KNOL RESOURCES CORP.

Condensed Interim Financial Statements (unaudited)

For the nine months ended September 30, 2016

Management's Comments on the Unaudited Condensed Interim Financial Statements

The accompanying unaudited condensed interim financial statements of Knol Resources Corp. (the "Corporation") as at and for the nine months ended September 30, 2016 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Corporation. The Corporation's external auditors have not reviewed these financial statements.

KNOL RESOURCES CORP.
Condensed Interim Statements of Financial Position (unaudited)
In Canadian dollars

	September 30 2016	December 31 2015
	$	$
Assets		
Current assets		
Cash and cash equivalents (note 4)	**4,463,851**	4,628,415
Accounts receivable	**1,846**	13,726
Prepaid expenses	**5,706**	3,773
Total current assets	**4,471,403**	4,645,914
Restricted cash (note 4)	**26,603**	26,603
Total assets	**4,498,006**	4,672,517
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (notes 8 and 12)	**141,247**	51,972
Liabilities associated with assets held for sale (note 5)	**50,000**	50,000
Asset retirement obligation (note 6)	**200,000**	43,850
Total liabilities	**391,247**	145,822
Shareholders' equity		
Share capital (note 7a)	**75,191,873**	75,191,873
Equity reserves (note 7b)	**22,947,225**	22,947,225
Deficit	**(94,032,339)**	(93,612,403)
Total shareholders' equity	**4,106,759**	4,526,695
Total liabilities and shareholders' equity	**4,498,006**	4,672,517

Basis of presentation (note 3a)

On behalf of the Board of Directors:

"Bryce Rhodes" Director ***"Daryl Clark"*** Director

See accompanying notes to the unaudited condensed interim financial statements.

KNOL RESOURCES CORP.
Condensed Interim Statements of Net Loss and Comprehensive Loss (unaudited)
In Canadian dollars

	Three Months Ended September 30		Nine Months Ended September 30	
	2016	2015	**2016**	2015
	$	$	**$**	$
Expenses				
General and administrative:				
Legal and audit services	**132,788**	-	**144,904**	7,023
Consulting fees (note 12)	**40,680**	40,700	**121,400**	123,600
Investor relations and exchange listing and filing fees	**21,098**	7,248	**31,475**	13,333
Land leases	**5,824**	5,825	**5,824**	5,825
Office expenses	**4,492**	3,596	**8,987**	15,838
Insurance	**2,416**	3,400	**10,667**	9,595
Total general and administrative expenses	**(207,298)**	(60,769)	**(323,257)**	(175,214)
Other (expenses) income:				
Interest income	**14,900**	16,232	**44,798**	63,085
Environmental reclamation (note 6)	**(15)**	(53,750)	**(153,631)**	(57,850)
Gain on write-off of accounts payable and accrued liabilities (note 9)	**-**	-	**12,154**	-
Non-refundable sales tax (note 10)	-	(8,498)	-	(54,498)
Net loss before income taxes	**(192,413)**	(106,785)	**(419,936)**	(224,477)
Income taxes	**-**	-	**-**	-
Net loss and comprehensive loss	**(192,413)**	(106,785)	**(419,936)**	(224,477)
Basic and diluted loss per share (note 7c)	**(0.00)**	(0.00)	**(0.00)**	(0.00)

See accompanying notes to the unaudited condensed interim financial statements.

KNOL RESOURCES CORP.

Condensed Interim Statements of Changes in Shareholders' Equity (unaudited)

In Canadian dollars

		Equity Reserves				
	Common Shares	Expired Options and Warrants	Outstanding Options and Warrants	Equity Reserves Subtotal	Deficit	Total
	$	$	$	$	$	$
January 1, 2015	75,191,873	22,509,921	437,304	22,947,225	(93,309,702)	4,829,396
Net loss and comprehensive loss	-	-	-	-	(224,477)	(224,477)
September 30, 2015	75,191,873	22,509,921	437,304	22,947,225	(93,534,179)	4,829,396
Net loss and comprehensive loss	-	-	-	-	(78,224)	(78,224)
December 31, 2015	75,191,873	22,509,921	437,304	22,947,225	(93,612,403)	4,526,695
Net loss and comprehensive loss	-	-	-	-	(419,936)	(419,936)
September 30, 2016	**75,191,873**	**22,509,921**	**437,304**	**22,947,225**	**(94,032,339)**	**4,106,759**

See accompanying notes to the unaudited condensed interim financial statements.

KNOL RESOURCES CORP.
Condensed Interim Statements of Cash Flows (unaudited)
In Canadian dollars

	Nine Months Ended September 30	
	2016	2015
	$	$
Cash and cash equivalents (used in) provided by:		
Operating activities		
Net loss for the period	**(419,936)**	(224,477)
Less:		
Interest income	**(44,798)**	(63,085)
Add back (less) changes in non-cash working capital:		
Accounts receivable and prepaid expenses	**9,947**	11,091
Accounts payable and accrued liabilities	**89,275**	83,194
Asset retirement obligation	**156,150**	(150,000)
Total cash and cash equivalents used in operating activities	**(209,362)**	(343,277)
Investing activities		
Interest received	**44,798**	63,085
Refund of deposit held as restricted cash	**-**	23,364
Total cash and cash equivalents provided by investing activities	**29,898**	86,449
(Decrease) increase in cash and cash equivalents	**(164,564)**	(256,828)
Cash and cash equivalents beginning of the period	**4,628,415**	5,053,231
Cash and cash equivalents end of the period	**4,463,851**	4,796,403

See accompanying notes to the unaudited condensed interim financial statements.

1. NATURE OF OPERATIONS

Knol Resources Corp. (the "Corporation") seeks a strategic business or asset acquisition that would benefit from the Corporation's status as a publicly-listed entity and its historical tax losses. As of the date these consolidated financial statements were authorized by the Corporation's Board of Directors, the Corporation has no significant operating assets.

The Corporation is incorporated in Alberta, Canada, and its principal place of business is Suite 1703, Three Bentall Centre, 595 Burrard Street, Vancouver, BC, V7X 1J1.

The Corporation's common shares trade on the NEX tier of the TSX-Venture Exchange under the symbol "NOL.H".

2. STATEMENT OF COMPLIANCE

The condensed interim financial statements for the nine months ended September 30, 2016 (the "Financial Statements") are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), including Accounting Standard 34, Interim Financial Reporting ("IAS 34"). These Financial Statements should be read in conjunction with the Corporation's audited annual consolidated statements as at and for the year ended December 31, 2015.

These Financial Statements were approved by the Corporation's Board of Directors on November 17, 2016.

3. ACCOUNTING POLICIES

a) Basis of presentation

These Financial Statements have been prepared on a historical cost basis except for assets and related liabilities held for sale, which are measured at fair value, and financial instruments which are described in Note 3c of its audited consolidated financial statements for the year ended December 31, 2015.

The Financial Statements are presented in Canadian dollars, which is also the functional currency of the Corporation and all consolidated subsidiaries.

b) Significant accounting policies

Except for changes to accounting policies resulting from new or amended IFRS pronouncements, these Financial Statements have been prepared using the same accounting policies and are subject to the same estimates, judgments and measurement uncertainties as those described in Note 3 of its audited consolidated financial statements for the year ended December 31, 2015. New accounting policies adopted as a result of new or amended IFRS pronouncements did not result in significant changes to the measurement or presentation of comparative information in these condensed interim financial statements compared with their disclosure in prior periods.

3. ACCOUNTING POLICIES (continued)

c) New and amended IFRS adopted by the Corporation

The Corporation has applied the following new IFRS amendment starting January 1, 2016:

IFRS 5, Non-current Assets Held for Sale and Discontinued Operations

IFRS 5 has been amended to include specific guidance for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

d) Future changes in accounting standards

The following are new and revised accounting pronouncements that have been issued, but are not yet effective for the year beginning January 1, 2016:

i. IFRS 9, Financial Instruments

The IASB intends to replace IAS 39 – "*Financial Instruments: Recognition and Measurement*" in its entirety with IFRS 9 in three main phases. IFRS 9 will be the new standard for the financial reporting of financial instruments that is principles-based and less complex than IAS 39. IFRS 9 requires that all financial assets be classified as subsequently measured at amortized cost or at fair value based on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are classified as subsequently measured at amortized cost except for financial liabilities classified as at fair value through profit or loss, financial guarantees and certain other exceptions. IFRS 9 can currently be adopted voluntarily, but is mandatory for years beginning on or after January 1, 2018.

ii. IFRS 15, Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018, following a one-year extension granted in September 2015, with early adoption permitted.

3. ACCOUNTING POLICIES (continued)

iii. IFRS 16, Leases

In January 2016, the IASB issued IFRS 16 – Leases ("IFRS 16") which eliminates the classification of leases as either operating or financing leases for a lessee. Under IFRS 16, unless their durations are for 12 or fewer months or are for low-value assets, all leases will be deemed finance leases, resulting in leased assets and lease liabilities being included on the statement of financial position. Expenses will be recognized through the amortization of leased assets rather than through lease payments. IFRS is effective for annual periods beginning on or after January 1, 2019; early adoption is permitted if IFRS 15 is also applied.

Management has determined that the application of these pronouncements is not expected to have a significant impact on the Corporation's financial statements.

4. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

As at September 30, 2016, the Corporation held cash in an operating account with a Schedule 1 Chartered Canadian bank and cash equivalents in the form of a term deposit with another Canadian financial institution with an R-1(low) credit rating from DBRS. The term deposit can be withdrawn on demand and earns a rate of 1.15% as at September 30, 2016 (December 31, 2015 – 1.40%). A breakdown of the Corporation's cash and cash equivalents is as follows:

	September 30, 2016	December 31, 2015
	$	$
Cash	**177,928**	123,536
Cash equivalents	**4,285,923**	4,504,879
Total	**4,463,851**	4,628,415

Interest earned on the Corporation's cash and cash equivalents for the nine months ended September 30, 2016 was $44,798 (2015 - $63,085).

As at September 30, 2016, the Corporation held $26,603 (December 31, 2015 - $26,603) in cash restricted by a government authority that will be returned after certain environmental reclamation has been conducted and approved.

5. LIABILITIES CLASSIFIED AS HELD FOR SALE

The Corporation has two oil and gas interests, which it is actively seeking to sell. The carrying value of these assets has been written-off to $nil for all periods presented, and the carrying value of related liabilities as at September 30, 2016 and December 31, 2015 is $50,000, reflecting management's estimate for the costs of disposal.

6. ASSET RETIREMENT OBLIGATION

The Corporation is operator of one gas well which was abandoned in the year ended December 31, 2015. In addition to the well abandonment, the Corporation is also responsible for surface reclamation and recognizes an asset retirement obligation for this work.

Changes to the Corporation's asset retirement obligation are as follows:

	Carrying Amount
	$
January 1, 2015	200,000
Change in cost estimates	60,563
Costs incurred for reclamation work performed	(216,713)
December 31, 2015	43,850
Change in cost estimates	156,150
September 30, 2016	**200,000**

During the year ended December 31, 2015, the Corporation engaged contractors to abandon the well and to conduct a preliminary ("Phase 1") assessment at the well site. As a result of this work, the Corporation recognized $60,563 in additional reclamation expenses for changes in the estimated scope of work required, and paid $216,713 for related work.

Following the well abandonment and Phase 1 assessment, the Corporation's remaining asset retirement obligation relates to surface reclamation of the well site and an access road to the well site. Based on informal discussions with the landowner regarding the scope of reclamation required, the Corporation's asset retirement obligation included surface reclamation of the immediate wellsite, but not of the access road. During the nine months ended September 30, 2016, it became uncertain as to whether or not road decommissioning would also be required and, as a result, the Corporation accrued an additional $156,150 for the period, to include the potential scope change. The corresponding environmental reclamation expense was partially offset by a $2,519 recovery of costs incurred in 2015 from a well interest holder.

The Corporation's asset retirement obligation reflects estimates for the scope of work required and costs thereof, based on discussions with potential third-party service providers and the landowner. Actual costs to be incurred are contingent on many factors including the eventual reclamation requirements of the landowner, success rates for vegetation growth, approval of completed work by regulators and specific-site conditions. Should the expected scope of work change or should actual costs differ from those estimated, additional reclamation expenses may be incurred or a reversal of current expenses may be reported in future periods. Owing to the short timeline for the expected cash outflows, there is no inflationary adjustment to or discounting of expected reclamation expenditures.

7. SHAREHOLDERS' EQUITY

a) Share capital – common and preferred shares

The Corporation's share capital as at September 30, 2016 and December 31, 2015 comprises the following

Class	Number of Common Shares Issued and Outstanding	Assigned Value
		$
Common shares, no par value (unlimited authorized)	55,696,470	75,191,873
Preferred shares, no par value (unlimited authorized)	-	-

There have been no changes to the Corporation's share capital in the nine months ended September 30, 2016 or the year ended December 31, 2015.

b) Equity reserves - stock options and warrants

i. Stock options

Pursuant to the Corporation's stock option plan, the aggregate number of shares that may be reserved for issuance under the plan shall not exceed 10% of the Corporation's issued and outstanding common shares. The number of options granted, as well as their vesting terms, contractual lives and exercise prices are at the discretion of the Board of Directors, provided that the exercise price is not less than the market price of the common shares on the grant date.

Changes to stock options outstanding are as follows:

	Number of Options	Weighted Average Exercise Price
		$
Outstanding, January 1, 2015	1,575,000	0.10
Options cancelled	(75,000)	0.10
Outstanding, December 31, 2015 and September 30, 2016	**1,500,000**	**0.10**

7. SHAREHOLDERS' EQUITY (continued)

Stock options outstanding and exercisable as at September 30, 2016 are summarized as follows:

Exercise price	Number of Options Outstanding	Weighted Average Remaining Contractual Life	Number of Exercisable Options
$		Years	
0.10	1,500,000	2.6	1,500,000

ii. Warrants

The Corporation may issue warrants as a premium to participants in placements of its common shares or as compensation to those who facilitate such placements or who provide services to the Corporation.

Changes to warrants outstanding are as follows:

	Number of Options	Weighted Average Exercise Price
		$
Outstanding, January 1, 2015 and December 31, 2015	52,570,600	0.20
Warrants expired	(2,570,600)	0.10
Outstanding, September 30, 2016	**50,000,000**	**0.20**

Warrants outstanding and exercisable as at September 30, 2016 are summarized as follows:

Exercise price	Number of Warrants Outstanding	Weighted Average Remaining Contractual Life
$		Years
0.20	50,000,000	2.5[1]

[1] If the market closing price and the volume-weighted average price of the Corporation's shares are both greater than $0.40 for a period of 10 consecutive trading days, the Corporation may, at its sole discretion, issue notice of an accelerated expiration of these warrants upon which they will expire 30 days following the issuance of such notice.

7. SHAREHOLDERS' EQUITY (continued)

c) Per share amounts

Basic and diluted loss per share are calculated as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
$ - unless otherwise stated	**2016**	2015	**2016**	2015
Numerator				
Net loss and comprehensive loss	**(192,413)**	(106,785)	**(419,936)**	(224,477)
Denominator				
Basic and diluted weighted average number of shares outstanding	**55,696,470**	55,696,470	**55,696,470**	55,696,470
Basic and diluted loss per share	**(0.00)**	(0.00)	**(0.00)**	(0.00)

The calculation of diluted loss per share excludes the impact from the potential exercise of stock options and warrants as their inclusion is anti-dilutive in periods in which a net loss is incurred.

8. PROPOSED REVERSE TAKEOVER

On June 20, 2016, the Corporation entered into a non-binding letter of intent (the "LOI") with KEWA Financial Inc. ("KEWA"). Pursuant to the LOI, the Corporation would acquire 100% of the issued and outstanding shares in KEWA by way of a share-for-share exchange that would result in KEWA shareholders owning the majority of the then outstanding common shares in the Corporation. The LOI was terminated by KEWA, effective October 17, 2016.

Legal and audit services for the nine months ended September 30, 2016 and accounts payable and accrued liabilities as at September 30, 2016 include $132,000 in legal fees incurred in connection with the LOI, subsequent due diligence and other related activities.

9. GAIN ON WRITE-OFF OF ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

During the nine months ended September 30, 2016, the Corporation recorded a $12,154 gain on the reversal of certain accounts payable which had been accrued in prior periods, but for which no payment was ultimately required.

10. NON-REFUNDABLE SALES TAX

During the nine months ended September 30, 2015, the Corporation recorded a $54,498 expense related to federal sales taxes paid by the Corporation in connection with a 2012 Plan of Arrangement that were initially refunded to the Corporation, but which were later deemed non-refundable by the Canada Revenue Agency and were ultimately repaid by the Corporation.

11. COMMITMENTS & CONTINGENCIES

Under the terms of certain agreements and the by-laws of the Corporation, the Corporation indemnifies individuals who have acted at the request of the Corporation to be a director and/or officer to the extent permitted by law, against any and all damages, liabilities, costs, charges or expenses suffered by or incurred by the individuals as a result of their service. As at or subsequent to the end of the reporting period, the Corporation is unaware of any claims or actions that would materially affect its reported financial position or results from operations.

12. RELATED PARTY TRANSACTIONS

Consulting fees for the nine months ended September 30, 2016 the Corporation includes $22,500 (2015 - $22,500) for consulting services provided by Michael Atkinson, the Corporation's President and Chief Executive Officer. The fees were incurred for management and business development services provided in the normal course of business, and have been measured at an exchange amount.

Consulting fees for the nine months ended September 30, 2016, includes $54,000 (2015 - $54,000) for consulting services performed by Earlston Management Corp. ("Earlston"), an entity related by virtue of providing key management services to the Corporation. As at September 30, 2016, $6,000 (December 31, 2015 - $6,000) is included in accounts payable and accrued liabilities for amounts owing to Earlston.

13. FINANCIAL INSTRUMENTS

Fair value of financial instruments

The Corporation's financial instruments as at September 30, 2016 consist of cash, accounts receivable, restricted cash, and accounts payable and accrued liabilities. Due to the short term nature of these instruments, their carrying values approximate their fair values. The fair values of financial instruments are allocated between three levels of a fair value hierarchy, based on the degree of certainty around the fair values. The levels and the valuation techniques used to value financial instruments are as follows:

Level 1 - Quoted prices in active markets for identical assets

Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 - Significant other observable inputs

Quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 - Significant unobservable inputs

Significant reliance is placed on unobservable prices, supported by little or no market activity.

13. FINANCIAL INSTRUMENTS (continued)

As at September 30, 2016, cash and cash equivalents and restricted cash held by the Corporation were considered to be Level 1 financial instruments.

Classification of financial instruments

All financial assets (except for cash and cash equivalents and restricted cash which are classified as fair value through profit and loss) are classified as loans and receivables and are accounted for on an amortized cost basis. All financial liabilities are classified as other liabilities. There are no financial assets on the consolidated statement of financial position that have been designated as available-for-sale. There have been no changes to the aforementioned classifications during the nine months ended September 30, 2016.

Financial instrument risk management

The nature of the Corporation's financial instruments and its operations expose the Corporation to market risks and credit risks. The Corporation manages its exposure to these risks by operating in a manner that minimizes this exposure. While management monitors and administers these risks, the Board of Directors of the Corporation has the overall responsibility for the establishment and oversight of the Corporation's risk management framework.

a) Market risks

Market risks include unfavorable movements in commodity prices, interest rates, and foreign exchange rates. As at September 30, 2016, the Corporation held no producing assets, held the majority of its net assets in cash, did not have any interest-bearing liabilities and has no commercial operations. Consequently, the Corporation has no significant exposure to market risks.

b) Credit risk

Credit risk is the risk of default on payment by counterparties to financial assets held by the Corporation. Virtually all of the Corporation's accounts receivables are concentrated with a limited number of customers and joint venture partners in the oil and gas industry. Management considers this concentration of credit risk to be acceptable, as customers are major industry participants, and receivables from partners are protected by effective industry standard legal remedies. The Corporation requires cash calls from its partners on major field projects in advance of commencement.

Accounts receivable as at September 30, 2016 was $1,846. The maximum exposure to credit risk is therefore represented by the carrying amount of accounts receivable on the consolidated statement of financial position. In the immediate future, it is not expected that the Corporation's exposure to credit risk will be significant.

c) Concentration risk

Concentration risk is the risk that a significant proportion of the Corporation's cash is held with one financial institution, exposing the Corporation to the risk that this institution may not have the liquidity to honour withdrawals or redemptions of the Corporation's funds. As at September 30, 2016, the largest balance of cash and cash equivalents held with any single

13. FINANCIAL INSTRUMENTS (continued)

institution was $4,285,923. Although the Corporation ensures the credit ratings of the financial institutions it deals with are high, the Corporation may seek to diversify holdings in the future.

14. CAPITAL MANAGEMENT

The Corporation's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Corporation defines capital as shareholders' equity and working capital. The Board of Directors does not establish quantitative return on capital criteria for management.

As at September 30, 2016, the Corporation's focus is to preserve the base of its cash available for redeployment in producing assets. There have been no changes in the Corporation's capital management strategies and processes during the nine months ended September 30, 2016.

The Corporation has no externally imposed capital requirements and there are no external financial covenants to which the Corporation must adhere.