PETROLYMPIC

Petrolympic Ltd.

Consolidated Financial Statements

Years Ended December 31, 2017 and 2016

(Expressed In Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Petrolympic Ltd.

We have audited the accompanying consolidated financial statements of Petrolympic Ltd. and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2017 and December 31, 2016 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Petrolympic Ltd. and its subsidiaries, as at December 31, 2017 and December 31, 2016, and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
April 16, 2018

Petrolympic Ltd.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2017	As at December 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents (note 6)	**$ 215,120**	$ 297,512
Amounts receivable and other assets (note 7)	**40,788**	105,375
Total current assets	**255,908**	402,887
Non-current assets		
Equipment (note 8)	**12,221**	17,457
Reclamation bond	**9,986**	10,688
Total non-current assets	**22,207**	28,145
Total assets	**$ 278,115**	$ 431,032
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (notes 9, 14(b) and 17)	**$ 205,770**	$ 419,613
Advances from related party (note 10)	**11,431**	6,176
Total current liabilities	**217,201**	425,789
Equity		
Share capital (note 11)	**9,196,997**	8,887,828
Reserves	**1,369,024**	1,706,027
Deficit	**(10,505,107)**	(10,588,612)
Total equity	**60,914**	5,243
Total equity and liabilities	**$ 278,115**	$ 431,032

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

Nature of operations and going concern (note 1)
Commitments and contingencies (note 18)
Subsequent event (note 21)

On behalf of the Board:

(Signed) Mendel Ekstein
Director

(Signed) Frank Ricciuti
Director

Petrolympic Ltd.

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

	Year Ended December 31, 2017	2016
Operating expenses		
Exploration and evaluation expenditures (note 14)	**$ 76,365**	$ 800,211
General and administrative (note 16)	**431,005**	406,946
Operating loss	**(507,370)**	(1,207,157)
Other Income		
Foreign exchange gain	**388**	-
Premium on flow-through shares	**-**	158,802
Interest income	**138**	71
Income on sale of property interest (note 14)	**-**	161,526
Net loss for the year	**(506,844)**	(886,758)
Other comprehensive income		
Item that will be reclassified subsequently to income:		
Exchange differences on translating foreign operations	**(1,846)**	4,116
Comprehensive loss for the year	**$ (508,690)**	$ (882,642)
Basic and diluted net loss per share (note 15)	**$ (0.00)**	$ (0.01)
Weighted average number of common shares outstanding (note 15)	**106,951,929**	105,505,199

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

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

	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities		
Net loss for the year	**$ (506,844)**	$ (886,758)
Adjustment for:		
Depreciation (note 8)	**5,236**	7,480
Share-based payment (note 12)	**92,158**	-
Change in unrealized foreign exchange	**10,764**	12,331
Premium on flow-through shares	**-**	(158,802)
Non-cash working capital items:		
Amounts receivable and other assets	**64,587**	(60,938)
Accounts payable and accrued liabilities	**(213,843)**	314,200
Reclamation bond	**702**	329
Net cash and cash equivalents used in operating activities	**(547,240)**	(772,158)
Financing activities		
Loan repayments (note 10)	**(3,136)**	(8,873)
Loan proceeds (note 10)	**8,391**	10,205
Net proceeds from private placement (note 11(b))	**472,203**	-
Net cash and cash equivalents provided by financing activities	**477,458**	1,332
Effect of exchange rate fluctuations on cash in foreign currency held	**(12,610)**	(8,215)
Net change in cash and cash equivalents	**(82,392)**	(779,041)
Cash and cash equivalents, beginning of year	**297,512**	1,076,553
Cash and cash equivalents, end of year (note 6)	**$ 215,120**	$ 297,512

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

Petrolympic Ltd.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

		Reserves				
	Share capital	**Contributed surplus**	**Warrant reserve**	**Other comprehensive loss**	**Deficit**	**Total**
Balance, December 31, 2015	**$ 8,887,828**	**$ 1,200,789**	**$ 553,857**	**$ (4,527)**	**$ (9,750,062)**	**$ 887,885**
Reclassification of expired warrants	-	-	(48,208)	-	48,208	-
Net loss and comprehensive loss for the year	-	-	-	4,116	(886,758)	(882,642)
Balance, December 31, 2016	**$ 8,887,828**	**$ 1,200,789**	**$ 505,649**	**$ (411)**	**$ (10,588,612)**	**$ 5,243**
Balance, December 31, 2016	**$ 8,887,828**	**$ 1,200,789**	**$ 505,649**	**$ (411)**	**$ (10,588,612)**	**$ 5,243**
Common share units issued (note 11(b))	475,500	-	-	-	-	475,500
Fair value of warrants issued (note 11(b))	(163,034)	-	163,034	-	-	-
Cost of issuance (note 11(b))	(3,297)	-	-	-	-	(3,297)
Share-based payment (note 12)	-	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 year	-	-	-	(1,846)	(506,844)	(508,690)
Balance, December 31, 2017	**$ 9,196,997**	**$ 1,208,247**	**$ 163,034**	**$ (2,257)**	**$ (10,505,107)**	**$ 60,914**

The notes to the 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 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 working capital of $38,707 at December 31, 2017 (December 31, 2016 - working capital deficiency of $22,902). For the year ended December 31, 2017, the Company had a comprehensive loss of $508,690 (year ended December 31, 2016 - comprehensive loss of $882,642). For the year ended December 31, 2017, the Company had total cash outflows of $82,392 (year ended December 31, 2016 - cash outflows of $779,041).

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 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 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

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2017.

The policies applied in these consolidated financial statements are based on IFRSs issued and outstanding as of December 31, 2017. These financial statements were approved by the Board of Directors on April 16, 2018.

(b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments carried at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of expenses during the year. Actual results could differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in note 2(s).

2. Significant accounting policies (continued)

(c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries Petrolympia Inc., Petrolympic USA, Inc. and Oil-lympia Oil and Gas Inc.

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed or has rights to variable returns from an investee and has the ability to affect those returns through its power over the investee. The results of subsidiaries acquired or disposed of during the periods presented are included in the consolidated statement of loss and comprehensive loss from the effective date of acquisition and up to the effective date of disposal, as appropriate. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

(d) Foreign currencies

The functional currency of the Company and its subsidiary Petrolympia Inc. is the Canadian Dollar. The functional currency of the subsidiaries Petrolympia USA, Inc. and Oil-lympia Oil and Gas Inc. is the US dollar. For the purpose of the consolidated financial statements, the results and financial position are expressed in Canadian Dollars.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At each financial reporting date, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are recognized in the consolidated statement of loss and comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the spot rate at the date of the initial transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

The financial results and position of the US subsidiaries are translated as follows: (i) assets and liabilities are translated at the period end exchange rates prevailing at the reporting date; and (ii) income and expenses are translated at average exchange rates for the period. Exchange differences arising on translation of the US subsidiaries are recognized in other comprehensive loss. These differences are reclassified and recognized in loss and comprehensive loss in the period in which the foreign operation is disposed.

(e) Financial assets and liabilities

The Company's financial instruments consist of the following:

Financial assets:	**Classification:**
Cash and cash equivalents	Fair value through profit and loss ("FVTPL")
Reclamation Bond	Loans and receivables
Financial liabilities:	**Classification:**
Accounts payable and accrued liabilities	Other financial liabilities
Advances from related party	Other financial liabilities

Fair value through profit and loss:

Financial assets are classified as FVTPL when acquired principally for the purpose of trading, if so designated by management (fair value option), or if they are derivative assets that are not part of an effective and designated hedging relationship. Financial assets classified as FVTPL are measured at fair value, with changes recognized in the consolidated statements of loss and comprehensive loss.

2. Significant accounting policies (continued)

(e) Financial assets and liabilities (continued)

Loans and receivables:

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Other financial liabilities:

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the instrument or (where appropriate) a shorter period to the net carrying amount on initial recognition.

Other financial liabilities are de-recognized when the obligations are discharged, cancelled, or expired.

Impairment of financial assets:

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- the likelihood that the borrower will enter bankruptcy or financial re-organization.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of December 31, 2017 and December 31, 2016, except for cash and cash equivalents, none of the Company's financial instruments are recorded at fair value in the consolidated statements of financial position. Cash and cash equivalents are classified as Level 1.

2. Significant accounting policies (continued)

(e) Financial assets and liabilities (continued)

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment.

(f) Exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of petroleum and natural gas properties, property option payments and evaluation activity. Tax credits related to exploration and evaluation expenditures are netted against the related exploration and evaluation expenditures in the period in which they are recognized (see note 2(r)).

All consideration received or receivable for property sales are credited to operations.

Revenue from the sale of property is recognized once the sale is complete and all risks and rewards of ownership have been transferred to the purchaser.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for extraction activities. Capitalization ceases when the properties are capable of commercial production, with the exception of development costs that give rise to a future benefit.

(g) Finance costs

Costs incurred on the issuance of the Company's equity instruments are charged directly to the respective equity account.

(h) Flow-through shares

The Company, from time to time, finances a portion of its planned exploration and development activities through the issue of flow-through shares. Under the terms of the flow-through agreements, the income tax deductions attributable to the capital expenditures are renounced to the subscribers. The difference between the subscription price of the flow-through shares and the common share prices at the date of issuance is initially recognized as a liability on the consolidated statement of financial position. The liability is then transferred to the consolidated statement of loss and comprehensive loss as other income when the Company has made the required expenditures and renounced to the tax authorities.

(i) Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of financial position comprise cash at banks and on hand, and guaranteed investment certificates with an original maturity of three months or less, which are readily convertible into a known amount of cash.

2. Significant accounting policies (continued)

(j) Joint Arrangements

The Company determines whether the joint arrangement entered into by the Company is a joint operation or a joint venture based upon the rights and obligations of the parties to the arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Where the Company determines the joint arrangement represents a joint operation, the Company accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

Where the Company determines the joint arrangement represents a joint venture, the Company recognizes its interest in a joint venture as an investment and accounts for this investment using the equity method, whereby the investment is initially recognized at cost and adjusted thereafter for the post-acquisition change in the Company’s share of the net assets of the joint venture. The Company’s share of the joint venture’s profit or loss and other comprehensive income (loss) is included in Company’s profit or loss and other comprehensive income (loss), respectively.

(k) Equipment

Equipment is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is recognized based on the cost of an item of equipment, less its estimated residual value, over its estimated useful life at the following rates:

Detail	**Percentage**	**Method**
Oil and gas equipment	30%	Declining balance

An asset's residual value, useful life and depreciation method are reviewed on an annual basis and adjusted if appropriate.

(l) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The Company had no material provisions at December 31, 2017 or December 31, 2016.

2. Significant accounting policies (continued)

(m) Share-based payment transactions

The fair value of share options granted to employees is recognized as an expense over the vesting period with a corresponding increase in contributed surplus. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company. The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

The fair value of share-based payments to non-employees and other share-based payments are based on the fair value of the goods or services received. If the Company cannot estimate reliably the fair value of the goods or services received, the Company is required to measure their value, and the corresponding increase in contributed surplus, indirectly, by reference to the fair value of the equity instruments granted at the date the Company receives the goods or services.

The fair value of unexercised options is adjusted to deficit on expiry.

(n) Equity

In situations where the Company issues units, the value of warrants is bifurcated using the relative fair value method. Proceeds from issuances by the Company of units consisting of shares and warrants are allocated between share capital and reserve for warrants on a relative fair value bases by first determining the relative fair value of the warrants and shares. The relative fair value of the shares and warrants is estimated using the share price at the time of financing and the Black-Scholes option pricing model.

The fair value of unexercised warrants is adjusted to deficit on expiry.

On extension of the expiry date of warrants, the Company does not recognize any value related to the adjustment.

(o) Income taxes

Income tax on the profit or loss for the year presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

2. Significant accounting policies (continued)

(p) Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of an oil and gas property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate under IFRS. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

(q) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares.

(r) Refundable tax credit for resources

The Company is eligible for a refundable tax credit for resources for petroleum and natural gas industry companies in relation to eligible expenses incurred in Quebec, Canada. The refundable tax credit for resources represents up to 35% (December 31, 2016 - 35%) of the amount of eligible expenditures incurred. This tax credit is recognized as a credit to eligible exploration and evaluation costs expensed during the year, when the tax credit's collectability is reasonably assured.

(s) Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the inputs used in accounting for share-based payment transactions in profit or loss; and
- management assumptions of no material restoration, rehabilitation and environmental provision, based on the facts and circumstances that existed during the year.
- As more fully described in notes 11 and 12, calculation of the fair value of stock options and warrants issued requires the use of estimates of inputs in the applicable stock option valuation models.

2. Significant accounting policies (continued)

Critical accounting judgments

- The categorization of financial assets and liabilities and functional currency determination are accounting policies that require management to make judgments or assessments.

- Management's judgment is used in the method used to establish fair value of flow-through shares. Additionally, management's judgment is applied in determining whether qualified expenditures have been incurred. Differences in judgment between management and regulatory authorities can materially increase the flow-through premium liability and outstanding commitments.

- Management's judgment is used in determining the eligible expenditures used in the recognition of tax credits receivable.

- Management applied judgment in determining the Company's ability to continue as a going concern.

(t) Recent Accounting Pronouncements

Certain new standards, amendments and interpretations are effective for annual periods beginning after January 1, 2018 and have not been applied in these financial statements. None of these are expected to have a significant impact on the Company's financial statements.

IFRS 9 Financial Instruments:

IFRS 9 Financial Instruments ("IFRS 9") was issued by the IASB in July 2014 and will replace IAS 39 - Financial Instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Final amendments released in July 2014 also introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Based on the Company's assessment, the Company has determined that this standard will not have a significant impact on its financial statements.

IFRS 15 Revenue from Contracts with Customers:

IFRS 15 Revenue from Contracts with Customers ("IFRS 15). IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 - Revenue, IAS 11 - Construction Contracts, and a number of revenue related interpretations. The new standard will apply to nearly all contracts with customers; the main exceptions are leases, financial instruments and insurance contracts. The standard is effective for annual periods beginning on or after January 1, 2018. Based on the Company's assessment, the Company has determined that this standard will not have a significant impact on its financial statements.

3. Capital risk management

The Company manages its capital to ensure that funds are available or are scheduled to be raised to provide adequate funds to carry out the Company's defined exploration programs and to meet its ongoing administrative costs. The Company considers its capital to be equity, which comprises share capital, reserves and deficit, which at December 31, 2017, totaled $60,914 (December 31, 2016 - $5,243).

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

The Company is not subject to any material externally imposed capital requirements or covenants other than the obligation to incur eligible expenditures with respect to the flow-through shares issued (refer to notes 14(a)) and Policy 2.5 of the TSXV Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2017, the Company is not compliant with Policy 2.5.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

There were no changes in the Company's approach to capital management during the year ended December 31, 2017.

4. Financial risk management

(i) Financial risk

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

(ii) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. Cash and cash equivalents are held with select major Canadian chartered banks, from which management believes the risk of loss to be minimal.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2017, the Company had cash and cash equivalents of $215,120 (December 31, 2016 - $297,512) to settle current liabilities of $217,201 (December 31, 2016 - $425,789). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity and the Company's ability to continue as a going concern (see note 1). The Company's ability to continually meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

(iv) Market risk

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

4. Financial risk management (continued)

(iv) Market risk (continued)

(a) Interest rate risk

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

(b) Foreign currency risk

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

(v) Sensitivity analysis

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

(a) The Company has no interest bearing debt at December 31, 2017.

(b) The Company has subsidiaries with balances denominated in US dollars. Sensitivity to a plus or minus five percentage point change in exchange rates would lead to a $4,200 gain/loss in the reported net loss and comprehensive loss for the year ended December 31, 2017.

5. Categories of financial instruments

	As at December 31, 2017	As at December 31, 2016
Financial assets:		
FVTPL		
Cash and cash equivalents	$ 215,120	$ 297,512
Loans and receivables		
Reclamation bond	$ 9,986	$ 10,688
Financial liabilities:		
Other financial liabilities		
Accounts payable and accrued liabilities	$ 205,770	$ 419,613
Advances from related party	$ 11,431	$ 6,176

As at December 31, 2017, the fair value of the Company's financial instruments approximates their carrying value due to the short-term or highly-liquid nature of the instruments.

(Expressed in Canadian Dollars)

6. Cash and cash equivalents

	As at December 31, 2017	As at December 31, 2016
Cash	**$ 205,120**	$ 287,512
Guaranteed investment certificates	**10,000**	10,000
Total	**$ 215,120**	$ 297,512

7. Amounts receivable and other assets

	As at December 31, 2017	As at December 31, 2016
Sales tax receivable - (Canada)	**$ 3,064**	$ 61,182
Prepaid expenses	**37,724**	44,193
	$ 40,788	$ 105,375

8. Equipment

Cost

	Oil and gas equipment
Balance, December 31, 2015, December 31, 2016 and December 31, 2017	**$ 56,947**

Accumulated depreciation

	Oil and gas equipment
Balance, December 31, 2015	**$ 32,010**
Depreciation	7,480
Balance, December 31, 2016	**$ 39,490**
Depreciation	5,236
Balance, December 31, 2017	**$ 44,726**

Carrying amounts

	Oil and gas equipment
At December 31, 2016	**$ 17,457**
At December 31, 2017	**$ 12,221**

(Expressed in Canadian Dollars)

9. Accounts payable and accrued liabilities

	As at December 31, 2017	As at December 31, 2016
Trade payables	**$ 124,814**	$ 374,031
Accrued liabilities	**80,956**	45,582
	$ 205,770	$ 419,613

10. Advances from related party

During the year ended December 31, 2017, the Company received $8,797 (7,012USD) in advances from Mendel Ekstein who is a major shareholder of the Company. Advances of $11,431 (9,112USD) were outstanding at December 31, 2017.

During the year ended December 31, 2017, the Company repaid Mendel Ekstein $3,256 (2,500USD) for his advance to the Company.

During the year ended December 31, 2016, the Company received $3,279 (2,500USD) in advances from Mendel Ekstein who is a major shareholder of the Company, after repaying Mendel Ekstein for his advances of $4,844 to the Company in 2015. Advances of $6,176 (4,600USD) were outstanding at December 31, 2016.

The advances do not bear any interest and are due on demand.

11. Share capital

a) Authorized share capital

At December 31, 2017, 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 December 31, 2017, the issued share capital amounted to $9,196,997.

Issued:

	Number of common shares	Amount
Balance, December 31, 2015 and December 31, 2016	**105,505,199**	**$ 8,887,828**
Private placement (i)(ii)	3,118,182	475,500
Fair value of warrants issued (i)(ii)	-	(163,034)
Costs of issuance - cash	-	(3,297)
Balance, December 31, 2017	**108,623,381**	**$ 9,196,997**

(Expressed in Canadian Dollars)

11. Share capital (continued)

b) Common shares issued (continued)

(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.

(ii) On October 3, 2017, the Company closed a non-brokered private placement (the "Issue"), consisting of 1,818,182 units ("Security Units") at a price of $0.165 per Security Unit to raise aggregate gross proceeds of $300,000. Each Security Unit consists of one common share of the Company and one common share purchase warrant ("Warrant Security"). Each Warrant Security entitles the holder thereof to purchase a common share at $0.25 per share for a period of 18 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 $95,014 was estimated for the 1,812,182 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 $0.15; expected volatility of 125% using the historical price history of the Company; risk-free interest rate of 1.52%; and an expected average life of 18 months.

12. 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, 2015 and December 31, 2016	**9,730,002**	**0.17**
Granted (i)	1,100,000	0.12
Expired	(1,100,000)	0.12
Balance, December 31, 2017	**9,730,002**	**0.17**

(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 which was expensed in the consolidated statement of loss and comprehensive loss with a corresponding amount allocated to contributed surplus. These options have fully vested.

(Expressed in Canadian Dollars)

12. Stock options (continued)

The following table reflects the actual stock options issued and outstanding as of December 31, 2017:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
March 25, 2018	0.100	0.23	3,333,335	3,333,335
June 26, 2018	0.100	0.48	1,466,667	1,466,667
November 21, 2018	0.175	0.89	800,000	800,000
December 9, 2018	0.150	0.94	850,000	850,000
May 20, 2019	0.360	1.38	1,330,000	1,330,000
June 20, 2019	0.370	1.47	750,000	750,000
August 21, 2020	0.100	2.64	100,000	100,000
May 30, 2022	0.120	4.41	1,100,000	1,100,000
		1.14	**9,730,002**	**9,730,002**

13. Warrants

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

	Number of warrants	Grant date fair value ($)
Balance, December 31, 2015	**9,108,271**	**553,857**
Expired	(337,605)	(48,208)
Balance, December 31, 2016	**8,770,666**	**505,649**

	Number of warrants	Grant date fair value ($)
Balance, December 31, 2016	**8,770,666**	**505,649**
Issued (note 11(b))	3,118,182	163,034
Expired	(8,770,666)	(505,649)
Balance, December 31, 2017	**3,118,182**	**163,034**

The following table reflects the actual warrants issued as of December 31, 2017:

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
3,118,182	163,034	0.25	

(Expressed in Canadian Dollars)

14. Exploration and evaluation expenditures

	Year Ended December 31, 2017	2016
Québec, Canada (a)		
Gross exploration activities		
General exploration costs	**$ -**	$ 302,188
Consulting	**33,317**	333,310
Seismic	**-**	102,831
Permits and licenses	**29,985**	20,841
	63,302	759,170
Tax credit receivable	**(998)**	(22,721)
Net costs	**$ 62,304**	$ 736,449
Texas, USA (b)		
Development costs	**$ 8,825**	$ 14,688
Depreciation	**5,236**	7,480
Net costs	**$ 14,061**	$ 22,168
Western Canada (c)		
Acquisition of land	**$ -**	$ 41,594
Permits and licenses	**-**	-
Net costs	**$ -**	$ 41,594
Total exploration costs	**$ 76,365**	$ 800,211

(a) Québec Properties, Québec (Canada)

During the year ended December 31, 2017, the Company’s share of exploration and evaluation expenditures on its Québec, Canada property interests amounted to $62,304 (2016 - $736,449). Total cumulative exploration and evaluation expenditures incurred on its Québec, Canada property interests to December 31, 2017 amounted to $5,898,529 (December 31, 2016 - $5,836,225).

(b) Chittim Ranch Property, Texas (USA)

During the year ended December 31, 2017, the Company’s share of exploration and evaluation expenditures on its Chittim Ranch property in Texas (USA) amounted to $14,061 (2016 - $22,168). Total cumulative exploration and evaluation expenditures incurred on its Chittim Ranch property to December 31, 2017 amounted to $1,847,140 (December 31, 2016 - $1,833,079).

For the year ended December 31, 2017, the Company paid $nil in royalties to SWEPI (2016 - $nil). As at December 31, 2017, the Company owed $18,933 (15,092USD) in royalties to SWEPI (December 31, 2016 - $20,264 (15,092USD)) and this amount was included in accounts payable and accrued liabilities. The $18,933 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.

(Expressed in Canadian Dollars)

14. Exploration and evaluation expenditures (continued)

(c) Western Canada

In June 2016, Petrolympic acquired an interest in a property north of Edmonton, Alberta for $41,100 and subsequently sold it for $161,526 (120,000 USD) during 2016.

15. Net loss per share

The calculation of basic and diluted loss per share for the year ended December 31, 2017 was based on the loss attributable to common shareholders of $506,844 (year ended December 31, 2016 - $886,758) and the weighted average number of common shares outstanding of 106,951,929 (year ended December 31, 2016 - 105,505,199). Diluted loss per share did not include the effect of 9,730,002 options outstanding (December 31, 2016 - 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 (December 31, 2016 - 8,770,666 warrants outstanding) as they are anti-dilutive.

16. General and administrative

	Year Ended December 31, 2017	Year Ended December 31, 2016
Share-based payment (note 12)	**$ 92,158**	$ -
Professional fees	**64,158**	94,237
Management fees	**172,001**	178,644
Administrative and general	**44,065**	74,284
Investor relations and promotion	**21,131**	23,791
Reporting issuer costs	**37,492**	35,990
	$ 431,005	$ 406,946

17. 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 December 31, 2017, Mendel Ekstein, an officer and director of the Company, controls or indirectly controls 26,528,736 common shares of the Company, or approximately 25% of the total common shares outstanding. As at December 31, 2017, Andreas Jacob, a director of the Company, controls or indirectly controls 11,967,625 common shares of the Company, or approximately 11% of the total common shares outstanding. As at December 31, 2017, the remaining directors and/or officers of the Company collectively control 220,874 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.

(Expressed in Canadian Dollars)

17. Related party balances and transactions (continued)

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

		Year Ended December 31, 2017	2016
Marrelli Support Services Inc. ("Marrelli Support")	(i)	**$ 30,276**	$ 26,946
DSA Corporate Services Inc. ("DSA Corp")	(ii)	**8,159**	8,077
DSA Filing Services Limited ("DSA Filing")	(iii)	**2,188**	-
Fogler Rubinoff LLP ("Fogler")	(iv)	**844**	10,251
Mendel Ekstein	(v)	**8,797**	6,176

(i) For the year ended December 31, 2017, the Company expensed $30,276 (year ended December 31, 2016 - $26,946) 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 December 31, 2017, Marrelli Support was owed $9,335 (December 31, 2016 - $5,353) and this amount was included in accounts payable and accrued liabilities.

(ii) For the year ended December 31, 2017, the Company expensed $8,159 (year ended December 31, 2016 - $8,077) to DSA Corp for corporate secretarial services. DSA Corp is affiliated with Marrelli Support through common ownership. As at December 31, 2017, DSA Corp was owed $2,293 (December 31, 2016 - $1,785) and this amount was included in accounts payable and accrued liabilities.

(iii) For the year ended December 31, 2017, the Company expensed $2,188 (year ended December 31, 2016 - $nil) to DSA Filing for corporate filing services. DSA Filing is affiliated with Marrelli Support through common ownership. As at December 31, 2017, DSA Filing was owed $904 (December 31, 2016 - $nil) and this amount was included in accounts payable and accrued liabilities.

(iv) For the year ended December 31, 2017, the Company expensed $844 (year ended December 31, 2016 - $10,251) to Fogler for legal services. Adam Szweras, the Corporate Secretary of Petrolympic, is a partner at Fogler. As at December 31, 2017, Fogler was owed $670 (December 31, 2016 - $6,722) 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 December 31, 2017 amounted to $11,431 (December 31, 2016 - $6,176) (see note 10).

(vi) For the year ended December 31, 2017, the Company expensed $nil (year ended December 31, 2016 - $nil) to Borden for legal services. Miles Pittman, a director of Petrolympic, is a partner at Borden. As at December 31, 2017, Borden was owed $13,973 (December 31, 2016 - $nil) and this amount was included in accounts payable and accrued liabilities.

(Expressed in Canadian Dollars)

17. Related party balances and transactions (continued)

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

	Year Ended December 31, 2017	Year Ended December 31, 2016
Salaries and benefits	**$ 148,391**	$ 172,716
Share-based payments	**92,158**	-
Total remuneration	**$ 240,549**	$ 172,716

Payments to directors and key management personnel of the Company include certain transactions with related parties in (a) above, and (b) remuneration to directors and key management personnel of the Company. As at December 31, 2017, directors and key management personnel of the Company were owed USD$45,000 (December 31, 2016 - $6,714) for remuneration and reimbursable expenses, excluding amounts disclosed in (a) above.

18. 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)

19. Segmented information

As at December 31, 2017, 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.

Year Ended December 31, 2017

	Canada	USA	Total
Revenues	$ -	$ -	$ -
Comprehensive loss	$ 493,969	$ 14,721	$ 508,690

Year Ended December 31, 2016

	Canada	USA	Total
Revenues	$ -	$ -	$ -
Comprehensive loss	$ 850,431	$ 32,211	$ 882,642

As at December 31, 2017

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

As at December 31, 2016

	Canada	USA	Total
Current assets	$ 224,213	$ 178,674	$ 402,887
Non-current assets	$ -	$ 28,145	$ 28,145

(Expressed in Canadian Dollars)

20. Income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate on the net loss for the years ended December 31, 2017 and 2016 is as follows:

	Year Ended December 31, 2017	Year Ended December 31, 2016
Loss before income taxes and tax credits	**$ (506,844)**	$ (886,758)
Combined federal and provincial statutory income tax rate	**26.50 %**	26.50 %
Expected income tax recovery	**$ (134,320)**	$ (234,991)
Share-based compensation, other non-deductible expenses, and other	**26,360**	(6,360)
Effect of higher tax rates in foreign jurisdictions	**(2,440)**	(3,339)
Effect of change in foreign tax rate	**9,170**	(132,520)
True up of prior year balances	**68,860**	(442,760)
Effect of flow-through renunciation	**-**	197,570
Effect of premium on flow-through shares	**-**	(42,080)
Change in tax benefits not recognized	**32,370**	664,480
Income tax expense (recovery)	**$ -**	$ -

Deferred income taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	As at December 31, 2017	As at December 31 2016
Deferred income tax assets and liabilities		
Non-capital losses carried forward - Canada	**$ 1,499,497**	$ 1,374,407
Non-capital losses carried forward - U.S.	**999,296**	1,058,076
Petroleum and natural gas properties and other	**491,798**	516,045
Share issue costs deductible	**10,256**	15,807
Property, plant and equipment	**3,748**	5,888
Net deferred tax assets	**3,004,595**	2,970,223
Deferred tax assets not recognized	**(3,004,595)**	(2,970,223)
Net deferred tax assets	**$ -**	$ -

(Expressed in Canadian Dollars)

20. Income taxes (continued)

The Company's non-capital loss carry forwards expire as noted in the table below. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

The Company's non-capital income tax losses will expire as follows:

	Canada	US (USD)
2026	$ 184,300	$ -
2027	165,900	-
2028	1,003,130	-
2029	613,800	-
2030	733,130	-
2031	859,560	75,110
2032	530,270	1,327,180
2033	235,700	372,620
2034	214,000	141,410
2035	365,690	35,320
2036	400,420	25,360
2037	352,590	14,430
	$ 5,658,490	$ 1,991,430

21. Subsequent event

On March 25, 2018, 3,333,335 options with an exercise price of $0.10 expired.