



EastSiberian Plc  
Condensed Interim Consolidated Financial Statements  
(Unaudited)  
For the three months ended August 31, 2017

**In accordance with National Instrument 51-102 of the Canadian Securities Administrators, EastSiberian Plc discloses that its auditors have not reviewed the unaudited financial statements for the three months ended August 31, 2017**

# EastSiberian Plc

Condensed Interim Consolidated Statements of Financial Position  
(United States Dollars)  
(Unaudited)

	Note	August 31, 2017	May 31, 2017
<b>Assets</b>			
Cash and cash equivalents		\$ 2,564	\$ 2,607
Accounts receivable		587	367
<b>Total assets</b>		<b>\$ 3,151</b>	<b>\$ 2,974</b>
<b>Shareholders' Deficiency</b>			
Share capital	4	\$ 93,505,247	\$ 93,505,247
Contributed surplus		5,760,482	5,760,482
Foreign currency translation reserve		(6,002)	(6,002)
Deficit		(101,766,197)	(101,676,547)
<b>Total Deficiency</b>		<b>(2,506,470)</b>	<b>(2,416,820)</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	5	\$ 2,509,621	\$ 2,419,794
<b>Total liabilities</b>		<b>2,509,621</b>	<b>2,419,794</b>
Going concern	2		
<b>Total equity and liabilities</b>		<b>\$ 3,151</b>	<b>\$ 2,974</b>

ON BEHALF OF THE BOARD

*"signed"*  
Graeme Phipps

*"signed"*  
Richard Norris

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

# EastSiberian Plc

Condensed Interim Consolidated Statements of Comprehensive Loss  
For the three month periods ended August 31  
(United States Dollars, except for share amounts)  
(Unaudited)

	Three month ended August 31,	
	2017	2016
Expenses:		
General and administrative expenses	\$ 89,650	\$ 81,049
Other items:		
Loss on equity accounted investees	-	5,525
Foreign exchange loss (gain)	-	100
Net loss	89,650	86,674
<b>Other comprehensive loss</b>	-	-
<b>Total comprehensive loss for the period</b>	<b>\$ 89,650</b>	<b>\$ 86,674</b>
Net loss per share:		
Basic and diluted	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding		
Basic and diluted	43,362,832	43,362,832

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# EastSiberian Plc

Condensed Interim Consolidated Statements of Changes in Equity  
 (United States Dollars)  
 (Unaudited)

	Share capital	Contributed surplus	Foreign Currency Translation Reserve	Deficit	Total Equity (Deficiency)
<b>Balance at May 31, 2016</b>	<b>93,505,247</b>	<b>5,760,482</b>	<b>(7,766)</b>	<b>(101,058,412)</b>	<b>(1,800,449)</b>
Net loss	-	-	-	(86,674)	(86,674)
<b>Balance at August 31, 2016</b>	<b>93,505,247</b>	<b>5,760,482</b>	<b>(7,766)</b>	<b>(101,145,086)</b>	<b>(1,887,123)</b>
<b>Balance at May 31, 2017</b>	<b>93,505,247</b>	<b>5,760,482</b>	<b>(6,002)</b>	<b>(101,676,547)</b>	<b>(2,416,820)</b>
Net loss	-	-	-	(89,650)	(89,650)
<b>Balance at August 31, 2017</b>	<b>93,505,247</b>	<b>5,760,482</b>	<b>(6,002)</b>	<b>(101,766,197)</b>	<b>(2,506,470)</b>

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# EastSiberian Plc

Condensed Interim Consolidated Statements of Cash Flows  
For the three month periods ended August 31  
(United States Dollars)  
(Unaudited)

	Three month ended August 31,	
	2017	2016
Cash used in operating activities:		
Net loss	\$ (89,650)	\$ (86,674)
Adjustments for:		
Change in:		
Accounts receivable	(220)	(2,146)
Accounts payable and accrued liabilities	89,827	88,016
Net cash from / (used in) operating activities	(43)	4,721
Cash flows used in investing activities:		
Investments in equity accounted investees	-	(5,525)
Cash used in investing activities	-	(5,525)
Net increase (decrease) in cash and cash equivalents	(43)	(804)
Cash and cash equivalents beginning of the period	2,607	1,833
<b>Cash and cash equivalents end of the period</b>	<b>\$ 2,564</b>	<b>\$ 1,029</b>

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# EastSiberian Plc

Notes to Condensed Interim Consolidated Financial Statements  
For the three months ended August 31, 2017 and 2016  
(United States Dollars, unless otherwise stated)

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## 1. Reporting entity:

EastSiberian Plc (the “Corporation”) was incorporated on December 23, 2008 under the Companies (Jersey) Law 1991. The head office of the Corporation is located at 9 Esplanade, St. Helier, Jersey, JE23QA. The Corporation has principally been engaged in exploration for oil and natural gas in Kamchatka, Russia which activity was conducted pursuant to exploration licenses granted to Russian subsidiaries and affiliates of its wholly-owned Cyprus subsidiary, PetroKamchatka Resources Ltd. (“PKR”).

The Corporation has the following subsidiaries and affiliates:

Name of Subsidiary or Affiliate	Country of Incorporation	Percentage of Ownership	
		August 31, 2017	May 31, 2017
PetroKamchatka Resources Ltd.	Cyprus	100%	100%
OJSC LukinCholot	Russia	90%	90%
CJSC Tigil Exploration	Russia	50%	50%
CJSC Icha Exploration	Russia	50%	50%
PetroKamchatka Services Inc.	Canada	100%	100%
Latin American Energy Company Coöperatief U.A.	Netherlands	100%	100%
LAECO Services Canada Inc.	Canada	100%	100%

PKR owns 90% of OJSC LukinCholot (“LukinCholot”) which in turn owns 50% of the shares of CJSC Tigil Exploration and CJSC Icha Exploration (the “joint ventures”). KNOC Kamchatka Petroleum Limited (“KKPL”), a company owned 55% by Korea National Oil Corporation (“KNOC”), owns the other 50% of the joint ventures. This effectively provides the Corporation with an indirect, net 45% interest in the joint ventures. The other 10% of LukinCholot is owned by the Koryakia Property Fund (the “Fund”), an investment agency of the Koryakia Okrug Administration, Kamchatka. The Fund’s indirect beneficial interest in the joint ventures is 5%, being 10% of 50%. LukinCholot and KKPL split the cost to carry the 5% interest of the Koryakia Okrug Administration, which means that the Corporation pays 47.5% of costs and KKPL pays 52.5%.

The Corporation classifies its investments in CJSC Tigil Exploration and CJSC Icha Exploration as joint ventures. Accordingly, under IFRS 11, the Corporation applies equity method accounting to the investment.

During the year ending May 31, 2015 the Corporation established new subsidiaries in Netherlands and Canada to pursue business opportunities in Latin America.

# EastSiberian Plc

Notes to Condensed Interim Consolidated Financial Statements  
For the three months ended August 31, 2017 and 2016  
(United States Dollars, unless otherwise stated)

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## 2. Going concern:

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Corporation will realize its assets and discharge its liabilities in the normal course of operations.

At August 31, 2017, the Corporation had a working capital deficiency of \$2,506,470 had an accumulated deficit of \$101,766,197 and expects to incur further losses in the development of its business. The Corporation has no positive cash flow and there is a significant risk associated with the Corporation's ability to raise additional capital. The working capital deficit and the need to raise capital in the very near term create a material uncertainty as to the Corporation's ability to continue as a going concern.

The Corporation has made various attempts to meet with Government officials in Nicaragua regarding pursuit of new properties and other development opportunities in Nicaragua but to date has been unsuccessful. Until this situation becomes resolved, management believes the going concern assumption to be appropriate for these condensed interim consolidated financial statements. **However, it is unable to meet its obligations without a significant capital injection and significant doubt exists about the Corporation's ability to continue as a going concern.** If the going concern assumption was not appropriate for these condensed interim consolidated financial statements, then adjustments would be necessary to adjust the carrying value of assets and liabilities, and reported expenses.

## 3. Basis of preparation and new standards:

# EastSiberian Plc

Notes to Condensed Interim Consolidated Financial Statements  
For the three months ended August 31, 2017 and 2016  
(United States Dollars, unless otherwise stated)

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These condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34. The Corporation has consistently applied the same accounting policies disclosed in Note 4 to the audited consolidated financial statements for the year ended May 31, 2017.

Throughout these condensed interim consolidated financial statements additional disclosures relating to the three months ended August 31, 2017 are provided in accordance with IFRS where material to an understanding of these condensed interim consolidated financial statements.

These condensed interim consolidated financial statements were approved for issue by the Corporation's board of directors on October 30, 2017.

#### 4. Share Capital:

(a) Authorized:

An unlimited number of common shares and an unlimited number of preferred shares.

(b) Common shares issued and outstanding:

	August 31, 2017		May 31, 2017	
	Number	Amount	Number	Amount
Share capital, beginning and end of period	43,362,832	\$93,505,247	43,362,832	\$93,505,247

#### 5. Related parties transactions and key management remuneration:

The Corporation considers its directors and executives to be key management personnel. Compensation attributed to key management personnel comprising salaries and directors' fees for the period ended August 31, 2017 was \$62,500 (August 31, 2016 - \$75,000). At August 31, 2017, there was \$1,468,419 (May 31, 2017 - \$1,405,919) owing to directors and officers for services performed in the normal course of operations. The accounts payable to directors and officers are anticipated to be paid by way of a share issuance or surrendered at the discretion and approval of the directors, officers and Board.