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**Petrolympic Ltd.**  
**Consolidated Financial Statements**  
**Years Ended December 31, 2023 and 2022**  
**(Expressed In Canadian Dollars)**

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## Independent Auditor's Report

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To the Shareholders of Petrolympic Ltd.

### Opinion

We have audited the consolidated financial statements of Petrolympic Ltd. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and December 31, 2022, the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' deficiency and consolidated statements of cash flows for the years then ended, and notes to consolidated financial statements, including a summary of significant accounting policies ("consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and December 31, 2022, and its financial performance and its cash flows for the years then ended, in accordance with the International Financial Reporting Standards ("IFRS").

### Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which describes the events and conditions indicating that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no key audit matters to be communicated in our report.

### Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audits or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement leader on the audit resulting in this independent auditor's report is Timur Lidzhiev.

Calgary, Alberta  
April 29, 2024

*PKF Antares*

**Professional Corporation**

**Chartered Professional Accountants  
Licensed Public Accountants**

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# Petrolympic Ltd.

## Consolidated Statements of Financial Position (Expressed in Canadian Dollars)

	As at December 31, 2023	As at December 31, 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 6)	\$ 364,603	\$ 607,026
Other receivables	79,708	43,963
Prepaid expenses	-	6,494
<b>Total assets</b>	<b>\$ 444,311</b>	<b>\$ 657,483</b>
<b>SHAREHOLDERS' DEFICIENCY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (notes 7 and 16)	\$ 1,718,187	\$ 1,251,702
Advances from related party (note 8)	320,085	260,061
Deferred premium on flow-through liability (note 17)	66,667	117,636
<b>Total current liabilities</b>	<b>2,104,939</b>	<b>1,629,399</b>
<b>Non-current liabilities</b>		
Loan payable (note 9)	30,000	40,000
<b>Total liabilities</b>	<b>2,134,939</b>	<b>1,669,399</b>
<b>Shareholders' deficiency</b>		
Share capital (note 10)	10,501,562	10,331,372
Reserves (notes 11 and 12)	749,254	1,119,426
Deficit	(12,941,444)	(12,462,714)
<b>Total shareholders' deficiency</b>	<b>(1,690,628)</b>	<b>(1,011,916)</b>
<b>Total shareholders' deficiency and liabilities</b>	<b>\$ 444,311</b>	<b>\$ 657,483</b>

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 17)

**Subsequent events** (note 19)

On behalf of the Board:

(Signed) Mendel Ekstein  
Director

(Signed) Miles Pittman  
Director

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**Petrolympic Ltd.****Consolidated Statements of Loss and Comprehensive Loss**  
**(Expressed in Canadian Dollars)**

	Year Ended December 31,	
	2023	2022
<b>Operating expenses</b>		
Exploration and evaluation expenditures (note 13)	\$ 805,321	\$ 513,926
General and administrative (note 15)	548,911	455,619
<b>Operating loss</b>	<b>(1,354,232)</b>	(969,545)
<b>Other income (expenses)</b>		
Foreign exchange gain (loss)	6,230	(10,774)
Premium on flow-through shares	116,879	-
Loan interest	10,000	-
Gain on shares issued for debt	57,143	-
<b>Net loss and comprehensive loss for the year</b>	<b>\$ (1,163,980)</b>	\$ (980,319)
<b>Basic and diluted net loss and comprehensive loss</b>		
<b>per share</b> (note 14)	<b>\$ (0.01)</b>	\$ (0.01)
<b>Weighted average number of common shares outstanding</b> (note 14)	<b>129,343,675</b>	117,923,712

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,	
	2023	2022
<b>Operating activities</b>		
Net loss for the year	\$ (1,163,980)	\$ (980,319)
Adjustments for:		
Share-based payments (note 11)	315,078	118,892
Change in unrealized foreign exchange	9,267	16,627
Shares and warrants issued for acquisition of mineral properties (note 13)	-	116,500
Interest on loan	(10,000)	-
Deferred premium on Flow-through premium	(116,879)	-
Gain on shares issued for debt	(57,143)	-
Non-cash working capital items:		
Other receivables and prepaid expenses	(29,251)	(43,963)
Deferred property acquisition consideration payable	-	(70,000)
Accounts payable and accrued liabilities	566,485	297,522
<b>Net cash and cash equivalents used in operating activities</b>	<b>(486,423)</b>	<b>(544,741)</b>
<b>Financing activities</b>		
Advances from related party (note 8)	50,000	-
Net proceeds from private placement (note 10(b)(v))	-	186,000
Net proceeds from flow-through private placement (note 10(b)(v))	194,000	627,588
<b>Net cash and cash equivalents provided by financing activities</b>	<b>244,000</b>	<b>813,588</b>
<b>Net change in cash and cash equivalents</b>	<b>(242,423)</b>	<b>268,847</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>607,026</b>	<b>338,179</b>
<b>Cash and cash equivalents, end of year (note 6)</b>	<b>\$ 364,603</b>	<b>\$ 607,026</b>

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

## Petrolympic Ltd.

### Consolidated Statements of Changes in Shareholders' Deficiency (Expressed in Canadian Dollars)

	Reserves					Total
	Share capital	Contributed surplus	Warrant reserve	Deficit		
<b>Balance, December 31, 2021</b>	<b>\$ 9,603,351</b>	<b>\$ 677,894</b>	<b>\$ 635,853</b>	<b>\$ (11,880,038)</b>	<b>\$ (962,940)</b>	
Shares issued to acquire mineral property	116,500	-	-	-	116,500	
Private placement (note 10(b))	186,000	-	-	-	186,000	
Fair value of warrants issued (note 10(b))	(84,430)	-	84,430	-	-	
Flow-through private placement (note 10)	646,998	-	-	-	646,998	
Premium on flow-through share	(117,636)	-	-	-	(117,636)	
Cost of issuance (note 10(b))	(19,411)	-	-	-	(19,411)	
Share-based payment (note 11(i))	-	118,892	-	-	118,892	
Expiry of options	-	(83,780)	-	83,780	-	
Expiry of warrants	-	-	(313,863)	313,863	-	
Net loss for the year	-	-	-	(980,319)	(980,319)	
<b>Balance, December 31, 2022</b>	<b>\$ 10,331,372</b>	<b>\$ 713,006</b>	<b>\$ 406,420</b>	<b>\$ (12,462,714)</b>	<b>\$ (1,011,916)</b>	
<b>Balance, December 31, 2022</b>	<b>\$ 10,331,372</b>	<b>\$ 713,006</b>	<b>\$ 406,420</b>	<b>\$ (12,462,714)</b>	<b>\$ (1,011,916)</b>	
Shares issued for debt (note 10(b))	42,857	-	-	-	42,857	
Flow-through Private placement (note 10)	200,000	-	-	-	200,000	
Premium on flow-through share	(66,667)	-	-	-	(66,667)	
Cost of issuance	(6,000)	-	-	-	(6,000)	
Share-based payment (note 11)	-	315,078	-	-	315,078	
Expiry of options	-	(450,964)	-	450,964	-	
Expiry of warrants	-	-	(234,286)	234,286	-	
Net loss for the year	-	-	-	(1,163,980)	(1,163,980)	
<b>Balance, December 31, 2023</b>	<b>\$ 10,501,562</b>	<b>\$ 577,120</b>	<b>\$ 172,134</b>	<b>\$ (12,941,444)</b>	<b>\$ (1,690,628)</b>	

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

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# Petrolympic Ltd.

## Notes to Consolidated Financial Statements

Years Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

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### 1. Nature of operations and going concern

Petrolympic Ltd. (the "Company" or "Petrolympic") was incorporated under the Business Corporations Act (Ontario). Petrolympic is an exploration company, engaged in the acquisition, exploration and development of gold, lithium and 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 generated any profit from its activities. The Company's common shares are listed on the TSX Venture Exchange ("TSXV") 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 exploration 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 \$1,660,628 at December 31, 2023 (December 31, 2022 - \$971,916). As at December 31, 2023, the Company has a deficit of \$12,941,444 (December 31, 2022 - \$12,462,714). For the year ended December 31, 2023, the Company has a comprehensive loss of \$1,163,980 (year ended December 31, 2022 - \$980,319). For the year ended December 31, 2023, the Company had total cash outflows of \$242,423 (year ended December 31, 2022 - cash inflows of \$268,847). These conditions raise material uncertainties which cast significant doubt as to the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its obtaining additional financing and eventually achieving profitable operations in the future. 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, 2023.

The policies applied in these consolidated financial statements are based on IFRSs issued and outstanding as of December 31, 2023. These financial statements were approved by the Board of Directors on April 26, 2024.

#### (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.

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# Petrolympic Ltd.

## Notes to Consolidated Financial Statements

Years Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

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### 2. Significant accounting policies (continued)

#### (b) *Basis of presentation (continued)*

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(q).

#### (c) *Basis of consolidation*

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 statements 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.

These Financial Statements include the accounts of the Company and its wholly owned subsidiary, Petrolympia Inc.

#### (d) *Foreign currencies*

The functional currency of the Company and its subsidiary Petrolympia Inc. is the Canadian Dollar. 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.

#### (e) *Financial instruments*

##### Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

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# Petrolympic Ltd.

## Notes to Consolidated Financial Statements Years Ended December 31, 2023 and 2022 (Expressed in Canadian Dollars)

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### 2. Significant accounting policies (continued)

#### (e) Financial instruments (continued)

##### Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- i) those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and
- ii) those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- iii) amortized cost;
- iv) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- v) FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

The Company's financial instruments consist of the following:

<b>Financial assets:</b>	<b>Classification:</b>
Cash and cash equivalents	Amortized cost

  

<b>Financial liabilities:</b>	<b>Classification:</b>
Accounts payable and accrued liabilities	Amortized cost
Advances from related party	Amortized cost
Loan payable	Amortized cost
Deferred property acquisition consideration payable	Amortized cost

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# Petrolympic Ltd.

## Notes to Consolidated Financial Statements

Years Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

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### 2. Significant accounting policies (continued)

#### (e) *Financial instruments (continued)*

##### Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

##### 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, 2023 and December 31, 2022, 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.

#### (f) *Exploration and evaluation expenditures*

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral, 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(p)).

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.

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# Petrolympic Ltd.

## Notes to Consolidated Financial Statements

Years Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

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### 2. Significant accounting policies (continued)

#### (h) *Flow-through shares*

The Company finances a portion of its exploration activities through the issue of flow-through shares issued pursuant to the Canadian Income Tax Act ("Tax Act"). Proceeds received from the issuance of flow-through shares are restricted to be used only for qualifying Canadian exploration and development expenses (as defined in the Tax Act). Pursuant to the terms of the flow-through share subscription agreements, these shares transfer the tax deductibility of qualifying expenditures to flow-through investors. On issuance, the Company allocates a portion of the subscription proceeds as a flow-through share premium, equal to the estimated premium, if any, that investors pay for the flow-through feature, which is recognized as a premium liability. As expenditures are incurred and applied against the Company's associated flow-through commitment, the premium liability is reduced proportionately, charged as a deferred income tax recovery in operations. A deferred income tax liability is recognized for the estimated foregone tax benefit as a result of the renunciation to the shareholders, offset as a deferred income tax expense, to the extent no deferred income tax assets are on hand and eligible to offset. The Company considers renunciation to have occurred when reported for income tax purposes.

#### (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.

#### (j) *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, 2023 or December 31, 2022.

#### (k) *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.

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# Petrolympic Ltd.

## Notes to Consolidated Financial Statements

Years Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

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### 2. Significant accounting policies (continued)

#### (l) 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.

#### (m) 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.

#### (n) 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.

#### (o) 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.

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# Petrolympic Ltd.

## Notes to Consolidated Financial Statements

Years Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

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### 2. Significant accounting policies (continued)

#### (p) Refundable tax credit for resources

The Company is eligible for a refundable tax credit for resources for petroleum and natural gas and mineral exploration industries companies in relation to eligible expenses incurred in Quebec, Canada. The refundable tax credit for resources represents up to 35% (December 31, 2022 - 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, on cash receipt.

#### (q) 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
- 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.
- Share issued for non-cash consideration – Shares issued for non-cash consideration are measured by reference to the more reliable of the fair value of the consideration received or paid.

#### Critical accounting judgments

- Management assumptions of no material restoration, rehabilitation and environmental provision, are based on the facts and circumstances that existed during the year.
- 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 applied judgment in determining the Company's ability to continue as a going concern.

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# Petrolympic Ltd.

## Notes to Consolidated Financial Statements

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### 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, 2023, had a total deficiency of \$1,690,628 (December 31, 2022 - \$1,011,916).

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 13(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, 2023, 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 years ended December 31, 2023 or 2022.

### 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, 2023, the Company had cash and cash equivalents of \$364,603 (December 31, 2022 - \$607,026) to settle current liabilities of \$2,104,939 (December 31, 2022 - \$1,629,399). The majority of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms, except for the loan payable which has a contractual maturity greater than 30 days. 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.

# Petrolympic Ltd.

## Notes to Consolidated Financial Statements Years Ended December 31, 2023 and 2022 (Expressed in Canadian Dollars)

### 4. Financial risk management (continued)

#### (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.

#### 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.

### 5. Categories of financial instruments

	As at December 31, 2023	As at December 31, 2022
<b>Financial assets:</b>		
Amortized cost		
Cash and cash equivalents	\$ 364,603	\$ 607,026
<b>Financial liabilities:</b>		
Amortized cost		
Accounts payable and accrued liabilities	\$ 1,718,187	\$ 1,251,702
Advances from related party	\$ 320,085	\$ 260,061
Loan payable	\$ 30,000	\$ 40,000

As at December 31, 2023 and 2022, 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.

### 6. Cash and cash equivalents

	As at December 31, 2023	As at December 31, 2022
Cash	\$ 354,603	\$ 597,026
Guaranteed investment certificates	10,000	10,000
<b>Total</b>	<b>\$ 364,603</b>	<b>\$ 607,026</b>

### 7. Accounts payable and accrued liabilities

	As at December 31, 2023	As at December 31, 2022
Trade payables	\$ 561,273	\$ 168,923
Accrued liabilities (note 16(b))	1,156,914	1,082,779
	<b>\$ 1,718,187</b>	<b>\$ 1,251,702</b>

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## Petrolympic Ltd.

### Notes to Consolidated Financial Statements

Years Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

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#### 8. Advances from related party

As at December 31, 2023 advances of \$320,085 (US\$242,012) (December 31, 2022 - \$260,061 (US\$192,012)) were outstanding to Mendel Ekstein who is a major shareholder, officer and director of the Company. The advances are unsecured, do not bear any interest and are due on demand.

#### 9. Loan payable

During the year ended December 31, 2020, the Company applied for the COVID-19 Relief Line of Credit as part of the Government-sponsored Canada Emergency Business Account (CEBA), with a credit limit of \$40,000 and a interest rate of 0% until December 31, 2020. On January 1, 2021, the operating line of credit will be converted to a 2-year 0% interest term loan, to be repaid by December 31, 2023 of which \$10,000 of the loan will be forgiven if \$30,000 is repaid in full on or before December 31, 2023. If on December 31, 2023 the loan is not repaid, the Company can exercise the option term extension at an interest rate of 5% on the balance due December 31, 2025.

#### 10. Share capital

##### a) Authorized share capital

At December 31, 2023, 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, 2023, the issued share capital amounted to \$10,501,562.

	Number of common shares	Amount
<b>Balance, December 31, 2021</b>	<b>117,910,561</b>	<b>\$ 9,603,351</b>
Private placement (v)	3,100,000	186,000
Common shares issued to acquire mineral property (i)(ii)(iii)(vi)	1,750,000	116,500
Fair value of warrants issued (v)	-	(84,430)
Common shares issued as flow-through shares (vi)	5,881,800	646,998
Premium on flow-through shares (vi)	-	(117,636)
Costs of issuance - cash (vi)	-	(19,411)
Costs of issuance - shares (vi)	215,666	-
<b>Balance, December 31, 2022</b>	<b>128,858,027</b>	<b>\$ 10,331,372</b>
Common shares issued for debt (vii)	1,428,571	42,857
Common shares issued as flow-through shares (viii)	3,333,330	200,000
Premium on flow-through shares (viii)	-	(66,667)
Costs of issuance - cash (viii)	-	(6,000)
Costs of issuance - shares (viii)	119,999	-
<b>Balance, December 31, 2023</b>	<b>133,739,927</b>	<b>\$ 10,501,562</b>

(i) On March 7, 2022, the Company issued 200,000 common shares in accordance to the option agreement for the Evangelic Lake Gold Property (note 13 b).

(ii) On May 4, 2022, the Company issued 450,000 common shares in accordance to the option agreement for the Vauquelin Property (note 13 b).

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# Petrolympic Ltd.

## Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars)

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### 10. Share capital (continued)

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

(iii) On June 28, 2022, the Company issued 700,000 common shares in accordance to the option agreement for the Val d'Or property (note 13 a and b).

(iv) On September 8, 2022, the Company closed a non-brokered private placement, consisting of 3,100,000 units ("Units") at a price of \$0.06 per Unit to raise aggregate gross proceeds of \$186,000. Each Unit consists of one common share of the Company and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder thereof to purchase a common share at \$0.10 per share for a period of 36 months from closing, subject to acceleration in the event that the common shares trade at or above \$0.20 for 30 consecutive trading days.

A value of \$101,570 was estimated value for the 3,100,000 common shares and a value of \$84,430 was estimated for the 3,100,000 warrants on the date of grant using the relative fair value method. The fair value of the warrants was estimated using the following the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; share price of \$0.050; expected volatility of 176% using the historical price history of the Company; risk-free interest rate of 3.61% and an expected life of 36 months.

(v) On September 29, 2022, the Company issued 400,000 common shares in accordance to the option agreement for the Basserode Lithium and Fournière Lithium Properties (note 13 a).

(vi) On November 24, 2022, the Company closed a flow-through private placement, consisting of 5,881,800 units ("Flow Through Units") at a price of \$0.11 per Flow Through Unit to raise aggregate gross proceeds of \$646,998. Each Unit consists of one common share of the Company.

In connection with the closing, 215,666 finders' shares with a value of \$19,410 and \$19,410 cash were paid, representing 6% of the gross proceeds.

(vii) On September 5, 2023, the Company issued 1,428,571 common shares to settle \$100,000 debt to a director of the Company, on the date of issuance the shares had a fair value of \$42,857 and the Company recorded a gain on settlement of \$57,143.

(viii) On December 28, 2023, the Company closed a flow-through private placement, consisting of 3,333,330 units ("FT Units") at a price of \$0.06 per FT Unit to raise aggregate gross proceeds of \$200,000. Each Unit consists of one common share of the Company.

In connection with the closing, 119,999 finders' shares with a value of \$6,000 were issued, representing 6% of the gross proceeds.

# Petrolympic Ltd.

## Notes to Consolidated Financial Statements Years Ended December 31, 2023 and 2022 (Expressed in Canadian Dollars)

### 11. Stock options

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

	Number of stock options	Weighted average exercise price (\$)
<b>Balance, December 31, 2021</b>	<b>9,350,000</b>	<b>0.10</b>
Granted (i)(ii)(iii)(iv)	4,300,000	0.10
Expired	(1,000,000)	0.12
<b>Balance, December 31, 2022</b>	<b>12,650,000</b>	<b>0.10</b>
Granted (v)(vi)	5,150,000	0.10
Expired	(4,915,000)	0.10
<b>Balance, December 31, 2023</b>	<b>12,885,000</b>	<b>0.10</b>

(i) On May 31, 2022, the Company granted 2,000,000 options to officers and directors of the Company with an exercise price of \$0.10 per share, expiring May 31, 2027. These options vest quarterly in equal amounts over 12 months from issuance and are granted under the Company's stock option plan. 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 \$0.08; 155.98% volatility; risk-free interest rate of 2.72%; 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 \$98,815. During the year ended December 31, 2023, \$15,344 (year ended December 31, 2022 - \$83,471) was expensed in the consolidated statement of loss and comprehensive loss with a corresponding amount allocated to contributed surplus.

(ii) On September 6, 2022, the Company granted 500,000 options of the Company with an exercise price of \$0.10 per share, expiring September 6, 2025. These options vest immediately and are granted under the Company's stock option plan. 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 \$0.045; 176% volatility; risk-free interest rate of 3.56%; 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 \$18,502. During the year ended December 31, 2023, \$7,752 (year ended December 31, 2022 - \$10,751) was expensed in the consolidated statement of loss and comprehensive loss with a corresponding amount allocated to contributed surplus.

(iii) On September 29, 2022, the Company granted 300,000 options of the Company with an exercise price of \$0.12 per share, expiring September 29, 2025. These options vest immediately and are granted under the Company's stock option plan. 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 \$0.08; 176% volatility; risk-free interest rate of 3.72%; 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 \$20,493. During the year ended December 31, 2023, \$9,667 (year ended December 31, 2022 - \$10,826) was expensed in the consolidated statement of loss and comprehensive loss with a corresponding amount allocated to contributed surplus.

(iv) On December 8, 2022, the Company granted 1,500,000 options of the Company with an exercise price of \$0.10 per share, expiring December 8, 2027. These options vest immediately and are granted under the Company's stock option plan. 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; 165% volatility; risk-free interest rate of 3.01%; 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 \$119,100. During the year ended December 31, 2023, \$105,202 (year ended December 31, 2022 - \$13,898) was expensed in the consolidated statement of loss and comprehensive loss with a corresponding amount allocated to contributed surplus.

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# Petrolympic Ltd.

## Notes to Consolidated Financial Statements

Years Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

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### 11. Stock options (continued)

(v) On February 6, 2023, the Company granted 500,000 stock options to consultants with an exercise price of \$0.10 per share, expiring February 6, 2026. These options vest quarterly in equal amounts over 12 months from issuance and are granted under the Company's stock option plan. 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 three year expected life; share price of \$0.065; 173% volatility; risk-free interest rate of 3.64%; 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 \$27,419. During the year ended December 31, 2023, \$26,724 (year ended December 31, 2022 - \$nil) was included in the consolidated statement of loss and comprehensive loss with a corresponding amount allocated to contributed surplus.

(vi) On June 12, 2023, the Company granted 4,650,000 stock options to consultants and directors of the Company with an exercise price of \$0.10 per share, expiring June 12, 2028. These options vest quarterly in equal amounts over 12 months from issuance and are granted under the Company's stock option plan. 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 life; share price of \$0.035; 173% volatility; risk-free interest rate of 3.64%; 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 \$149,607. During the year ended December 31, 2023, \$123,244 (year ended December 31, 2022 - \$nil) was included in the consolidated statement of loss and comprehensive loss with a corresponding amount allocated to contributed surplus.

(vii) During the year ended December 31, 2023, \$243,790 (year ended December 31, 2022 - \$97,369) were related to officers and directors of the Company.

The following table reflects the actual stock options issued and outstanding as of December 31, 2023:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
March 3, 2024	0.100	0.17	600,000	600,000
March 12, 2024	0.100	0.20	850,000	850,000
September 6, 2025	0.100	1.68	500,000	500,000
September 16, 2025	0.100	1.71	2,250,000	2,250,000
September 29, 2025	0.120	1.75	300,000	300,000
February 6, 2026	0.100	2.10	500,000	500,000
May 31, 2027	0.100	3.42	2,000,000	2,000,000
December 8, 2027	0.100	3.94	1,235,000	1,235,000
June 12, 2028	0.100	4.45	4,650,000	3,487,500
		<b>3.02</b>	<b>12,885,000</b>	<b>11,722,500</b>

## Petrolympic Ltd.

Notes to Consolidated Financial Statements  
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### 12. Warrants

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

	Number of warrants	Grant date fair value (\$)
<b>Balance, December 31, 2021</b>	<b>8,528,695</b>	<b>635,853</b>
Granted (i) (note 10(b)(iv))	3,100,000	84,430
Expired	(3,118,182)	(313,863)
<b>Balance, December 31, 2022</b>	<b>8,510,513</b>	<b>406,420</b>
<b>Balance, December 31, 2022</b>	<b>8,510,513</b>	<b>406,420</b>
Expired	(3,743,846)	(234,286)
<b>Balance, December 31, 2023</b>	<b>4,766,667</b>	<b>172,134</b>

(i) On September 8, 2022, the Company granted 3,100,000 warrants of the Company with an exercise price of \$0.10 per share, expiring September 8, 2025. The fair value of these warrants was estimated using the using the relative fair value method with the issuance of 3,100,000 shares on the date of grant using the relative fair value method. The fair value of the warrants was estimated using the following the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; share price of \$0.050; expected volatility of 176% using the historical price history of the Company; risk-free interest rate of 3.61% and an expected life of 36 months.

The following table reflects the actual warrants issued as of December 31, 2023:

Number of warrants outstanding	Fair value (\$)	Exercise price (\$)	Expiry date
1,666,667	87,703	0.10	December 1, 2025
3,100,000	84,431	0.10	September 8, 2025
<b>4,766,667</b>	<b>172,134</b>	<b>0.10</b>	

### 13. Exploration and evaluation expenditures

	Year Ended December 31,	
	2023	2022
<b>Québec, Canada (a)</b>		
Geological consulting and geophysics	\$ 359,046	\$ 155,675
Drilling	442,771	95,530
Surveying, sampling and analysis	-	141,863
Permits and licenses	3,504	4,358
Option payment (note 10(b)(ii)(iii))	-	103,500
<b>Net costs</b>	<b>\$ 805,321</b>	<b>\$ 500,926</b>

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## Petrolympic Ltd.

### Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars)

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

	Year Ended December 31,	
	2023	2022
<b>Ontario, Canada (b)</b>		
Option payment (note 10(b)(i))	\$ -	\$ 13,000
<b>Net costs</b>	<b>\$ -</b>	<b>\$ 13,000</b>
<b>Total exploration and evaluation costs</b>	<b>\$ 805,321</b>	<b>\$ 513,926</b>

(a) Québec Properties, Québec (Canada)

On September 29, 2020, the Company announced that it entered into an agreement to acquire a gold property located in the east of the Val d'Or mining camp, Province of Quebec. The property consists of 31 contiguous map-designated claims (cells) covering 1,784 Ha of gold potential geology in the centre of Vauquelin township (NTS 32C03) approximately 40 km east of the town of Val d'Or, a major gold mining centre in Northwestern Quebec. On execution of the purchase agreement between the vendors, the Company paid the vendors an aggregate cash payment of \$30,000 as part of the purchase price. The remainder of the purchase price was satisfied through the issuance of an aggregate of 500,000 common shares of the Company that were issued on January 6, 2021 (note 10). Upon completion of the transaction, the Company acquired 100% interest in the mineral right of the property. The vendors will also receive a 3.0% NSR ("Net Smelter Return") royalty from all eventual commercial mineral production on the project. There is no liability as of December 31, 2023.

On March 15, 2021, the Company announced that entered into an agreement to acquire a gold property located in the east of the Val d'Or mining camp, Province of Quebec. The property consists of two contiguous map-designated claims (cells) (no. 45248 & 45251) covering 285.9 Acres which are part of a group of six claims (853 total Acres) recently purchased, complementing a unifying a total of 37 contiguous map-designated claims (cells) to a grand total of 5263 Acres of gold potential geology in the centre of Vauquelin township (NTS 32C03) approximately 40 km east of the town of Val d'Or, a major gold mining centre in Northwestern Quebec.

On execution of the purchase agreement with the vendor, 1039244 BC. Ltd, the Company will pay the vendor an cash payment of \$15,000 as part of the purchase price and a deferred payment of \$60,000. The remainder of the purchase price will be satisfied through the issuance of an aggregate of 900,000 common shares of the Company (as of December 31, 2023, the Company has issued all 900,000 common shares; during the year ended December 31, 2022, the Company issued 450,000 common shares) (note 10) and aggregate work commitments of \$750,000 over 4 years. Upon the completion of the transaction the Company will have acquired 100% interest in the mineral rights of the Property. The vendor will also receive a 1.5% NSR royalty from all eventual commercial mineral production on the project of which 0.5% can be bought back for \$500,000 with the option of the Company at start of production.

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# Petrolympic Ltd.

## Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars)

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

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

On May 11, 2021, the Company entered into an option agreement to acquire a gold property located north of the town of Val-d'Or, Province of Quebec, and announced an amendment to the agreement on July 27, 2021. The Property consists of 125 map-designated claims in 4 blocks (Belcourt North, South, Central and West blocks), all proximal to one another and covering a total of 5,479 hectares (54.79 km<sup>2</sup>, 13,539 acres).

The option payments will be satisfied through the payment of \$15,000 (paid), the issuance of an aggregate of 1,050,000 common shares of the Company over 2 years (as of December 31, 2023, the Company has issued all 1,050,000 common shares; during the year ended December 31, 2022, the Company issued 700,000 common shares) (note 10), and shall issue 350,000 common share purchase warrants (issued 350,000). Each such warrants shall be exercisable to purchase one common share of the Company at a price of \$0.12 per common share for a period of 24 months from the date of the amended agreement.

The seller will also receive a 2.0% net smelter returns royalty from all future commercial mineral production on the Property, of which 1.0% can be bought back for \$1 million at any time.

On July 21, 2022 the Company entered into an option agreement to acquire the lithium properties located in the emerging Cadillac-Pontiac lithium camp in the Abitibi-Témiscamingue region, southwest of Val d'Or, Quebec, and announced an amendment to the agreement on September 14, 2022. The Properties consist of 123 claims covering 7,092.8 hectares and is composed of 25 claims covering 1,440.9 hectares.

On execution of the purchase agreement with vendor, Glenn Briesbach, the Company will pay the vendor a cash payment of \$20,000 as part of the purchase price and a deferred payment of \$15,000. The remainder of the purchase price will be satisfied through the issuance of an aggregate of 1,000,000 common shares of the Company (as of December 31, 2023, the Company has issued 400,000 common shares; during the year ended December 31, 2022, the Company issued 400,000 common shares) (note 10) and aggregate of 500,000 warrants. Each such warrants shall be exercisable to purchase one common share of the Company at a price of not less than \$0.07 per share.

During the year ended December 31, 2023, the Company's share of exploration and evaluation expenditures on its Québec, Canada property oil and gas interests amounted to \$nil (year ended December 31, 2022 - \$nil). Total cumulative exploration and evaluation expenditures incurred on its Québec, Canada oil and gas property interests to December 31, 2023 amounted to \$6,061,525 (December 31, 2022 - \$6,061,525).

During the year ended December 31, 2023, the Company's share of exploration and evaluation expenditures on its Québec, Canada property gold interests amounted to \$805,321 (year ended December 31, 2022 - \$500,926). Total cumulative exploration and evaluation expenditures incurred on its Québec, Canada gold property interests to December 31, 2023 amounted to \$1,567,676 (December 31, 2022 - \$762,356).

#### (b) Evangelic Lake Gold Property, Sudbury, Ontario (Canada)

On November 11, 2020, the Company entered into an agreement to acquire a gold property located in the south of the Sudbury mining camp, Province of Ontario (the "Property"). The Property consists of 27 maps designated mining claims (cells) covering 600 Ha property in Southwest of Espanola, Ontario, District of Sudbury approximately 70 km Southwest of the town of Sudbury, a major gold mining centre in central Ontario. The remainder of the purchase price was satisfied through the issuance of an aggregate of 500,000 common shares of the Company that were issued on January 6, 2021. Upon the completion of the transaction, the Company acquired 100% interest in the mineral rights of the Property. The vendors will also receive a 2.0% NSR royalty from all eventual commercial mineral production on the project, reserving the Company's right to buyback 1% of such NSR royalty for \$1,000,000.

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# Petrolympic Ltd.

## Notes to Consolidated Financial Statements Years Ended December 31, 2023 and 2022 (Expressed in Canadian Dollars)

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

(b) Evangelic Lake Gold Property, Sudbury, Ontario (Canada) (continued)

On November 16, 2021, the Company entered into an agreement to acquire a gold property located in the Town of McKinnon, Province of Ontario. The Property consists of three map-designated mining claims (no. 546604, 546605 & 590811).

The purchase price was satisfied through the issuance of 200,000 common shares of the Company that were issued on March 7, 2022 (during the year ended December 31, 2022, the Company issued 200,000 common shares) (note 10). The vendor will also receive a 2.0% NSR royalty from all eventual mineral production on the Property, of which can be with the right of the Company to buy back at 1% for \$1 million for a period of seven years from the date of the agreement.

### 14. Net loss per share

The calculation of basic and diluted loss per share for the year ended December 31, 2023 was based on the loss attributable to common shareholders of \$1,163,980 (year ended December 31, 2022 - \$980,319) and the weighted average number of common shares outstanding of 129,343,675 (year ended December 31, 2022 - 118,971,802). Diluted loss per share did not include the effect of 12,885,000 stock options outstanding (December 31, 2022 - 12,650,000 stock options outstanding) and 4,766,667 warrants outstanding (December 31, 2022 - 8,510,513 warrants outstanding) as they are anti-dilutive.

### 15. General and administrative

	Year Ended December 31,	
	2023	2022
Share-based payment (notes 11)	\$ 315,078	\$ 118,892
Professional fees	47,649	130,680
Management fees (note 16)	122,213	204,529
Administrative and general	25,852	(35,187)
Investor relations and promotion	11,737	3,574
Reporting issuer costs	26,382	33,131
	<b>\$ 548,911</b>	<b>\$ 455,619</b>

### 16. 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, 2023, Mendel Ekstein, an officer and director of the Company, controls or indirectly controls 26,528,736 common shares of the Company, or approximately 20% of the total common shares outstanding. As at December 31, 2023, Andreas Jacob, a director of the Company, controls or indirectly controls 14,824,767 common shares of the Company, or approximately 11.1% of the total common shares outstanding. As at December 31, 2023, the remaining directors and/or officers of the Company collectively control 205,875 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.

# Petrolympic Ltd.

## Notes to Consolidated Financial Statements

Years Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

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

(a) Petrolympic entered into the following transactions with related parties. The Company defines key management as its Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and Board of Directors:

	Year Ended December 31,	
	2023	2022
Marrelli Support Services Inc. ("Marrelli Support") (i)	\$ 42,046	\$ 25,839
DSA Corporate Services Inc. ("DSA Corp") (ii)	\$ 9,905	\$ 7,970
DSA Filing Services Limited ("DSA Filing") (iii)	\$ 7,114	\$ 14,265
Fogler Rubinoff LLP ("Fogler") (iv)	\$ 1,421	\$ 7,438
Marrelli Trust Company Limited ("Marrelli Trust") (v)	\$ 1,322	\$ 7,623
Marrelli Press Release Services Ltd. (vi)	\$ 6,576	\$ -

(i) For the year ended December 31, 2023, the Company expensed \$42,046 (year ended December 31, 2022 - \$25,839) to Marrelli Support for the services of Carmelo Marrelli to act as CFO of the Company. In addition, Marrelli Support also provides bookkeeping services to the Company. Carmelo Marrelli is the Managing Director of Marrelli Support. As at December 31, 2023, Marrelli Support was owed \$4,126 (December 31, 2022 - \$2,217) and this amount was included in accounts payable and accrued liabilities.

(ii) For the year ended December 31, 2023, the Company expensed \$9,905 (year ended December 31, 2022 - \$7,970) to DSA Corp for corporate secretarial services. DSA Corp is affiliated with Marrelli Support through common ownership. As at December 31, 2023, DSA Corp was owed \$678 (December 31, 2022 - \$1,378) and this amount was included in accounts payable and accrued liabilities.

(iii) For the year ended December 31, 2023, the Company expensed \$7,114 (year ended December 31, 2022 - \$14,265) to DSA Filing for corporate filing services. DSA Filing is affiliated with Marrelli Support through common ownership. As at December 31, 2023, DSA Filing was owed \$976 (December 31, 2022 - \$85) and this amount was included in accounts payable and accrued liabilities.

(iv) Adam Szweras, the Corporate Secretary of Petrolympic, is a partner at Fogler. For the year ended December 31, 2023, the Company expensed \$1,421 (year ended December 31, 2022 - \$7,483) to Fogler for legal services. As at December 31, 2023 Fogler was owed \$nil (December 31, 2022 - \$6,886) and this amount was included in accounts payable and accrued liabilities.

(v) For the year ended December 31, 2023, the Company expensed \$1,322 (year ended December 31, 2022 - \$7,623) to Marrelli Trust. Marrelli Trust is affiliated with Marrelli Support through common ownership. As at December 31, 2023, Marrelli Trust was owed \$1,194 (December 31, 2022 - \$1,695) and this amount was included in accounts payable and accrued liabilities.

(vi) For the year ended December 31, 2023, the Company expensed \$6,576 (year ended December 31, 2022 - \$2,223) to Marrelli Press Release. Marrelli Press Release is affiliated with Marrelli Support through common ownership. As at December 31, 2023, Marrelli Press Release was owed \$687 (December 31, 2022 - \$145) and this amount was included in accounts payable and accrued liabilities.

(vii) Advances from related parties are discussed in note 8.

(vi) Refer to note 11(i)(v)(vi)(vii).

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## Petrolympic Ltd.

### Notes to Consolidated Financial Statements

Years Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

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

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

	Year Ended December 31,	
	2023	2022
Salaries and benefits	\$ 122,213	\$ 204,529
Share-based payment (note 11(i)(iii)(iv))	243,791	97,369
Total remuneration	\$ 366,004	\$ 301,898

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, 2023, directors and key management personnel of the Company were owed \$826,625 (USD\$625,000) (December 31, 2022 - \$744,579 (USD\$545,000)) for remuneration and reimbursable expenses, excluding amounts disclosed in (a) above.

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

#### 17. Commitments and contingencies

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.

##### Flow-through commitment

The Company is obligated to spend \$646,998 by December 31, 2023 as part of the flow-through funding agreement for shares issued on November 16, 2022. The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. If the Company does not incur the required qualifying expenditures, it will be required to indemnify the holders of the flow-through shares for any related tax amounts that become payable by them as a result of the Company not meeting its expenditure commitments.

As of December 31, 2023, the Company has incurred \$646,998 in eligible exploration expenditures meeting its flow-through commitment.

The Company is obligated to spend \$200,000 by December 31, 2024 as part of the flow-through funding agreement for shares issued on December 28, 2023. The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. If the Company does not incur the required qualifying expenditures, it will be required to indemnify the holders of the flow-through shares for any related tax amounts that become payable by them as a result of the Company not meeting its expenditure commitments.

As of December 31, 2023, the Company has incurred \$nil in eligible exploration expenditures before December 31, 2024.

## Petrolympic Ltd.

### Notes to Consolidated Financial Statements

Years Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

#### 18. 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, 2023 and 2022 is as follows:

	Year Ended December 31,	
	2023	2022
Loss before income taxes and tax credits	\$ (1,163,980)	\$ (980,319)
Combined federal and provincial statutory income tax rate	26.50 %	26.50 %
Expected income tax recovery	\$ (308,455)	\$ (259,785)
Share-based payments	83,496	31,506
Permanent difference and other	(980)	(154,136)
Change in tax benefits not recognized	225,939	382,415
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 values of assets and liabilities. The temporary differences and unused tax losses that give rise to deferred income tax assets are presented below:

	As at December 31, 2023	As at December 31, 2022
<b>Deferred income tax assets and liabilities</b>		
Tax loss carried forward - Canada	\$ 3,201,885	\$ 2,307,031
Petroleum and natural gas properties	-	665,735
Share issue costs deductible	393	3,575
Deferred tax assets	3,202,278	2,976,341
Less: deferred tax assets not recognized	(3,202,278)	(2,976,341)
Net deferred tax assets	\$ -	\$ -

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## Petrolympic Ltd.

### Notes to Consolidated Financial Statements

Years Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

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#### 18. 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.

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

<b>Canada</b>	
2026	\$ 144,510
2027	70,848
2028	1,137,967
2029	613,803
2030	733,127
2031	859,560
2032	530,266
2033	235,695
2034	214,001
2035	365,693
2036	400,421
2037	412,371
2038	579,644
2039	216,150
2040	244,518
2041	273,390
2042	513,475
2043	3,373,290
	<hr/>
	\$ 10,918,729

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The potential benefit of these losses and deductible temporary differences in excess of the deferred tax liabilities have not been recognized in these financial statements as it is not considered probable that sufficient future tax profit will allow the deferred tax assets to be recovered.

#### 19. Subsequent events

On January 18, 2024, the company entered into a new loan agreement, securing a loan in the amount of \$30,000. This loan was obtained at an annual interest rate of the bank prime rate plus 2.34%. Additionally, as part of this transaction, the company repaid its existing \$30,000 CEBA loan.

On January 29, 2024, the Company reported on the decision made by the Québec Superior Court (Civil Division) to stay some provisions of Bill 21, the Act ending exploration for petroleum and underground reservoirs and production of petroleum and brine (the "Act"), for the duration of the judicial proceedings.

In its ruling, the Court concluded to the legitimacy of Petrolympic's claim that some provisions of the Act represent a serious legal matter which, if not stayed immediately, would cause serious or irreparable harm to the Company.

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## **Petrolympic Ltd.**

### **Notes to Consolidated Financial Statements**

**Years Ended December 31, 2023 and 2022**

**(Expressed in Canadian Dollars)**

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#### **19. Subsequent events (continued)**

On April 25, 2024, the Company completed a non-brokered private placement (the "Offering") of 5,000,000 common shares of the Company on a flow-through basis ("FT Shares") at a price of \$0.08 per FT Share, for aggregate gross proceeds of \$400,000.

In connection with the Offering, the Company paid finder's commissions of an aggregate of \$12,000 and issued an aggregate of 150,000 finder's shares (the "Finder's Shares") at \$0.08 per Finder's Share.

The securities issued under the Offering have a hold period of four months and one day from the date of issuance.

On April 25, 2024, the Company announced that a total of 850,000 options to purchase common shares of the Company have been granted to a director of the Company at an exercise price of \$0.10 per share, expiring on April 22, 2029. These options are replacing recently expired options and quarterly in equal amounts over 12 months from issuance.