889)
Total deficiency / equity	**(394,500)**	(270,988)
Total deficiency / equity and liabilities	**$ 149,456**	$ 198,848

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

Nature of operations and going concern (note 1)
Commitments and contingencies (note 15)
Subsequent event (note 17)

On behalf of the Board:

(Signed) Mendel Ekstein
Director

(Signed) Miles Pittman
Director

Petrolympic Ltd.

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

	Three Months Ended March 31, 2019		Three Months Ended March 31, 2018
Operating expenses			
Exploration and evaluation expenditures (note 11)	**$**	**51,183**	$ 12,420
General and administrative (note 13)		**154,330**	68,994
Operating loss		**(205,513)**	(81,414)
Other Income			
Foreign exchange (loss) gain		**(797)**	2,057
Net loss for the period	**$**	**(206,310)**	$ (79,357)
Other comprehensive income (loss)			
Item that will be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**513**	(542)
Comprehensive loss for the period	**$**	**(205,797)**	$ (79,899)
Basic and diluted net loss per share (note 12)	**$**	**(0.00)**	$ (0.00)
Weighted average number of common shares outstanding (note 12)		**110,443,894**	108,623,381

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)

	Three Months Ended March 31, 2019	2018
Operating activities		
Net loss for the period	**$ (206,310)**	$ (79,357)
Adjustment for:		
Depreciation (note 5)	**642**	917
Share-based payment (note 9)	**82,285**	-
Change in unrealized foreign exchange	**267**	(2,880)
Non-cash working capital items:		
Amounts receivable and other assets	**(17,659)**	6,413
Accounts payable and accrued liabilities	**46,681**	(54,240)
Reclamation bond	**235**	(278)
Net cash and cash equivalents used in operating activities	**(93,859)**	(129,425)
Financing activities		
Loan proceeds (note 7)	**27,917**	4,057
Net cash and cash equivalents provided by financing activities	**27,917**	4,057
Effect of exchange rate fluctuations on cash in foreign currency held	**(232)**	2,338
Net change in cash and cash equivalents	**(66,174)**	(123,030)
Cash and cash equivalents, beginning of period	**102,591**	215,120
Cash and cash equivalents, end of period (note 3)	**$ 36,417**	$ 92,090

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 / Deficiency
(Expressed in Canadian Dollars)
(Unaudited)

	Share capital	Reserves: Contributed surplus	Reserves: Warrant reserve	Reserves: Other comprehensive loss	Deficit	Total
Balance, December 31, 2017	**$ 9,196,997**	**$ 1,208,247**	**$ 163,034**	**$ (2,257)**	**$ (10,505,107)**	**$ 60,914**
Reclassification of expired options	-	(183,334)	-	-	183,334	-
Net loss for the period	-	-	-	(542)	(79,357)	(79,899)
Balance, March 31, 2018	**$ 9,196,997**	**$ 1,024,913**	**$ 163,034**	**$ (2,799)**	**$ (10,401,130)**	**$ (18,985)**
Balance, December 31, 2018	**$ 9,417,016**	**$ 1,156,857**	**$ 195,015**	**$ 15,013**	**$ (11,054,889)**	**$ (270,988)**
Share-based payment (note 9)	-	82,285	-	-	-	82,285
Foreign operations currency translation reserve	-	-	-	513	-	513
Net loss for the period	-	-	-	-	(206,310)	(206,310)
Balance, March 31, 2019	**$ 9,417,016**	**$ 1,239,142**	**$ 195,015**	**$ 15,526**	**$ (11,261,199)**	**$ (394,500)**

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 significant deposits, nor has it earned any profit from its activities. The Company's common shares are listed on the TSX Venture Exchange under the symbol PCQ and on the OTCQX International under the symbol PCQRF. The primary office is located at The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, Canada, M5C 1P1. The Company's year end is December 31st.

Petrolympic is at an early stage of development and, as is common with many exploration companies, it raises financing for its exploration and acquisition activities in discrete tranches. The Company had a working capital deficiency of $413,037 at March 31, 2019 (December 31, 2018 - working capital deficiency of $290,402). As at March 31, 2019, the Company has a deficit of $11,261,199 (December 31, 2018 - $11,054,889). For the three months ended March 31, 2019, the Company had a comprehensive loss of $205,797 (three months ended March 31, 2018 - comprehensive loss of $79,899). For the three months ended March 31, 2019, the Company had total cash outflows of $66,174 (three months ended March 31, 2018 - cash outflows of $123,030).

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

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

2. Significant accounting policies

Statement of compliance

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

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS's issued and outstanding as of May 30, 2019, 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, 2018, 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, 2019 could result in restatement of these unaudited condensed interim consolidated financial statements.

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

New standards adopted

IFRS 16 Leases ("IFRS 16")

Effective January 1, 2019, the Company adopted IFRS 16. IFRS 16 was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. The adoption of IFRS 16 had no impact to the Company's consolidated financial statements.

3. Cash and cash equivalents

	As at March 31, 2019	As at December 31, 2018
Cash	**$ 26,417**	$ 92,591
Guaranteed investment certificates	**10,000**	10,000
Total	**$ 36,417**	$ 102,591

4. Amounts receivable and other assets

	As at March 31, 2019	As at December 31, 2018
Sales tax receivable - (Canada)	**$ -**	$ 1,436
Prepaid expenses	**94,502**	75,407
	$ 94,502	$ 76,843

(Expressed in Canadian Dollars)

5. Equipment

Cost

		Oil and gas equipment
Balance, December 31, 2017, December 31, 2018 and March 31, 2019	**$**	**56,947**

Accumulated depreciation

		Oil and gas equipment
Balance, December 31, 2017	**$**	**44,726**
Depreciation		3,666
Balance, December 31, 2018	**$**	**48,392**
Depreciation		642
Balance, March 31, 2019	**$**	**49,034**

Carrying amounts

		Oil and gas equipment
At December 31, 2018	**$**	**8,555**
At March 31, 2019	**$**	**7,913**

6. Accounts payable and accrued liabilities

		As at March 31, 2019		As at December 31, 2018
Trade payables	**$**	**70,868**	$	53,947
Accrued liabilities (note 14(b))		**418,349**		388,589
	$	**489,217**	$	442,536

7. Advances from related party

During the three months ended March 31, 2019, the Company received $27,917 (21,000USD) in advances from Mendel Ekstein who is a major shareholder and director of the Company. Advances of $54,739 (41,012USD) were outstanding at March 31, 2019.

During the three months ended March 31, 2018, the Company received $3,739 (2,900USD) in advances from Mendel Ekstein who is a major shareholder of the Company. Advances of $27,300 (20,012USD) were outstanding at December 31, 2018. The advances are unsecured, do not bear any interest and are due on demand.

(Expressed in Canadian Dollars)

8. Share capital

a) Authorized share capital

At March 31, 2019, 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.

b) Common shares issued

At March 31, 2019, the issued share capital amounted to $9,417,016.

Issued:

	Number of common shares	Amount
Balance, December 31, 2017 and March 31, 2018	**108,623,381**	**$ 9,196,997**
Balance, December 31, 2018 and March 31, 2019	**110,443,894**	**$ 9,417,016**

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, 2017	**9,730,002**	**0.17**
Expired	(3,333,335)	0.23
Balance, March 31, 2018	**6,396,667**	**0.21**
Balance, December 31, 2018	**8,630,000**	**0.17**
Granted (i)	850,000	0.10
Balance, March 31, 2019	**9,480,000**	**0.16**

(Expressed in Canadian Dollars)

9. Stock options (continued)

(i) On March 12, 2019, the Company granted 850,000 options of the Company at a price of $0.10 per share, expiring March 12, 2024. 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 $0.055; 117% volatility; risk-free interest rate of 1.63%; 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 $35,100. During the three months ended March 31, 2019, $35,100 was expensed in the unaudited condensed interim consolidated statement of loss and comprehensive loss with a corresponding amount allocated to contributed surplus (three months ended March 31, 2018 - $nil). These options have fully vested.

The following table reflects the actual stock options issued and outstanding as of March 31, 2019:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
May 20, 2019	0.360	0.14	1,330,000	1,330,000
June 20, 2019	0.370	0.22	750,000	750,000
August 21, 2020	0.100	1.39	100,000	100,000
May 30, 2022	0.120	3.17	1,100,000	1,100,000
May 28, 2023	0.105	4.16	5,350,000	4,212,500
March 12, 2024	0.100	4.95	850,000	850,000
		3.21	**9,480,000**	**8,342,500**

10. Warrants

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

	Number of warrants	Grant date fair value ($)
Balance, December 31, 2017 and March 31, 2018	**3,118,182**	**163,034**
Balance, December 31, 2018 and March 31, 2019	**4,272,028**	**195,015**

The following table reflects the actual warrants issued as of March 31, 2019:

Number of warrants outstanding	Grant date fair value ($)	Exercise price ($)	Expiry date
1,818,182	86,560	0.25	(i) October 3, 2020
1,300,000	76,474	0.25	March 23, 2020
1,153,846	31,981	0.25	June 22, 2020
4,272,028	195,015	0.25	

(i) The expiry dates of 1,818,182 common share purchase warrants were extended from April 3, 2019 to October 3, 2020.

(Expressed in Canadian Dollars)

11. Exploration and evaluation expenditures

	Three Months Ended March 31, 2019	2018
Québec, Canada (a)		
Gross exploration activities		
General exploration costs	**$ -**	$ -
Consulting	**-**	2,094
Permits and licenses	**50,541**	7,512
Net costs	**$ 50,541**	$ 9,606
Texas, USA (b)		
Development costs	**$ -**	$ 1,897
Depreciation	**642**	917
Net costs	**$ 642**	$ 2,814
Total exploration costs	**$ 51,183**	$ 12,420

(a) Québec Properties, Québec (Canada)

During the three months ended March 31, 2019, the Company's share of exploration and evaluation expenditures on its Québec, Canada property interests amounted to $50,541 (three months ended March 31, 2018 - $9,606). Total cumulative exploration and evaluation expenditures incurred on its Québec, Canada property interests to March 31, 2019 amounted to $5,989,706 (December 31, 2018 - $5,939,165).

(b) Chittim Ranch Property, Texas (USA)

During the three months ended March 31, 2019, the Company's share of exploration and evaluation expenditures on its Chittim Ranch property in Texas (USA) amounted to $642 (three months ended March 31, 2018 - $2,814). Total cumulative exploration and evaluation expenditures incurred on its Chittim Ranch property to March 31, 2019 amounted to $1,858,590 (December 31, 2018 - $1,857,948).

For the three months ended March 31, 2019, the Company paid $nil in royalties to SWEPI (three months ended March 31, 2018 - $nil). As at March 31, 2019, the Company owed $20,143 (15,092USD) in royalties to SWEPI (December 31, 2018 - $18,933 (15,092USD)) and this amount was included in accounts payable and accrued liabilities. The $20,143 was accrued from oil revenues earned in 2013 and 2014, it however has not been paid because the Company is currently investigating who the royalties are due to.

12. Net loss per share

The calculation of basic and diluted loss per share for the three months ended March 31, 2019 was based on the loss attributable to common shareholders of $206,310 (three months ended March 31, 2018 - $79,357) and the weighted average number of common shares outstanding of 110,443,894 (three months ended March 31, 2018 - 108,623,381). Diluted loss per share did not include the effect of 9,480,000 options outstanding (March 31, 2018 - 6,396,667 options outstanding) as they are anti-dilutive. Diluted loss per share did not include the effect of 4,272,028 warrants outstanding (March 31, 2018 - 3,118,182 warrants outstanding) as they are anti-dilutive.

(Expressed in Canadian Dollars)

13. General and administrative

	Three Months Ended March 31, 2019	2018
Share-based payment (notes 9 and 14)	**$ 82,285**	$ -
Professional fees	**8,753**	14,023
Management fees	**36,353**	37,098
Administrative and general	**12,393**	8,333
Investor relations and promotion	**8,281**	6,562
Reporting issuer costs	**6,265**	2,978
	$ 154,330	$ 68,994

14. Related party balances and transactions

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

As at March 31, 2019, Mendel Ekstein, an officer and director of the Company, controls or indirectly controls 26,528,736 common shares of the Company, or approximately 24% of the total common shares outstanding. As at March 31, 2019, Andreas Jacob, a director of the Company, controls or indirectly controls 11,967,625 common shares of the Company, or approximately 11% of the total common shares outstanding. As at March 31, 2019, the remaining directors and/or officers of the Company collectively control 887,541 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. The Company defines key management as its CEO, CFO and Board of Directors.:

		Three Months Ended March 31, 2019	2018
Marrelli Support Services Inc. ("Marrelli Support")	(i)	**$ 6,272**	$ 6,111
DSA Corporate Services Inc. ("DSA Corp")	(ii)	**1,981**	1,967
DSA Filing Services Limited ("DSA Filing")	(iii)	**375**	75
Fogler Rubinoff LLP ("Fogler")	(iv)	**-**	894
Mendel Ekstein	(v)	**27,917**	3,739

(i) For the three months ended March 31, 2019, the Company expensed $6,272 (three months ended March 31, 2018 - $6,111) to Marrelli Support for the services of Carmelo Marrelli to act as Chief Financial Officer of the Company. In addition, Marrelli Support also provides bookkeeping services to the Company. Carmelo Marrelli is the president of Marrelli Support. As at March 31, 2019, Marrelli Support was owed $7,052 (December 31, 2018 - $4,673) and this amount was included in accounts payable and accrued liabilities.

(ii) For the three months ended March 31, 2019, the Company expensed $1,981 (three months ended March 31, 2018 - $1,967) to DSA Corp for corporate secretarial services. DSA Corp is affiliated with Marrelli Support through common ownership. As at March 31, 2019, DSA Corp was owed $2,239 (December 31, 2018 - $738) and this amount was included in accounts payable and accrued liabilities.

(iii) For the three months ended March 31, 2019, the Company expensed $375 (three months ended March 31, 2018 - $75) to DSA Filing for corporate filing services. DSA Filing is affiliated with Marrelli Support through common ownership. As at March 31, 2019, DSA Filing was owed $424 (December 31, 2018 - $254) 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):

(iv) For the three months ended March 31, 2019, the Company expensed $nil (three months ended March 31, 2018 - $894) to Fogler for legal services. Adam Szweras, the Corporate Secretary of Petrolympic, is a partner at Fogler. As at March 31, 2019, Fogler was owed $306 (December 31, 2018 - $306) and this amount was included in accounts payable and accrued liabilities.

(v) The total loan balance owed to the President and CEO of the Company as of March 31, 2019 amounted to $54,739 (December 31, 2018 - $27,300) (see note 7).

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

	Three Months Ended March 31,	
	2019	**2018**
Salaries and benefits	**$ 36,353**	$ 37,098
Share-based payments	**82,285**	-
Total remuneration	**$ 118,638**	$ 37,098

Payments to directors and key management personnel of the Company include certain transactions with related parties in (a) above, and (b) remuneration to directors and key management personnel of the Company. As at March 31, 2019, directors and key management personnel of the Company were owed US$155,000 (December 31, 2018 - US$125,000) for remuneration and reimbursable expenses, excluding amounts disclosed in (a) above.

Included in accounts payable and accrued liabilities is an amount of $200,000 bonus payment to management, payable in common shares of the Company at $0.105 per share for a total of 952,381 common shares to each officer, or 1,904,762 common shares in aggregate, subject to regulatory approval.

15. Commitments and contingencies

Québec, Canada

Effective January 1, 2017, in order to maintain its petroleum and natural gas permits in good standing, the Company must pay an annual fee of $10.30 per square km. 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.

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.

(Expressed in Canadian Dollars)

16. Segmented information

As at March 31, 2019, the Company operates primarily in two reportable geographical segments, being the exploration for petroleum and natural gas interests in Canada and the USA. The Company maintains a head office in Toronto, Canada.

Three Months Ended March 31, 2019

	Canada	USA	Total
Revenues	$ -	$ -	$ -
Comprehensive loss	$ 202,765	$ 3,032	$ 205,797

Three Months Ended March 31, 2018

	Canada	USA	Total
Revenues	$ -	$ -	$ -
Comprehensive loss	$ 74,274	$ 5,625	$ 79,899

As at March 31, 2019

	Canada	USA	Total
Current assets	$ 126,892	$ 4,027	$ 130,919
Non-current assets	$ -	$ 18,537	$ 18,537

As at December 31, 2018

	Canada	USA	Total
Current assets	$ 173,702	$ 5,732	$ 179,434
Non-current assets	$ -	$ 19,414	$ 19,414

17. Subsequent event

On May 20, 2019, 1,330,000 stock options expired unexercised.