Exito Energy II Inc. (formerly Capitalize Acquisition I Corp.)
Condensed Interim Financial Statements
September 30, 2014
(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 Interim Statements of Financial Position

In Canadian Dollars	September 30, 2014 $	December 31, 2013 $
Assets		
Current assets		
Cash and cash equivalents *(note 4)*	590,896	613,778
Accounts receivable	1,695	4,362
Total assets	592,591	618,140
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	4,103	9,607
Total liabilities	4,103	9,607
Shareholders' Equity		
Share capital *(note 5)*	605,906	605,906
Contributed surplus	106,070	106,070
Deficit	(123,488)	(103,443)
Total shareholders' equity	588,488	608,533
Total liabilities and shareholders' equity	592,591	618,140

Condensed Interim Statements of Comprehensive Loss

In Canadian Dollars	Three months ended September 30, 2014 $	Three months ended September 30, 2013 $	Nine months ended September 30, 2014 $	Nine months ended September 30, 2013 $
Expenses				
Professional fees	1,253	2,606	5,708	15,648
Office rent and supplies	4,286	5,583	14,536	10,083
Filing fee	-	-	5,200	-
Other	7	290	30	1,101
Share-based compensation	-	-	-	74,760
	5,546	8,479	25,474	101,592
Finance income – interest income	(1,724)	(637)	(5,429)	(637)
Net loss and comprehensive loss	3,822	7,842	20,045	100,955
Loss per share, basic and diluted (Note 7)	0.00	0.00	0.00	0.01

The accompanying notes are an integral part of these condensed interim financial statements

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

In Canadian Dollars	Number of shares	Deficit $	Share Capital $	Contributed Surplus $	Total Equity $
Balance at December 31, 2012	1	(5,003)	1	5,002	-
Shares issued *(note 5)*	10,000,000	-	750,000	-	750,000
Shares issue costs *(note 5)*		-	(105,138)	-	(105,138)
Share based payments *(note 5)*		-	(26,308)	101,068	74,760
Shares cancelled *(note 5)*	(1)	-	(1)	-	(1)
Net loss and comprehensive loss		(100,955)	-	-	(100,955)
Balance at September 30, 2013	10,000,000	(105,958)	618,554	106,070	618,666
Balance at December 31, 2013	10,000,000	(103,443)	605,906	106,070	608,533
Net loss	-	(20,045)	-	-	(20,045)
Balance at September 30, 2014	10,000,000	(123,488)	605,906	106,070	588,488

	Three months ended September 30,		Nine months ended September 30,	
In Canadian Dollars	**2014 $**	**2013 $**	**2014 $**	**2013 $**
Cash flows related to the following activities				
Operating activities				
Net loss for the period	(3,822)	(7,842)	(20,045)	(100,955)
Share-based compensation		-		74,760
	(3,822)	(7,842)	(20,045)	(26,195)
Net change in non-cash working capital relating to operating activities				
Accounts receivable	(37)	(222)	2,667	(3,411)
Accounts payable and accrued liabilities	(897)	1,000	(5,504)	2,001
Cash used in operating activities	(4,756)	(7,064)	(22,882)	(27,605)
Financing activities				
Proceeds from issuance of common shares *(Note 5)*	-	-	-	750,000
Shares cancelled	-	-	-	(1)
Share issue costs	-	-	-	(105,138)
Cash from financing activities	-	-	-	644,861
(Decrease) increase in cash and cash equivalents	(4,756)	(7,064)	(22,882)	617,256
Cash resources, beginning of period	595,652	624,320	613,778	-
Cash resources, end of period	590,896	617,256	590,896	617,256

The accompanying notes are an integral part of these condensed interim financial statements

1. Incorporation and operations

Exito Energy II Inc. (formerly Capitalize Acquisition I Corp.) (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") and is listed on the Exchange under the symbol "EXI.P", having commenced trading on May 8, 2013. The principal business of the Corporation is to identify and evaluate assets or businesses with a view to potentially acquire 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 (May 8, 2015). The address of the head office of the Corporation is 1350, 734 – 7th Ave S.W. Calgary, Alberta.

The condensed interim financial statements of the Corporation for the three and nine months ended September 30, 2014 were authorized for issue in accordance with a resolution of the Board of Directors on November 27, 2014.

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.

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 year ended December 31, 2013.

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 interim condensed 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. Areas where estimates are significant to the condensed interim financial statements are disclosed in note 5 of the December 31, 2013 annual financial statements.

Functional and presentation currency

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

In Canadian Dollars

3. Summary of significant accounting policies and changes to 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 year ended December 31, 2013. 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.

Changes in Accounting Policies

Effective January 1, 2014, the Company adopted, as required, amendments to IAS 32, "Financial Instruments: Presentation" ("IAS 32"). The amendments clarify that the right to offset financial assets and liabilities must be available on the current date and cannot be contingent on a future event. IAS 32 did not impact the condensed interim financial statements.

Future Accounting Pronouncements

There were no new or amended standards issued during the three months ended September 30, 2014 that are applicable to the Company in future periods. A description of standards and interpretations that will be adopted by the Company in future periods can be found in the notes to the annual Financial Statements for the year ended December 31, 2013.

4. Cash and cash equivalents

The proceeds raised from the issue of share capital 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 common shares or administrative and general expenses of the Corporation. These restrictions apply until the completion of a Qualifying Transaction by the Corporation 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 $
At December 31, 2012	1	1
Shares issued for cash – January 2013 [(1)]	5,000,000	250,000
Shares issued pursuant to the IPO [(2)]	5,000,000	500,000
Shares cancelled and returned to Treasury	(1)	(1)
Share issue costs [(2)]	-	(144,094)
At December 31, 2013	10,000,000	605,906
At September 30, 2014	10,000,000	605,906

(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 closing 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

In Canadian Dollars

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 Corporation 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 relating to the IPO. The fair value of the agent options granted as a result of the IPO, of $26,308, was recorded as share issue costs.

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 5 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 since the Corporation's inception are as follows:

	Number of options	**Weighted average exercise price**
Outstanding at December 31, 2012	-	$ -
Options granted to directors and officers	1,000,000	0.10
Outstanding at December 31, 2013	1,000,000	0.10
Outstanding at September 30, 2014	1,000,000	$ 0.10

All options outstanding were issued on May 13, 2013, vested upon issuance and have a weighted average remaining contractual life of 3.6 years.

Agent compensation options

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

A summary of agent option transactions are as follows:

	Number of options	**Weighted average exercise price**
Outstanding at December 31, 2012	-	$ -
Options granted	500,000	0.10
Outstanding at December 31, 2013	500,000	0.10
Outstanding at September 30, 2014	500,000	$ 0.10

All agent options outstanding vested upon issuance and have a weighted average remaining contractual life of 0.6 years.

In Canadian Dollars

7. Loss per share

	Three months ended September 30, 2014	2013	Nine months ended September 30, 2014	2013
Weighted average common shares outstanding	10,000,000	10,000,000	10,000,000	7,683,824
Diluted common shares outstanding	10,000,000	10,000,000	10,000,000	7,683,824

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 net income tax provision differs from that expected by applying the combined federal and provincial income tax rates of 25.0% (2013 – 25.0%):

	Three months ended September 30, 2014 $	2013 $	Nine months ended September 30, 2014 $	2013 $
Loss for the period before tax	3,822	7,842	20,045	100,955
Statutory tax rate	25.0%	25.0%	25.0%	25.0%
Expected income tax recovery	956	1,961	5,011	25,239
Permanent differences:				
Share-based payments	-	-	-	(18,690)
Share issue costs for which no deferred tax asset was recognized	1,447	-	4,417	26,285
Change in unrecognized temporary difference	(2,403)	(1,961)	(9,428)	(32,834)
Income tax expense	-	-	-	-

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

	September 30, 2014 $	December 31, 2013 $
Share issue costs	19,140	23,558
Loss carry forwards	23,961	13,060
	43,101	36,618

As at September 30, 2014 the Corporation has a non-capital loss carry-forward of $95,842 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. Financial instruments and risk management

Fair value of financial instruments:

As at September 30, 2014, the Corporation's financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities. The carrying values of these financial instruments approximate their fair values due to their short-term nature.

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification based on the degree to which the fair value is observable.

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

The Corporation has no financial instruments recorded at fair value through profit and loss.

Risk management

The Corporation is exposed in varying degrees to a variety of financial instrument related risk.

- Credit risk - Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation and cause the other party to incur a financial loss. Credit risk primarily arises from the Corporation's cash and receivables. The risk exposure is limited to their carrying amounts at the statement of financial position date.
- Liquidity risk - Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations and commitments as they become due. The Corporation manages liquidity through the management of its capital structure, as outlined in note 12 of the annual financial statements for the year ended December 31, 2013. The Corporation's liquidity risk arises as a result of its accounts payable and accrued liabilities.
- Interest rate risk - Interest rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The effect of interest rates increasing by 1% would have a minimal impact on the Corporation's results.
- Currency risk - The Corporation does not have any material exposures to financial instruments denominated in currencies other than the Canadian dollar.

10. Related party transactions

Pursuant to an Administration Services Agreement, Exito pays $1,429 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 September 30, 2014, $4,286 ($4,500 during the three months ended September 30, 2013) and $12,859 during the nine months ended September 30, 2014 ($9,000 during the nine months ended September 30, 2013) was paid in accordance with this arrangement.

During the three and nine months ended September 30, 2014 $1,150 and $3,400 ($1,000 and $4,150 during the three and nine months ended September 30, 2013) 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 has family relationships. There was $2,500 in accounts payable and accrued liabilities at September 30, 2014 ($2,000 at September 30, 2013) for such professional fees.

During the three and nine months ended September 30, 2014, $103 and $1,603 ($1,606 during the three and $11,606 during the nine months ended September 30, 2013) in legal fees were incurred for legal services, in which a Director of the Corporation is a Partner. The legal fees incurred during the three and nine months ended September 30, 2014 were for general corporate matters and were classified as professional fees. The legal fees incurred during the three and nine months ended September 30, 2013 related to the IPO and were classified as share issue costs. There was $1,603 in accounts payable and accrued liabilities at September 30, 2014 ($2,000 at September 30, 2013) for such legal fees.

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.

11. Subsequent Events

Subsequent to September 30, 2014, the Corporation entered into a letter of intent with Millennium dated November 13, 2014 (the "Letter Agreement"), pursuant to which the Corporation intends to acquire all of the issued and outstanding common shares of Millennium (the "Millennium Shares"), effected by way of an amalgamation pursuant to the *Business Corporations Act* (Alberta) to form a new company ("Amalco"). Pursuant to the terms of the Amalgamation: (i) all of the issued and outstanding common shares of the Corporation (the "Exito Shares") shall be consolidated on an 18-for-1 basis (the "Consolidation") such that the issued and outstanding Exito Shares shall be 555,556; (ii) each post-Consolidation Exito Share will be exchanged for one common share of Amalco (an "Amalco Share"); (iii) each of the 83,333 post-Consolidation options to acquire Exito Shares at an exercise price of $1.80 per Exito Share will be exchanged for an option to acquire one Amalco share on the same terms and conditions; and (iv) each of the issued and outstanding Millennium Shares will be exchanged for one Amalco Share. Prior to taking into account any Millennium Shares to be issued pursuant to the Millennium Private Placement (as described below), the 45,044,637 issued and outstanding Millennium Shares will be exchanged for an equivalent number of Amalco Shares at a deemed price of $2.25 per Amalco Share, for deemed consideration of approximately $101,350,433.

Millennium is a private energy service company headquartered in Calgary, Alberta, Canada, whose primary business is to provide specialized oilfield services, including hydraulic fracturing, coiled tubing and other well completion services to oil and gas companies currently operating in Alberta, Saskatchewan and Manitoba. Millennium currently has shop and sand storage facilities in Medicine Hat, Alberta and Estevan, Saskatchewan. In early 2013, Millennium commenced limited commercial operations and prior to that was in a development phase. Full commercial operations commenced in November 2013 after the delivery of the first coiled tubing unit. Millennium recently made a strategic acquisition of a private well fracturing company that developed and has patents pending for the pumping of energized natural gas foam frac applications through the use of liquefied natural gas or "LNG". Patents are currently being pursued in Canada and the United States, and may be sought in other jurisdictions.

Millennium currently operates two well fracturing fleets, two deep coiled tubing units and a liquid nitrogen pumper totaling 14,000 brake horsepower ("BHP") which have an average equipment age of approximately one year. The deployment of Millennium's second coiled tubing unit occurred in July 2014 and thus the three months ended September 30, 2014 was Millennium's first full quarter of operations with the equipment and the staff necessary to operate continuously.

Millennium is currently undertaking a brokered private placement of Millennium Shares at a price per Millennium Share of $2.25 (the "Millennium Private Placement"). In accordance with the terms of the Letter Agreement, prior to the Amalgamation being effected, Millennium will issue a minimum of 4,444,444 ($10.0 million) and a maximum of 17,777,777 ($40.0 million) Millennium Shares. Depending upon the number of Millennium Shares issued pursuant to the Millennium Private Placement, Amalco will issue a minimum of 49,489,081 Amalco Shares and a maximum of 62,822,414 Amalco Shares to the Millennium shareholders. The total outstanding Amalco Shares after the closing of the Amalgamation will be a minimum of 50,044,637 Amalco Shares and a maximum of 63,377,970 Amalco Shares.