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**Petrolympic Ltd.**  
**Condensed Interim Consolidated Financial Statements**  
**Three and Nine Months Ended**  
**September 30, 2018**  
**(Expressed In Canadian Dollars)**  
**(Unaudited)**

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**NOTICE TO READER**

The accompanying unaudited condensed interim consolidated financial statements of Petrolympic Ltd. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the three and nine months ended September 30, 2018 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, 2018	As at December 31, 2017
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 3)	\$ 44,482	\$ 215,120
Amounts receivable and other assets (note 4)	45,059	40,788
<b>Total current assets</b>	<b>89,541</b>	255,908
<b>Non-current assets</b>		
Equipment (note 5)	9,471	12,221
Reclamation bond	10,304	9,986
<b>Total non-current assets</b>	<b>19,775</b>	22,207
<b>Total assets</b>	<b>\$ 109,316</b>	\$ 278,115
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (notes 6, 11(b) and 14)	\$ 421,694	\$ 205,770
Advances from related party (note 7)	16,844	11,431
<b>Total current liabilities</b>	<b>438,538</b>	217,201
<b>Deficiency / Equity</b>		
Share capital (note 8)	9,298,997	9,196,997
Reserves	1,444,032	1,369,024
Deficit	(11,072,251)	(10,505,107)
<b>Total deficiency / equity</b>	<b>(329,222)</b>	60,914
<b>Total deficiency / equity and liabilities</b>	<b>\$ 109,316</b>	\$ 278,115

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 events** (note 17)

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,		Nine Months Ended September 30,	
	2018	2017	2018	2017
<b>Operating expenses</b>				
Exploration and evaluation expenditures (note 11)	\$ 10,425	\$ 10,679	\$ 33,814	\$ 59,807
General and administrative (note 13)	253,266	54,694	758,553	335,186
<b>Operating loss</b>	<b>(263,691)</b>	<b>(65,373)</b>	<b>(792,367)</b>	<b>(394,993)</b>
<b>Other Income</b>				
Foreign exchange loss	(2,697)	(1,367)	(511)	(6,321)
Interest income	-	-	-	88
<b>Net loss for the period</b>	<b>\$ (266,388)</b>	<b>\$ (66,740)</b>	<b>\$ (792,878)</b>	<b>\$ (401,226)</b>
<b>Other comprehensive income</b>				
Item that will be reclassified subsequently to income:				
Exchange differences on translating foreign operations	456	(147)	(583)	(2,298)
<b>Comprehensive loss for the period</b>	<b>\$ (265,932)</b>	<b>\$ (66,887)</b>	<b>\$ (793,461)</b>	<b>\$ (403,524)</b>
<b>Basic and diluted net loss per share (note 12)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding (note 12)</b>	<b>109,290,048</b>	<b>106,805,199</b>	<b>108,923,473</b>	<b>106,409,133</b>

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,  
2018                      2017

### Operating activities

Net loss for the period	\$ (792,878)	\$ (401,226)
Adjustment for:		
Depreciation (note 5)	2,750	3,927
Share-based payment (note 9)	336,658	92,158
Change in unrealized foreign exchange	(6,409)	4,956
Non-cash working capital items:		
Amounts receivable and other assets	(4,271)	63,626
Accounts payable and accrued liabilities	215,924	(162,386)
Reclamation bond	(318)	381
<b>Net cash and cash equivalents used in operating activities</b>	<b>(248,544)</b>	<b>(398,564)</b>

### Financing activities

Loan repayments (note 7)	-	(3,256)
Loan proceeds (note 7)	4,946	2,404
Net proceeds from private placement (note 8(b))	-	172,203
Net proceeds from stock option exercise	66,667	-
<b>Net cash and cash equivalents provided by financing activities</b>	<b>71,613</b>	<b>171,351</b>
<b>Effect of exchange rate fluctuations on cash in foreign currency held</b>	<b>6,293</b>	<b>(7,254)</b>
<b>Net change in cash and cash equivalents</b>	<b>(170,638)</b>	<b>(234,467)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>215,120</b>	<b>297,512</b>
<b>Cash and cash equivalents, end of period (note 3)</b>	<b>\$ 44,482</b>	<b>\$ 63,045</b>

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)

	Reserves					Total
	Share capital	Contributed surplus	Warrant reserve	Other comprehensive loss	Deficit	
<b>Balance, December 31, 2016</b>	<b>\$ 8,887,828</b>	<b>\$ 1,200,789</b>	<b>\$ 505,649</b>	<b>\$ (411)</b>	<b>\$ (10,588,612)</b>	<b>\$ 5,243</b>
Common share units issued (note 8(b))	175,500	-	-	-	-	175,500
Fair value of warrants issued (note 8(b))	(68,020)	-	68,020	-	-	-
Cost of issuance (note 8(b))	(3,297)	-	-	-	-	(3,297)
Share-based payment (note 9)	-	92,158	-	-	-	92,158
Reclassification of expired options	-	(84,700)	-	-	84,700	-
Reclassification of expired warrants	-	-	(505,649)	-	505,649	-
Net loss and comprehensive loss for the period	-	-	-	(2,298)	(401,226)	(403,524)
<b>Balance, September 30, 2017</b>	<b>\$ 8,992,011</b>	<b>\$ 1,208,247</b>	<b>\$ 68,020</b>	<b>\$ (2,709)</b>	<b>\$ (10,399,489)</b>	<b>\$ (133,920)</b>
<b>Balance, December 31, 2017</b>	<b>\$ 9,196,997</b>	<b>\$ 1,208,247</b>	<b>\$ 163,034</b>	<b>\$ (2,257)</b>	<b>\$ (10,505,107)</b>	<b>\$ 60,914</b>
Stock options exercised	102,000	(35,333)	-	-	-	66,667
Share-based payment (note 9)	-	336,658	-	-	-	336,658
Reclassification of expired options	-	(225,734)	-	-	225,734	-
Net loss and comprehensive loss for the period	-	-	-	(583)	(792,878)	(793,461)
<b>Balance, September 30, 2018</b>	<b>\$ 9,298,997</b>	<b>\$ 1,283,838</b>	<b>\$ 163,034</b>	<b>\$ (2,840)</b>	<b>\$ (11,072,251)</b>	<b>\$ (329,222)</b>

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

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# Petrolympic Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

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### 1. Nature of operations and going concern

Petrolympic Ltd. (the "Company" or "Petrolympic") was incorporated under the Business Corporations Act (Ontario). Petrolympic is an exploration company, engaged in the acquisition, exploration and development of petroleum and natural gas properties. At the date of these unaudited condensed interim consolidated financial statements, the Company has not yet discovered any significant deposits, nor has it earned any profit from its activities. The Company's common shares are listed on the TSX Venture Exchange under the symbol PCQ and on the OTCQX International under the symbol PCQRF. The primary office is located at 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 \$348,997 at September 30, 2018 (December 31, 2017 - working capital of \$38,707). For the nine months ended September 30, 2018, the Company had a comprehensive loss of \$793,461 (nine months ended September 30, 2017 - comprehensive loss of \$403,524). For the nine months ended September 30, 2018, the Company had total cash outflows of \$170,638 (nine months ended September 30, 2017 - cash outflows of \$234,467).

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

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

### 2. Significant accounting policies

#### Statement of compliance

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

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS's issued and outstanding as of November 29, 2018, 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, 2017, 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, 2018 could result in restatement of these unaudited condensed interim consolidated financial statements.

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# Petrolympic Ltd.

## Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended September 30, 2018 (Expressed in Canadian Dollars) (Unaudited)

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### 2. Significant accounting policies (continued)

#### New standards adopted

##### *IFRS 9 Financial Instruments ("IFRS 9")*

On July 24, 2014, the IASB issued the completed IFRS 9, Financial Instruments, (IFRS 9 (2014)) to come into effect on January 1, 2018 with early adoption permitted.

IFRS 9 (2014) includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in IAS 39 Financial Instruments: recognition and measurement, for the classification and measurement of financial liabilities.

The Company adopted IFRS 9 in its consolidated financial statements on January 1, 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on January 1, 2018. The impact on the classification and measurement of its financial instruments is set out below.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- ◆ It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- ◆ Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statement of loss and comprehensive loss for the year. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

The following table summarizes the classification and measurement changes under IFRS 9 for each financial instrument:

<b>Classification</b>	<b>IAS 39</b>	<b>IFRS 9</b>
Cash and cash equivalents	Fair value through profit and loss ("FVTPL")	Amortized cost
Amounts receivable	Loans and receivables (amortized cost)	Amortized cost
Reclamation bond	Loans and receivables (amortized cost)	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities (amortized cost)	Amortized cost
Advances from related party	Other financial liabilities (amortized cost)	Amortized cost

The original carrying value of the Company's financial instruments under IAS 39 has not changed under IFRS 9.

## Petrolympic Ltd.

Notes to Condensed Interim Consolidated Financial Statements  
Three and Nine Months Ended September 30, 2018  
(Expressed in Canadian Dollars)  
(Unaudited)

### 3. Cash and cash equivalents

	As at September 30, 2018	As at December 31, 2017
Cash	\$ 34,482	\$ 205,120
Guaranteed investment certificates	10,000	10,000
<b>Total</b>	<b>\$ 44,482</b>	<b>\$ 215,120</b>

### 4. Amounts receivable and other assets

	As at September 30, 2018	As at December 31, 2017
Sales tax receivable - (Canada)	\$ 2,348	\$ 3,064
Prepaid expenses	42,711	37,724
	<b>\$ 45,059</b>	<b>\$ 40,788</b>

### 5. Equipment

#### *Cost*

	Oil and gas equipment
<b>Balance, December 31, 2016, December 31, 2017 and September 30, 2018</b>	<b>\$ 56,947</b>

#### *Accumulated depreciation*

	Oil and gas equipment
<b>Balance, December 31, 2016</b>	<b>\$ 39,490</b>
Depreciation	5,236
<b>Balance, December 31, 2017</b>	<b>\$ 44,726</b>
Depreciation	2,750
<b>Balance, September 30, 2018</b>	<b>\$ 47,476</b>

#### *Carrying amounts*

	Oil and gas equipment
<b>At December 31, 2017</b>	<b>\$ 12,221</b>
<b>At September 30, 2018</b>	<b>\$ 9,471</b>



## Petrolympic Ltd.

Notes to Condensed Interim Consolidated Financial Statements  
Three and Nine Months Ended September 30, 2018  
(Expressed in Canadian Dollars)  
(Unaudited)

### 6. Accounts payable and accrued liabilities

	As at September 30, 2018	As at December 31, 2017
Trade payables	\$ 68,237	\$ 124,814
Accrued liabilities	353,457	80,956
	<b>\$ 421,694</b>	<b>\$ 205,770</b>

### 7. Advances from related party

During the nine months ended September 30, 2018, the Company received \$4,946 (3,900USD) in advances from Mendel Ekstein who is a major shareholder of the Company. Advances of \$16,844 (13,012USD) were outstanding at September 30, 2018.

During the nine months ended September 30, 2017, the Company received \$2,404 (2,012USD) in advances from Mendel Ekstein who is a major shareholder of the Company.

During the nine months ended September 30, 2017, the Company repaid Mendel Ekstein \$3,256 (2,500USD) for his advance to the Company.

Advances of \$11,431 (9,112USD) were outstanding at December 31, 2017. The advances do not bear any interest and are due on demand.

### 8. Share capital

#### a) Authorized share capital

At September 30, 2018, 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 September 30, 2018, the issued share capital amounted to \$9,298,997.

Issued:

	Number of common shares	Amount
<b>Balance, December 31, 2016</b>	<b>105,505,199</b>	<b>\$ 8,887,828</b>
Private placement (i)	1,300,000	175,500
Fair value of warrants issued (i)	-	(68,020)
Costs of issuance - cash (i)	-	(3,297)
<b>Balance, September 30, 2017</b>	<b>106,805,199</b>	<b>\$ 8,992,011</b>

## Petrolympic Ltd.

Notes to Condensed Interim Consolidated Financial Statements  
Three and Nine Months Ended September 30, 2018  
(Expressed in Canadian Dollars)  
(Unaudited)

### 8. Share capital (continued)

#### b) Common shares issued (continued)

	Number of common shares	Amount
<b>Balance, December 31, 2017</b>	<b>108,623,381</b>	<b>\$ 9,196,997</b>
Exercise of stock options	666,667	102,000
<b>Balance, September 30, 2018</b>	<b>109,290,048</b>	<b>\$ 9,298,997</b>

(i) On March 24, 2017, the Company closed a non-brokered private placement (the "Offering"), consisting of 1,300,000 units ("Units") at a price of \$0.135 per Unit to raise aggregate gross proceeds of \$175,500. Each Unit consists of one common share ("Common Share") of the Company and one Common Share purchase warrant ("Warrant"). Each Warrant entitles the holder thereof to purchase a Common Share at \$0.25 per share for a period of 36 months from closing, subject to acceleration in the event that the Common Shares trade at or above \$0.40 for 30 consecutive trading days.

A value of \$68,020 was estimated for the 1,300,000 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 \$0.16; expected volatility of 116% using the historical price history of the Company; risk-free interest rate of 0.89%; and an expected average life of 36 months.

### 9. Stock options

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

	Number of stock options	Weighted average exercise price (\$)
<b>Balance, December 31, 2016</b>	<b>9,730,002</b>	<b>0.17</b>
Expired	(1,100,000)	0.12
Granted (i)	1,100,000	0.12
<b>Balance, September 30, 2017</b>	<b>9,730,002</b>	<b>0.17</b>

	Number of stock options	Weighted average exercise price (\$)
<b>Balance, December 31, 2017</b>	<b>9,730,002</b>	<b>0.17</b>
Granted (ii),(iii)	5,350,000	0.11
Expired	(4,133,335)	0.12
Exercised	(666,667)	0.10
<b>Balance, September 30, 2018</b>	<b>10,280,000</b>	<b>0.17</b>

# Petrolympic Ltd.

## Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended September 30, 2018 (Expressed in Canadian Dollars) (Unaudited)

### 9. Stock options (continued)

(i) On May 30, 2017, the Company granted 1,100,000 options of the Company at a price of \$0.12 per share, expiring May 30, 2022. 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 \$0.10; 128% volatility; risk-free interest rate of 0.94%; 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 \$92,158. During the three and nine months ended September 30, 2018, \$nil was expensed in the unaudited condensed interim consolidated statement of loss and comprehensive loss with a corresponding amount allocated to contributed surplus (three and nine months ended September 30, 2017 - \$nil and \$92,158, respectively). These options have fully vested.

(ii) On May 28, 2018, the Company granted 4,550,000 options of the Company at a price of \$0.105 per share, expiring May 28, 2023. 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 \$0.105; 129% volatility; risk-free interest rate of 2.14%; 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 \$410,000. During the three and nine months ended September 30, 2018 the amount of \$176,986 and \$253,658, respectively was expensed in the unaudited condensed interim consolidated statement of loss and comprehensive loss with a corresponding amount allocated to contributed surplus (three and nine months ended September 30, 2017 - \$nil). These options vest quarterly in equal amounts over 12 months from issuance.

(iii) The Company extended the expiry date for 800,000 options in aggregate previously granted to management, from the current expiry date of June 26, 2018 to the new expiry date of May 28, 2023, and increased the option exercise price from \$0.10 to \$0.105 per share. The fair value of these options was estimated using the Black-Scholes option pricing model with the following assumptions: a five year expected average life; share price of \$0.12; 129% volatility; risk-free interest rate of 1.97%; 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 \$83,000. During the three and nine months ended September 30, 2018 the amount of \$nil and \$83,000, respectively which was expensed in the unaudited condensed interim consolidated statement of loss and comprehensive loss with a corresponding amount allocated to contributed surplus (three and nine months ended September 30, 2017 - \$nil). These options have fully vested.

The following table reflects the actual stock options issued and outstanding as of September 30, 2018:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
November 21, 2018	0.175	0.14	800,000	800,000
December 9, 2018	0.150	0.19	850,000	850,000
May 20, 2019	0.360	0.64	1,330,000	1,330,000
June 20, 2019	0.370	0.72	750,000	750,000
August 21, 2020	0.100	1.89	100,000	100,000
May 30, 2022	0.120	3.67	1,100,000	1,100,000
May 28, 2023	0.105	4.66	5,350,000	1,937,500
		<b>3.00</b>	<b>10,280,000</b>	<b>6,867,500</b>

## Petrolympic Ltd.

Notes to Condensed Interim Consolidated Financial Statements  
 Three and Nine Months Ended September 30, 2018  
 (Expressed in Canadian Dollars)  
 (Unaudited)

### 10. Warrants

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

	Number of warrants	Grant date fair value (\$)
<b>Balance, December 31, 2016</b>	<b>8,770,666</b>	<b>505,649</b>
Issued (note 8(b))	1,300,000	68,020
Expired	(8,770,666)	(505,649)
<b>Balance, September 30, 2017</b>	<b>1,300,000</b>	<b>68,020</b>

	Number of warrants	Grant date fair value (\$)
<b>Balance, December 31, 2017 and September 30, 2018</b>	<b>3,118,182</b>	<b>163,034</b>

The following table reflects the actual warrants issued as of September 30, 2018:

Number of warrants outstanding	Grant date fair value (\$)	Exercise price (\$)	Expiry date
1,818,182	86,560	0.25	April 3, 2019
1,300,000	76,474	0.25	March 23, 2020
<b>3,118,182</b>	<b>163,034</b>	<b>0.25</b>	

### 11. Exploration and evaluation expenditures

	Three Months Ended September 30, 2018		September 30, 2017		Nine Months Ended September 30, 2018		September 30, 2017	
<b>Québec, Canada (a)</b>								
Gross exploration activities								
General exploration costs	\$	-	\$	-	\$	1,243	\$	-
Consulting		-		-		2,094		27,530
Permits and licenses		7,553		7,496		22,577		22,473
<b>Net costs</b>	<b>\$</b>	<b>7,553</b>	<b>\$</b>	<b>7,496</b>	<b>\$</b>	<b>25,914</b>	<b>\$</b>	<b>50,003</b>
<b>Texas, USA (b)</b>								
Development costs	\$	1,955	\$	1,874	\$	5,150	\$	5,877
Depreciation		917		1,309		2,750		3,927
<b>Net costs</b>	<b>\$</b>	<b>2,872</b>	<b>\$</b>	<b>3,183</b>	<b>\$</b>	<b>7,900</b>	<b>\$</b>	<b>9,804</b>
<b>Total exploration costs</b>	<b>\$</b>	<b>10,425</b>	<b>\$</b>	<b>10,679</b>	<b>\$</b>	<b>33,814</b>	<b>\$</b>	<b>59,807</b>

# Petrolympic Ltd.

## Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended September 30, 2018 (Expressed in Canadian Dollars) (Unaudited)

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

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

During the three and nine months ended September 30, 2018, the Company's share of exploration and evaluation expenditures on its Québec, Canada property interests amounted to \$7,553 and \$25,914, respectively (three and nine months ended September 30, 2017 - \$7,496 and \$50,003, respectively). Total cumulative exploration and evaluation expenditures incurred on its Québec, Canada property interests to September 30, 2018 amounted to \$5,924,443 (December 31, 2017 - \$5,898,529).

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

During the three and nine months ended September 30, 2018, the Company's share of exploration and evaluation expenditures on its Chittim Ranch property in Texas (USA) amounted to \$2,872 and \$7,900, respectively (three and nine months ended September 30, 2017 - \$3,183 and \$9,804, respectively). Total cumulative exploration and evaluation expenditures incurred on its Chittim Ranch property to September 30, 2018 amounted to \$1,855,040 (December 31, 2017 - \$1,847,140).

For the three and nine months ended September 30, 2018, the Company paid \$nil in royalties to SWEPI (three and nine months ended September 30, 2017 - \$nil). As at September 30, 2018, the Company owed \$19,537 (15,092USD) in royalties to SWEPI (December 31, 2017 - \$18,933 (15,092USD)) and this amount was included in accounts payable and accrued liabilities. The \$19,537 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 and nine months ended September 30, 2018 was based on the loss attributable to common shareholders of \$266,388 and \$792,878, respectively (three and nine months ended September 30, 2017 - \$66,740 and \$401,226, respectively) and the weighted average number of common shares outstanding of 109,290,048 and 108,923,473 (three and nine months ended September 30, 2017 - 106,805,199 and 106,409,133, respectively). Diluted loss per share did not include the effect of 10,280,000 options outstanding (September 30, 2017 - 9,730,002 options outstanding) as they are anti-dilutive. Diluted loss per share did not include the effect of 3,118,182 warrants outstanding (September 30, 2017 - 1,300,000 warrants outstanding) as they are anti-dilutive.

### 13. General and administrative

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Share-based payment (note 9)	\$ 176,986	\$ -	\$ 336,658	\$ 92,158
Professional fees	15,624	8,565	47,354	53,248
Management fees	37,162	32,443	315,015	117,415
Administrative and general	18,026	9,146	33,639	33,903
Investor relations and promotion	-	3,300	7,062	13,067
Reporting issuer costs	5,468	1,240	18,825	25,395
	\$ 253,266	\$ 54,694	\$ 758,553	\$ 335,186

# Petrolympic Ltd.

## Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended September 30, 2018 (Expressed in Canadian Dollars) (Unaudited)

### 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, 2018, 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 September 30, 2018, 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 September 30, 2018, 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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Marrelli Support Services Inc. ("Marrelli Support") (i)	\$ 3,623	\$ 6,523	\$ 15,803	\$ 21,738
DSA Corporate Services Inc. ("DSA Corp") (ii)	1,962	2,042	6,066	6,129
DSA Filing Services Limited ("DSA Filing") (iii)	4,363	150	5,163	1,388
Fogler Rubinoff LLP ("Fogler") (iv)	370	-	3,649	500
Mendel Ekstein (v)	2,269	-	4,946	2,404

(i) For the three and nine months ended September 30, 2018, the Company expensed \$3,623 and \$15,803, respectively (three and nine months ended September 30, 2017 - \$6,523 and \$21,738, respectively) 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 September 30, 2018, Marrelli Support was owed \$4,575 (December 31, 2017 - \$9,335) and this amount was included in accounts payable and accrued liabilities.

(ii) For the three and nine months ended September 30, 2018, the Company expensed \$1,962 and \$6,066, respectively (three and nine months ended September 30, 2017 - \$2,042 and \$6,129, respectively) to DSA Corp for corporate secretarial services. DSA Corp is affiliated with Marrelli Support through common ownership. As at September 30, 2018, DSA Corp was owed \$2,216 (December 31, 2017 - \$2,293) and this amount was included in accounts payable and accrued liabilities.

(iii) For the three and nine months ended September 30, 2018, the Company expensed \$4,363 and \$5,163, respectively (three and nine months ended September 30, 2017 - \$150 and \$1,388, respectively) to DSA Filing for corporate filing services. DSA Filing is affiliated with Marrelli Support through common ownership. As at September 30, 2018, DSA Filing was owed \$170 (December 31, 2017 - \$904) and this amount was included in accounts payable and accrued liabilities.

(iv) For the three and nine months ended September 30, 2018, the Company expensed \$370 and \$3,649, respectively (three and nine months ended September 30, 2017 - \$nil and \$500, respectively) to Fogler for legal services. Adam Szweras, the Corporate Secretary of Petrolympic, is a partner at Fogler. As at September 30, 2018, Fogler was owed \$3,801 (December 31, 2017 - \$670) 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 September 30, 2018 amounted to \$16,844 (December 31, 2017 - \$11,431) (see note 7).

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## Petrolympic Ltd.

### Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended September 30, 2018 (Expressed in Canadian Dollars) (Unaudited)

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

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

(vi) For the three and nine months ended September 30, 2018, the Company expensed \$nil (three and nine months ended September 30, 2017 - \$nil) to Borden Ladner Gervais LLP ("Borden") for legal services. Miles Pittman, a director of Petrolympic, is a partner at Borden. As at September 30, 2018, Borden was owed \$nil (December 31, 2017 - \$13,973) and this amount was included in accounts payable and accrued liabilities.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Salaries and benefits	\$ 37,162	\$ 32,442	\$ 315,015	\$ 105,281
Share-based payments	176,986	-	336,658	92,158
Total remuneration	\$ 214,148	\$ 32,442	\$ 651,673	\$ 197,439

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 September 30, 2018, directors and key management personnel of the Company were owed US\$110,000 (December 31, 2017 - US\$45,000) 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.

## Petrolympic Ltd.

### Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended September 30, 2018 (Expressed in Canadian Dollars) (Unaudited)

#### 16. Segmented information

As at September 30, 2018, 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.

#### Nine Months Ended September 30, 2018

	Canada	USA	Total
Revenues	\$ -	\$ -	\$ -
Comprehensive loss	\$ 778,649	\$ 14,812	\$ 793,461

#### Nine Months Ended September 30, 2017

	Canada	USA	Total
Revenues	\$ -	\$ -	\$ -
Comprehensive loss	\$ 386,550	\$ 16,974	\$ 403,524

#### Three Months Ended September 30, 2018

	Canada	USA	Total
Revenues	\$ -	\$ -	\$ -
Net loss and comprehensive loss	\$ 261,140	\$ 4,792	\$ 265,932

#### Three Months Ended September 30, 2017

	Canada	USA	Total
Revenues	\$ -	\$ -	\$ -
Net loss and comprehensive loss	\$ 61,835	\$ 5,052	\$ 66,887

#### As at September 30, 2018

	Canada	USA	Total
Current assets	\$ 89,438	\$ 103	\$ 89,541
Non-current assets	\$ -	\$ 19,775	\$ 19,775

#### As at December 31, 2017

	Canada	USA	Total
Current assets	\$ 249,244	\$ 6,664	\$ 255,908
Non-current assets	\$ -	\$ 22,207	\$ 22,207

#### 17. Subsequent events

- i) On October 22, 2018, the Company announced the closing of a non-brokered private placement, consisting of 1,153,846 units ("Units") at a price of \$0.13 per Unit to raise aggregate gross proceeds of \$150,000. Each Unit consists of one common share ("Common Share") of the Company and one Common Share purchase warrant ("Warrant"). Each Warrant entitles the holder thereof to purchase a Common Share at \$0.25 per share for a period of 20 months from closing, subject to acceleration in the event that the Common Shares trade at or above \$0.40 for 30 consecutive trading days.
- ii) On November 21, 2018, 800,000 options expired unexercised.