TENTH AVENUE PETROLEUM CORP.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

FOR THREE MONTH PERIOD ENDED MARCH 31, 2017

TENTH AVENUE PETROLEUM CORP.

NOTICE OF NO AUDITORS' 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 the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of Tenth Avenue Petroleum Corp have been prepared by and are the responsibility of 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 auditors.

Calgary, Alberta
May 30, 2017

TENTH AVENUE PETROLEUM CORP.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(unaudited)

In Canadian Dollars

As at	Note	March 31, 2017	December 31, 2016
ASSETS			
CURRENT			
Cash		$ 4,755	$ 1,442
Accounts receivable		---	21,733
Prepaid expenses and deposits		6,862	6,862
		$ 11,617	$ 30,037
Restricted cash held in trust	3	208,111	208,411
Property and equipment	4	190,299	196,151
		$ 410,327	$ 434,599
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities		$ 116,741	$ 114,086
Asset retirement obligation	6	190,215	190,215
		$ 306,956	$ 304,301
Asset retirement obligation	6	24,855	24,855
Total Liabilities		$ 331,811	$ 329,156
SHAREHOLDERS' EQUITY			
Share capital	7	$12,365,831	$ 12,365,831
Warrants	9	--	---
Contributed surplus		9,644,362	9,644,362
Deficit		(21,931,677)	(21,904,750)
		78,516	105,443
		$ 410,327	$ 434,599

Going concern

Signed *"Gregory J. Leia"*

Gregory J. Leia Director

Signed *"Craig Leggatt"*

Craig Leggatt Director

The accompanying notes are an integral part of these financial statements

TENTH AVENUE PETROLEUM CORP.

INTERIM CONSOLIDATED STATEMENTS
OF LOSS AND COMPREHENSIVE LOSS
(unaudited)

FOR THE THREE MONTH PERIOD ENDED

In Canadian Dollars

	Note	March 31, 2017	March 31, 2016
REVENUE			
Oil & natural gas sales		$ 17,395	$ 22,044
Royalties		(699)	(2,847)
Other revenue		----	---------
		$ 16,691	$ 19,197
EXPENSES			
Production and transportation		10,312	2,981
General and administrative		26,842	28,899
Share based compensation		----	-
Depletion, depreciation and impairment		5,772	16,495
		$ 42,926	$ 48,375
Operating loss from continuing operations			
Other expense items			
Interest income		----	(4,100)
Interest expense and accretion		697	-----
Loss from continuing operations		$ (26,927)	$ (33,278)
Income (loss) from discontinued operations		$ (26,927)	$ (33,278)
Net income (loss)			
Foreign exchange translation adjustment			-
COMPREHENSIVE LOSS		$ (26,927	$ (33,278)
INCOME (LOSS) PER SHARE			
Basic and diluted – continuing operations		$ (0.00)	$ (0.00)
Basic and diluted – discontinued operations		$ (0.00)	$ (0.00)

TENTH AVENUE PETROLEUM CORP.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTH PERIOD ENDED

(unaudited)

In Canadian Dollars

	Note	March 31, 2017	March 31, 2016
OPERATING ACTIVITIES			
Net income (loss)		$ (26,927)	$ (33,278)
Income (loss) from discontinued operations		----	4,125
Depletion and depreciation		5,722	16,495
Interest expense and accretion, non-cash		697	4,100
Changes in non-cash working capital		23,273	21,600
Cash provided by (used in) operating activities - continued		$ 3,315	$ (13,050)
Cash used in operating activities - discontinued		-----	(4,125)
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		$ 3,315	$ 8,925
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES			
Divestitures of exploration and evaluation assets			
Divestitures of property and equipment			
Foreign exchange on divestitures			
Restricted cash held in trust			
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES			
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		3,315	8,925
Foreign exchange on cash balances			
NET CHANGE IN CASH AND CASH EQUIVALENTS			8,925
CASH AND CASH EQUIVALENTS, beginning of period		1,440	2,469
CASH AND CASH EQUIVALENTS, end of period		$ 4,755	$ 11,394

TENTH AVENUE PETROLEUM CORP.

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

In Canadian Dollars

FOR THE THREE MONTH PERIOD ENDED

(unaudited)

	March 31, 2017	March 31, 2016
SHAREHOLDERS' EQUITY		
Share capital		
Balance, beginning of year	$ 12,365,831	$ 12,365,831
Private placement	--	-
Share Issue costs	--	-
Allocated to Warrants	-----------	--------------
Balance, end of year	$ 12,365,831	$ 12,365,831
Warrants		
Balance, beginning of year	------------	$ 7,820
Allocated from Share Capital		-
Warrants issued		-
Balance, end of year	--------	$ 7,820
Contributed surplus		
Balance, beginning of year	$ 9,636,542	$ 9,636,542
Share based compensation	----------	---------
Balance, end of year	$ 9,636,542	$ 9,636,542
Accumulated other comprehensive income		
Balance, beginning of year		
Foreign exchange translation adjustment		
Transfer of translation adjustment realized on discontinued operations		
Balance, end of year		-
Deficit		
Balance, beginning of period	$ (21,904,750)	$ (21,827,604)
Net loss	(26,927)	(33,278)
Balance, end of year	$ (21,931,677)	$ (21,860,882)
TOTAL SHAREHOLDERS' EQUITY	$ 78,516	$ 149,311

The accompanying notes are an integral part of these financial statements

Tenth Avenue Petroleum Corp ("Tenth Avenue" or the "Company") is in the business of exploring for and developing petroleum and natural gas properties in Western Canada. Tenth Avenue is a company domiciled in Canada. The address of the Company's registered office is 203, 221 10th Avenue SE, Calgary, Alberta.

1. GOING CONCERN

These financial statements do not reflect the adjustments and classifications of assets, liabilities, revenues and expenses which would be necessary if the Company were unable to continue as a going concern. The accompanying financial statements have been prepared using the going concern assumption which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

As the Company incurred losses has a working capital deficit and will need capital to fund its planned operating, exploration and development activities, there is a material uncertainty which casts significant doubt on the Company's ability to continue as a going concern. For the three months ended March 31, 2017, the Company incurred a net loss of $26,927 (March 31 2016 – 33,278) and has working capital deficit of $295,055 (March 2016 - $261,543) and an accumulated deficit of $21,931,677 (December 2016 - $21,904,750).

2. SIGNIFICANT ACCOUNTING POLICIES - Basis of presentation and measurement

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 International Financial Reporting Interpretations Committee ("IFRIC"). The consolidated financial statements of the Company include the accounts of Tenth Avenue Petroleum Corp. and its subsidiaries (collectively referred to as ("the Company") and have been prepared by management. These financial statements were authorized for issue by the Board of Directors on May 30, 2017.

These consolidated financial statements have been prepared on a historical cost basis.

The Company has reviewed the following new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Company's financial statements:

(a) IFRS 15 Revenue from Contracts with Customers:

As of January 1, 2018, the Company will be required to adopt IFRS 15 Revenue from Contracts with Customers. The new standard replaces IAS 11 Construction Contracts; IAS 18 Revenue, IFRIC 13 Customer Loyalty Programs, 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. The new standard dictates the recognition and measurement requirements for reporting the nature, amount, timing and uncertainty of revenue resulting from an entity's contracts with customers. As of December 31, 2016, the Company is still determining the impact that the adoption of this standard will have on its financial statements.

(b) IFRS 9 Financial Instruments:

As of January 1, 2018, the Company will be required to adopt IFRS 9 Financial Instruments, which is the result of the first phase of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement. The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has two classification categories: amortized cost and fair value. In addition, updates have also been applied surrounding hedge accounting requirements which are now more aligned with an entity's risk management activities. As of December 31, 2016, the Company is still determining the impact that the adoption of this standard will have on its financial statements.

(c) IFRS 16 Leases:

As of January 1, 2019, the Company will be required to adopt IFRS 16 Leases, which will replace IFRS 17 Leases. For lessees applying the new standard, a single recognition and measurement model for leases would apply, with required recognition of assets and liabilities for most leases. As of December 31, 2016, the Company is still determining the impact that the adoption of this standard will have on its financial statements.

New accounting standards not yet adopted:

The IASB issued the following standard which is relevant but has not yet been adopted by the Company:

IFRS 11 – Joint Arrangements, has been amended as of January 1, 2016. The standard now requires entities acquiring an interest in a joint operation to apply the principles of IFRS 3 as it related to business combinations. The amendments to this standard are not anticipated to have a material impact on the Company

IFRS 15 – Revenue from Contracts with Customers, provides clarification for recognizing revenue from contracts with customers and establishes a single revenue recognition and measurement framework that applies to contracts with customers. The new standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. Management is currently assessing the potential impact of the adoption of IFRS 15 on the Company's financial statements.

IFRS 9 - Financial Instruments is intended to replace IAS 39 - Financial Instruments: Recognition and Measurement and uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. For financial liabilities designated at fair value through profit or loss, a company can recognize the portion of the change in fair value related to the change in the company's own credit risk through other comprehensive income rather than profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39, and incorporates new hedge accounting requirements. The new standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. Management is currently assessing the potential impact of the adoption of IFRS 9 on the Company's financial statements

IFRS 16 – Leases is intended to replace IAS 17 – Leases and introduces a single lease accounting model which requires the recognition of assets and liabilities for most leases. The new standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if the Company is also applying IFRS 15 – Revenue from Contracts with Customers. Management is currently assessing the potential impact of the adoption of IFRS 16 on the Company's financial statements.

3. RESTRICTED CASH HELD IN TRUST

Restricted cash held in trust includes $51,352 (2016 - $51,352) held by the Alberta Energy and Utilities Board, $124,629 (2016 - $124,629) held by British Columbia Minister of Energy, Mines and Petroleum Resources and USD $24,152 (2015 - USD $24,152) held by the Texas Railway Commission.

In Canadian Dollars FOR THREE MONTH PERIOD ENDED MARCH 31, 2017

4. PROPERTY AND EQUIPMENT

	Oil and Natural Gas Assets	Water-well assets	Other assets	Total
COST OR DEMMED COST	$	$	$	$
Balance, December 31, 2015	824,380	155,800	72,678	1,052,858
Change in estimated asset retirement obligation	(4,189)	-	-	(4,189)
Balance, December 31, 2016	820,191	155,800	72,678	1,048,669
Change in estimated asset retirement obligation	-	-	-	-
Balance, March 31, 2017	**820,191**	**155,800**	**72,678**	**1,048,669**
ACCUMULATED DEPLETION, DEPRECIATION				
Balance, December 31, 2015	626,718	113,146	65,403	805,267
Depletion, depreciation for the year	29,925	15,580	1,746	47,251
Balance, December 31, 2016	656,643	128,726	67,149	852,518
Depletion, depreciation for the year	1,556	3,895	401	5,852
Balance, March 31, 2017	658,199	132,621	67,550	858,370
CARRYING AMOUNT	$	$	$	$
December 31, 2016	163,548	27,074	5,529	196,151
March 31, 2017	**161,992**	**23,179**	**5,128**	**190,299**

5. EXPLORATION AND EVALUATION ASSETS

The following table summarizes information about the Company's exploration and evaluation assets:

Cost	$
Balance, December 31, 2015	69,229
Foreign exchange	13,177
Impairment	(82,406)
Balance, December 31, 2016 and 2017	$ -

E&E Assets consist of the Company’s exploration and development projects which are pending the determination of proved and probable reserves and production. Additions represent costs incurred on E&E Assets during the period, predominantly land acquisition costs and drilling costs on the Company’s first well in Texas.

The Company recognized a $78,462 impairment on the carrying value of the U.S. Assets as of December 31, 2014 and $82,406 as at December 31, 2015. The write down recognizes management estimate that there is no recoverable salvage value from the existing assets and management has relinquished the Mineral Leases in Texas on November 30, 2015.

In Canadian Dollars FOR THREE MONTH PERIOD ENDED MARCH 31, 2017

6. ASSET RETIREMENT OBLIGATIONS

The Company estimates the total discounted cash flows to settle its asset retirement obligations are approximately $378,305 (2016 - $380,708). A credit-adjusted risk-free interest rate of 10.0% (2016 – 10%) and an estimated inflation rate of 1.4% (2016 – 1.4%) was used to calculate the present value of asset retirement obligations.

The following table reconciles the asset retirement obligations:

Asset Retirement Obligations	2017	2016
Balance, beginning of year	$ 215,070	$ 218,885
Change in estimate	-	(4,189)
Foreign exchange	(697)	(2,056)
Accretion expense	697	2,430
Balance. End of year	$ 215,070	$ 215,070
Less: current portion	(24,855)	(24,855)
Long-term portion	**$ 190,215**	**$ 190,215**

7. SHARE CAPITAL

Authorized:

Unlimited	Common voting shares with no par value
Unlimited	First Preferred shares, issuable in series, with rights and privileges to be determined at time of issue

Issued:

Common shares	**Number of shares**	**Values**
Balance, December 31, 2016	6,912,667	$ 12,365,831
Balance, March 31, 2017	6,912,667	$ 12,365,831

In Canadian Dollars FOR THREE MONTH PERIOD ENDED MARCH 31, 2017

8. STOCK OPTIONS

The Company has a stock option plan available to directors, officers, employees and consultants. The maximum number of common shares reserved for issuance pursuant to the plan cannot exceed 10 percent of the issued and outstanding common shares. Options vest on grant, are generally exercisable for five years from the date of grant and are exercisable at prices equal to or greater than the market value of the shares at the date of the grant less the maximum discount permitted by the stock exchange. At December 31, 2016, there were an additional 415,566 common shares that are still available to be reserved for the granting of stock options.

A summary of the status of the Company's stock option plan as at March 31, 2017 and March 31, 2016 and changes during the years ending on those dates is as follows:

	March 31, 2016		December 31, 2016	
	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $
Outstanding, beginning of year	351,766	0.75	686,700	0.75
Granted	-	-	-	-
Forfeited / Expired	-		(334,934)	(0.75)
Outstanding, end of year	**351,766**	**0.75**	**351,766**	**0.75**
Exercisable, end of year	351,766	0.75	351,766	0.75

Outstanding and exercisable stock options as at March 31, 2017 have a weighted average remaining contractual life of 1.00 years (2016 – 1.33 years).

9. RELATED PARTY TRANSACTIONS

The Company has determined that the key management personnel of the Company consists of its officers and directors. The following table provides information on compensation expense related to officers and directors.

	March 31, 2017	December 31, 2016
Wages, consulting fees and benefits	$ 17,600	$ 61,623

10. PER SHARE AMOUNTS

Basic loss per share has been calculated using the weighted average number of common shares outstanding during the period of 6,912,667 (2016 - 6,912,667). As the Company was in a loss position, there was no change in the numerator or denominator in calculating diluted loss per share. The effect of all stock options and warrants has been excluded from the calculation as they are anti-dilutive.

11. FINANCIAL INSTRUMENTS

The Company's Board of Directors and management have overall responsibility for the establishment of risk management strategies and objectives. The Company's policies are established to identify the risks faced by the Company, to set appropriate risk limits, and to monitor adherence to risk limits.

Fair value - The fair value of cash and cash equivalents, accounts receivable, deposits, restricted cash held in trust, and accounts payable and accrued liabilities approximate their carrying values due to their short term to maturity or because they bear interest at market rates.

Credit risk – Consists of cash and cash equivalents, restricted cash held in trust and accounts receivables. A portion of the Company's accounts receivable are with joint venture partners in the petroleum and natural gas industry and is subject to normal credit terms. The Company generally extends unsecured credit to these customers and, therefore, the collection of accounts receivable may be affected by changes in economic or other conditions. The carrying value of accounts receivable reflects management's assessment of the associated credit risk. The Company is also exposed to credit risk on certain deposits to the extent that the Company may not be refunded these amounts. The Company does not anticipate any default or non-performance by its oil and gas sales customers. As such a provision for doubtful accounts has not been recorded at December 31, 2016 and 2015, except as noted below:

The Company has Nil amount as uncollectable in 2017 (2016 - $56,518).

Liquidity risk - The Company approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its obligations when due, under normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation. The Company has to date required funds from private placements to finance capital expenditures and operations (see notes 1 and 2).

Commodity price risk - The Company is exposed to oil and gas commodity price risk and has not entered any financial derivatives to manage this risk.

Interest rate risk – the Company's exposure to interest rate risk is low.

12. CAPITAL DISCLOSURES

The Company's objective when managing capital is to maintain the confidence of shareholders and investors in the implementation of its business plans by maintaining sufficient levels of liquidity to fund and support its exploration and development as well as other corporate activities. The Company's capital historically has been derived from the issuance of equity or debentures. Management monitors its financial position on an ongoing basis. Equity or debentures are issued to finance drilling programs and the Company's operations (see notes 1 and 2).

13. SUBSEQUENT EVENT

In April 2017, the Company entered into a series of Subscription Agreements to sell 2,000,000 Units at $0.05 per unit for aggregate subscription proceeds of $100,000. Each Unit consists of 1 common share and 1 share purchase warrant which entitles the holder to purchase 1 common at any time within 3 years of issuance for $0.075 per common share. The sales closed in April and May of 2017.