Exito Energy II Inc. (formerly Capitalize Acquisition I Corp.)
Condensed Interim Financial Statements
June 30, 2013
(Unaudited)

Notice of No Auditor Review

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a), the condensed interim financial statements have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditors have not performed a review of these condensed interim 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.

Exito Energy II Inc. (formerly Capitalize Acquisition I Corp.)
Condensed Statements of Financial Position
(Unaudited)

In Canadian Dollars	**June 30, 2013** **$**	**December 31, 2012** **$**
Assets		
Current assets		
Cash and cash equivalents	624,320	-
Accounts receivable	3,189	-
	627,509	-
	627,509	-
Liabilities		
Accounts payable and accrued liabilities	1,001	-
Shareholders' Equity		
Share capital *(Note 5)*	618,554	1
Contributed surplus *(Note 5)*	106,070	5,002
Deficit	(98,116)	(5,003)
	626,508	-
	627,509	-

The condensed interim financial statements were approved by the Board of Directors on August 27, 2013 and were signed on its behalf.

"Brad Docherty"
Director

"Eli Abergel"
Director

Exito Energy II Inc. (formerly Capitalize Acquisition I Corp.)
Condensed Statements of Net Loss and Comprehensive Loss *(Unaudited)*

In Canadian Dollars	Three months ended June 30, 2013 $	Three months ended July 31, 2012 $	Six months ended June 30, 2013 $	Six months ended July 31, 2012 $
Expenses				
Professional fees	13,042	-	13,042	-
Office rent and supplies	4,500	-	4,500	-
Other	811	-	811	-
Share-based compensation	74,760	-	74,760	-
	93,113	-	93,113	-
Net loss and comprehensive loss	93,113	-	93,113	-
Loss per share, basic and diluted (Note 7)	0.01		0.01	

Exito Energy II Inc. (formerly Capitalize Acquisition I Corp.)
Condensed Interim Statement of Changes in Shareholders' Equity
(Unaudited)

In Canadian Dollars	Number of shares	Deficit $	Share Capital $	Contributed Surplus $	Total Equity $
Balance at November 1, 2011	1	(5,003)	1	5,002	-
Balance at December 31, 2012	1	(5,003)	1	5,002	-
Common shares issued *(Note 5)*	10,000,000	-	750,000	-	750,000
Share issue costs *(Note 5)*	-	-	(105,138)	-	(105,138)
Share-based payments *(Note 6)*	-	-	(26,308)	101,068	74,760
Common shares cancelled *(Note 5)*	(1)	-	(1)	-	(1)
Net loss and comprehensive loss	-	(93,113)	-	-	(93,113)
Balance at June 30, 2013	10,000,000	(98,116)	618,554	106,070	626,508

The accompanying notes are an integral part of these financial statements

	Three months ended		Six months ended	
	June 30, 2013	**July 31, 2012**	**June 30, 2013**	**July 31, 2012**
In Canadian Dollars	**$**	**$**	**$**	**$**
Cash flows related to the following activities				
Operating activities				
Net loss for the period	(93,113)	-	(93,113)	-
Share-based compensation	74,760	-	74,760	-
	(18,353)	-	(18,353)	-
Net change in non-cash working capital relating to operating activities				
Accounts receivable	(2,040)	-	(3,189)	-
Accounts payable and accrued liabilities	(6,975)	-	1,001	-
Cash used in operating activities	(27,368)	-	(20,541)	-
Financing activities				
Proceeds from issuance of common shares *(Note 5)*	500,000	-	750,000	-
Shares cancelled	-	-	(1)	-
Share issue costs	(69,402)	-	(105,138)	-
Cash from financing activities	430,598	-	644,861	-
Increase in cash and cash equivalents	403,230	-	624,320	-
Cash resources, beginning of period	221,090	-	-	-
Cash resources, end of period	624,320	-	624,320	-

1. Incorporation and operations

Exito Energy II Inc. (formerly Capitalize Acquisition I Corp.) (“Exito” or the "Corporation") was incorporated under the laws of the Province of Alberta on November 11, 2010 and is based in Calgary, Alberta. The Corporation is classified as a Capital Pool Company (“CPC”) as defined in Policy 2.4 of the TSX Venture Exchange (the “Exchange”) is listed on the Exchange under the symbol “EXI.P” and commenced trading on May 8, 2013. The principal business of the Corporation will be to identify and evaluate assets or businesses with a view to potentially acquiring them or an interest therein by completing a purchase transaction, by exercising an option or by any concomitant transaction. The purpose of such an acquisition will be to satisfy the related conditions of a qualifying transaction under the Exchange rules within two years of becoming a CPC. The address of the head office of the Corporation is 500, 1414 – 8th Street S.W. Calgary, Alberta.

The condensed interim financial statements of the Corporation for the three and six months ended June 30, 2013 were authorized for issue in accordance with a resolution of the Board of Directors on August 27, 2013.

In order to complete an acquisition or participate in an operation, additional funding may be required. The ability of the Corporation to fund its potential future operations and commitments is dependent upon the ability of the Corporation to complete a qualifying transaction.

There is no assurance that the Corporation will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Corporation’s shares from trading.

During 2012, the Corporation’s year end was changed from October 31st to December 31st, therefore the comparative figures are for the three and six months ended July 31, 2012.

2. Basis of preparation

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards (“IFRS”). These condensed interim financial statements do not include all of the information required for full annual financial statements. The condensed interim financial statements should be read in conjunction with the Corporation’s annual financial statements for the period from November 1, 2011 to December 31, 2012.

Basis of preparation

These condensed interim financial statements have been prepared using historical costs and fair values of certain items, as detailed in the accounting policies set out in Note 3 below. These policies have been applied consistently to all periods presented in these condensed interim financial statements.

Use of estimates and judgments

The preparation of condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements relate to, but are not limited to, the following:

Cash

Cash consists of the proceeds generated on the issuance of common shares, which is being held as cash and short term deposits.

Share-based compensation

Management is required to make certain estimates when determining the fair value of stock options issued and the number of stock options that are expected to vest. These estimates affect the amount recognized as share-based compensation in the statements of loss and comprehensive loss based on estimates of forfeiture, expected lives and volatility.

Income Taxes and Recovery of Deferred Tax Assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgements in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

.**Functional and presentation currency**

These financial statements are presented in Canadian dollars, which is the Corporation's functional and presentation currency.

3. Summary of significant accounting policies

These condensed interim financial statements have been prepared following the same accounting policies and methods of computation as described in note 4 of the Corporation's annual financial statements for the period from November 1, 2011 to December 31, 2012 and in the following supplemental disclosure. The disclosures provided below are incremental to those included with the annual financial statements and certain disclosures, which are normally required to be included in the notes to the annual financial statements, have been condensed or omitted.

Deferred financing costs

Financing costs related to proposed financings are recorded as deferred financing costs. These costs are deferred until the financing is completed, at which time the costs are charged against the proceeds received. If the financings do not close, the costs are charged to operations.

Basic and diluted loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

Share-based payments

The Corporation issues equity-settled share-based payments under which it receives services from directors, officers, employees and consultants as consideration for equity instruments of the Corporation.

Where equity-settled share options are granted to employees, directors or officers the fair value of the options at the date of the grant is charged to the statement of comprehensive loss. The Corporation uses the Black-Scholes pricing model to estimate the fair value of equity-settled awards at the grant date. The expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are satisfied. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period. No expense is recognized for awards that do not ultimately vest.

Where equity-settled share options are granted to non-employees they are recorded at the fair value of the goods or services received in the statement of comprehensive loss, unless they are related to the issuance of shares.

In Canadian Dollars

Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured using the Black-Scholes pricing model.

All equity-settled share-based payments are reflected in contributed surplus until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is reclassified to share capital.

4. Cash restrictions

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to 30% of the gross proceeds may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange.

5. Share capital

Authorized

The Corporation has authorized an unlimited number of voting common shares and an unlimited number of preferred shares.

Issued and outstanding common shares

	Number of Shares	Amount $
As at November 1, 2011	1	1
As at December 31, 2012	1	1
Common shares issued for cash – January 2013 (1)	5,000,000	250,000
Common shares issued for cash pursuant to the IPO (2)	5,000,000	500,000
Common cancelled and returned to Treasury	(1)	(1)
Share issue costs (2)	-	(131,446)
As at June 30, 2013	10,000,000	618,554

(1) On January 16, 2013, the Corporation issued 5,000,000 shares to third parties and Directors of the Corporation at a price of $0.05 per share for gross proceeds of $250,000. Upon close of the IPO these shares were deposited into escrow and will be released from escrow over a period of up to three years from the date that the Corporation completes a qualifying transaction. If the issuer resulting from the completion of a qualifying transaction meets the Exchange's Tier 1 initial listing requirements then the period for which these shares will be escrowed will be shortened to 18 months from the date of closing of the qualifying transaction. If the corporation fails to complete a qualifying transaction within 24 months of the closing of the IPO then all escrowed shares held by non-arm's length parties may be cancelled or discounted to create an average purchase price for these escrowed shares equal to the IPO subscription price per share.

(2) On May 7, 2013 the Company closed an initial public offering ("IPO") of 5,000,000 common shares at $0.10 per share for gross proceeds of $500,000. Share issue costs of $105,138 were paid related to the initial public offering. The fair value of the agent options granted as a result of the initial public offering (note 6), of $26,308 were recorded as share issue costs.

In Canadian Dollars

Contributed surplus

The contributed surplus reserve is used to recognise the fair value of share options granted to the board, employees and consultants as part of their remuneration. When options are subsequently exercised, the fair value of such options in contributed surplus is credited to share capital

	For the six months ended June 30, 2013 $	For the period from November 1, 2011 to December 31, 2012 $
Opening balance	5,002	5,002
Share issuance costs	26,308	-
Share-based compensation expense	74,760	-
Closing balance	106,070	5,002

6. Share-based Payments

The Corporation has adopted a stock option plan (the "Plan") which provides that the Board of Directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers and employees of the Corporation, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Vesting terms will be determined at the time of grant by the Board of Directors.

A summary of the stock option plan transactions for the six months ended June 30, 2013 are as follows (there were no stock option transactions prior to May 2013):

	Number of options	**Weighted average exercise price**
Outstanding at beginning of period	-	$ -
Options granted to directors and officers	1,000,000	0.10
Outstanding at end of period	1,000,000	$ 0.10

All options outstanding vested upon issuance.

The following provides a summary of the options outstanding at June 30, 2013

Options outstanding			**Options exercisable**	
Outstanding	**Weighted average remaining contractual life**	**Weighted average exercise price**	**Number exercisable**	**Weighted average exercise price**
1,000,000	4.9 years	$0.10	1,000,000	$0.10

In Canadian Dollars

The fair value of each share-based payment transaction was estimated on the date of the grant, as determined by using the Black-Scholes option-pricing model with the following assumptions:

Dividend yield	0%
Grant date share price	\$0.10
Exercise price	\$0.10
Expected volatility	100%
Forfeitures	0%
Risk-free interest rate	1.57%

During the three and six months ended June 30, 2013 the Corporation recorded share-based compensation expense for options granted of \$74,760 (\$ nil during the three and six months ended July 31, 2012) with an offsetting increase to contributed surplus.

Agent compensation options

The Corporation issued agent options as compensation to agents to purchase common shares in conjunction with share issuances.

A summary of agent option transactions for the six months ended June 30, 2013 are as follows (there were no stock option transactions prior to May 2013):

	Number of options	Weighted average exercise price
Outstanding at beginning of period	-	\$ -
Options granted	500,000	0.10
Outstanding at end of period	500,000	\$ 0.10

All agent options outstanding vested upon issuance.

The following provides a summary of the agent options outstanding and exercisable at June 30, 2013

Options outstanding			Options exercisable	
Outstanding	Weighted average remaining contractual life	Weighted average exercise price \$	Number exercisable	Weighted average exercise price \$
500,000	1.9 years	\$0.10	500,000	\$0.10

The fair value of each share-based payment transaction was estimated on the date of the grant, as determined by using the Black-Scholes option-pricing model with the following assumptions:

Dividend yield	0%
Grant date share price	\$0.10
Exercise price	\$0.10
Expected volatility	100%
Forfeitures	0%
Risk-free interest rate	1.18%

The Corporation’s stock has less than two years of trading history; therefore the Corporation has used the historical volatilities of certain members of its peer group for input into the Black-Scholes Option Pricing Model.

In Canadian Dollars

For the three and six months ended June 30, 2013, the Corporation recorded $26,308 ($ nil during the three and six months ended July 31, 2012) as share issue costs for agent options issued with an offsetting increase to contributed surplus.

7. Loss per share

	Three months ended		Six months ended	
	June 30, 2013	July 31, 2012	June 30, 2013	July 31, 2012
Weighted average common shares outstanding	7,967,033	1	6,499,999	1
Diluted common shares outstanding	7,967,033	1	6,499,999	1

The basic and diluted loss per share amounts are the same, as the stock options and agent options were excluded from the dilution calculation, as they were anti-dilutive.

8. Income Taxes

The tax benefits of the following temporary differences have not been recognized for accounting purposes.

As at	June 30, 2013 $	December 31, 2012 $
Share issue costs	19,028	-
Loss carry forwards	11,845	1,251
As at June 30, 2013	30,873	1,251

As at June 30, 2013 and December 31, 2012 the Corporation has a non-capital loss carry-forward of $47,381 available to reduce future years' income for tax purposes. This non-capital loss carry-forward has not been recognized in the financial statements and will begin to expire in 2031.

9. Capital disclosures

The Corporation's capital consists of share capital. The Corporation's objective for managing capital is to maintain sufficient capital to identify, evaluate and complete an acquisition or other transaction as disclosed in note 1.

The Corporation sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Corporation's objectives when managing capital are:

i. to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and,
ii. to maintain investor, creditor and market confidence in order to sustain the future development of the business.

The Corporation is not subject to any externally or internally imposed capital requirements at period end.

10. Related party transactions

Pursuant to an Administration Services Agreement, Exito pays $1,500 per month to a corporation wholly owned by two directors of the Corporation for the use of office space, reception and boardrooms, equipment (including computers, telephones, vehicles, etc.), printing and all other necessary administrative functions and services required to permit Exito to review and evaluate potential Qualifying Transactions. During the three and six months ended June 30, 2013, $4,500 ($nil during the three and six months ended July 31, 2012) was paid in accordance with this arrangement.

During the three and six months ended June 30, 2013, $2,000 and $3,150 ($nil during the three and six months ended July 31, 2012) in professional fees were incurred from a partnership, for accounting services relating to the preparation of financial statements, in which a Director of the Corporation is a Partner. There was $1,000 in accounts payable and accrued liabilities at June 30, 2013 ($ nil at December 31, 2012) for these professional fees.

During the three and six months ended June 30, 2013, $10,000 ($nil during the three and six months ended July 31, 2012) in legal fees was incurred and was paid to a law firm, for legal services relating to the IPO, in which a Director of the Corporation is a Partner.

These transactions were incurred during the normal course of operations on similar terms and conditions to those entered into with unrelated parties. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.