SEAWAY ENERGY SERVICES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
JUNE 30, 2017

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's auditors have not performed a review of these condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

SEAWAY ENERGY SERVICES INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Notes	June 30, 2017 $	September 30, 2016 $
ASSETS			
Current assets			
Cash		98,631	16,645
GST receivable		25,821	20,619
Prepaid expense		3,300	-
TOTAL ASSETS		127,752	37,264
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		49,236	11,530
TOTAL LIABILITIES		49,236	11,530
SHAREHOLDERS' EQUITY			
Share capital	3	3,418,306	3,262,806
Share-based payments reserve	3	665,579	525,046
Deficit		(4,005,369)	(3,762,118)
TOTAL SHAREHOLDERS' EQUITY		78,516	25,734
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		127,752	37,264

Nature of Operations and Going Concern - see Note 1

These condensed interim financial statements were approved for issue by the Board of Directors on August 15, 2017 and are signed on its behalf by:

/s/ ***David Sidoo***
David Sidoo
Director

/s/ ***Nick DeMare***
Nick DeMare
Director

The accompanying notes are an integral part of these condensed interim financial statements.

SEAWAY ENERGY SERVICES INC.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

	Note	Three Months Ended June 30, 2017 $	Three Months Ended June 30, 2016 $	Nine Months Ended June 30, 2017 $	Nine Months Ended June 30, 2016 $
Expenses					
Accounting and administrative	4	9,200	12,225	16,900	23,378
Audit		(6,290)	15,204	(6,290)	15,204
Executive management compensation	4	21,000	5,650	68,000	20,650
Legal		-	11,300	1,986	11,300
Office		130	739	418	813
Professional fees		-	72,250	7,780	142,250
Regulatory fees		1,300	17,049	5,179	17,049
Share-based compensation	3(d)	-	-	140,533	-
Shareholder costs		-	-	1,241	-
Transfer agent		2,770	4,222	7,504	5,047
		28,110	138,639	243,251	235,691
Loss before other item		(28,110)	(138,639)	(243,251)	(235,691)
Other item					
Forgiveness of debt		-	20,000	-	20,000
Comprehensive loss for the period		(28,110)	(118,639)	(243,251)	(215,691)
Loss per share - basic and diluted		$(0.00)	$(0.09)	$(0.02)	$(0.16)
Weighted average number of common shares outstanding - basic and diluted		10,482,416	1,367,583	9,792,157	1,367,783

The accompanying notes are an integral part of these condensed interim financial statements.

SEAWAY ENERGY SERVICES INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited - Expressed in Canadian Dollars)

	Nine Months Ended June 30, 2017				
	Share Capital				
	Number of Shares	Amount $	Share-Based Payments Reserve $	Deficit $	Total Equity $
Balance at September 30, 2016	8,977,583	3,262,806	525,046	(3,762,118)	25,734
Common shares issued for cash:					
- exercise of warrants	1,555,000	155,500	-	-	155,500
Share-based compensation	-	-	140,533	-	140,533
Net loss for the period	-	-	-	(243,251)	(243,251)
Balance at June 30, 2017	10,532,583	3,418,306	665,579	(4,005,369)	78,516

	Nine Months Ended June 30, 2016				
	Share Capital				
	Number of Shares	Amount $	Share-Based Payments Reserve $	Deficit $	Total (Deficit) Equity $
Balance at September 30, 2015	1,367,583	2,885,306	525,046	(3,552,671)	(142,319)
Common shares issued for cash:					
- private placement	7,610,000	380,500	-	-	380,500
Share issue costs	-	(3,000)	-	-	(3,000)
Net loss for the period	-	-	-	(215,691)	(215,691)
Balance at June 30, 2016	8,977,583	3,262,806	525,046	(3,768,362)	19,490

The accompanying notes are an integral part of these condensed interim financial statements.

SEAWAY ENERGY SERVICES INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Nine Months Ended June 30,	
	2017	2016
	$	$
Operating activities		
Net loss for the period	(243,251)	(215,691)
Adjustment for:		
Share-based compensation	140,533	-
Forgiveness of debt	-	(20,000)
Changes in non-cash working capital items:		
GST receivable	(5,202)	(8,880)
Prepaid expense	(3,300)	-
Accounts payable and accrued liabilities	37,706	(55,233)
Net cash used in operating activities	(73,514)	(299,804)
Financing activities		
Issuance of common shares	155,500	380,500
Share issue costs	-	(3,000)
Promissory note	-	(15,000)
Net cash provided by financing activities	155,500	362,500
Net change in cash during the period	81,986	62,696
Cash at beginning of period	16,645	28
Cash at end of period	98,631	62,724

The accompanying notes are an integral part of these condensed interim financial statements.

1. Nature of Operations and Going Concern

Seaway Energy Services Inc. (the "Company") was incorporated under the Business Corporations Act (Alberta) on September 4, 1998 and continued into British Columbia on August 15, 2014. The Company is listed and traded on the TSX Venture Exchange ("TSXV") under the symbol "SEW". The Company's head office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7 Canada.

During the nine months ended June 30, 2017 the Company incurred a loss of $243,251 and, as at June 30, 2017, had working capital of $78,516 and an accumulated deficit of $4,005,369. The Company currently does not have any active operations and management is currently seeking new business opportunities. The Company will require additional funding to maintain its ongoing levels of operations and conduct due diligence identifying and evaluating potential business acquisitions. These condensed interim financial statements have been prepared on a going concern basis, under which the Company is assumed to be able to realize its assets and discharge its liabilities in the normal course of operations. The current market environment for idle public companies may cast significant doubt about the Company's ability to continue as going concern. The financial statements do not reflect adjustments that would be necessary if the going concern assumptions were not appropriate. If the going concern basis was not appropriate for these condensed interim financial statements, then adjustments would be necessary in the carrying value of property and equipment, liabilities, the reported expenses, and the classifications used in the statement of financial position. Such adjustments could be material.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"), and its interpretations, using accounting policies consistent with International Financial Reporting Standards ("IFRS"). The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended September 30, 2016, which have been prepared in accordance with IFRS as issued by the IASB and interpretations of the IFRS Interpretations Committee ("IFRIC"). The accounting policies followed in these condensed interim financial statements are consistent with those applied in the Company's financial statements for the year ended September 30, 2016.

Basis of Measurement

The Company's condensed interim financial statements have been prepared on the historical cost basis, which is based on the fair value of the consideration at the time of the transaction, except for certain financial instruments which are accounted for at fair value. The condensed interim financial statements are presented in Canadian dollars unless otherwise stated.

Comparative Figures

Certain of the prior period's comparative figures have been reclassified to conform with the current period's presentation.

3. Share Capital

(a) *Authorized Share Capital*

The Company's authorized share capital consists of an unlimited number of common shares without par value and unlimited preferred shares without par value. All issued common shares are fully paid.

(Unaudited - Expressed in Canadian Dollars)

3. Share Capital (continued)

(b) *Reconciliation of Changes in Share Capital*

There were no equity financings conducted by the Company during the nine months ended June 30, 2017.

During fiscal 2016 the Company completed a non-brokered private placement financing of 7,610,000 units at a price of $0.05 per unit for gross proceeds of $380,500. Each unit consisted of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of $0.10 for a period of two years expiring April 15, 2018. The Company paid a finder's fee of $3,000 cash and issued 60,000 finder's warrants with the same terms as the private placement warrants. Directors and officer of the Company purchased 1,610,000 units of this private placement.

(c) *Warrants*

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at June 30, 2017 and 2016 and the changes for the nine months ended on those dates, is as follows:

	2017		2016	
	Number	Weighted Average Exercise Price $	Number	Weighted Average Exercise Price $
Balance, beginning of period	3,865,000	0.10	404,999	0.90
Exercised	(1,555,000)	0.10	-	-
Expired			(404,999)	0.90
Balance, end of period	2,310,000	0.10	-	-

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at June 30, 2017:

Number	Exercise Price $	Expiry Date
2,310,000	0.10	April 15, 2018

(d) *Share Option Plan*

The Company has established a rolling share option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. Pursuant to the Plan, the exercise price of options will be set by the Board at the time options are granted and cannot be less than the discounted market price, except as permitted by the TSXV. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of five years.

During the nine months ended June 30, 2017 the Company granted share options to purchase 890,000 (2016 - nil) common shares and recorded compensation expense of $140,533 (2016 - $nil).

(Unaudited - Expressed in Canadian Dollars)

3. Share Capital (continued)

The fair value of share options granted and vested during the nine months ended June 30, 2017 is estimated using the Black-Scholes option pricing model using the following assumptions:

Risk-free interest rate	0.66%
Estimated volatility	111%
Expected life	5 years
Expected dividend yield	0%
Estimated forfeiture rate	0%

The weighted average grant date fair value of all share options granted during the nine months ended June 30, 2017 was $0.16 per share option.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide a reliable measure of the fair value of the Company's share options.

A summary of the Company's share options at June 30, 2017 and 2016 and the changes for the nine months ended on those dates, is as follows:

	2017		2016	
	Number of Options Outstanding	Weighted Average Exercise Price $	Number of Options Outstanding	Weighted Average Exercise Price $
Balance, beginning of period	93,333	0.405	93,333	0.405
Granted	890,000	0.20		-
Expired	(93,333)	0.405	-	-
Balance, end of period	890,000	0.20	93,333	0.405

As at June 30, 2017 options to purchase 890,000 common shares were outstanding and exercisable at an exercise price of 0.20 per share expiring October 20, 2021.

4. Related Party Disclosures

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and executive officers.

(i) During the nine months ended June 30, 2017 and 2016 the following amounts were incurred with respect to current and former key management personnel:

	2017 $	2016 $
Executive management compensation	68,000	20,650
Share-based compensation	105,004	-
	173,004	20,650

As at June 30, 2017, $36,750 (September 30, 2016 - $nil) remained unpaid and has been included in accounts payable and accrued liabilities.

(Unaudited - Expressed in Canadian Dollars)

4. Related Party Disclosures (continued)

(ii) Mr. DeMare, the Company's current Chief Financial Officer ("CFO"), was appointed on October 17, 2016. Since his appointment $11,400 was incurred for accounting and administration services provided by a private company owned by Mr. DeMare. As at June 30, 2017, $6,200 remained unpaid and has been included in accounts payable and accrued liabilities.

(ii) During the nine months ended June 30, 2017, the Company incurred $5,500 (2016 - $15,000) for accounting and administration services provided by a private company owned by Mr. Cheung, a former CFO of the Company.

(iii) During the nine months ended June 30, 2017, the Company incurred $1,986 (2016 - $11,300) for legal services provided by Mr. Purdy, a former CEO of the Company.

(iv) During the nine months ended June 30, 2016, the Company incurred $8,378 for accounting and administration services provided by a private company owned by Mr. Holub, a former CFO of the Company.

5. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following five categories: FVTPL; held-to-maturity investments; loans and receivables; AFS; and other financial liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	June 30, 2017 $	September 30, 2016 $
Cash	FVTPL	98,631	16,645
Accounts payable and accrued liabilities	Other financial liabilities	(49,236)	(11,530)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The Company's fair value of cash under the fair value hierarchy are measured using Level 1 inputs.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

5. Financial Instruments and Risk Management (continued)

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

	Contractual Maturity Analysis at June 30, 2017				
	Less than 3 Months $	3 - 12 Months $	1 - 5 Years $	Over 5 Years $	Total $
Cash	98,631	-	-	-	98,631
Accounts payable and accrued liabilities	(49,236)	-	-	-	(49,236)

Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash bears floating rates of interest. The interest rate risk on cash and on the Company's obligations are not considered significant.

Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to identify and evaluate potential business acquisitions and to negotiate acquisitions or participation agreements. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital and cash. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.