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**CENTURY FINANCIAL CAPITAL GROUP INC.  
FINANCIAL STATEMENTS  
YEARS ENDED AUGUST 31, 2017 AND 2016  
(EXPRESSED IN CANADIAN DOLLARS)**

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DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

## 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, 2017 and 2016, and the statements of loss and comprehensive loss, changes in shareholders' deficiency and cash flows for the years then ended, 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 audits 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, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

### Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Century Financial Capital Group Inc.'s ability to continue as a going concern.

*DMCL*

DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada  
December 22, 2017

*An independent firm associated with  
Moore Stephens International Limited*

**MOORE STEPHENS**

**Century Financial Capital Group Inc.**  
**Statements of Financial Position**  
**(Expressed in Canadian Dollars)**

	As at August 31, 2017	As at August 31, 2016
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 17,693	\$ 9,343
<b>Total assets</b>	<b>\$ 17,693</b>	<b>\$ 9,343</b>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 34,859	\$ 37,059
Due to related parties (note 8)	43,363	43,363
Loan payable (note 5)	35,000	-
<b>Total liabilities</b>	<b>113,222</b>	<b>80,422</b>
<b>Shareholders' deficiency</b>		
Share capital (note 6)	1,398,105	1,398,105
Shares to be issued (note 6(b))	233,318	233,318
Deficit	(1,726,952)	(1,702,502)
<b>Total shareholders' deficiency</b>	<b>(95,529)</b>	<b>(71,079)</b>
<b>Total liabilities and shareholders' deficiency</b>	<b>\$ 17,693</b>	<b>\$ 9,343</b>

The accompanying notes to the financial statements are an integral part of these statements.

Nature of operations and going concern (note 1)

**Approved on behalf of the Board:**

"Yaron Conforti", Director \_\_\_\_\_

"Harry Bregman", Director \_\_\_\_\_

**Century Financial Capital Group Inc.**  
**Statements of Loss and Comprehensive Loss**  
**(Expressed in Canadian Dollars)**

	Year ended August 31, 2017	Year ended August 31, 2016
<b>Operating expenses</b>		
Accounting and corporate services	\$ 7,079	\$ 11,702
Transfer fees	3,200	3,336
Professional fees	6,009	16,995
Office and general	8,162	6,753
	<b>24,450</b>	<b>38,786</b>
<b>Net loss and comprehensive loss for the year</b>	<b>\$ (24,450)</b>	<b>\$ (38,786)</b>
<b>Basic and diluted loss per share (note 7)</b>	<b>\$ (0.02)</b>	<b>\$ (0.03)</b>
<b>Weighted average number of common shares outstanding</b>	<b>1,459,891</b>	<b>1,459,891</b>

The accompanying notes to the financial statements are an integral part of these statements.

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**Century Financial Capital Group Inc.****Statements of Cash Flows****(Expressed in Canadian Dollars)**

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	Year ended August 31, 2017	Year ended August 31, 2016
<b>Operating activities</b>		
Net loss for the year	\$ (24,450)	\$ (38,786)
Changes in non-cash working capital items:		
HST receivable	-	2,861
Accounts payable and accrued liabilities	(2,200)	(11,610)
Due to related parties	-	11,878
<b>Net cash used in operating activities</b>	<b>(26,650)</b>	<b>(35,657)</b>
<b>Financing activities</b>		
Loan received	35,000	18,000
Loan repayment	-	(18,000)
Proceeds received for shares to be issued	-	45,000
<b>Net cash provided by financing activities</b>	<b>35,000</b>	<b>45,000</b>
<b>Net change in cash</b>	<b>8,350</b>	<b>9,343</b>
<b>Cash, beginning of year</b>	<b>9,343</b>	<b>-</b>
<b>Cash, end of year</b>	<b>\$ 17,693</b>	<b>\$ 9,343</b>

The accompanying notes to the financial statements are an integral part of these statements.

**Century Financial Capital Group Inc.**  
**Statement of Changes in Shareholders' Deficiency**  
**(Expressed in Canadian Dollars)**

	Number of Common Shares	Share Capital	Shares to be issued	Deficit	Total
<b>Balance, August 31, 2015</b>	<b>1,459,891</b>	<b>\$ 1,398,105</b>	<b>\$ 188,318</b>	<b>\$ (1,663,716)</b>	<b>\$ (77,293)</b>
Shares to be issued	-	-	45,000	-	45,000
Net loss and comprehensive loss for the year	-	-	-	(38,786)	(38,786)
<b>Balance, August 31, 2016</b>	<b>1,459,891</b>	<b>1,398,105</b>	<b>233,318</b>	<b>(1,702,502)</b>	<b>(71,079)</b>
Net loss and comprehensive loss for the year	-	-	-	(24,450)	(24,450)
<b>Balance, August 31, 2017</b>	<b>1,459,891</b>	<b>\$ 1,398,105</b>	<b>\$ 233,318</b>	<b>\$ (1,726,952)</b>	<b>\$ (95,529)</b>

The accompanying notes to the financial statements are an integral part of these statements.

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# Century Financial Capital Group Inc.

## Notes to Financial Statements

Years Ended August 31, 2017 and 2016

(Expressed in Canadian Dollars)

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### 1. Nature of operations and going concern

Century Financial Capital Group Inc. (the "Company") was incorporated under the Business Corporations Act of Ontario on October 20, 1994. The Company's head office is located at the Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

As at August 31, 2017, the Company has no business and is currently inactive.

As at August 31, 2017, the Company has a working capital deficiency of \$95,529 and a history of losses which raise significant 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. Management believes the going concern assumption to be appropriate for these financial statements. As of August 31, 2017, management intends to finance operating costs over the next twelve months with equity and/or debt placements.

### 2. Significant accounting policies

#### *Statement of compliance*

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The policies applied in these financial statements are based on IFRSs issued and outstanding as of December 22, 2017, the date the Board of Directors approved the statements.

#### *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. In addition these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

#### *Functional and presentation currency*

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

#### *Financial instruments*

##### Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss ("FVTPL"), loans and receivables, held to maturity ("HTM"), or available-for-sale financial assets ("AFS"), as appropriate at initial recognition and, except in very limited circumstances, the classification is not changed subsequent to initial recognition. The classification is determined at initial recognition and depends on the nature and purpose of the financial asset. A financial asset is derecognized when contractual rights to the asset's cash flows expire or if substantially all the risks and rewards of the asset are transferred. The Company does not currently have any financial assets in the HTM or AFS categories.

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# Century Financial Capital Group Inc.

## Notes to Financial Statements

Years Ended August 31, 2017 and 2016

(Expressed in Canadian Dollars)

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### 2. Significant accounting policies (continued)

#### *Financial instruments (continued)*

##### Financial assets at FVTPL

A financial asset is classified as FVTPL when the financial assets are held-for-trading or it is designated upon initial recognition as an FVTPL. A financial asset is classified as held-for-trading if (1) it has been acquired principally for the purpose of selling or repurchasing in the near term; (2) it is part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (3) it is a derivative that is not designated and effective as a hedging instrument. Financial assets at FVTPL are carried in the statements of financial position at fair value with changes in fair value recognized in profit or loss. Transaction costs are expensed as incurred. The Company has classified cash as financial assets at FVTPL.

##### Available for Sale ('AFS')

Available-for-sale assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. Financial assets classified as available-for-sale are carried at fair value with changes in fair value recorded in other comprehensive income, except for investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost. Interest on available-for-sale assets is calculated using the effective interest rate method and is recognized in profit or loss.

Transaction costs incurred to acquire available-for-sale financial instruments are included in the underlying balance. When there is objective evidence of a decline in the fair value of an available-for-sale asset, the loss accumulated in other comprehensive income is removed and recognized in profit or loss. Gains or losses realized on disposal of available-for-sale assets are recognized in profit or loss. No financial assets are classified as available-for-sale.

##### Held to Maturity ("HTM")

Financial assets that have a fixed maturity date and which the Company has positive intention and the ability to hold to maturity are classified as held-to-maturity and are initially recognized at fair value and subsequently at amortized cost using the effective interest rate method. Transaction costs incurred to acquire held-to-maturity assets are included in the underlying balance.

##### Loans and Receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost, calculated using the effective interest method, less any impairment losses. Gains or losses are recognized in profit or loss when the receivables are derecognized or impaired, as well as through the amortization process. No financial assets are classified as loans and receivables.



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# Century Financial Capital Group Inc.

## Notes to Financial Statements

Years Ended August 31, 2017 and 2016

(Expressed in Canadian Dollars)

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### 2. Significant accounting policies (continued)

#### *Financial instruments (continued)*

##### Impairment of financial assets

The Company assesses at the end of each reporting period whether financial assets are impaired. Such assets are deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the financial assets and that the event has an impact on the estimated future cash flows of the financial assets.

For the financial assets carried at amortized cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows.

The carrying amount of receivables is reduced through the use of an allowance account. Associated allowances are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

##### Financial liabilities

Financial liabilities are classified as financial liabilities at FVTPL, or other financial liabilities, as appropriate upon initial recognition. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. The Company does not currently have any financial liabilities classified at FVTPL.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. Subsequent to the initial recognition, other financial liabilities are measured at amortized cost using the effective interest method. The Company's other financial liabilities include accounts payable and accrued liabilities, convertible debts and due to related parties.

##### Financial instruments carried at fair value

Financial instruments carried at fair value on the statements of financial position are measured using a fair value hierarchy that reflects the significance of the input used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of accounts payable and accrued liabilities, convertible debts and due to related parties approximates their fair value due to the relatively short periods to maturity.

Cash is classified as level 1.

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# Century Financial Capital Group Inc.

## Notes to Financial Statements

Years Ended August 31, 2017 and 2016

(Expressed in Canadian Dollars)

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### 2. Significant accounting policies (continued)

#### *Income taxes*

Income tax expense comprises of current and deferred 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 year-end date.

Deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amount of assets or liabilities for financial reporting purposes and the amounts used for taxation purposes, 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 a deferred tax asset is restricted to those instances where it is probable that future taxable profit will be available against which the asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets.

#### *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.

#### *Loss per share*

Loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is computed by dividing the net loss by the sum of the weighted average number of common shares outstanding and additional common shares for the assumed exercise of stock options and warrants or the issuance of shares for settlement of debts, if dilutive.

#### *Use of estimates and critical judgments*

The preparation of the financial statements in conformity with IFRS 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 outcomes 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 period affected.

Key areas requiring judgment and estimation uncertainty includes:

- Recovery of deferred income tax assets; and
- Going concern assumption.

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# Century Financial Capital Group Inc.

## Notes to Financial Statements

Years Ended August 31, 2017 and 2016

(Expressed in Canadian Dollars)

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### 2. Significant accounting policies (continued)

*New standards not yet adopted and interpretations issued but not yet effective*

#### **New standard IFRS 9 "Financial Instruments"**

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 introduces new requirements for the classification and measurement of financial assets, additional changes relating to financial liabilities, a new general hedge accounting standard which will align hedge accounting more closely with risk management. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on its financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

### 3. Capital risk management

The Company's objectives when managing capital are to maintain adequate levels of funding to safeguard the Company's ability to continue as a going concern and to maintain its operations. 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, 2017. The Company is not subject to externally imposed capital requirements.

### 4. Financial instruments

The Company is exposed to certain financial risks as listed below. There has been no change in the exposure to risk, nor its objectives, policies and process for managing the risk from the prior year.

#### Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash is held with a reputable financial institution, from which management believes the risk of loss to be minimal.

#### 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 obligation from available cash. The ability to do this is dependent on loans from directors and companies controlled by directors.

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# Century Financial Capital Group Inc.

## Notes to Financial Statements

Years Ended August 31, 2017 and 2016

(Expressed in Canadian Dollars)

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### 4. Financial instruments (continued)

#### Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

#### *Interest rate risk*

The Company has cash balances and non-interest bearing debts. The Company's current policy is to invest excess cash in guaranteed investment certificates, bankers acceptance and money market deposits, with reputable financial institutions. The interest rate risk is remote.

#### *Foreign currency risk*

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company does not hold any balances in foreign currencies to give rise to exposure to foreign exchange risk.

### 5. Loan payable

On October 28, 2015, the Company entered into an \$18,000 unsecured and non-interest bearing loan agreement with a related party. The loan was due on demand. On June 22, 2016, the loan was repaid.

During the year ended August 31, 2017, the Company entered into a \$35,000 unsecured and non-interest bearing loan agreement with an individual who is a director and officer. The loan is due on demand and can be converted into common shares, at the sole option of the holder, at a rate of \$0.0118 per share.

### 6. Share capital

#### a) Authorized share capital

The authorized share capital consists of unlimited number of common shares, unlimited number of convertible Class A preference shares and unlimited number of Class B preference shares. The common shares do not have a par value. All issued shares are fully paid.

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## Century Financial Capital Group Inc.

### Notes to Financial Statements

Years Ended August 31, 2017 and 2016

(Expressed in Canadian Dollars)

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#### 6. Share capital (continued)

##### b) Shares to be issued

At the annual and special meeting of shareholders held on April 3, 2014, shareholders approved the issue of the following common shares in settlement of debts:

- 2,708,080 common shares of the Company in settlement of a debt of \$67,702 due to Harper Capital Inc.
- 1,354,040 common shares of the Company in settlement of a debt of \$67,702 due to Harper Capital Inc.
- 336,220 common shares of the Company in settlement of a debt of \$16,811 due to Harry Bregman.
- 322,060 common shares of the Company in settlement of a debt of \$16,103 due to Bernice Bregman.

During the year ended August 31, 2015, the Company entered into an agreement whereby private, arm's-length investors purchased a portion of the Company's existing debt held by related parties. The agreement stipulates \$20,000 of the accounts payable to be settled in the Company's common shares at \$0.067 per share.

During the year ended August 31, 2016, the Company received \$45,000 proceeds towards a private placement yet to close, which has been included in shares to be issued. The private placement is for common shares at \$0.02 per share up to a total of \$60,000.

As of the date of the financial statements, these shares have not been issued.

#### 7. Loss per share

For the year ended August 31, 2017, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of \$24,450 (year ended August 31, 2016 - \$38,786) and the weighted average number of common shares outstanding of 1,459,891 (year ended August 31, 2016 - 1,459,891). Diluted loss per share did not include the effect of shares to be issued for settlement of debts as they are anti-dilutive.

#### 8. Related party transactions

Related parties include the board of directors, senior management, close family members and companies that are controlled by these individuals as well as certain persons performing similar functions.

As at August 31, 2017, the amounts due to related parties of \$43,363 (August 31, 2016 - \$43,363) include \$16,010 (August 31, 2016 - \$16,010) payable to a director of the Company and \$27,353 (August 31, 2016 - \$27,353) payable to a company controlled by the same director of the Company and the director's spouse.

See note 5.

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## Century Financial Capital Group Inc.

### Notes to Financial Statements

Years Ended August 31, 2017 and 2016

(Expressed in Canadian Dollars)

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#### 9. Income taxes

a) The following table reconciles the expected income tax expense (recovery) at the Canadian Federal and Provincial statutory rate of 26.5% (2016 - 26.5%) to the amounts recognized in the statements of operations:

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	As at August 31, 2017	As at August 31, 2016
Net loss for the year before income taxes	\$ (24,450)	\$ (38,786)
Expected income tax recovery	(6,500)	(10,300)
Adjustment to prior year provision	28,400	-
Tax benefit for losses carry forward, not recognized	(21,900)	10,300
Income tax recovery	\$ -	\$ -

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b) Significant components of the Company's deferred income tax assets are as follows:

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	As at August 31, 2017	As at August 31, 2016
Non-capital losses	\$ 422,000	\$ 443,900
Cumulative Eligible Capital Balance	100	100
Capital losses carried forward	4,200	4,200
	426,300	448,200
Unrecognized deferred tax assets	(426,300)	(448,200)
Net deferred tax asset	\$ -	\$ -

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c) As at August 31, 2017, the Company has \$1,591,994 of non capital losses which can be used to reduce taxable income in future years. These losses expire as follows:

2026	\$ 725
2027	149,454
2028	37,024
2029	991,054
2030	79,520
2031	79,544
2032	74,158
2033	25,884
2034	47,961
2035	43,434
2036	38,786
2037	24,450
	<u>\$ 1,591,994</u>