Condensed Interim Financial Statements of

BAYSHORE PETROLEUM CORP.

Period ended September 30, 2017

Notice of No Auditor Review

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a), the accompanying unaudited interim financial statements have been prepared by and are the responsibility of the Company's management. The Company's independent auditors have not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

BAYSHORE PETROLEUM CORP.
Statement of Financial Position
As at September 30, 2017
(Unaudited)

	Sept 30, 2017	Dec 31, 2016
	$	**$**
ASSETS		
CURRENT		
Cash	**1,921**	47,151
	1,921	47,151
PROPERTY AND EQUIPMENT (Note 5)	**12,338**	19,422
	14,259	66,573
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**879,887**	866,692
Short-term loans payable (Note 6)	**35,400**	30,000
Convertible Debt (Note 7)	**152,366**	-
	1,067,653	896,692
DECOMMISSIONING OBLIGATIONS (Note 8)	**48,853**	47,599
CONVERTIBLE DEBT (Note 7)	**-**	129,866
	1,116,506	1,074,157
SHAREHOLDERS' EQUITY		
Share capital (Note 9)	**4,832,672**	4,832,672
Equity component of convertible debentures (Note 7)	**75,523**	75,523
Warrants (Note 10b)	**11,645**	58,215
Contributed Surplus	**868,602**	822,032
Deficit	**(6,890,689)**	(6,796,026)
	(1,102,247)	(1,007,584)
	14,259	66,573

Going Concern (Note 2)

APPROVED ON BEHALF OF THE BOARD:

"Peter Ho" Director

"Po Kwong Chan" Director

The accompanying notes are an integral part of these financial statements

BAYSHORE PETROLEUM CORP.
Condensed Statements of Net Loss and Comprehensive Loss
For the periods ended September 30,
(Unaudited)

	Three Months Ended September 30,		**Nine Months** Ended September 30,	
	2017	2016	**2017**	2016
	$	**$**	**$**	**$**
REVENUE				
Oil and natural gas revenue, net of Royalties	**-**	**-**	**-**	-
Other income	**-**	**-**	**10,650**	4,401
	-	**-**	**10,650**	4,401
EXPENSES				
General and administrative	**126**	203,154	**30,626**	540,445
Rent	**3,830**	20,776	**34,201**	61,182
Accretion on convertible debentures (Note 7)	**7,500**	8,650	**22,500**	25,950
Operating	**-**	**-**	**5,441**	4,336
Travel	**-**	12,633	**4,007**	19,931
Depletion and amortization (Note 5)	**2,354**	2,350	**7,084**	7,050
Interest	**57**	528	**566**	1,335
Professional fees	**-**	31,563	**262**	55,894
Consulting fees	**-**	**-**	**156**	5,811
Accretion on decommissioning obligations	**168**	94	**470**	282
	14,035	279,748	**105,313**	722,216
IMPAIRMENT OF Licence Acquisition Agreement	-	(465,000)	-	(465,000)
NET LOSS AND COMPREHENSIVE LOSS	**(14,035)**	(744,748)	**(94,663)**	(1,182,815)
LOSS PER SHARE (Note 11)				
Basic and Diluted	**(0.000)**	(0.024)	**(0.003)**	(0.040)

BAYSHORE PETROLEUM CORP.
Condensed Statements of Changes in Equity
For the periods ended September 30,
(Unaudited)

	September 30, 2017		September 30, 2016	
	Number	**$**	Number	$
Share capital				
Balance, beginning of period	**32,360,815**	**4,832,672**	27,037,861	4,281,243
Issued for cash pursuant to private placement	-	-	5,322,954	608,443
Share issue costs	-	-	-	(57,016)
Balance, end of period	**32,360,815**	**4,832,672**	32,360,815	4,832,670
Equity component of convertible debentures				
Balance, beginning of period	-	**75,523**	-	75,523
Balance, end of period	-	**75,523**	-	75,523
Warrants				
Balance, beginning of period	**3,528,616**	**58,215**	9,726,129	214,285
Issued for cash pursuant to private placement	-	-	1,200,000	-
Expired	**(2,328,616)**	**(46,570)**	(6,242,813)	(156,070)
Balance, end of period	**1,200,000**	**11,645**	4,683,316	58,215
Contributed surplus				
Balance, beginning of period		**822,032**		665,962
Stock-based compensation (Note 10a)				
Expired warrants		**46,570**		156,070
Balance, end of period		**868,602**		822,032
Deficit				
Balance, beginning of period		**(6,796,026)**		(6,595,680)
Net loss and comprehensive loss		**(94,663)**		(1,182,815)
Balance, end of period		**(6,890,689)**		(7,778,495)

BAYSHORE PETROLEUM CORP.
Condensed Statements of Cash Flows
For the periods ended September 30,
(Unaudited)

	Three Months Ended September 30,		**Nine Months** Ended September 30,	
	2017	2016	**2017**	2016
	$	**$**	**$**	**$**
CASH FLOW RELATED TO THE FOLLOWING ACTIVITIES:				
OPERATING				
Net loss	**(14,035)**	(744,748)	**(94,663)**	(1,182,815)
Adjustment for:				
Impairment		465,000		465,000
Depletion and amortization	**2,354**	2,350	**7,084**	7,050
Accretion on convertible debentures	**7,500**	8,650	**22,500**	25,950
Accretion on decommissioning obligations	**168**	94	**470**	282
	(4,013)	(268,654)	**(64,609)**	(684,533)
Changes in non-cash working capital				
Accounts Receivable	**-**	-	**-**	2,428
Prepaid expenses and deposits	**-**	-	**-**	13,508
Accounts payable and accrued liabilities	**(1,368)**	68,080	**13,195**	287,680
	(5,381)	(200,574)	**(51,414)**	(380,917)
INVESTING				
Change in non-cash working capital, accounts Payable and accrued liabilities	**-**	-	**-**	-
	(5,381)	(200,574)	**(51,414)**	(380,917)
FINANCING				
Proceeds from issuance of common shares		300,000	**-**	608,443
Proceeds from short term loan	**2,000**	(8,403)	**5,250**	(8,403)
Share issue costs		(30,000)	**-**	(57,016)
Change in non-cash working capital, accounts Payable and accrued liabilities	**(18)**	581	**934**	-
	1,982	262,178	**6,184**	543,024
(DECREASE) INCREASE IN CASH	**(3,399)**	61,604	**(45,230)**	162,107
CASH, BEGINNING OF PERIOD	**5,320**	100,503	**47,151**	-
CASH, END OF PERIOD	**1,921**	162,107	**1,921**	162,107
INTEREST RECEIVED	**-**	-	**-**	-

The accompanying notes are an integral part of these financial statements

1. NATURE OF BUSINESS

Bayshore Petroleum Corp., ("Bayshore" or the "Company") is incorporated in Alberta, Canada under the Business Corporations Act and its common shares are traded on the TSX Venture Exchange under the symbol "BSH". The address of the Company's corporate and registered office was Unit 14, 3515 27 Street N.E., Calgary, Alberta, T1Y 5E4. The head office is moving at this time and the new address will be announced shortly.

The Company's operations have included the exploration and development of its petroleum and natural gas properties as well as the current development of related energy technology applications, particularly bitumen and heavy oil partial upgrading to lighter oil and upgrading to diesel.

2. GOING CONCERN

These financial statements have been prepared on a going concern basis, which assumes that the Company will realize the carrying value of its assets and satisfy its obligations as they become due in the normal course of operations.

While the Company continues to focus on its business plan it has incurred a loss for the quarter ended September 30, 2017, of $14,035 (2016 – ($744,748)). At September 30, 2017, the Company has a significant working capital deficit of $1,065,732 (December 31, 2016 – ($849,541)), and negative cash flows from operations for the quarter ended September 30, 2017, of $5,381 (September 30, 2016 – ($200,574)). In addition, the Saskatchewan Ministry of the Economy has obtained a Judgement Certificate against Bayshore in the amount of $27,300 related to a prior abandonment liability, an amount which now exceeds the total value of the Company's assets. At the time of this report Bayshore has completed the abandonment in an orderly fashion, and therefore expects the Judgement above to be set aside in due course. In order to address these liabilities, Bayshore announced a private placement financing in the amount of $1.5 million on September 11, 2017. This financing has been delayed with a change in directors. The ability of the Company to continue as a going concern will depend on raising additional capital and achieving profitable operations sufficient to meet all obligations, the outcome of which is uncertain.

These uncertainties may cast significant doubt on the Company's ability to continue as a going concern. Although, in the opinion of management, the use of the going concern assumption is appropriate, there can be no assurance that any steps management is taking will be successful. These financial statements do not reflect adjustments in the carrying values of the assets and liabilities, expenses and the balance sheet classifications that would be used if the going concern assumption were not appropriate. Such adjustments could be material.

3. BASIS OF PRESENTATION

Statement of compliance

These financial statements present the Company's financial results of operations and financial position in accordance with International Financial Reporting Standards ("IFRS") in effect as of November 29, 2017, the date that the financial statements were approved and authorized for issuance by the Board of Directors.

Basis of measurement

These financial statements have been prepared on a historical cost basis, which is generally based on the fair value of consideration given at the time of exchange.

Functional and presentation currency

These financial statements have been prepared in Canadian dollars, which is the Company's functional currency.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions regarding the application of accounting policies that affect the reported amounts of assets, liabilities and equity at the reporting date of the financial statements and the amounts of revenue and expenses during the reporting period.

Estimates and their underlying assumptions are reviewed on an ongoing basis and revisions to these estimates are made in the year in which the estimates are revised and any future years that are impacted.

The following are the financial statement items which are most impacted by estimation uncertainty and critical judgments in applying the accounting policies:

Property and equipment and intangible assets are subject to judgments relating to indicators of impairment.

The value of decommissioning provisions depends on estimates of current risk-free interest rates, future restoration and reclamation expenditures and the timing of those expenditures.

The fair value of share based payments is based on estimates using the Black-Scholes option pricing model.

The calculation of deferred income taxes requires judgment in applying tax laws and regulations, estimating the timing of temporary difference reversals, and estimating the realization of deferred tax assets.

4. SIGNIFICANT ACCOUNTING POLICIES

The policies applied in these financial statements are based on IFRS issued and outstanding as at November 29, 2017, the date the Board of Directors approved the statements. These financial statements are based on the accounting policies consistent with those disclosed in Note 4 to the December 31, 2016 annual financial statements.

5. PROPERTY AND EQUIPMENT

	Petroleum and natural gas interests	Corporate and other	Total
Cost			
Balance at December 31, 2016 and 2015	$ 1,675,323	$ 46,441	$ 1,721,764
Balance at September 30, 2017	$ 1,675,323	$ 46,441	$ 1,721,764

	Petroleum and natural gas interests	Corporate and other	Total
Accumulated depletion, amortization and impairments			
Balance at December 31, 2015	$ 1,675,323	$ 17,603	$ 1,692,926
Depletion and amortization	-	9,416	9,416
Balance at December 31, 2016	$ 1,675,323	$ 27,019	$ 1,702,342
Depletion and amortization		7,084	7,084
Balance at September 30, 2017	$ 1,675,323	$ 34,103	$ 1,709,426

	Petroleum and natural gas interests	Corporate and other	Total
Net book value			
At December 31, 2016	$ -	$ 19,422	$ 19,422
At September 30, 2017	$ -	$ 12,338	$ 12,338

No general and administration expenses were capitalized at September 30, 2017 or 2016. There was no impairment of assets during the quarter ended September 30, 2017. Management notes that no net book value of petroleum and natural gas interests remain as a significant asset of the Company, and therefore Bayshore did not engage an independent reserves evaluator for the year ended December 31, 2016.

6. SHORT-TERM LOANS PAYABLE

	Sept 30, 2017	Dec 31, 2016
Short-term loans payable, beginning of year	$ 30,000	$ 38,000
Advances and interest accrual	5,400	(8,000)
Short-term loans payable	$ 35,400	$ 30,000

During the quarter ended September 30, 2017, there was one advance and no repayments in short-term loans to the Company, amounting to $2,000 net. The short-term loans are payable on demand and bear an interest rate of 5% per annum.

7. CONVERTIBLE DEBENTURES

On November 10, 2014, the Company issued convertible debentures in the amount of $229,308 to directors in settlement of the short-term loans and accrued interest of $97,632. The debentures have a two year term and bear an interest rate of 5% per annum. The convertible debentures are compound financial instruments containing a liability component and an equity component.

The fair value of the liability component at the time of issue of $153,785 was calculated as the discounted cash flows for the convertible debenture assuming a 25% interest rate which was based on the estimated market interest rate for a convertible debenture without a conversion feature. The fair value of the equity component (conversion feature) of $75,523 was determined at the time of issue as the difference between the fair value of the compound convertible debenture and the fair value of the liability component. During 2016, the debentures were renegotiated and extended with the same terms until September 15, 2017. The extension was treated as an extinguishment and resulted in a gain on renegotiation of $99,442.

	Sept 30, 2017	Dec 31, 2016
Convertible debentures, beginning of period	**$ 129,866**	$ 199,495
Accretion on convertible debentures	**22,500**	29,813
Adjustment on renegotiation		(99,442)
Convertible debentures, end of period	**$ 152,366**	$ 129,866

8. DECOMMISSIONING OBLIGATIONS

At December 31, 2016, the estimated total undiscounted amount adjusted for inflation required to settle the decommissioning obligations was $81,294 (2015 – $81,294). These obligations

will be settled based on the useful lives of the underlying assets. This amount has been discounted using a risk free interest rate of 1.46% (2015 – 1.46%) and an inflation rate of 1.50% (2015 – 1.30%) at all reporting dates. Expected year of retirement is 2020.

The total future decommissioning obligations were estimated based on the Company's net ownership interest in all wells and facilities, the estimated costs to abandon and reclaim the wells and facilities and the estimated timing of the costs to be incurred in future years.
Changes to the decommissioning obligations were as follows:

December 31,		**2016**		2015
Decommissioning obligations	$	76,972	$	76,345
Accretion for the year		627		627
Less: current portion		(30,000)		(30,000)
Decommissioning obligations, end of year	$	47,599	$	46,972

A provision for the decommissioning obligation with respect to an exploration and evaluation well of $30,000 (2015 - $30,000), has been included in accounts payable and accrued liabilities for December 31, 2016. The Company has abandoned this well as of the date of this report, and the final obligation will likely be known in the next quarterly report.

9. SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of common voting shares. A continuity of issued and outstanding share capital is included as part of the statement of changes in equity. During the three quarters of 2017 Bayshore issued no share capital.

10. SHARE BASED PAYMENTS

(a) Stock Options

The Company has granted options for the purchase of common shares to its directors and officers. Prior to October 24, 2014, the aggregate number of shares that could be issuable pursuant to options granted under the Plan could not exceed 10% of the issued common shares of the Company at the date of grant. However, on October 24, 2014 the Company's stock option plan changed from a "rolling" plan to a "fixed" plan. Under the fixed plan, the maximum number of shares reserved for issuance under and subject to the plan is 4,019,326, being 20% of the issued and outstanding common shares of the Company on September 24th, 2014.

No more than 5% of the issued shares of the Company may be granted to any one optionee, and no more than 2% of the issued shares of the Company may be granted to any one consultant or person engaged in investor relations activities in any 12 month period. The options are non-transferable and non-assignable and may be granted for a term not

exceeding five years. The exercise price of the options may not be less than the greater of $0.10 and the market price, subject to changes in rules and policy by the TSX Venture Exchange from time to time, and all applicable regulatory requirements at the time of issuance.

The following table details the stock option transactions during the period:

	Number of stock options	Weighted average exercise price
Balance Dec 31, 2015	3,267,143	$0.18
Cancelled	350,000	0.16
Balance Dec 31, 2016	2,917,143	$0.18
Expired	857,143	0.21
Balance Sept 30, 2017	2,060,000	$0.17
Balance, Exercisable, November 29, 2017	2,060,000	$0.17

Stock options outstanding:

Number of stock options vested and outstanding	Weighted average exercise price	Weighted average remaining contractual life (years)
115,000	0.21	0.25
320,000	0.27	0.67
580,000	0.185	2.00
70,000	0.11	2.08
975,000	0.12	2.42
2,060,000	$0.17	1.40

(b) Warrants:

The following table summarizes information about the Company's common share purchase warrants:

	Number of warrants	**Weighted average exercise price**
Balance, issued and exercisable, December 31, 2015	9,726,129	$ 0.21
Issued pursuant to private placement closed on April 26, 2016	1,200,000	$ 0.20
Warrants expired	(7,397,513)	$ 0.22
Balance issued and exercisable, December 31, 2016	3,528,616	$ 0.20
Warrants expired	2,328,616	$ 0.20
Balance, Sept 30, 2017, and Nov 29, 2017	1,200,000	$ 0.20

Warrants outstanding:

Number of warrants outstanding	**Weighted average exercise price**	**Weighted average remaining contractual life (years)**
1,200,000	$0.20	0.57

11. PER SHARE AMOUNTS

Stock options granted and warrants issued are potentially dilutive but had no impact on the calculation of diluted earnings per share for the quarters ended September 30, 2017, or 2016 because their effect on the calculation is anti-dilutive.

The following table summarizes the weighted average number of common shares used in calculating net earnings per share:

	Three months ended September 30		Nine months ended September 30	
	2017	2016	**2017**	2016
Basic and Diluted	**32,360,815**	29,810,090	**32,360,815**	28,650,268

12. CAPITAL MANAGEMENT

The Company considers its capital structure to include working capital and access to credit as follows.

	September 30, 2017	Dec 31, 2016
Current assets	**$ 1,921**	$ 47,151
Current liabilities	**(1,067,653)**	(896,692)
Working capital	**$ (1,065,732)**	$ (849,541)

The objectives of the Company are to maintain sufficient capital to conduct operations while searching for new opportunities for growth. If required in order to meet its objectives, the Company will adjust its capital structure to manage any deficiencies of working capital through the issuance of shares, obtaining debt financing and/or adjusting its capital and operational spending. Management reviews its capital management approach on an ongoing basis. There were no material changes to this approach during the quarter ended September 30, 2017. There are no externally imposed capital requirements.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to a number of different financial risks arising from normal course business exposures, as well as the Company's use of financial instruments. These risk factors include market risks relating to credit risk, liquidity risk and market risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company’s current liabilities, accounts payable and accrued liabilities mature within three months.

The following is a maturity analysis of the Company’s financial obligations:

	Less than three months	**Three months to one year**	**Beyond one year**	**Total**
Accounts Payable	$ 879,887	$ -	$ -	$ 879,887
Short-term loan payable	35,400	-	-	35,400
Convertible debentures	152,366	-	-	152,366
	$ 1,067,653	$ -	$ -	$ 1,067,653

The Company had current assets in the amount of $1,921 available to fund its financial obligations. Bayshore cannot meet current obligations without an increase in revenue, current assets or additional financing.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices, and interest rates will affect the Company's net earnings or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns. The Company may utilize financial contracts to manage market risks. All such transactions are conducted in accordance with the risk management policy that has been approved by the Board of Directors.

Foreign currency exchange rate risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. Although substantially all of the Company's petroleum and natural gas sales are denominated in Canadian dollars, the underlying market prices in Canada for petroleum and natural gas are impacted by the changes in the exchange rate between the Canadian and United States dollar. The Company had no forward exchange rate contracts in place as at or during the quarters ended September 30, 2017 and December 31, 2016.

Commodity price risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for petroleum and natural gas are impacted not only by the relationship between the Canadian and United States dollar, as outlined above, but also by world economic events that dictate the levels of supply and demand. The Company had no hedging contracts in place as at or during the quarters ended September 30, 2017 and December 31, 2016.

Interest rate risk

The Company's exposure to interest rate risk is minimal as the Company's short-term loans payable and convertible debt are carried at fixed interest rates, and the Company does not have interest bearing investments generating significant interest revenue.

Fair value

The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy.

- Level 1 fair values are determined by reference to observable inputs such as quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2 fair values are determined using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly.

- Level 3 fair values are determined using inputs that are unobservable market data.

The carrying values of accounts receivable, accounts payable, accrued liabilities and short-term loans payable approximate their fair values at September 30, 2017 and December 31, 2016 due to their relatively short periods to maturity. Cash is a Level 1 fair value measurement.

The liability component of convertible debt is discounted at the market rate of interest at the reporting date. The market rate is determined by reference to similar liabilities that do not have a conversion option.

14. RELATED PARTY TRANSACTIONS

As at September 30, 2017, $93,650 was payable to a private corporation controlled by an officer and director of the Company.

As at September 30, 2017, $32,750 (2016 - $30,000) was payable to a private corporation controlled by a director of the Company.

During the period ending September 30, 2017, a director of the Company loaned $2,000 to the Company to fund operations under an ongoing loan program.

Key management compensation

Total compensation for the quarter for key management, including officers and directors is detailed below:

September 30,	2017	2016
Net Salaries and benefits	$ nil	$ 35,000

At year end 2016 the CEO and CFO compensation agreements were terminated and the accrued salaries total payable reversed with permission from the CEO and CFO. Above totals do not include accrued amounts.

15. COMMITMENTS

The Company has no material commitments. Its office lease is paid on a month to month basis.