BIG SKY PETROLEUM CORPORATION

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

(Expressed in US Dollars)

(Unaudited – Prepared by Management)

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NOTICE OF NO AUDITOR REVIEW OF

INTERIM FINANCIAL STATEMENTS

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

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

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

BIG SKY PETROLEUM CORPORATION

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in US dollars)

	Notes		September 30, 2017		December 31, 2016
			(Unaudited)		(Audited)
Assets					
Reclamation bond	5	$	-	$	25,000
Total non-current assets			-		25,000
Accounts receivable			579		24
Cash			11,328		412
Total current assets			11,907		436
Total assets		$	11,907	$	25,436
Shareholders' Deficit					
Share capital	7	$	10,190,960	$	10,190,960
Reserves	7		1,314,938		1,330,118
Deficit			(11,905,434)		(12,439,621)
Total shareholders' deficit			(399,536)		(918,543)
Liabilities					
Decommissioning liabilities	6		-		50,000
Due to related parties	8		385,116		246,675
Due to Joint Participation Agreement partners	5		-		312,764
Accounts payable and accrued liabilities			26,327		334,540
Total current liabilities			411,443		943,979
Total shareholders' deficit and liabilities		$	11,907	$	25,436

These consolidated financial statements are authorized for issue by the Board of Directors on November 16, 2017.

They are signed on the Company’s behalf by:

/s/Desmond M. Balakrishnan
Director

/s/Mark T. Brown
Director

See notes to condensed consolidated interim financial statements

BIG SKY PETROLEUM CORPORATION

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in US dollars)
(Unaudited)

	Notes	For the three months ended September 30, 2017	For the three months ended September 30, 2016	For the nine months ended September 30, 2017	For the nine months ended September 30, 2016
General and administrative expenses					
Accounting, audit and legal fees	8	11,972	11,488	$ 34,610	$ 34,577
Transfer agent, listing and filing fees		1,681	1,367	7,771	11,084
Investor relations		-	420	-	420
Office and administrative		13	16	92	91
		(13,666)	(12,970)	(42,473)	(46,172)
Other item					
Gain on sale of subsidiaries	4	591,780	-	591,780	-
Decommissioning expense recovery	6	5,865	-	-	-
Foreign exchange (loss)		(15,124)	-	(15,124)	-
Interest income		5	-	5	-
		582,525	-	576,660	-
Net income (loss)		568,859	(12,970)	534,187	(46,172)
Exchange differences on translation of foreign operations		-	4,013	(15,180)	(11,844)
Total comprehensive income (loss) for the period		$ 568,859	$ (8,957)	$ 519,007	$ (58,016)
Basic and diluted earnings (loss) per share		$ 0.09	$ (0.00)	$ 0.09	$ (0.01)
Weighted average number of common shares outstanding		6,067,667	6,067,667	6,067,667	6,067,667

See notes to condensed consolidated interim financial statements

BIG SKY PETROLEUM CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Expressed in US dollars)

			Reserves				
	Number of Shares	Share Capital	Equity-settled Employee Benefits	Finder's Warrants	Foreign Currency Translation	Deficit	Total Shareholders' Equity (Deficit)
Balance as at December 31, 2015 (Audited)	6,067,667	$10,190,960	$ 398,347	$ 686,976	$ 249,055	$ (12,574,148)	$ (1,048,810)
Net (loss) and comprehensive (loss) for the period	-	-	-	-	(11,844)	(46,172)	(58,016)
Balance as at September 30, 2016 (Unaudited)	6,067,667	10,190,960	398,347	686,976	237,211	(12,620,320)	(1,106,826)
Net income and comprehensive income for the period	-	-	-	-	7,584	180,699	188,283
Balance as at December 31, 2016 (Audited)	6,067,667	10,190,960	398,347	686,976	244,795	(12,439,621)	(918,543)
Net income and comprehensive income for the period	-	-	-	-	(15,180)	534,187	519,007
Balance as at September 30, 2017 (Unaudited)	**6,067,667**	**$10,190,960**	**$ 398,347**	**$ 686,976**	**$ 229,615**	**$ (11,905,434)**	**$ (399,536)**

See notes to condensed consolidated interim financial statements

BIG SKY PETROLEUM CORPORATION

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
For the nine months ended September 30
(Expressed in US dollars)
(Unaudited)

	2017	2016
Cash provided by (used in)		
Operating activities		
Net income (loss)	$ 534,187	$ (46,172)
Items not affecting cash:		
Gain on sale of subsidiaries	(591,780)	-
	(57,593)	(46,172)
Changes in non-cash working capital items:		
Accounts receivable	(553)	128
Due to related parties	118,510	60,224
Accounts payable and accrued liabilities	(7,057)	(14,252)
Net cash provided by (used in) operating activities	53,307	(72)
Financing activities		
Cash received from the sale of subsidiaries	11,318	-
Effects of exchange rate changes	(53,709)	(349)
Change in cash	10,916	(421)
Cash, beginning of the period	412	779
Cash, end of the period	$ 11,328	$ 358
Supplemental cash flow information:		
Interest received	$ -	$ -

See notes to condensed consolidated interim financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Big Sky Petroleum Corporation (the "Company") was incorporated under the *Canada Business Corporations Act* on February 3, 2006 and, effective July 6, 2009, changed its continuance out of the federal jurisdiction into the British Columbia jurisdiction under the *Business Corporations Act* (British Columbia). The Company traded under the symbol "BSP" on the TSX Venture Exchange (the "TSX-V" or "Exchange"). On May 26, 2016, the Company's shares began trading under the symbol "BSP.H" in the NEX Board of the Exchange.

The Company is a junior oil and gas company and has its registered office at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. However, there are several conditions that may cast significant doubt on the Company's ability to continue as a going concern, including that, to date, the Company has not earned significant revenues and is considered to be in the exploration stage. The Company reported a net income of $534,187 for the nine months ended September 30, 2017 (2016 – net loss of $46,172) and had an accumulated deficit of $11,905,434 as at September 30, 2017 (December 31, 2016 - $12,439,621). The Company also had working capital deficiency of $399,536 as at September 30, 2017 (December 31, 2016 - $943,543). The Company has no source of operating revenues and its capacity to operate as a going concern in the near-term will likely depend on its ability to continue raising equity financing.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the consolidated statements of financial position. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The current market conditions and volatility increase the uncertainty of the Company's ability to continue as a going concern given the need to both curtail expenditures and raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows. The Company will continue to search for new or alternate sources of financing, but anticipates that current market conditions may impact the ability to source such funds.

2. BASIS OF PREPARATION

(a) Statement of compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

2. BASIS OF PREPARATION (Continued)

(b) Basis of preparation

These condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2016 consolidated annual financial statements.

The preparation of interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

These condensed consolidated interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.

3. SIGNIFICANT ACCOUNTING POLICIES

These unaudited interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2016. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the nine months ended September 30, 2017 are not necessarily indicative of the results that may be expected for the year ending December 31, 2017.

4. SALE OF SUBSIDIARIES

On August 31, 2017, the Company sold all its wholly-owned subsidiaries, along with the related assets and liabilities, to an arm's length private company for $11,318 (Cdn$14,000). As a result of the sale, the Company recognized a gain on sale of subsidiaries of $591,780.

5. OIL AND NATURAL GAS PROPERTIES

Montana Projects

The Company had interests in separate land packages known as the Americana Acreage Block and the FX Block, collectively referred to as the Glacier Prospects. Effective February 2011, the Company signed a Joint Participation Agreement and Operating Agreement with FX Producing Company, Inc. and American Eagle Energy Inc. to explore in the Alberta Bakken region of Montana with an undivided 33.33% interest each. During fiscal 2014, the Company wrote off all its capitalized cost.

On April 30, 2013, Big Sky and its two joint Participation Agreement partners signed a Purchase and Sale Agreement with American Midwest Oil and Gas to sell certain of its oil and gas leasehold interests in Toole County, Montana, for a total purchase price of $642,292, of which the Company had a one-third interest. As at December 31, 2016, the Company owed $312,764 to its Joint Participation Agreement partners for the sale. Effective August 31, 2017, the Company sold its subsidiaries and eliminated the liability as part of the gain on sale of subsidiaries (see Note 4).

(Expressed in US dollars, unless otherwise indicated)

5. OIL AND NATURAL GAS PROPERTIES (Continued)

Texas Project

On November 28, 2012, the Company announced it entered the prolific Wolfcamp/Wolfberry play developing in the southern Midland Basin portion of the Permian Basin located in west Texas. The Company acquired a 90% working interest in the property on the eastern shelf of the southern Midland Basin. The Company wrote-off all its capitalized cost related to the Texas project in fiscal 2015.

The Company had a reclamation bond of $25,000 as of December 31, 2016. Effective August 31, 2017, the Company sold its subsidiaries along with the reclamation bond, recognizing a gain on sale of subsidiaries (see Note 4).

6. DECOMISSIONING LIABILITIES

Balance, December 31, 2015	$	250,000
Change in estimate		(200,000)
Balance, December 31, 2016	$	50,000

The Company's provision for decommissioning liabilities consisted of remediation obligations resulting from its ownership interests in oil assets. The total obligation is estimated based on the Company's net ownership interest in each well site, estimated costs to return these sites to their original condition and costs to plug the wells and the estimated timing of the costs to be incurred in future years.

No further exploration work was performed in 2016. The Company revised their estimate of the fair value of reclaiming the only well drilled in fiscal 2016, based on a cost estimate from an oil and gas services provider, and reduced its decommissioning liabilities from $250,000 to $50,000. Management determined the reclamation work would be completed in 2017. As a result, the Company recorded a $200,000 fair value gain on the decommissioning liabilities during the year ended December 31, 2016 in the statement of comprehensive income (loss). During the six months ended June 30, 2017, the Company incurred decommissioning costs of $5,865. As of August 31, 2017, the Company sold all its subsidiaries, along with the decommissioning liabilities, resulting in a recovery in the decommissioning costs of $5,865 during the three months ended September 30, 2017 and a gain on sale of subsidiaries (see Note 4).

7. SHARE CAPITAL AND RESERVES

(a) Authorized

The Company has authorized share capital of an unlimited number of common shares without par value.

(b) Issued and Outstanding

The Company did not issue any common shares during the nine months ended September 30, 2017 and 2016.

(Expressed in US dollars, unless otherwise indicated)

7. SHARE CAPITAL AND RESERVES (Continued)

(c) Stock options

The Company has established a stock option plan that is administered by the Board of Directors of the Company with stock options granted to directors, management, employees, management company employees, agents and consultants. The number of common shares reserved for issuance of stock options is limited to a maximum of 10% of the total number of issued and outstanding shares. All options granted to date, vested immediately upon granting.

Expiry date	Exercise Price ($CDN)	December 31, 2015	Expired/ Cancelled	December 31, 2016	Expired/ Cancelled	September 30, 2017
October 17, 2016	$ 1.20	25,000	(25,000)	-	-	-
December 1, 2016	$ 3.50	90,000	(90,000)	-	-	-
November 29, 2017	$ 1.20	8,000	-	8,000	-	8,000
January 7, 2018	$ 1.20	10,000	-	10,000	-	10,000
Options outstanding and exercisable		133,000	(115,000)	18,000	-	18,000
Weighted average exercise price ($CDN)		$ 2.76	-	$ 1.20	-	$ 1.20

As at September 30, 2017, the weighted average remaining contractual life of the stock options was 0.22 (December 31, 2016 – 0.97) years.

8. RELATED PARTY TRANSACTIONS AND BALANCES

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the nine months ended September 30, 2017	Short-term benefits	Share-based Payments	Total
Companies controlled by Chief Executive Officer, President, Chief Financial Officer and a Director	$ 34,457	$ -	$ 34,457
Total	$ 34,457	$ -	$ 34,457

For the nine months ended September 30, 2016	Short-term benefits	Share-based Payments	Total
Companies controlled by Chief Executive Officer, President, Chief Financial Officer and a Director	$ 34,020	$ -	$ 34,020
Total	$ 34,020	$ -	$ 34,020

8. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

Due to related parties	Services for		September 30, 2017		December 31, 2016
Company controlled by Chief Executive Officer, President, Chief Financial Officer and a Director [(a)]	Rent, accounting and financial services; loan	$	353,743	$	217,649
Company controlled by a director [(a)]	Legal		23,360		21,612
Director [(a)]	Loan		8,013		7,414
Total		$	385,116	$	246,675

(a) Subsequent to September 30, 2017, these parties entered into various assignment agreements with an arm's length party to the Company and assigned these liabilities to this arm's length party.

9. FINANCIAL INSTRUMENTS

The fair values of the Company's accounts receivable (net of Goods and Services Tax ("GST") receivable), and accounts payable and accrued liabilities approximate their carrying values due to the short-term maturity of these instruments. The Company's cash is valued based on quoted market prices.

Amounts due to related parties and due to Joint Participation Agreement partners approximate their fair value, as they are due on demand.

The Company's financial instruments are exposed to certain financial risks, including foreign currency risk, credit risk, liquidity risk and interest risk.

(a) Foreign currency risk

The Company raises financing in Canadian dollars while incurring exploration and decommissioning costs on its oil and gas properties in US dollars. The Company is therefore affected by changes in exchange rates between the Canadian dollar and US dollar, which may adversely affect the Company's financial position, results of operations and cash flows. The Company has net monetary liabilities of approximately Cdn$499,000 (December 31, 2016 - Cdn$374,000). A 6% change in the absolute rate of exchange in US dollars would affect its net loss by $29,940 (December 31, 2016 – $22,440).

(b) Credit risk

The Company's cash is held in a Canadian financial institution. Credit risk is managed by using major banks that are high credit quality financial institutions as determined by ratings agencies. The Company's accounts receivable (net of GST receivable) is nominal.

9. FINANCIAL INSTRUMENTS (Continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities, amounts due to related parties, and amounts due to joint participation agreement partners are due within the current operating period.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the cash is limited because they are generally held to maturity. The Company is not exposed to significant interest rate risk.

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – 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 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy.

September 30, 2017	Level 1	Level 2	Level 3	Total
Cash	$ 11,328	$ -	$ -	$ 11,328

December 31, 2016	Level 1	Level 2	Level 3	Total
Cash	$ 412	$ -	$ -	$ 412

(Expressed in US dollars, unless otherwise indicated)

10. MANAGEMENT OF CAPITAL RISK

The Company's capital is comprised of amounts in shareholders' equity (deficit). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the acquisition and exploration of oil and gas properties and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets, or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. There were no changes to the Company's approach to capital management during the nine months ended September 30, 2017 and the Company is not subject to any externally imposed capital requirements.

11. SEGMENTED INFORMATION

The Company is engaged in one business activity, oil and natural gas exploration. The two key geographical segments are Canada and United States.

Summarized financial information for the geographic segments the Company operates in are as follows:

	Canada	USA	Total
As at September 30, 2017			
Assets			
Accounts receivable	$ 579	$ -	$ 579
Cash	11,328	-	11,328
	$ 11,907	$ -	$ 11,907
As at December 31, 2016			
Assets			
Reclamation bond	$ -	$ 25,000	$ 25,000
Accounts receivable	24	-	24
Cash	412	-	412
	$ 436	$ 25,000	$ 25,436

For the nine months ended September 30, 2017			
Net income for the period	$ 534,187	$ -	$ 534,187
Capital expenditures	$ -	$ -	$ -
For the nine months ended September 30, 2016			
Net (loss) for the period	$ (46,172)	$ -	$ (46,172)
Capital expenditures	$ -	$ -	$ -