CENTURY FINANCIAL CAPITAL GROUP INC.

FINANCIAL STATEMENTS

AUGUST 31, 2012

(Expressed in Canadian Dollars)

CENTURY FINANCIAL CAPITAL GROUP INC.

FINANCIAL STATEMENTS

AUGUST 31, 2012

(Expressed in Canadian Dollars)

TABLE OF CONTENTS

Schwartz Levitsky Feldman llp
CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS
TORONTO • MONTREAL

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Century Financial Capital Group Inc.

We have audited the accompanying financial statements of Century Financial Capital Group Inc. which comprise the statements of financial position as at August 31, 2012 and September 1, 2010 and the statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the years ended August 31, 2012 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers, internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Century Financial Capital Group Inc. as at August 31, 2012 and September 1, 2010, and its financial performance and its cash flows for the years ended August 31, 2012 in accordance with International Financial Reporting Standards.

Other Matters

The financial statements of Century Financial Capital Group Inc. for the year ended August 31, 2011, were audited by another auditor who expressed an unmodified opinion on those statements on December 20, 2011.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company incurred a net loss of $73,015 during the year ended August 31, 2012, and as of that date, the company has a cumulative loss of $1,551,844 and a working capital deficiency of $153,739. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Toronto, Ontario, Canada	Chartered Accountants
December 21, 2012	Licensed Public Accountants

CENTURY FINANCIAL CAPITAL GROUP INC.

Statements of Financial Position

As at August 31, 2012 and 2011 and September 1, 2010

(Expressed in Canadian Dollars)

	August 31, 2012	August 31, 2011	September 1, 2010
		(note 3)	(note 3)
ASSETS			
CURRENT ASSETS			
Cash	$ 2,463	$ 7,547	$ 10,888
HST receivable	1,920	2,259	2,287
Total assets	$ 4,383	$ 9,806	$ 13,175
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	$ 27,270	$ 31,770	$ 12,788
Payable to related parties (note 4)	130,852	58,760	4,520
Total liabilities	158,122	90,530	17,308
SHAREHOLDERS' DEFICIENCY			
COMMON SHARES (note 5)	1,046,468	1,046,468	1,046,468
PREFERENCE SHARES (note 5)	351,637	351,367	349,637
DEFICIT	(1,551,844)	(1,478,829)	(1,400,238)
Total shareholders deficiency	(153,739)	(80,724)	(4,133)
Total shareholders deficiency and liabilities	$ 4,383	$ 9,806	$ 13,175

Going concern (note 1)

Related party transactions and balances (note 4)

The accompanying notes are an integral part of these financial statements

APPROVED ON BEHALF OF THE COMPANY

________________________________Director

________________________________Director

CENTURY FINANCIAL CAPITAL GROUP INC.

Statements of Operations and Comprehensive Loss
Years ended August 31, 2012 and 2011
(Expressed in Canadian Dollars)

	2012	2011
		(note 3)
REVENUE	$ -	$ -
OPERATING EXPENSES		
Management fees	48,000	48,000
Professional fees	10,036	17,182
Shareholder information	8,055	6,164
Accounting and corporate services	4,200	4,200
Transfer fee	3,140	3,316
Directors fees	500	200
Office and general	227	482
Recovery of leases written off in prior years	(1,143)	(953)
	73,015	78,591
OPERATING LOSS	(73,015)	(78,591)
LOSS BEFORE INCOME TAXES	(73,015)	(78,591)
Income taxes (note 6)	-	-
NET LOSS AND COMPREHENSIVE LOSS	(73,015)	(78,591)
BASIC AND DILUTED LOSS PER SHARE (note 5)	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding	11,078,908	11,078,908

The accompanying notes are an integral part of these financial statements

CENTURY FINANCIAL CAPITAL GROUP INC.

Statements of Changes in Shareholders' Equity
Years ended August 31, 2012 and 2011
(Expressed in Canadian dollars)

	Number of Common Share	Number of Class A preference Shares	Common shares	Class A Preference shares	Deficit	Total
Balance at September 1, 2010 (note 3)	11,078,908	700,000	$ 1,046,468	$ 349,637	$(1,400,238)	$ (4,133)
Issue of Class A Preference shares	-	4,000	-	2,000	-	2,000
Net loss and comprehensive loss for the year	-	-	-	-	(78,591)	(78,591)
Balance at August 31, 2011	11,078,908	$ 704,000	$1,046,468	$ 351,637	$(1,478,829)	$ (80,724)
Net loss and comprehensive loss for the year	-	-	-	-	(73,015)	(73,015)
Balance at August 31, 2012	11,078,908	704,000	$ 1,046,468	$ 351,637	$(1,551,844)	$(153,379)

The accompanying notes are an integral part of these financial statements

CENTURY FINANCIAL CAPITAL GROUP INC.

Statements of Cash Flows
Years ended August 31, 2012 and 2011
(Expressed in Canadian Dollars)

	2012	2011
		(note 3)
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss for the year	$ (73,015)	$ (78,591)
Changes in non-cash working capital items:		
HST receivable	339	28
Accounts payable and accrued liabilities	(4,500)	18,982
Payable to related parties	72,092	54,240
CASH USED IN OPERATING ACTIVITIES	(5,084)	(5,341)
CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from the issue of preference shares	-	2,000
NET DECREASE IN CASH, DURING THE YEAR	(5,084)	(3,341)
Cash, beginning of year	7,547	10,888
CASH, END OF YEAR	$ 2,463	$ 7,547

The accompanying notes are an integral part of these financial statements

CENTURY FINANCIAL CAPITAL GROUP INC.

Notes to Financial Statements
August 31, 2012 and 2011
(Expressed in Canadian dollars)

1. NATURE OF BUSINESS AND GOING CONCERN

Century Financial Capital Group Inc. (the "Company") was incorporated under the Business Corporation Act of Ontario on October 20, 1994.

The company was engaged in the leasing of various kinds of operating and manufacturing equipment such as industrial and construction machinery. All leases were fully written off prior to the date of transition to IFRS. As at August 31, 2012 the company has no more leases and is currently inactive. Even though the leases have been fully written off the company is still endeavoring to recover some of the amounts due on the leases written off due to defaults and non-payments.

As at August 31, 2012, the company has a working capital deficiency of $153,739 and a history of losses which raise substantial doubt about the company's ability as a going concern. These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the

Company is not expected to continue operations for the foreseeable future. As at August 31, 2012 Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These are the company's first annual financial statements prepared in accordance with IFRS, and the company's date of transition to IFRS and its opening IFRS statement of financial position are as at September 1, 2010 (the "transition date"). IFRS 1, First time adoption of IFRS (IFRS 1) has been adopted. An explanation of how the transition to IFRS has affected the financial statements is included in note 3

The financial statements of the company for the years ended August 31, 2012 and 2011 and as at September 1, 2010 were approved by the board of directors on December 21, 2012.

b) Basis of preparation

The financial statements have been prepared on a historical cost basis except for certain assets and financial instruments that are measured at their fair value as explained in the significant accounting policies below. Historical cost is based on the fair values of the consideration given in exchange for assets.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c) Functional and presentation currency

The financial statements are presented in Canadian dollars, which is the Company's functional currency.

d) Income taxes

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable or receivable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the period-end date.

Deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amount of an asset or liability and of its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be realized.

e) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. Preference shares with terms requiring the company, at the option of the holder, to convert into a fixed number of common shares at any time, without any obligation to deliver cash or another financial asset, are classified as equity.

f) Earnings and loss per share

Basic earnings/loss per share is computed by dividing the income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period. Diluted earnings/loss per common share is computed by dividing the income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

g) Use of estimates and critical judgments

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Key areas requiring judgment and estimation uncertainty includes:

- Valuation of financial instruments including provisions; and
- Assessment of unrecognized deferred tax assets and liabilities for recoverability.

h) Financial instruments

The Company's financial instruments consist of cash (classified as held for trading), accounts payable and accrued liabilities and payable to related parties (classified as other financial liabilities). The fair values of these financial instruments approximate their carrying values. Initial and subsequent measurement and recognition of changes in the values of financial instruments depend on their classification.

- Other financial liabilities are initially measured at fair value and subsequently measured at amortized cost.
- Held for trading financial instruments are measured at fair value, all gains and losses are included in net loss for the period in which they arise.

i) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are not recognized for future operating losses.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

j) New accounting pronouncements not yet adopted

At the date of authorization of these financial statements, the following standards and interpretations were issued but are not yet effective. The Company has not yet adopted these standards and monitors changes to IFRS on an ongoing basis for its applicability.

IFRS 7 - Financial Instruments: Disclosures (Amendment)

In December 2011, the IASB amended this standard to set out additional disclosure requirements regarding the offsetting of financial assets and financial liabilities. The standard was also amended to reflect the effects of adopting IFRS 9, *Financial Instruments*. This amendment is effective for the Company commencing September 1, 2015.

IFRS 9 - Financial Instruments

IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for the Company commencing September 1, 2015.

IFRS 13 - Fair Value Measurements

IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS. The company intends to adopt the standard for the accounting period beginning on September 1, 2013.

IAS 1 – Presentation of Financial Statements (Amendment)

In June 2011, the IASB issued amendments to standards to align the presentation requirements for other comprehensive income (OCI). The IASB issued amendments to IAS 1 —Presentation of Financial Statements to require companies preparing financial statements under IFRS to group items within OCI that may be reclassified to the profit or loss. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements. The amendments to IAS 1 set out in *Presentation of Items of Other Comprehensive Income* will be implemented beginning on September 1, 2013.

CENTURY FINANCIAL CAPITAL GROUP INC.

Notes to Financial Statements
August 31, 2012 and 2011
(Expressed in Canadian dollars)

3. TRANSITION TO IFRS

As disclosed in Note 2, these financial statements represent the Company's financial results of operations under IFRS for the years ended August 31, 2012 and 2011 and its financial position as at August 31, 2012 and 2011 and as at September 1, 2010. The financial statements have been prepared in accordance with IFRS 1, "First-time Adoption of International Financial Reporting Standards" as issued by the IASB. Previously, the Company prepared its consolidated financial statements in accordance with Canadian GAAP.

IFRS 1 requires the presentation of comparative information as at September 1, 2010 (the "Transition Date") and subsequent comparative periods as well as the consistent and retrospective application of IFRS accounting policies. To assist with the transition, the provisions of IFRS 1 allow for certain mandatory and optional exemptions for first-time adopters to alleviate the retrospective application of all IFRSs. The Company has not utilized any of the available exemptions from retrospective restatements.

Estimates

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of September 1, 2010 are consistent with its GAAP estimates for the same date.

Reconciliations are required to present the adjustments made to the Company's previous Canadian GAAP results of operations and financial position to comply with IFRS 1. A summary of the significant accounting policy changes and applicable exemptions are discussed following the reconciliations. Reconciliations include the Company's deficiency as at September 1, 2010 and August 31, 2011 and statements of comprehensive loss for the year ended August 31, 2011.

CENTURY FINANCIAL CAPITAL GROUP INC.

Notes to Financial Statements
August 31, 2012 and 2011
(Expressed in Canadian dollars)

3. TRANSITION TO IFRS (cont'd)

a) Reconciliation of Deficiency at September 1, 2010

Deficiency at September 1, 2010 under previous Canadian GAAP	$(4,133)
Adjustments	-
Deficiency at September 1, 2010 as reported under IFRS	(4,133)

b) Reconciliation of Deficiency at August 31, 2011

Deficiency at August 31, 2011 under previous Canadian GAAP	$(80,724)
Adjustments	-
Deficiency at August 31, 2011 as reported under IFRS	(80,724)

c) Reconciliation of total Comprehensive Loss at August 31, 2011

Total Comprehensive Loss at August 31, 2011 under previous Canadian GAAP	$(78,591)
Adjustments	-
Total comprehensive Loss at August 31, 2011 as reported under IFRS	(78,591)

There were no changes to the Statement of cash flows at August 31, 2011 under previous Canadian GAAP to IFRS.

4. RELATED PARTY TRANSACTIONS AND BALANCES

The Company entered into a management agreement on March 1, 2002 with a private company to provide management and consulting services. The Company initially agreed to pay $2,000 per month for these services. Effective March 1, 2004 the fee increased to $4,000 per month. The management agreement does not have an expiry date but it may be cancelled by either party on sixty days written notice. During both fiscal 2012 and 2011, the Company incurred a total of $48,000 in management fees. The private company is owned by a shareholder who is related to one of the directors. The amount incurred was agreed to by the parties through the management agreement.

(Expressed in Canadian dollars)

At August 31, 2012 the amount owing to the private company was $114,750 (2011 - $58,760). The balance is interest free, unsecured and repayable on demand.

5. SHARE CAPITAL

a) Authorized and issued share capital

The Company is authorized to issue an unlimited number of the following classes of shares.

Convertible Class A preference shares
Common shares

Issued:

Common shares

	2012		2011	
	Number of shares	Amount	Number of shares	Amount
Shares issued and outstanding as at September 1	11,078,908	$ 1,046,468	11,078,908	$ 1,046,468
Shares Issued	-	-	-	-
Shares issued and outstanding as at August 31	11,078,908	$ 1,046,468	11,078,908	$ 1,046,468

Issued:

Convertible Class A preference shares

(Expressed in Canadian dollars)

	2012		2011	
	Number of shares	Amount	Number of shares	Amount
Shares issued and outstanding as at September 1	704,000	$ 351,637	700,000	$ 349,637
Shares Issued	-	-	4,000	$ 2,000
Shares issued and outstanding as at August 31	704,000	$ 351,637	704,000	$ 351,637

Convertible Class A preference shares are convertible into common shares of the Company at any time at the option of the holder on the basis of 5 common shares for each Class A shares held.

During the year ended August 31, 2011 the Company issued 4,000 units of Class A preferred shares for total cash proceeds of $2,000.

5. SHARE CAPITAL (cont'd)

Basic and diluted loss per share

The following table sets forth the computation of basic and diluted loss per share:

	2012	2011
Numerators		
Net loss for the year	$ (73,015)	$ (78,591)
Denominator		
Weighted average number of shares	11,708,908	11,708,908
Basic and diluted loss per share	$ (0.01)	$ (0.01)

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted loss per share is the same as basic loss per share.

(Expressed in Canadian dollars)

Convertible Class A preference shares were not included in the computation of diluted loss per share because their inclusion would be anti-dilutive.

6. INCOME TAXES

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and unused tax losses.

Unrecognized deferred tax assets as at August 31, 2012 and 2011 are as follows:

	2012	2011
Non-capital losses carried forward	$ 365,578	$ 346,960
Cumulative Eligible Capital Balance	147	147
Capital loss	4,200	4,200
Unrecognized deferred tax asset	$ (369,925)	$ (351,307)

6. INCOME TAXES

The reconciliation of income taxes at Canadian statutory rates to the provision for incomes taxes is as follows:

	2012	2011
Loss before income taxes	$ (73,015)	$ (78,591)
Approximate applicable statutory rate	25.50%	29.17%
Income tax at statutory rates	$ (18,618)	$ (22,925)
Difference between accounting and tax for leases	-	(278)
Tax benefit for losses carry forward, not recognized	18,618	23,203

(Expressed in Canadian dollars)

Income tax provision	$ -	$ -

As at August 31, 2012 the Company has business losses available for carry forward of approximately $1,461,700. These losses have not been recognized in the financial statements. These losses expire as follows:

Year	Amount
2014	$ 46,600
2015	3,900
2026	700
2027	149,500
2028	37,000
2029	991,000
2030	80,000
2031	80,000
2032	73,000
Total	$ 1,461,700

7. CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain adequate levels of funding to support the operation of the Company.

The Company considers its capital to be share capital and payable to related parties.

The Company manages its capital structure in a manner that provides sufficient funding to maintain its operation. Funds are primarily secured through loans from directors and companies controlled by directors.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended August 31, 2012 and 2011. The Company is not subject to externally imposed capital requirements.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at August 31, 2012, August 31, 2011 and September 1, 2010 the estimated fair values of cash, accounts payable and accrued liabilities and payable to related parties approximate their respective carrying values due to the short period to maturity. The company classifies its fair value measurements within a fair value hierarchy (see note 2h).

The fair value of cash is based on level 1 inputs of the fair value hierarchy and financial liabilities are based on level 3 inputs

Unless otherwise indicated, the Company is not exposed to any significant risks from its financial instruments.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

The risk exposure and the management of such risks is as follows:

(a) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations from available cash. The ability to do this is dependent on loans from directors and companies controlled by directors.