

FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: Advantagewon Oil Corp. (the "Issuer").

Trading Symbol: AOC

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

Not Applicable

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.

Related Party Transactions

On January 17, 2019, the Company issued 2,428,571 units for gross proceeds of \$85,000 to two directors of the Company and a company related through common directors of the Company.

- (b) A description of the transaction(s), including those for which no amount has been recorded.

Not Applicable

- (c) The recorded amount of the transactions classified by financial statement category.

Not Applicable

- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.

Please review point "A" above for complete details.

- (e) Contractual obligations with Related Persons, separate from other contractual obligations.

Not Applicable

- (f) Contingencies involving Related Persons, separate from other contingencies.

Not Applicable

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

- (a) summary of securities issued during the period,

1) 138,571 Units were issued in Q3 of 2019

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
Sept 16 th , 2019	Common Shares	Debt for Shares	138,571	\$0.035	\$4850.00	Cash	N/A	N/A

- (b) summary of options granted during the period,

FORM 5 – QUARTERLY LISTING STATEMENT

Not Applicable – 4,000,000 Stock Options were issued or granted in Q3

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
Sept 26 th 2019	1,000,000	Stephen Hughes, CEO		\$0.05	Sept 26 th 2024	\$0.02
Sept 26 th 2019	1,000,000	Stephen Hughes, CEO		\$0.10	Sept 26 th 2024	\$0.02
Sept 26 th 2019	2,000,000	Stephen Hughes, CEO		\$0.15	Sept 26 th 2024	\$0.02

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

As At Sept 30th, 2019, Common Shares: 217,594,317 Issued | Unlimited Authorized

As At Sept 30th, 2019, the Company's authorized share capital consisted of an unlimited number of voting Common Shares.

- (b) number and recorded value for shares issued and outstanding,

As At Sept 30th, 2019, Common Shares: 217,594,317 Issued | Common Share Recorded Value As At Sept 30th 2019 \$15,877,949

- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, an

Stock Options As At Sept 30th, 2019

Expiry date	Number of Stock Options Outstanding	Number of Stock Options Exercisable	Weighted Average Exercise Price	Weighted Average Contractual Life Remaining (years)
December 1, 2019	1,000,000	1,000,000	0.05	4.99
January 24, 2020	6,100,000	4,100,000	0.06	3.76
June 25, 2023	1,000,000	1,000,000	0.10	4.99
	3,675,000	3,675,000	0.15	2.86
January 17, 2024	2,000,000	1,500,000	0.25	0.17
	13,775,000	11,275,000	\$ 0.11	3.18

Warrants As At Sept 30th, 2019

Exercise Price	Number of Warrants	Weighted Average Exercise Price	Weighted Average Contractual Life Remaining (years)
\$0.25	49,765,726	0.25	0.67
\$0.10	4,084,828	0.10	1.36
\$0.06	3,424,286	0.06	1.33
	57,274,840	\$0.23	0.76

- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

Not Applicable

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Directors

- 1) Stan Dimakos
- 2) Paul Haber
- 3) Stephen Hughes
- 4) Frank Kordy

Officers

- 1) Stephen Hughes – CEO
- 2) Frank Kordy – Secretary & Interim CFO

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.
5. Dated: November 29th, 2019.

Frank Kordy
Name of Director or Senior Officer

/s/ Frank Kordy
Signature

Secretary & Director
Official Capacity

Issuer Details		For Quarter Ended	Date of Report YY/MM/D
Name of Issuer Advantagewon Oil Corp.		Q3 2019	2019/11/29
Issuer Address 8 King Street East Suite 1005 Toronto, Ontario M5C 1B5			
City/Province/Postal Code Toronto	Issuer Fax No. Not Applicable	Issuer Telephone No. (416) 318-6501	
Contact Name Frank Kordy	Contact Position Secretary	Contact Telephone No. (647) 466-4037	
Contact Email Address frank.kordy@aoc-oil.com	Web Site Address www.aoc-oil.com		

SCHEDULE A: FINANCIAL STATEMENTS



ADVANTAGEWON OIL CORP.

CSE: AOC | OTC Pink: ANTGF

ADVANTAGEWON OIL CORPORATION

Condensed Interim Consolidated Financial Statements
(Expressed In Canadian Dollars)
(Unaudited – Prepared By Management)

For The Three & Nine Months Ended September 30, 2019

Q3 2019

BUILDING CONSISTENT CASH FLOW FROM LOW COST, LOW RISK OIL WELLS IN TEXAS

WWW.AOC-OIL.COM

Notice of Disclosure of No Auditor Review of Condensed Interim Consolidated Financial Statements

The accompanying unaudited condensed interim consolidated financial statements of the Company for the three and nine months ended September 30, 2019 have been prepared in accordance with International Financial Reporting Standards ("IFRS") accounting principles as issued by the IASB and are the responsibility of the Company's management.

The Company's independent auditors, UHY McGovern Hurley LLP, have not performed a review of these unaudited condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

ADVANTAGEWON OIL CORPORATION

Condensed Interim Consolidated Statements of Financial Position

(Unaudited)

(All amounts stated in Canadian Dollars)

	Note	September 30 2019	December 31 2018
ASSETS			
Current assets			
Cash		\$ 65,229	\$ 91,389
Note receivable		–	68,066
Trade and other receivables	4	32,651	61,143
Prepaid expenses		45,066	212,250
Total current assets		142,946	432,848
Non-current assets			
Bond deposits		323,933	326,111
Right-of-use asset	5	81,103	–
Oil and gas properties	6	8,757,613	9,475,174
Total assets		\$ 9,305,595	\$ 10,234,133
SHAREHOLDERS' EQUITY AND LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 442,560	\$ 545,127
Current portion of lease liability	7	32,297	–
Loans payable	8	172,500	332,388
Total current liabilities		647,357	877,515
Non-current liabilities			
Lease liability	7	54,603	–
Decommissioning liability	9	1,742,478	1,987,274
Total liabilities		2,444,438	2,864,789
Shareholders' equity			
Common shares	10	15,877,949	15,740,844
Shares to be issued		–	47,525
Warrant reserve	10	3,569,123	4,429,765
Share-based payments reserve	10	1,117,300	999,595
Accumulated other comprehensive income		950,440	1,094,130
Deficit		(14,653,655)	(14,942,515)
Total shareholders' equity		6,861,157	7,369,344
Total liabilities and shareholders' equity		\$ 9,305,595	\$ 10,234,133

Nature and Continuance of Operations (Note 1)

Approved on behalf of the Board:

Signed "Frank Kordy" Director

Signed "Paul Haber", Director

The accompanying notes are an integral part of these consolidated financial statements

ADVANTAGEWON OIL CORPORATION

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited)

(All amounts stated in Canadian Dollars)

		For the three months ended September 30		For the nine months ended September 30	
	Note	2019	2018	2019	2018
Revenues					
Oil revenue	12	\$ 106,830	\$ 247,819	\$ 339,600	\$ 674,964
Royalties		(30,841)	(76,077)	(97,288)	(199,888)
		75,989	171,742	242,312	475,076
Expenses					
Production		82,492	172,947	244,633	466,537
General and administrative		116,133	313,881	449,757	1,102,383
Depletion and depreciation	5, 6	30,229	37,733	79,159	105,763
Accretion of decommissioning liability	9	12,381	11,017	39,511	32,212
Gain on disposition of oil and gas property	6	—	—	(9,950)	—
Share-based payments	10	128,727	115,285	296,639	581,293
		369,962	650,863	1,099,749	2,288,188
Loss before other income (expenses)		(293,973)	(479,121)	(857,437)	(1,813,112)
Other income (expenses)					
Gain on marketable securities		—	18,294	—	—
Sublease revenue	7	12,318	—	36,954	—
Interest	7, 8	(4,977)	(141,100)	(34,405)	(204,285)
Gain (loss) on debt settlement	8	—	24,200	20,237	3,985
Loss for the period		(286,632)	(577,727)	(834,651)	(2,013,412)
Other comprehensive loss					
Exchange differences on translation of foreign subsidiaries		53,556	(151,810)	(143,690)	288,571
Loss and comprehensive loss		\$ (233,076)	\$ (729,537)	\$ (978,341)	\$ (1,724,841)
Loss per share					
	11	(0.00)	(0.00)	(0.00)	(0.01)

The accompanying notes are an integral part of these consolidated financial statements

ADVANTAGEWON OIL CORPORATION

Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited)
(All amounts stated in Canadian Dollars)
For the nine months ended September 30

	Note	2019	2018
Common shares	10(a)		
Balance, beginning of period		\$ 15,740,844	\$ 13,888,909
Private placement of units, net of amount allocated to warrants		32,545	67,371
Private placement of common shares		—	929,700
Shares issued for exercise of stock options		—	576,580
Shares issued for settlement of debt and accounts payable		104,560	301,063
Share issue costs		—	(12,339)
Balance, end of period		15,877,949	15,751,284
Shares to be issued			
Balance, beginning of period		47,525	47,525
Shares to be issued		(47,525)	—
Balance, end of period		—	47,525
Warrant reserve			
Balance, beginning of period		4,429,765	4,002,041
Private placement of units, warrant value	10(a)	82,455	86,870
Settlement of accounts payable, warrant value	10(a)	1,480	—
Financing costs, warrant value		—	50,920
Expiry of warrants	10(b)	(944,577)	—
Balance, end of period		3,569,123	4,139,831
Share-based payments reserve	10(c)(d)		
Balance, beginning of period		999,595	887,582
Share-based payments		296,639	581,293
Expired stock options		(178,934)	—
Exercise of stock options		—	(114,080)
Balance, end of period		1,117,300	1,354,795
Accumulated other comprehensive income			
Balance, beginning of period		1,094,130	478,347
Exchange differences on translation of foreign subsidiaries		(143,690)	288,571
Balance, end of period		950,440	766,918
Deficit			
Balance, beginning of period		(14,942,515)	(7,953,690)
Loss for the period		(834,651)	(2,013,412)
Expiry of warrants and stock options	10(b)(c)	1,123,511	—
Balance, end of period		(14,653,655)	(9,967,102)
Total shareholders' equity		\$ 6,861,157	\$ 12,093,251

The accompanying notes are an integral part of these consolidated financial statements

ADVANTAGEWON OIL CORPORATION

Condensed Interim Consolidated Statements of Changes in Cash Flows

(Unaudited)

(All amounts stated in Canadian Dollars)

For the nine months ended September 30

	Note	2019	2018
Cash flows (used in) provided by operating activities			
Loss for the period		\$ (834,651)	\$ (2,013,412)
Add back (deduct) items not affecting cash:			
Depletion and depreciation	5,6	79,159	105,763
Accretion of decommissioning liability	9	39,511	32,212
Gain on disposition of oil and gas property	6	(9,950)	–
Share-based payments	10	296,639	581,293
Interest	7,8	34,104	205,010
Gain on debt settlement	8	(20,237)	–
Foreign exchange		(8,689)	(15,736)
Shares to be issued		(47,525)	–
Change in non-cash working capital:			
Trade and other receivables		18,038	3,077
Prepaid expenses		167,184	(48,564)
Inventory		–	(2,076)
Accounts payable and accrued liabilities		(77,322)	8,392
Net cash flows used in operating activities		(363,739)	(1,144,041)
Cash flows (used in) provided by financing activities			
Private placement of common shares and units	10	115,000	619,402
Lease payments	7	(35,341)	–
Loan proceeds	8	108,611	86,550
Repayment of loans payable	8	(230,000)	(122,540)
Net cash flows (used in) provided by financing activities		(41,730)	583,412
Cash flows (used in) provided by investing activities			
Expenditures on oil and gas properties	6	(247,373)	(436,848)
Proceeds from disposition of oil and gas property	6	561,217	–
Note receivable proceeds		68,066	210,274
Net cash flows (used in) provided by investing activities		381,910	(226,574)
Change in cash		(23,559)	(787,203)
Effect of exchange rates on cash held in foreign currencies		(2,601)	35,718
Cash, beginning of period		91,389	780,989
Cash, end of period		\$ 65,229	29,504

The accompanying notes are an integral part of these consolidated financial statements

ADVANTAGEWON OIL CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited)
(All amounts stated in Canadian Dollars)
For the three and nine months ended September 30, 2019

1. Nature and Continuance of Operations

Advantagewon Oil Corporation (the "Company") was incorporated under the laws of the Province of Ontario on July 10, 2013. The Company is engaged in the acquisition, exploration, development and production of oil and gas reserves in North America. The address of its registered office is 8 King Street, Suite 1005, Toronto, ON M5C 1B5.

The Company's common shares trade on the Canadian Securities Exchange under the trading symbol "AOC" and on the OTC Pinksheets under the trading symbol "ANTGF".

The business of exploring for oil and gas reserves involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable operations. The recoverability of the carrying value of the properties and the Company's continued existence is dependent upon the preservation of its properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing registration or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims and noncompliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations, restriction and political uncertainty.

There is no guarantee that existing leases will be renewed, extended or reacquired prior to expiry or that leases on new areas will be acquired. Title to oil and gas lease properties involve certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the ambiguous conveyancing history that is characteristic of many oil and gas properties. The Company believes it has sufficiently investigated title to its properties, and, to the best of its knowledge these titles are properly registered and in good standing. However, no assurance can be given that such rights will not be revoked, or significantly altered, to its detriment and such investigations do not guarantee or certify that an unforeseen defect in the chain of title will not arise. If at any time title cannot be determined, it may have a financial impact on the value of that lease and the carrying value of the oil and gas properties.

The Company has a need for equity financing for working capital and exploration and development of its properties. Because of continuing operating losses and a working capital deficit, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operations. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. Material uncertainties as mentioned above cast significant doubt upon the Company's ability to continue as a going concern.

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from reported in these consolidated financial statements. Such adjustments could be material.

2. Basis of Presentation

The unaudited condensed interim consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with IFRS as issued by the International Accounting Standards Board, applicable to the preparation of interim financial statements, as set out in IAS 34 Interim Financial Reporting.

The Company has consistently applied the same accounting policies throughout all periods presented except as noted in Note 3 for changes and impact of new accounting policies adopted effective January 1, 2019. These unaudited condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2018.

These consolidated financial statements include the accounts of the Company, together with its wholly-owned subsidiaries, Advantagewon Oil US Corporation (USA) ("AOC US"), Ainslie Oil Corporation (Canada) ("Ainslie"), Albaro Oil Corp. (Canada) ("Albaro") and Plutus US Oil Corporation (USA) ("Plutus").

Functional currency is the currency of the primary economic environment in which a company operates. The functional currency of the Company, Ainslie and Albaro is Canadian dollars ("CAD"). The functional currency of AOC US and Plutus is the United States dollar ("USD"). These unaudited condensed interim consolidated financial statements are presented in CAD.

The unaudited condensed interim consolidated financial statements were approved and authorized for issuance by the Company's Board of Directors on November 29, 2019.

ADVANTAGEWON OIL CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited)
(All amounts stated in Canadian Dollars)
For the three and nine months ended September 30, 2019

3. New Accounting Standards

a) IFRS 16 Leases

On January 1, 2019, the Company adopted IFRS 16 Leases ("IFRS 16") using the modified retrospective approach which does not require restatement of prior period financial information as it recognizes the cumulative effect as an adjustment to opening retained earnings and applies the standard prospectively.

On adoption of IFRS 16, the Company's lease liabilities related to contracts classified as leases are measured at the discounted present value of the remaining minimum lease payments, excluding short-term and low-value leases. The right-of-use assets recognized were measured at amounts equal to the present value of the lease obligations. The weighted average incremental borrowing rate used to determine the lease liability at adoption was approximately 24%. The right-of-use assets and lease liability recognized relate to office premises. The Company elected to not apply lease accounting to certain leases for which the lease term ends within 12 months of the date of initial application or leases of low-value assets.

The cumulative effect of initially applying IFRS 16 was recognized as a \$107,176 right-of-use asset (Note 5) with a corresponding lease liability (Note 7).

In applying IFRS 16 for the first time, the Company used the following practical expedients permitted by the standard:

- Apply a single discount rate to a portfolio of leases with similar characteristics;
- Account for leases with a remaining term of less than 12 months as at January 1, 2019 as short-term leases;
- Account for lease payments as an expense and not recognizing a right-of-use asset if the underlying asset is of low dollar value; and
- The use of hindsight in determining the lease term where the contract contains terms to extend or terminate the lease.

Upon the adoption of IFRS 16, the Company adopted the following significant accounting policy effective January 1, 2019:

Leases

A contract is a lease (or may contain a lease) if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lease liability is recognized at the commencement of the lease term at the present value of the lease payments that are not paid at that date. At the commencement date, a corresponding right-of-use asset is recognized at the amount of the lease liability, adjusted for lease incentives received, retirement costs and initial direct costs. Depreciation is recognized on the right-of-use asset over the lease term. Interest expense is recognized on the lease liabilities using the effective interest rate method and payments are applied against the lease liability. Payments received for the sublease of right-of-use assets are recognized as sublease revenue.

Key areas where management has made judgments, estimates, and assumptions related to the application of IFRS 16 include:

- The incremental borrowing rates are based on judgments including economic environment, term, currency, and the underlying risk inherent to the asset. The carrying balance of the right-of-use assets, lease liabilities, and the resulting interest expense and depreciation expense, may differ due to changes in the market conditions and lease term.
- Lease terms are based on assumptions regarding extension terms that allow for operational flexibility and future market conditions.

b) IFRS 3 Business Combinations and IFRS 11 Joint Arrangements

On January 1, 2019, the Company adopted the amendments to IFRS 3 Business Combinations ("IFRS 3") and IFRS 11 Joint Arrangements ("IFRS 11"). The amendments to IFRS 3 clarify that when a party to a joint arrangement obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to IFRS 11 clarify that when a party that participates in, but does not have joint control of, a joint operation obtains joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3, the previously held interests in the joint operation are not remeasured.

The adoption of these amendments had no impact on the Company's condensed interim consolidated financial statements.

ADVANTAGEWON OIL CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited)
(All amounts stated in Canadian Dollars)
For the three and nine months ended September 30, 2019

4. Trade and Other Receivables

The Company's trade and other receivables are exposed to the risk of financial loss if the counterparty fails to meet its contractual obligations. The Company's trade and other receivables include amounts due from the sale of oil and natural gas.

The Company's maximum exposure to credit risk in respect of trade and other receivables consist of:

	September 30 2019	December 31 2018
Trade receivables	\$ 13,259	\$ 42,441
Harmonized Sales Tax receivable	19,392	18,702
	<u>\$ 32,651</u>	<u>\$ 61,143</u>

At September 30, 2019 and December 31, 2018, all of the Company's trade receivables are due from one customer to which the Company sells its oil (Note 12). All oil sales occur in the United States. The Company monitors the credit risk of its customer on a regular basis. Management believes the risk of loss associated with these assets is remote.

All of the Company's trade and other receivables are less than 90 days old. The Company has not experienced any collection issues with respect to its trade and other receivables and has not provided for credit losses in the three and nine months ended September 30, 2019 or 2018.

5. Right-of-Use Asset

Cost

Balance, December 31, 2018	\$ –
Right-of-use asset	107,176
Balance, September 30, 2019	<u>\$ 107,176</u>

Accumulated depreciation

Balance, December 31, 2018	\$ –
Depreciation	(26,073)
Balance, September 30, 2019	<u>\$ (26,073)</u>

Net carrying amount

Balance, December 31, 2018	\$ –
Balance, September 30, 2019	<u>\$ 81,103</u>

The Company recognized right-of-use asset and corresponding lease liability (Note 7) related to office premises. The right-of-use asset is depreciated on a straight-line basis over 37 months.

ADVANTAGEWON OIL CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited)
(All amounts stated in Canadian Dollars)
For the three and nine months ended September 30, 2019

6. Oil and Gas Properties

As at September 30, 2019, the Company holds a 100% working interest in several properties in the La Vernia area of Texas with net revenue interests ranging from 72.5% to 87%, some of which have overriding royalty burdens ranging from 1.5% to 5%.

	United States		Total	Canada	TOTAL
	Saratoga	La Vernia			
Cost	\$	\$	\$	\$	\$
Balance, December 31, 2018	5,960,597	8,760,760	14,721,357	–	14,721,357
Additions	–	201,262	201,262	110,000	311,262
Disposition	(5,871,900)	–	(5,871,900)	–	(5,871,900)
Foreign exchange	(88,697)	(175,920)	(264,617)	–	(264,617)
Balance, September 30, 2019	–	8,786,102	8,786,102	110,000	8,896,102
Accumulated depletion and depreciation					
Balance, December 31, 2018	(5,150,423)	(95,760)	(5,246,183)	–	(5,246,183)
Depletion and depreciation	(7,458)	(45,628)	(53,086)	–	(53,086)
Disposition	5,081,316	–	5,081,316	–	5,081,316
Foreign exchange	76,565	2,899	79,464	–	79,464
Balance, September 30, 2019	–	(138,489)	(138,489)	–	(138,489)
Net carrying amount					
December 31, 2018	810,174	8,665,000	9,475,174	–	9,475,174
September 30, 2019	–	8,647,613	8,647,613	110,000	8,757,613

Acquisition of working interests

On September 26, 2019, Company entered into an agreement with a Canadian private company for three wells in Canada with a right of first refusal on six additional wells. The Company paid \$30,000 for a 10% working interest in two wells and 5% working interest in the third well and advanced \$80,000 to fund the reactivation work on the wells which, upon completion, will earn the Company an additional 40% working interest in two wells and an additional 20% working interest in the third well.

Disposition

The Company held a 100% working interest in the Saratoga Property located in Texas to which the Company was entitled to between 77.5% and 80% of the revenues earned from the wells under production. The Company closed the sale of its Saratoga CGU on May 16, 2019 for consideration of \$571,158 (USD 425,000) comprised of \$561,217 of cash consideration less \$9,941 of working capital adjustments and recognized a \$9,950 gain on disposition of oil and gas properties.

Consideration

Cash	\$	561,217
Working capital adjustments		9,941
		571,158
Net carrying amount of Saratoga CGU		
Oil and gas properties		790,584
Decommissioning liability		(229,376)
		561,208
Gain on disposition of oil and gas property	\$	9,950

Future development costs

The September 30, 2019 depletion expense calculation included \$32.4 million (USD 24.8 million) (December 31, 2018 – \$36.7 million (USD 26.9 million)) for estimated future development costs associated with the Company's proved and probable reserves.

ADVANTAGEWON OIL CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited)
(All amounts stated in Canadian Dollars)
For the three and nine months ended September 30, 2019

7. Lease Liability

Balance, December 31, 2018	\$	–
Right-of-use asset		107,176
Interest		15,065
Payments		(35,341)
Balance, September 30, 2019	\$	86,900
Current portion of lease liability		(32,297)
Long-term portion of lease liability	\$	54,603

The Company has a lease for office premises in the amount of \$4,437 per month (\$3,927 plus taxes, comprised of base rent and estimated operating costs) until January 31, 2022.

The Company has sublet the office premises for \$4,640 per month (\$4,106 plus taxes) until January 31, 2022. During the three and nine months ended September 30, 2019, the Company recognised \$12,318 and \$36,954, respectively, of sublease revenue.

8. Loan Payable

The following table presents the continuity of the Company's loans payable:

	Fountain loan	Advances	Total
Balance, December 31, 2018	\$ 332,388	\$ –	\$ 332,388
Advances	–	172,500	172,500
Accrued interest	19,039	–	19,039
Cash payment	(230,000)	–	(230,000)
Share settlement (Note 10(a))	(101,190)	–	(101,190)
Gain on settlement of loan	(20,237)	–	(20,237)
Balance, September 30, 2019	\$ –	\$ 172,500	\$ 172,500

a) Fountain loan

As at December 31, 2018, the Company had a \$332,388 loan due to Fountain Asset Corp. ("Fountain"). The loan bore interest at 24% per year with a maturity date of July 31, 2018 and a general security agreement covering the assets of the Company. Monthly loan principal repayments were calculated as the greater of (i) \$25,000 and (ii) 15% of gross oil revenue received in the prior month. Fountain had an option to convert all or a portion of the loan into common shares of the Company.

Pursuant to the terms of the loan, the Company was required to produce 1,000 barrels of oil a month and maintain a monthly current ratio of 0.5 to 1.0. The Company did not meet the loan covenants prior to the settlement of the loan.

Interest on the loan for the three and nine months ended September 30, 2019 was \$4,675 and \$19,039, respectively (three and nine months ended September 30, 2018 – \$nil and \$38,340).

On May 16, 2019, the Company entered into a debt settlement agreement with Fountain pursuant to which the Company settled the outstanding debt to Fountain by way of a \$230,000 cash payment and the issuance of 4,047,600 common shares of the Company to Fountain (Note 10(a)).

b) Advances

In September 2019, the Company received \$172,500 of advances in connection with loan agreements entered into subsequent to September 30, 2019 (Note 14(a)). Of the advances, \$108,611 was paid to the Company in cash and \$63,889 was paid directly to a private oil and gas company for the acquisition of working interests (Note 6).

ADVANTAGEWON OIL CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited)
(All amounts stated in Canadian Dollars)
For the three and nine months ended September 30, 2019

9. Decommissioning Liability

The Company's decommissioning liability as at September 30, 2019 is based on the following estimates and assumptions:

- Total undiscounted future costs of USD 1,490,468 (\$1,950,576)
- Annual inflation rate of 1.9% annual rate
- Settlement of the liability occurring in approximately two to forty years
- Risk free discount rate of 2.9%

Balance, December 31, 2018	\$	1,987,274
Accretion		39,511
Disposition		(229,376)
Foreign exchange		(54,931)
Balance, September 30, 2019	\$	1,742,478

10. Equity

a) Common shares

Issued	Number	Amount
Balance, December 31, 2018	210,122,431	\$ 15,740,844
Unit private placement (i)	3,285,715	32,545
Debt settlement (ii)	4,047,600	101,190
Accounts payable settlement (iii)	138,571	3,370
Balance, September 30, 2019	217,594,317	\$ 15,877,949

(i) On January 17, 2019, the Company closed a non-brokered private placement for the issuance of 3,285,715 units at \$0.035 per unit for gross proceeds of \$115,000. Each unit is comprised of one common share and one warrant exercisable at \$0.06 per share until January 17, 2021. The fair value of the warrants was estimated at \$82,455 using the Black-Scholes pricing model based on estimated volatility of 138%, a 1.9% risk-free rate, a term of 2 years and no dividend yield.

Two directors of the Company and a company related through common directors subscribed for 2,428,571 units for \$85,000 of cash proceeds.

(ii) On May 16, 2019, the Company issued 4,047,600 common shares as part of a debt settlement agreement with Fountain (Note 8(a)). The fair value of the common shares was estimated to be \$101,190 based on the quoted market price of the Company's shares on the date of issuance.

(iii) On September 26, 2019, the Company issued 138,571 units at \$0.035 per unit as settlement of \$4,850 of accounts payable. Each unit is comprised of one common share and one warrant exercisable at \$0.06 per share until September 26, 2021. The fair value of the warrants was estimated at \$1,480 using the Black-Scholes pricing model based on estimated volatility of 200%, a 1.57% risk-free rate, a term of 2 years and no dividend yield.

b) Warrants

A continuity of the Company's warrants outstanding is as follows:

	Number	Weighted Average Exercise Price
Balance, December 31, 2018	72,527,221	\$ 0.24
Unit private placement (Note 10(a)(i))	3,285,715	0.06
Settlement of accounts payable (Note 10(a)(iii))	138,571	0.06
Expired	(18,676,667)	(0.25)
Balance, September 30, 2019	57,274,840	\$ 0.23

ADVANTAGEWON OIL CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited)
(All amounts stated in Canadian Dollars)
For the three and nine months ended September 30, 2019

Information about warrants outstanding as at September 30, 2019 is summarized in the following table:

Exercise Price	Number of Warrants	Weighted Average Exercise Price	Weighted Average Contractual Life Remaining (years)
\$ 0.25	49,765,726	\$ 0.25	0.67
0.10	4,084,828	0.10	1.36
0.06	3,424,286	0.06	1.33
	57,274,840	\$ 0.23	0.76

c) Performance warrants

As at September 30, 2019 and December 31, 2018, the Company had 16,000,000 performance warrants outstanding at an exercise price of \$0.10 per share until June 25, 2021 and exercisable based on the following: 25% when the Company's share price reaches \$0.20 for a 10-day VWAP; 25% when the Company's share price reaches \$0.30 for a 10-day VWAP; 25% when the Company's share price reaches \$0.40 for a 10-day VWAP; and 25% when the Company's share price reaches \$0.50 for a 10-day VWAP.

During the three and nine months ended September 30, 2019, the Company recognized \$63,183 and \$187,494, respectively (three and nine months ended September 30, 2018 – \$70,053 and \$73,488, respectively) of share-based payments expense related to performance warrants granted in June 2018.

d) Stock options

A continuity of the Company's stock options outstanding is as follows:

	Number	Weighted Average Exercise Price
Balance, December 31, 2018	12,325,000	\$ 0.13
Granted	4,200,000	0.11
Expired	(2,750,000)	(0.12)
Balance, September 30, 2019	13,775,000	\$ 0.11

On January 17, 2019, the Company repriced 5,900,000 stock options previously granted with an exercise price of \$0.08 per share to an exercise price of \$0.06 per share. The effect of the modification was determined to be a \$6,270 incremental increase in fair value, all of which was recognized as share-based payments expense in the period.

On January 17, 2019, the Company granted 200,000 stock options to a technical consultant exercisable immediately at \$0.06 per share until January 17, 2024. The fair value of the stock options was estimated at \$5,020 using the Black-Scholes pricing model based on estimated volatility of 138%, a 1.92% risk-free rate, a 0% forfeiture rate, a term of 5 years and no dividend yield.

On September 26, 2019, the Company granted 4,000,000 stock options to an officer. The options are exercisable immediately as to 1,000,000 stock options at \$0.05 per share, 1,000,000 stock options at \$0.10 per share and 2,000,000 stock options at \$0.15 per share until September 26, 2024. The fair value of the stock options was estimated at \$56,340 using the Black-Scholes pricing model based on estimated volatility of 200%, a 1.40% risk-free rate, a 0% forfeiture rate, a term of 5 years and no dividend yield.

During the three and nine months ended September 30, 2019, the Company recognized \$65,544 and \$109,145, respectively (three and nine months ended September 30, 2018 – \$45,232 and \$507,805, respectively) of share-based payments expense related to options granted in the current and prior periods.

ADVANTAGEWON OIL CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited)
(All amounts stated in Canadian Dollars)
For the three and nine months ended September 30, 2019

The table below summarizes information about the stock options outstanding as at September 30, 2019:

Exercise Price	Number of Stock Options Outstanding	Number of Stock Options Exercisable	Weighted Average Exercise Price	Weighted Average Contractual Life Remaining (years)
\$ 0.05	1,000,000	1,000,000	\$ 0.05	4.99
0.06	6,100,000	4,100,000	0.06	3.76
0.10	1,000,000	1,000,000	0.10	4.99
0.15	3,675,000	3,675,000	0.15	2.86
0.25	2,000,000	1,500,000	0.25	0.17
	13,775,000	11,275,000	\$ 0.11	3.18

11. Per Share Amounts

	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Loss for the period	\$ (286,632)	\$ (577,727)	\$ (834,651)	\$ (2,013,412)
Number of common shares, January 1	210,122,431	191,625,531	210,122,431	191,625,531
Effect of common shares issued	7,339,340	13,936,579	5,114,354	10,232,522
Basis weighted average number of common shares	217,461,771	205,562,110	215,236,785	201,858,053
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)

All warrants, performance warrants and stock options were excluded from the diluted per share amounts as their effect is anti-dilutive in loss periods.

12. Revenue

The Company sells its production pursuant to variable price contracts based on NYMEX WTI with varying length terms up to 1 year. Under the contracts, the Company is required to deliver a variable volume of light-medium oil to the contract counterparty. The transaction price is based on the commodity price for NYMEX WTI, adjusted for quality, location or other factors.

Volumes delivered to the contract counterparty are limited to the Company's ability to produce the volumes. Production revenue is recognized at a point in time the purchaser obtains legal title to the product, which is when volumes are physically transferred to the contract counterparty. The amount of revenue recognized is based on the transaction price. Transaction price variability, discussed above, is recognized in the same period as the Company is not constrained in meeting its performance obligations.

All of the Company's revenue is from the sale of oil, all of which is produced and sold in Texas, United States. Oil sales were to a single purchaser during the three and nine months ended September 30, 2019 and 2018 representing 100% of revenue and \$13,259 of accounts receivable at September 30, 2019 (December 31, 2018 – \$41,105).

13. Related Party Transactions

On January 17, 2019, the Company issued 2,428,571 units for aggregate gross proceeds of \$85,000 to a director and a former director of the Company and a company related through common directors of the Company (Note 10(a)).

14. Subsequent Events

- On October 1, 2019, the Company entered into loan agreements with a syndicate of lenders (the "Syndicate") for total loan proceeds \$175,000, of which \$172,500 was received in advance in September 2019 (Note 8(b)). Under the terms of the loan agreements the Company will pay 12% interest per annum to the lenders and repay the loans over three years. In connection with the loan agreements, the Company issued a combined 26,250,000 units of the Company to the Syndicate. Each unit consists of one common share and one purchase warrant. Each purchase warrant entitles the holder to purchase one common share at \$0.05 per share for a period of up to three years after the date of issuance of the units.
- On 28th November 2019, the Company entered into additional loan agreements with the members of the Syndicate for total

ADVANTAGEWON OIL CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

(All amounts stated in Canadian Dollars)

For the three and nine months ended September 30, 2019

loan proceeds of \$87,500. Under the terms of the agreements the Company will pay 12% interest per annum to the lenders and repay the loans over three years. In connection with the loan agreements, the Company issued a combined 13,125,000 units of the Company to the lenders. Each unit consists of one common share and one purchase warrant. Each purchase warrant entitles the holder to purchase one common share at \$0.05 per share for a period of up to three years after the date of issuance of the units.



ADVANTAGEWON
OIL CORP.

SCHEDULE B: SUPPLEMENTARY INFORMATION
(NOT APPLICABLE)

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS



ADVANTAGEWON OIL CORP.

CSE: AOC | OTC Pink: ANTGF

ADVANTAGEWON OIL CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For The Three & Nine Months Ended September 30, 2019

Q3 2019

BUILDING CONSISTENT **CASH FLOW** FROM **LOW COST, LOW RISK** OIL WELLS IN **TEXAS**

WWW.AOC-OIL.COM

GENERAL

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Advantagewon Oil Corporation ("AOC" or the "Company") is for the three and nine months ended September 30, 2019 is as of November 29, 2019 and should be read in conjunction with the Company's September 30, 2019 unaudited condensed interim consolidated financial statements and December 31, 2018 audited consolidated financial statements and notes thereto.

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All amounts are expressed in Canadian dollars unless otherwise indicated.

Additional information relating to AOC, including AOC's September 30, 2019 unaudited condensed interim consolidated financial statements and December 31, 2018 audited consolidated financial statements and other filings are available on SEDAR at www.sedar.com.

In the following discussion, the three and nine months ended September 30, 2019 may be referred to as "Q3 2019" and "the September 2019 period", respectively, the comparative three and nine months ended September 30, 2018 may be referred to as "Q3 2018" and "the September 2018 period", respectively, and the previous three months ended June 30, 2019 may be referred to as "Q2 2019".

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

All statements, other than statements of historical fact, contained or incorporated by reference in this MD&A, including any information as to the future financial or operating performance of AOC, constitute "forward-looking statements" within the meaning of certain securities laws, including the "safe harbour" provisions of the Securities Act (Ontario) and are based on expectations, estimates and projections as of the date of this MD&A. Forward-looking statements include, without limitation, statements with respect to future commodity prices, the estimation of oil & gas reserves and resources if any, the realization of oil & gas reserve and resource estimates, the timing and amount of estimated future production, costs of production, expected capital expenditures, costs and timing of development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of oil & gas operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. The words, "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by AOC as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors can cause actual results to differ materially from those projected in the forward-looking statements. Such factors include but are not limited to: fluctuations in currency markets; fluctuation in the spot and forward price of commodities; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in countries in which we do or may carry on business in the future; business opportunities that be presented to, or pursued by us; our ability to successfully integrate acquisitions; operating or technical difficulties in connection with exploration or development activities; employee relations; the speculative nature of oil & gas exploration and development, including the risks of obtaining necessary licenses and permits; diminishing quantities or grades of reserves; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of oil & gas exploration and development, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, and the risk of inadequate insurance, or inability to obtain insurance, to cover these risks. Many of these uncertainties and contingencies can affect AOC's actual results and could cause actual results to differ materially from those expected or implied in any forward-looking statements made by, or on behalf of, AOC. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements, those in the "Risk and Uncertainties" section hereof. These factors are not intended to represent a complete list of the factors that could affect AOC. Forward-looking statements in this MD&A are made as of November 29, 2019 and AOC disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, or to explain any material differences between subsequent actual events and such forward-looking statements, except to the extent required

by applicable law.

BOE PRESENTATION

The term "barrels of oil equivalent" ("boe") may be misleading, particularly if used in isolation. A boe conversion of six thousand cubic feet of natural gas (mcf) to one barrel ("bbl") of oil (6:1) is based on an energy equivalent conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Readers should be aware that historical results are not necessarily indicative of future performance.

INDUSTRY BENCHMARKS

This MD&A contains other industry benchmarks and terms, including "operating netback" (calculated on a per unit basis as oil revenues less royalties and production), which is a non-IFRS measure. See Results of Operations for the calculation of operating netback. Management believes this measure is a useful supplemental measure of the Company's profitability relative to commodity prices. Readers are cautioned, however, that operating netback should not be construed as an alternative to other terms such as net income as determined in accordance with IFRS as measures of performance. AOC's method of calculating this measure may differ from other companies, and accordingly, may not be comparable to similar measures used by other companies.

COMPANY HISTORY AND OVERVIEW

The Company was incorporated under the laws of the Province of Ontario on July 10, 2013. The Company is engaged in the acquisition, exploration, development and production of oil and gas reserves in North America with a particular focus on onshore development in Texas, United States of America. The Company completed its go-public transaction and commenced trading on the CSE on July 13, 2017 followed by trading on the OTCQB on November 24, 2017.

In 2014, the Company expanded by acquiring leases on approximately 1,200 acres in Guadalupe County Texas in an area known as LaVernia (the LaVernia Property" or "LaVernia"). The LaVernia field consists of over 10,000 acres. The field was discovered in 1939 and has produced over 7 million boe. We believe that there are many infill drilling opportunities that exist in this field.

As at September 30, 2019, the Company held over 3,500 acres in oil leases in Texas. The La Vernia field represents low cost drilling opportunities. AOC is focused on inexpensive drilling opportunities that can still provide economic wells to the Company in the current low oil price environment in which the Company operates.

In September 30, 2019, the Company expanded its focus to include the Canadian oil patch by entering into an agreement with a private company to earn working interests in three wells with a right of first refusal on six additional wells.

The Company is assessing other acquisition opportunities both inside and outside of Texas. We believe as a public company with the ability to use stock for acquisitions, we can continue to grow our land position of low cost economical drilling opportunities.

On November 5, 2019 the Corporation's Common Shares were reassigned for trading by the OTC Markets from the OTCQB to OTC Pinksheets

OIL AND GAS PROPERTIES

Saratoga Property

The Company closed the sale of its Saratoga CGU comprised of two producing wells on 261 acres in Hardin County, Texas, on May 16, 2019 for consideration of \$571,158 (USD 425,000) comprised of \$561,217 of cash consideration less \$9,941 of working capital adjustments and recognized a \$9,950 gain on disposition of oil and gas properties.

La Vernia Field

The La Vernia field is comprised of over 3,400 acres in the Wilson and Guadalupe Counties in Texas. The Company commissioned an independent 51-101 report prepared by MKM Engineering dated December 31, 2018. This report indicates a NPV discounted at 10% of total proved plus probable reserves of \$78,692,900 (before income tax).

Properties and leases that comprise the La Vernia field are summarized in the following table:

Property / Lease	Year acquired	Working interest	Net revenue interest
Wiseman	2014	100%	74%
Koepp	2014	100%	83%
Rogers	2016	100%	84.5%
Mills	2016	100%	77.75%
Black and Morris	2017	100%	73.5%
Junsen Transue	2017	100%	75%
LT Oil Acquisition	2017	100%	73% - 80%
RJ Huebinger	2017	100%	78.5%
Alcorn Acquisition	2017	100%	78-80%
Boldt	2017	100%	71.5%
Gordon Land Acquisition	2017	100%	74% - 80%
Rouse	2017	100%	70%
Opal and Lerma	2017	100%	72%

Boldt Property

The Boldt property has three existing producing wells on site, which produced an average of 4.27 bbls of oil per day in 2018. During Q2 2019, the Company completed the drilling of a new well.

The completed tests for the new well show oil production capability at 12 to 15 bbls of oil per day ("bopd"). The well was perforated in the two deeper Poth sand zones, the Poth "B" and Poth "C", and production testing in these two zones was completed immediately as planned. Work is underway to install power and production equipment so the Company can commence commercial production on this well. The Company has sourced the equipment contracts and expects this well to be on production in Q4 2019

Canadian Properties

In September 2019, the Company entered into an agreement with a private company for three Canadian wells with a right of first refusal on six additional wells. The Company paid \$30,000 for a 10% working interest in two wells and a 5% working interest in the third well. Pursuant to the agreement, the Company to fund the reactivation work on the three wells earning an additional 40% working interest in two wells and an additional 20% working interest in the third well. The first well was reactivated in October 2019 thereby increasing the Company's working interest in this well to 50% for which net production to the Company is estimated to be 30 – 45 barrels per day.

SELECTED FINANCIAL INFORMATION

Year-to-date	Unaudited 30-Sep-19	Audited 31-Dec-18	Audited 31-Dec-17
Oil sales	\$ 339,600	\$ 832,026	\$ 511,673
Net loss	(834,651)	(7,298,700)	(2,804,832)
Loss per share – basic and diluted	(0.00)	(0.04)	(0.02)
Total assets	9,305,595	10,234,133	14,664,526
Long-term liabilities	1,797,081	1,987,274	1,874,901
Total liabilities	2,444,438	2,864,789	3,313,812
Total shareholders' equity	6,861,157	7,369,344	11,350,714

RESULTS OF OPERATIONS

	Q3 2019	Q3 2018	September 2019 Period	September 2018 Period
Total oil sales volumes (bbls)	1,637	2,857	4,801	8,111
Daily oil sales volumes (bbls)	18	31	13	30
Oil sales	\$ 106,830	\$ 247,819	\$ 339,600	\$ 674,964
Royalties	(30,841)	(76,077)	(97,288)	(199,888)
Production costs	(82,492)	(172,947)	(244,633)	(466,537)
Operating netback	\$ (6,503)	\$ (1,205)	\$ (2,321)	\$ 8,539
Oil revenue / bbl	\$ 65.28	\$ 86.75	\$ 70.74	\$ 83.21
Royalties / bbl	(18.84)	(26.63)	(20.27)	(24.64)
Production costs / bbl	(50.40)	(60.54)	(50.96)	(57.52)
Operating netback / bbl	\$ (3.96)	\$ (0.42)	\$ (0.49)	\$ 1.05
Royalties as a percentage of revenue	29%	31%	29%	30%

	Q3 2019	Q3 2018	September 2019 Period	September 2018 Period
General and administrative expenses	\$ 116,133	\$ 313,881	\$ 449,757	\$ 1,102,383
Share-based payments	\$ 128,727	\$ 115,285	\$ 296,639	\$ 581,293
Interest expense	\$ 4,977	\$ 141,100	\$ 34,405	\$ 204,285
Other (income) expense	\$ (12,318)	\$ (42,494)	\$ (57,191)	\$ (3,985)
Loss for the period	\$ (286,632)	\$ (577,727)	\$ (834,651)	\$ (2,013,412)
Basic loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)

- Oil volumes are lower in the 2019 periods due to the sale of the Saratoga property on May 16, 2019.
- Revenue per bbl is lower in Q3 2019 (US\$49.26/bbl) and the September 2019 period (US\$53.20/bbl) than Q3 2018 (US\$66.24/bbl) and the September 2018 period (US\$64.49/bbl) due to decrease in oil prices across the industry.
- Production costs per bbl are lower in the 2019 periods than the 2018 periods due to a decrease in repairs and maintenance and fuel and power costs and to the sale of the Saratoga properties which had higher operating costs per bbl in the 2018 periods than the La Vernia properties.
- General and administrative expenses were comprised of the following:

	Q3 2019	Q3 2018	September 2019 Period	September 2018 Period
Professional and investor relations fees	\$ 33,710	\$ 112,098	\$ 210,601	\$ 506,465
Management fees	2,250	36,750	3,000	164,500
Consulting fees	44,079	107,908	132,389	256,918
General office	27,245	53,357	75,762	146,651
Listing and filing fees	8,849	3,768	28,005	27,849
	\$ 116,133	\$ 313,881	\$ 449,757	\$ 1,102,383

Professional fees, management fees and general office expense were generally lower in the 2019 periods than the 2018 periods due to an overall decrease in corporate activity and cost-savings efforts by management.

- The Company recognized the following share-based payments expense in the 2019 and 2018 periods:

	Q3 2019	Q3 2018	September 2019 Period	September 2018 Period
Stock options	\$ 65,544	\$ 45,232	\$ 109,145	\$ 507,805
Performance warrants	63,183	70,053	187,494	73,488
	<u>\$ 128,727</u>	<u>\$ 115,285</u>	<u>\$ 296,639</u>	<u>\$ 581,293</u>

LIQUIDITY AND CAPITAL RESOURCES

A summary of the Company's cash position and changes in cash is provided below:

	Q3 2019	Q3 2018	September 2019 Period	September 2018 Period
Cash flows provided by (used in) operating activities	\$ (75,599)	\$ (380,914)	\$ (363,739)	\$ (1,144,041)
Cash flows provided by (used in) financing activities	96,831	141,902	(41,730)	583,412
Cash flows provided by (used in) investing activities	<u>(47,321)</u>	<u>186,552</u>	<u>381,910</u>	<u>(226,574)</u>
Change in cash	(26,089)	(52,460)	(23,559)	(787,203)
Effect of exchange rates on cash held in foreign currencies	179	(1,326)	(2,601)	35,718
Cash, beginning of period	<u>91,139</u>	<u>83,290</u>	<u>91,389</u>	<u>780,989</u>
Cash, end of period	<u>\$ 65,229</u>	<u>\$ 29,504</u>	<u>\$ 65,229</u>	<u>\$ 29,504</u>

- On January 17, 2019, the Company closed a non-brokered private placement for the issuance of 3,285,715 units at \$0.035 per unit for gross proceeds of \$115,000. Each unit is comprised of one common share and one warrant exercisable at \$0.06 per share until January 17, 2021.
- During the September 2019 period, the Company repaid \$230,000 in connection with the settlement of loans payable.
- During the September 2019 period, the Company received \$68,066 of proceeds for the settlement of notes receivable.
- During the September 2019 period, the Company incurred \$247,373 of capital expenditures on its oil and gas properties and equipment and received \$561,217 of proceeds on the disposition of its Saratoga CGU.
- In September 2019, the Company received \$172,500 of advances in connection with loan agreements entered into subsequent to September 30, 2019 (see Subsequent Events). Of the advances, \$108,611 was paid to the Company in cash and \$63,889 was paid directly to a private oil and gas company for the acquisition of working interests.

Settlement of loans payable:

On May 16, 2019, the Company entered into a debt settlement agreement with Fountain pursuant to which the Company settled the outstanding debt to Fountain by way of a \$230,000 cash payment and the issuance of 4,047,600 common shares of the Company to Fountain:

Balance, December 31, 2018	\$ 332,388
Accrued interest	19,039
Cash payment	(230,000)
Share settlement	(101,190)
Gain on settlement of loan	(20,237)
Balance, September 30, 2019	<u>\$ —</u>

Settlement of accounts payable:

On September 26, 2019, the Company issued 138,571 units at \$0.035 per unit as settlement of \$4,850 of accounts payable. Each unit is comprised of one common share and one warrant exercisable at \$0.06 per share until September 26, 2021.

Liquidity:

As at September 30, 2019, the Company had a working capital deficit of \$504,411 (December 31, 2018 – \$444,667 working capital

deficit).

The Company generates revenue from several producing wells, however, to continue to grow and expand and service its debt, it will have to rely upon the sale of equity securities, including private placements, exercise of warrants, and exercise of options to provide funding for acquisition, exploration and development of its oil and gas or mineral interests, and for administrative expenses.

The Company does not generate sufficient cash flow from operations to achieve breakeven cash flow. The Company is reviewing the options of disposing all or part of the US operations and has expanded into the Canadian oil patch. The Company believes there are significant opportunities to grow the Company with the Canadian operations.

RELATED PARTY TRANSACTIONS

On January 17, 2019, the Company issued 2,428,571 units for gross proceeds of \$85,000 to two directors of the Company and a company related through common directors of the Company.

SUBSEQUENT EVENTS

On October 1, 2019, the Company entered into loan agreements with a syndicate of lenders (the "Syndicate") for total loan proceeds \$175,000, of which \$172,500 was received in advance in September 2019 (Note 8(b)). Under the terms of the loan agreements the Company will pay 12% interest per annum to the lenders and repay the loans over three years. In connection with the loan agreements, the Company issued a combined 26,250,000 units of the Company to the Syndicate. Each unit consists of one common share and one purchase warrant. Each purchase warrant entitles the holder to purchase one common share at \$0.05 per share for a period of up to three years after the date of issuance of the units.

On 28th November 2019, the Company entered into additional loan agreements with the members of the Syndicate for total loan proceeds of \$87,500. Under the terms of the agreements the Company will pay 12% interest per annum to the lenders and repay the loans over three years. In connection with the loan agreements, the Company issued a combined 13,125,000 units of the Company to the lenders. Each unit consists of one common share and one purchase warrant. Each purchase warrant entitles the holder to purchase one common share at \$0.05 per share for a period of up to three years after the date of issuance of the units.

COMMITMENTS AND CONTINGENCIES

a) Office lease

The Company has a lease for office premises in the amount of \$4,437 per month (\$3,927 plus taxes, comprised of base rent and estimated operating costs) until January 31, 2022.

b) Management contracts

The Company is party to certain management contracts which require that an additional payment of up to \$120,000 be made upon the occurrence of certain events such as termination. As a triggering event has not taken place, the contingent liability has not been reflected in these consolidated financial statements.

DIVIDENDS

The Company has not declared or paid any dividends. Any decision to pay dividends on any of its shares will be made by the Board of Directors of the Company on the basis of earnings, financial requirements and other conditions existing at the time.

SHARE CAPITAL

	Common Shares	Warrants	Performance Warrants	Stock Options
Balance, December 31, 2018	210,122,431	72,527,221	16,000,000	12,325,000
Issued	7,471,886	3,424,286	—	4,200,000
Expired	—	(18,676,667)	—	(2,550,000)
Balance, September 30, 2019	217,594,317	57,274,840	16,000,000	13,975,000
Issued	39,375,000	39,375,000	—	—
Expired	—	(4,620,002)	—	—
Balance, November 29, 2019	256,969,317	92,029,838	16,000,000	13,975,000

FINANCIAL INSTRUMENTS

The fair values of the Company's cash, trade and other receivables, accounts payable and accrued liabilities and loans payable approximate their carrying amounts due to the short-term nature of these financial instruments. The fair values of bond deposits and lease liabilities approximate their carrying amounts.

The Company's accounts receivable are primarily with industry partners and are subject to normal industry credit risks. The Company extends unsecured credit to these entities, and therefore, the collection of any receivables may be affected by changes in the economic environment or other conditions. Management believes the risk is mitigated by the financial position of the entities. To date, the Company has not participated in any risk management contracts or commodity price contracts.

OFF-BALANCE SHEET ARRANGEMENTS

None

NEW ACCOUNTING STANDARDS

IFRS 16 Leases

On January 1, 2019, the Company adopted IFRS 16 Leases ("IFRS 16") using the modified retrospective approach which does not require restatement of prior period financial information as it recognizes the cumulative effect as an adjustment to opening retained earnings and applies the standard prospectively.

On adoption of IFRS 16, the Company's lease liabilities related to contracts classified as leases are measured at the discounted present value of the remaining minimum lease payments, excluding short-term and low-value leases. The right-of-use assets recognized were measured at amounts equal to the present value of the lease obligations. The weighted average incremental borrowing rate used to determine the lease liability at adoption was approximately 24%. The right-of-use assets and lease liability recognized relate to office premises. The Company elected to not apply lease accounting to certain leases for which the lease term ends within 12 months of the date of initial application or leases of low-value assets.

The cumulative effect of initially applying IFRS 16 was recognized as a \$107,176 right-of-use asset with a corresponding lease liability.

In applying IFRS 16 for the first time, the Company used the following practical expedients permitted by the standard:

- Apply a single discount rate to a portfolio of leases with similar characteristics;
- Account for leases with a remaining term of less than 12 months as at January 1, 2019 as short-term leases;
- Account for lease payments as an expense and not recognize a right-of-use asset if the underlying asset is of low dollar value; and
- The use of hindsight in determining the lease term where the contract contains terms to extend or terminate the lease.

Upon the adoption of IFRS 16, the Company adopted the following significant accounting policy effective January 1, 2019:

Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lease liability is recognized at the commencement of the lease term at the present value of the lease payments that are not paid at that date. At the commencement date, a corresponding right-of-use asset is recognized at the amount of the lease liability, adjusted for lease incentives received, retirement costs and initial direct costs. Depreciation is recognized on the right-of-use asset over the lease term. Interest expense is recognized on the lease liabilities using the effective interest rate method and payments are applied against the lease liability. Payments received for the sublease of right-of-use assets are recognized as sublease revenue.

Key areas where management has made judgments, estimates, and assumptions related to the application of IFRS 16 include:

- The incremental borrowing rates are based on judgments including economic environment, term, currency, and the underlying risk inherent to the asset. The carrying balance of the right-of-use assets, lease liabilities, and the resulting interest expense and depreciation expense, may differ due to changes in the market conditions and lease term.

- Lease terms are based on assumptions regarding extension terms that allow for operational flexibility and future market conditions.

IFRS 3 Business Combinations and IFRS 11 Joint Arrangements

On January 1, 2019, the Company adopted the amendments to IFRS 3 Business Combinations ("IFRS 3") and IFRS 11 Joint Arrangements ("IFRS 11"). The amendments to IFRS 3 clarify that when a party to a joint arrangement obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to IFRS 11 clarify that when a party that participates in, but does not have joint control of, a joint operation obtains joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3, the previously held interests in the joint operation are not remeasured.

The adoption of these amendments had no impact on the Company's condensed interim consolidated financial statements.

SELECTED CONSOLIDATED QUARTERLY INFORMATION

	Q3 2019 \$	Q2 2019 \$	Q1 2019 \$	Q4 2018 \$
Revenue	106,830	65,839	166,839	157,062
Loss for the period	(233,076)	(306,422)	(241,597)	(5,285,288)
Basic loss per share	(0.00)	(0.00)	(0.00)	(0.03)
Cash flow used in operating activities	(75,599)	(258,975)	(29,165)	(31,020)
Total assets	9,305,595	9,223,117	10,172,278	10,234,133
Total liabilities	2,444,438	2,262,461	2,996,571	2,864,789
Expenditures oil and gas properties	(47,321)	(71,517)	(128,535)	(12,950)
Net cash proceeds from the issuance of common shares and units	—	—	115,000	—
Working capital (deficit)	(504,411)	(276,784)	(661,747)	(444,667)
	Q3 2018 \$	Q2 2018 \$	Q1 2018 \$	Q4 2017 \$
Revenue	247,819	239,095	188,050	161,851
Loss for the period	(577,727)	(690,882)	(744,803)	(843,121)
Basic loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Cash flow provided by (used in) operating activities	(380,914)	(264,186)	(498,941)	1,096,909
Total assets	14,801,951	15,647,188	15,753,282	14,664,526
Total liabilities	2,708,700	3,204,987	3,075,047	3,313,812
Expenditures on exploration and evaluation properties and oil and gas properties	(23,722)	(34,975)	(378,151)	(1,628,078)
Net cash proceeds from the issuance of common shares and units	141,902	—	477,500	725,600
Working capital (deficit)	(202,783)	(38,513)	380,395	(361,739)

- Revenue increased in Q3 2019 as compared to Q2 2019 due to an increase in production volumes; the loss for Q3 2019 decreased due to higher revenues and lower general and administrative expenses; working capital decreased due to an increase in current liabilities.
- Revenue decreased in Q2 2019 as compared to Q1 2019 due to a decrease in production volumes associated with the disposition of the Saratoga CGU in May 2019; the loss for Q2 2019 increased due to a decrease in revenue and an increase in general and administrative expenses; working capital improved due to the receipt of disposition proceeds offset by the repayment of the loan payable.
- Revenue increased in Q1 2019 as compared to Q4 2018 due to an increase in production volumes offset by a decrease in prices; the loss for Q1 2019 decreased due to a reduction in production and general and administrative expenses combined with no impairment as was recognized in Q4 2018; working capital decreased due to an increase in capital

expenditures on oil and gas properties.

- Revenue decreased in Q4 2018 as compared to Q3 2018 due to a reduction in production volumes combined with a decrease in oil prices; the loss for Q4 2018 increased due primarily to \$4,793,368 of impairment recognized on the Saratoga CGU; working capital decreased due to a decrease in trade and other receivables and an increase in trade and other payables.
- Revenue increased in Q3 2018 as compared to Q2 2018 due to an increase in oil prices; the loss for Q3 2018 decreased due to a reduction in operating costs, G&A expenses and share-based payments; working capital decreased due to a decrease in cash and other current assets which was not sufficiently offset by a reduction in loans payable.
- Revenue increased in Q2 2018 as compared to Q1 2018 due to higher production volumes and an increase in oil prices; the Q2 2018 loss decreased due to a decrease in general and administrative expenses and share-based payments expense; working capital decreased due to a decrease in cash and an increase in accounts payable.

RISKS AND UNCERTAINTIES

The operations of AOC are high-risk due to the nature of oil and gas exploration and development. AOC's production and exploration activities are concentrated in the state of Texas in the United States, where activity is highly competitive and includes a variety of different sized companies ranging from smaller junior producers to the much larger integrated petroleum companies. AOC is subject to various types of business risks and uncertainties, which may materially affect the Company's future financial and operating performance, including without limitation the following:

- risks associated with operations in emerging markets, including changes in energy policies or personnel administering them;
- the risks of the oil and gas industry both domestically and internationally, such as operational risks in exploring for, developing and producing crude oil and natural gas and market demand;
- general economic conditions in Canada, the United States and globally;
- the ability of management to execute its business plan;
- uncertainties inherent in estimating quantities of oil and natural gas reserves and cash flows to be derived therefrom and the risk that the value of such reserves may be impaired in future periods;
- fluctuations in the price of oil and natural gas, interest rates and exchange rates;
- the risk that the Company will not be able to reduce its operating costs and thereby improve the return on its investments;
- lack of diversification of the Company's oil and gas interests;
- actions taken by governmental authorities, including increases in taxes and changes in government regulations and incentive programs;
- geological, technical, drilling and processing problems;
- risks and uncertainties involving geology of oil and gas deposits;
- risks inherent in marketing operations, including credit risk;
- the uncertainty of estimates and projections relating to production, costs and expenses;
- potential delays or changes in plans with respect to exploration or development projects or capital expenditures including delays arising as a result of the Company's inability to obtain the necessary oilfield services required, including drilling and fracture stimulation equipment and related personnel;
- the insufficiency of cash flow to fund operations;
- uncertainty of finding reserves and developing and marketing those reserves;
- unanticipated operating events, which could reduce production or cause production to be shut in or delayed;
- ability to locate satisfactory properties for acquisition or participation;
- the ability of management to identify and complete potential acquisitions;
- if completed, the failure to realize the anticipated benefits of acquisitions;
- incorrect assessments of the value of acquisitions;
- hazards such as fire, explosion, blowouts, cratering and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury;
- encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations;
- income tax reassessments and other taxes payable by the Company;
- the ability to add production and reserves through development and exploration activities;

- governmental regulation of the oil and gas industry, including the possibility that government policies or laws, including laws and regulations related to the environment, may change in a manner that is adverse to the Company, or that governmental approvals may be delayed or withheld;
- stock market volatility and market valuations; and
- competition for, among other things, capital, acquisition of reserves, undeveloped land and skilled personnel.

FORWARD LOOKING INFORMATION (ADDITIONAL DISCLOSURE)

The following information provides further clarification with respect to the Company's forward-looking information.

Forward-looking statements	Assumptions	Risk factors
Potential of the Company's properties to produce economic quantities of boe	Financing will be available for future exploration and development of the Company's properties; the actual results of the Company's exploration and development activities will be favourable; operating, exploration and development costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of oil and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties	Oil price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending September 30, 2020 The Company expects to incur further losses in the development of its business Should the Company not raise sufficient capital, it may cease to be a reporting issuer	The operating and exploration activities of the Company for the twelve-month period ending September 30, 2020, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions
The Company's ability to carry out anticipated exploration on its property interests	The exploration/acquisition activities of the Company for the twelve-month period ending September 30, 2020, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; receipt of applicable permits
Plans, costs, timing and capital for future exploration and development of the Company's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations	Financing will be available for the Company's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all	Oil price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's

	<p>applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of oil will be favourable to the Company; no title disputes exist with respect to the Company's properties</p>	<p>expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff</p>
Management's outlook regarding future trends	<p>Financing will be available for the Company's exploration and operating activities; the price of oil will be favourable to the Company</p>	<p>Oil price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions</p>
Prices and price volatility for oil	<p>The price of oil will be favourable; debt and equity markets, interest and exchange rates and other economic factors which may impact the price of oil will be favourable</p>	<p>Changes in debt and equity markets and the price of oil; interest rate and exchange rate fluctuations; changes in economic and political conditions</p>



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