PETROLYMPIC

Petrolympic Ltd.

Condensed Interim Consolidated Financial Statements

Three and Six Months Ended
June 30, 2017

(Expressed In Canadian Dollars)

(Unaudited)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Petrolympic Ltd. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the three and six months ended June 30, 2017 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 June 30, 2017	As at December 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents (note 3)	**$ 91,486**	$ 297,512
Amounts receivable and other assets (note 4)	**20,823**	105,375
Total current assets	**112,309**	402,887
Non-current assets		
Equipment (note 5)	**14,839**	17,457
Reclamation bond	**10,330**	10,688
Total non-current assets	**25,169**	28,145
Total assets	**$ 137,478**	$ 431,032
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (notes 6, 11(b) and 14)	**$ 195,931**	$ 419,613
Advances from related party (note 7)	**8,580**	6,176
Total current liabilities	**204,511**	425,789
(Deficit) Equity		
Share capital (note 8)	**8,823,431**	8,887,828
Reserves	**1,442,285**	1,706,027
Deficit	**(10,332,749)**	(10,588,612)
Total (deficit) equity	**(67,033)**	5,243
Total equity and liabilities	**$ 137,478**	$ 431,032

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)

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 June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Operating expenses				
Exploration and evaluation expenditures (note 11)	**$ 38,344**	$ 187,847	**$ 49,128**	$ 222,267
General and administrative (note 13)	**185,892**	100,759	**280,492**	209,663
Operating loss	**(224,236)**	(288,606)	**(329,620)**	(431,930)
Other Income				
Foreign exchange gain	**(13,863)**	-	**(4,954)**	-
Premium on flow-through shares	**-**	30,048	**-**	35,904
Interest income	**88**	-	**88**	15
Net loss for the period	**(238,011)**	(258,558)	**(334,486)**	(396,011)
Other comprehensive income				
Item that will be reclassified subsequently to income:				
Exchange differences on translating foreign operations	**241**	(54)	**(2,151)**	(145)
Net loss and comprehensive loss for the period	**$ (237,770)**	$ (258,612)	**$ (336,637)**	$ (396,156)
Basic and diluted net loss per share (note 12)	**$ (0.00)**	$ (0.00)	**$ (0.00)**	$ (0.00)
Weighted average number of common shares outstanding (note 12)	**106,805,199**	105,505,199	**106,208,096**	105,505,199

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)

	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Operating activities		
Net loss for the period	**$ (334,486)**	$ (396,011)
Adjustment for:		
Depreciation (note 5)	**2,618**	3,740
Share-based payment (note 9)	**92,158**	-
Change in unrealized foreign exchange	**693**	13,424
Premium on flow-through shares	**-**	(35,904)
Non-cash working capital items:		
Amounts receivable and other assets	**84,552**	(518)
Accounts payable and accrued liabilities	**(223,682)**	22,898
Reclamation bond	**358**	735
Net cash and cash equivalents used in operating activities	**(377,789)**	(391,636)
Financing activities		
Loan proceeds (note 7)	**2,404**	(1,615)
Net proceeds from private placement (note 8(b))	**172,203**	-
Net cash and cash equivalents provided by (used in) financing activities	**174,607**	(1,615)
Effect of exchange rate fluctuations on cash in foreign currency held	**(2,844)**	(13,569)
Net change in cash and cash equivalents	**(206,026)**	(406,820)
Cash and cash equivalents, beginning of period	**297,512**	1,076,553
Cash and cash equivalents, end of period (note 3)	**$ 91,486**	$ 669,733

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
(Expressed in Canadian Dollars)
(Unaudited)

		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**
Net loss and comprehensive loss for the period	-	-	-	(145)	(396,011)	(396,156)
Balance, June 30, 2016	**$ 8,887,828**	**$ 1,200,789**	**$ 553,857**	**$ (4,672)**	**$ (10,146,073)**	**$ 491,729**
Balance, December 31, 2016	**$ 8,887,828**	**$ 1,200,789**	**$ 505,649**	**$ (411)**	**$ (10,588,612)**	**$ 5,243**
Common share units issued (note 8(b)	175,500	-	-	-	-	175,500
Fair value of warrants issued (note 8(b)	(236,600)	-	236,600	-	-	-
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	-	-	-	(2,151)	(334,486)	(336,637)
Balance, June 30, 2017	**$ 8,823,431**	**$ 1,208,247**	**$ 236,600**	**$ (2,562)**	**$ (10,332,749)**	**$ (67,033)**

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

1. Nature of operations and going concern

Petrolympic Ltd. (the "Company" or "Petrolympic") was incorporated under the Business Corporations Act (Ontario). Petrolympic is an exploration company, engaged in the acquisition, exploration and development of petroleum and natural gas properties. At the date of these unaudited condensed interim consolidated financial statements, the Company has not yet discovered any significant deposits, nor has it earned any profit from its activities. The Company's common shares are listed on the TSX Venture Exchange under the symbol PCQ and on the OTCQX International under the symbol PCQRF. The primary office is located at The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, Canada, M5C 1P1. The Company's year end is December 31st.

Petrolympic is at an early stage of development and, as is common with many exploration companies, it raises financing for its exploration and acquisition activities in discrete tranches. The Company had a working capital deficiency of $92,202 at June 30, 2017 (December 31, 2016 - working capital deficiency of $22,902). For the six months ended June 30, 2017, the Company had a net loss and comprehensive loss of $336,637 (six months ended June 30, 2016 - net loss and comprehensive loss of $396,156). For the six months ended June 30, 2017, the Company had total cash outflows of $206,026 (six months ended June 30, 2016 - cash outflows of $406,820).

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 August 29, 2017, 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, 2016, 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, 2017 could result in restatement of these unaudited condensed interim consolidated financial statements.

There were no relevant changes to significant accounting policies during the three and six months ended June 30, 2017.

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

Recent Accounting Pronouncements

IFRS 9 - Financial Instruments ("IFRS 9") was issued in final form in July 2014 by the IASB and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 also includes requirements relating to a new hedge accounting model, which represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements. The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The Company is currently evaluating the impact of the above standard on its financial performance and financial statement disclosures but expects it will not be material.

3. Cash and cash equivalents

	As at June 30, 2017	As at December 31, 2016
Cash	**$ 81,486**	$ 287,512
Guaranteed investment certificates	**10,000**	10,000
Total	**$ 91,486**	$ 297,512

4. Amounts receivable and other assets

	As at June 30, 2017	As at December 31, 2016
Sales tax receivable - (Canada)	**$ 5,998**	$ 61,182
Prepaid expenses	**14,825**	44,193
	$ 20,823	$ 105,375

(Expressed in Canadian Dollars)

5. Equipment

Cost

		Oil and gas equipment
Balance, December 31, 2016 and June 30, 2017	**$**	**56,947**

Accumulated depreciation

		Oil and gas equipment
Balance, December 31, 2016	**$**	**39,490**
Depreciation		2,618
Balance, June 30, 2017	**$**	**42,108**

Carrying amounts

		Oil and gas equipment
At December 31, 2016	**$**	**17,457**
At June 30, 2017	**$**	**14,839**

6. Accounts payable and accrued liabilities

		As at June 30, 2017		As at December 31, 2016
Trade payables	**$**	**141,977**	$	374,031
Accrued liabilities		**53,954**		45,582
	$	**195,931**	$	419,613

7. Advances from related party

During the six months ended June 30, 2017, the Company received $2,404 (2,012USD) in advances from Mendel Ekstein who is a major shareholder of the Company. Advances of $8,580 (USD6,612) were outstanding at June 30, 2017. Advances of $6,176 (USD4,600) were outstanding at December 31, 2016. The advances do not bear any interest and are due on demand.

(Expressed in Canadian Dollars)

8. Share capital

a) Authorized share capital

At June 30, 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 June 30, 2017, the issued share capital amounted to $8,823,431.

Issued:

	Number of common shares		Amount
Balance, December 31, 2015, June 30, 2016 and December 31, 2016	**105,505,199**	**$**	**8,887,828**
Private placement	1,300,000		175,500
Fair value of warrants issued	-		(236,600)
Costs of issuance - cash	-		(3,297)
Balance, June 30, 2017	**106,805,199**	**$**	**8,823,431**

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 $236,600 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.

(Expressed in Canadian Dollars)

9. Stock options

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

	Number of stock options	Weighted average exercise price ($)
Balance, December 31, 2015, June 30, 2016, and December 31, 2016	**9,730,002**	**0.17**
Granted (i)	1,100,000	0.12
Expired	(1,100,000)	0.12
Balance, June 30, 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 unaudited condensed interim consolidated statement of loss and comprehensive loss with a corresponding amount allocated to contributed surplus. These options have fully vested.

The following table reflects the actual stock options issued and outstanding as of June 30, 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	0.73	3,333,335	3,333,335
June 26, 2018	0.100	0.99	1,466,667	1,466,667
November 21, 2018	0.175	1.39	800,000	800,000
December 9, 2018	0.150	1.44	850,000	850,000
May 20, 2019	0.360	1.89	1,330,000	1,330,000
June 20, 2019	0.370	1.97	750,000	750,000
August 21, 2020	0.100	3.15	100,000	100,000
May 30, 2022	0.120	4.92	1,100,000	1,100,000
		1.64	**9,730,002**	**9,730,002**

(Expressed in Canadian Dollars)

10. Warrants

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

	Number of warrants	Grant date fair value ($)
Balance, December 31, 2015 and June 30, 2016	**9,108,271**	**553,857**

	Number of warrants	Grant date fair value ($)
Balance, December 31, 2016	**8,770,666**	**505,649**
Issued (note 8(b))	1,300,000	236,600
Expired	(8,770,666)	(505,649)
Balance, June 30, 2017	**1,300,000**	**236,600**

The following table reflects the actual warrants issued as of June 30, 2017:

Number of warrants outstanding	Grant date fair value ($)	Exercise price ($)	Expiry date
1,300,000	236,600	0.25	March 23, 2020

(Expressed in Canadian Dollars)

11. Exploration and evaluation expenditures

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Québec, Canada (a)				
Gross exploration activities				
General exploration costs	**$ -**	$ 52,282	**$ -**	$ 61,195
Consulting	**27,530**	86,686	**27,530**	104,859
Permits and licenses	**7,488**	2,445	**14,977**	4,890
Net costs	**$ 35,018**	$ 141,413	**$ 42,507**	$ 170,944
Texas, USA (b)				
Development costs	**$ 2,017**	$ 3,464	**$ 4,003**	$ 6,483
Depreciation	**1,309**	1,870	**2,618**	3,740
Net costs	**$ 3,326**	$ 5,334	**$ 6,621**	$ 10,223
Western Canada (c)				
Acquisition of land	**$ -**	$ 41,100	**$ -**	$ 41,100
Net costs	**$ -**	$ 41,100	**$ -**	$ 41,100
Total exploration costs	**$ 38,344**	$ 187,847	**$ 49,128**	$ 222,267

(a) Québec Properties, Québec (Canada)

During the three and six months ended June 30, 2017, the Company’s share of exploration and evaluation expenditures on its Québec, Canada property interests amounted to $35,018 and $42,507, respectively (three and six months ended June 30, 2016 - $141,413 and $170,944, respectively). Total cumulative exploration and evaluation expenditures incurred on its Québec, Canada property interests to June 30, 2017 amounted to $5,878,732 (December 31, 2016 - $5,836,225).

(b) Chittim Ranch Property, Texas (USA)

During the three and six months ended June 30, 2017, the Company’s share of exploration and evaluation expenditures on its Chittim Ranch property in Texas (USA) amounted to $3,326 and $6,621, respectively (three and six months ended June 30, 2016 - $5,334 and $10,223, respectively). Total cumulative exploration and evaluation expenditures incurred on its Chittim Ranch property to June 30, 2017 amounted to $1,839,700 (December 31, 2016 - $1,833,079).

For the three and six months ended June 30, 2017, the Company paid $nil in royalties to SWEPI (three and six months ended June 30, 2016 - $nil). As at June 30, 2017, the Company owed $19,585 (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 $19,585 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.

(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).

(Expressed in Canadian Dollars)

12. Net loss per share

The calculation of basic and diluted loss per share for the three and six months ended June 30, 2017 was based on the loss attributable to common shareholders of $238,011 and $334,486, respectively (three and six months ended June 30, 2016 - $258,558 and $396,011, respectively) and the weighted average number of common shares outstanding of 106,805,199 and 106,208,096 (three and six months ended June 30, 2016 - 105,505,199). Diluted loss per share did not include the effect of 9,730,002 options outstanding (June 30, 2016 - 9,730,002 options outstanding) as they are anti-dilutive. Diluted loss per share did not include the effect of 1,300,000 warrants outstanding (June 30, 2016 - 9,108,271 warrants outstanding) as they are anti-dilutive.

13. General and administrative

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	**2016**	**2017**	**2016**
Share-based payment (note 9)	**$ 92,158**	$ -	**$ 92,158**	$ -
Professional fees	**27,488**	13,012	**44,683**	35,009
Management fees	**34,185**	38,371	**84,972**	97,384
Administrative and general	**13,513**	34,178	**24,757**	46,862
Investor relations and promotion	**-**	5,606	**9,767**	13,519
Reporting issuer costs	**18,548**	9,592	**24,155**	16,889
	$ 185,892	$ 100,759	**$ 280,492**	$ 209,663

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 June 30, 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 June 30, 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 June 30, 2017, the remaining directors and/or officers of the Company collectively control 276,874 common shares of the Company or less than 1% of the total common shares outstanding. To the knowledge of directors and officers of Petrolympic, the remainder of the Company's outstanding common shares are widely held. These holdings can change at any time at the discretion of the owner.

(Expressed in Canadian Dollars)

14. Related party balances and transactions (continued)

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

		Three Months Ended June 30,		Six Months Ended June 30,	
		2017	**2016**	**2017**	**2016**
Marrelli Support Services Inc. ("Marrelli Support")	(i)	**$ 6,392**	$ 6,140	**$ 15,215**	$ 13,562
DSA Corporate Services Inc. ("DSA Corp")	(ii)	**2,086**	1,977	**4,087**	4,045
DSA Filing Services Limited ("DSA Filing")	(iii)	**1,238**	-	**1,238**	-
Fogler Rubinoff LLP ("Fogler")	(iv)	**250**	(928)	**500**	4,303
Mendel Ekstein	(v)	**(6,397)**	-	**2,404**	-
Borden Ladner Gervais LLP ("Borden")	(vi)	**-**	-	**-**	-

(i) For the three and six months ended June 30, 2017, the Company expensed $6,392 and $15,215, respectively (three and six months ended June 30, 2016 - $6,140 and $13,562, 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 June 30, 2017, Marrelli Support was owed $4,876 (December 31, 2016 - $5,353) and this amount was included in accounts payable and accrued liabilities.

(ii) For the three and six months ended June 30, 2017, the Company expensed $2,086 and $4,087, respectively (three and six months ended June 30, 2016 - $1,977 and $4,045, respectively) to DSA Corp for corporate secretarial services. DSA Corp is affiliated with Marrelli Support through common ownership. As at June 30, 2017, DSA Corp was owed $1,611 (December 31, 2016 - $1,785) and this amount was included in accounts payable and accrued liabilities.

(iii) For the three and six months ended June 30, 2017, the Company expensed $1,238 (three and six months ended June 30, 2016 - $nil) to DSA Filing for corporate filing services. DSA Filing is affiliated with Marrelli Support through common ownership. As at June 30, 2017, DSA Filing was owed $531 (December 31, 2016 - $nil) and this amount was included in accounts payable and accrued liabilities.

(iv) For the three and six months ended June 30, 2017, the Company expensed $250 and $500, respectively (three and six months ended June 30, 2016 - $(928) and $4,303, respectively) to Fogler for legal services. Adam Szweras, the Corporate Secretary of Petrolympic, is a partner at Fogler. As at June 30, 2017, Fogler was owed $3,432 (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 June 30, 2017 amounted to $8,580 (December 31, 2016 - $6,176) (see note 7).

(vi) For the three and six months ended June 30, 2017, the Company expensed $nil (three and six months ended June 30, 2016 - $nil) to Borden for legal services. Miles Pittman, a director of Petrolympic, is a partner at Borden. As at June 30, 2017, Borden was owed $22,740 (December 31, 2016 - $nil) and this amount was included in accounts payable and accrued liabilities.

(Expressed in Canadian Dollars)

14. Related party balances and transactions (continued)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	**2016**	**2017**	**2016**
Salaries and benefits	**$ 32,443**	$ 38,919	**$ 72,839**	$ 93,815
Share-based payment	**92,158**	-	**92,158**	-
Total remuneration	**$ 124,601**	$ 38,919	**$ 164,997**	$ 93,815

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 June 30, 2017, directors and key management personnel of the Company were owed $32,443 (December 31, 2016 - $6,714) for remuneration and reimbursable expenses, excluding amounts disclosed in (a) above.

15. Commitments and contingencies

Québec, Canada

Effective January 1, 2017, in order to maintain its petroleum and natural gas permits in good standing, the Company must pay an annual fee of $10.30 per square km. The Quebec Government has decided to maintain the annual rent obligations until further notice while completing environmental studies and preparing new Quebec oil and gas laws and regulations. Until then, permits owners must only pay the annual rental and have no work obligations to keep their permits. Present exploration expenditures (without hydraulic fracturation) are allowed and will be cumulated and credited to future permits work obligations.

The Company's operations are subject to government environmental protection legislation. Environmental consequences are difficult to identify in terms of results, timetable and impact.

At this time, to management's best knowledge, the Company's operations are in compliance with current laws and regulations.

(Expressed in Canadian Dollars)

16. Segmented information

As at June 30, 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.

Six Months Ended June 30, 2017

	Canada	USA	Total
Revenues	$ -	$ -	$ -
Net loss and comprehensive loss	$ 324,715	$ 11,922	$ 336,637

Six Months Ended June 30, 2016

	Canada	USA	Total
Revenues	$ -	$ -	$ -
Net loss and comprehensive loss	$ 378,882	$ 17,274	$ 396,156

Three Months Ended June 30, 2017

	Canada	USA	Total
Revenues	$ -	$ -	$ -
Net loss and comprehensive loss	$ 232,096	$ 5,674	$ 237,770

Three Months Ended June 30, 2016

	Canada	USA	Total
Revenues	$ -	$ -	$ -
Net loss and comprehensive loss	$ 250,770	$ 7,842	$ 258,612

As at June 30, 2017

	Canada	USA	Total
Current assets	$ 101,260	$ 11,049	$ 112,309
Non-current assets	$ -	$ 25,169	$ 25,169

As at December 31, 2016

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