NSI STRATEGIC INVESTMENTS LTD.

Condensed Interim Financial Statements
Third Quarter ended September 30, 2016

(Expressed in Canadian Dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

These interim financial statements of the Company for the period ending September 30, 2016 have been prepared by management and have not been subject to review by the Company's auditors.

NSI STRATEGIC INVESTMENTS LTD.

Condensed Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	September 30, 2016	December 31, 2015
	$	$
Assets		
Current Assets		
Cash and cash equivalents	621,732	738,904
Accounts receivable	3,181	4,312
Prepaid expenses and deposits	2,358	2,358
Total Current Assets	627,271	745,574
Amounts due from shareholders (note 6)	63,015	63,015
Amounts due from related company (note 4)	-	37,614
Equipment (note 3)	1,898	2,338
Total Non-Current Assets	64,913	102,967
Total Assets	692,184	848,541
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	10,219	44,202
Amounts due to shareholders (note 6)	30,000	30,000
	40,219	74,202
Shareholders' Equity		
Share capital (note 5)	5,502,233	5,502,233
Deficit	(4,850,268)	(4,727,894)
	651,965	774,339
	692,184	848,541

See accompanying notes to the condensed interim financial statements

Nature and Continuance of Operations (note 1)
Commitments (note 7)

Approved by the Board of Directors and authorized for issue on November 28, 2016.

"Lim Loong Keng"
Lim Loong Keng, Director

"William Auyeung"
William Auyeung, Director

NSI STRATEGIC INVESTMENTS LTD.

Condensed Interim Statements of Comprehensive Income (Loss)
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
	$	$	$	$
Revenue				
Interest income	1,077	1,191	2,676	4,739
Expenses				
Accounting, audit and legal	4,921	5,171	8,767	5,934
Amortization	148	212	440	597
Consulting fees	1,164	646	2,205	2,486
Insurance	-	-	1,616	2,346
Office and miscellaneous	7,919	8,075	25,977	26,664
Office rent	3,657	3,180	10,971	10,838
Salaries and benefits	457	32,188	31,855	32,188
Telephone and utilities	1,150	783	3,312	3,180
Travel and accommodation	12,612	16,581	30,986	49,574
Trust and filing	941	698	8,921	7,392
	32,969	67,534	125,050	141,199
Net income (loss) and comprehensive income (loss) for the period	(31,892)	(66,343)	(122,374)	(136,460)
Weighted average number of common shares outstanding	6,189,069	6,189,069	6,189,069	6,189,069
Basic and diluted income (loss) per share	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.02)

See accompanying notes to the condensed interim financial statements

NSI STRATEGIC INVESTMENTS LTD.

Condensed Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
	$	$
Cash provided by (used for):		
Operating activities		
Net income (loss) for the period	(122,374)	(136,460)
Item not involving the use of cash:		
Amortization	440	597
	(121,934)	(135,863)
Changes in non-cash operating capital:		
Accounts receivable	1,131	7,227
Prepaid expenses	-	15,733
Accounts payable and accrued liabilities	(26,460)	(32,200)
	(147,263)	(145,103)
Financing activity		
Repayment from related company	30,091	-
	30,091	-
Decrease in cash and cash equivalents	(117,172)	(145,103)
Cash, beginning of the period	738,904	947,480
Cash, end of the period	621,732	802,377

See accompanying notes to the condensed interim financial statements

NSI STRATEGIC INVESTMENTS LTD.

Statements of Changes in Equity
(Unaudited - Expressed in Canadian dollars)

	Number of shares	Share capital	Deficit	Total Equity
		$	$	$
December 31, 2015	6,189,069	5,502,233	(4,727,894)	774,339
Net loss for the period	-	-	(122,374)	(122,374)
September 30, 2016	6,189,069	5,502,233	(4,850,268)	651,965
December 31, 2014	6,189,069	5,502,233	(4,501,833)	1,000,400
Net loss for the period	-	-	(136,460)	(136,460)
September 30, 2015	6,189,069	5,502,233	(4,638,293)	863,940

See accompanying notes to the condensed interim financial statements

1) NATURE AND CONTINUANCE OF OPERATIONS

NSI Strategic Investments Ltd. (the "Company") is a limited company that was incorporated in Canada on September 17, 1993 under the British Columbia Business Corporation Act. The registered office is located at 12406 Vickers Way, Richmond, British Columbia, V6V 1H9.

The Company's operations consisted primarily of interests in jointly controlled partnerships (the "Joint Ventures") carrying on the development and sale of leasehold interests in residential condominiums (the "Development") on First Nations reserves in British Columbia. The Company's activity focused on the Company's 20% partnership interest in the Signature Estates Project in North Vancouver, a three-phase condominium development on Burrard Indian Band land located adjacent to earlier developments undertaken by the Company. This Development was substantially completed in 2013. During the year ended December 31, 2013, the Company sold its interest in the Joint Ventures for $1,287,000. Currently, the Company does not have any ongoing operations. Management is currently considering various alternatives for the future of the Company.

2) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. Accordingly, these Financial Statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes. These financial statements should be read in conjunction with the Company's financial statements for the year ended December 31, 2015, which have been prepared in accordance with IFRS as issued by the IASB.

The accounting policies applied by the Company in these financial statements are the same as those applied by the Company in its most recent annual financial statements for the year ended December 31, 2015.

b) Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and other judgments are regularly evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances.

c) Basis of presentation

These financial statements have been prepared on the historical cost basis. The presentation and functional currency of the Company is the Canadian dollar.

d) Earnings (loss) per share

Basic earnings per share ("EPS") is calculated by dividing the net earnings (loss) for the period attributable to equity owners of the Company by the weighted average number of common shares outstanding during the year.

Diluted EPS is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. Diluted EPS is not presented when it is anti-dilutive.

2) SIGNIFICANT ACCOUNTING POLICIES *(continued)*

e) Equipment

Equipment is stated at cost less accumulated amortization and accumulated impairment losses. When parts of an item of equipment have different useful lives, they are accounted for as separate items (components) of equipment.

The Company provides for amortization over the estimated useful lives of the assets at the following annual method and rates:

Computer equipment	30% declining balance
Furniture and fixtures	20% declining balance

The useful lives and methods of depreciation of equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Management assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. The recoverable amount is determined for an individual asset and is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period.

f) Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash, are valued based on their fair value at the date the agreement to issue shares was concluded.

g) Income taxes

The Company uses the balance sheet method of accounting for income taxes. Under the balance sheet method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

h) Leases

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are expensed in profit and loss as they arise.

2) SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Other leases are classified as operating leases. Operating lease payments are expense in profit and loss on a straight-line basis over the lease terms, except for contingent rental payments which are expensed when they arise.

i) Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

i. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded through profit and loss. Cash and cash equivalents are included in this category of financial assets.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date. Loans and receivables are carried at amortized cost less any impairment. Loans and receivables comprise accounts receivable.

iii. Available-for-sale financial assets

Available-for-sale (AFS) financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other financial asset categories. Changes in the fair value of AFS financial assets are recognized as other comprehensive income and classified as a component of equity. Management assesses the carrying value of AFS financial assets at each reporting period and any impairment charges are also recognized in profit or loss. When financial assets classified as available-for-sale are sold, the accumulated fair value adjustments recognized in other comprehensive income are included in profit and loss. The Company has not classified any financial assets as available-for-sale.

Financial liabilities

The Company's financial liabilities are classified as borrowings and other financial liabilities.

Borrowings and other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the income statement over the period to maturity using the effective interest method.

Borrowings and other financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable and accrued liabilities and amounts due to shareholders.

(Unaudited - Expressed in Canadian dollars)

3) EQUIPMENT

During the nine months ended September 30, 2016, the Company recorded amortization of $440 (December 31, 2015 - $797). No additions or disposals were made during the period. Continuity is as follows:

	Computer equipment	Furniture and fixtures	Total
	$	$	$
Cost			
Balance, December 31, 2014	66,357	76,402	142,759
Additions for the year	-	-	-
Balance, December 31, 2015	66,357	76,402	142,759
Additions for the period	-	-	-
Balance, September 30, 2016	66,357	76,402	142,759
Accumulated depreciation			
Balance, December 31, 2014	64,663	74,961	139,624
Depreciation for the year	509	288	797
Balance, December 31, 2015	65,172	75,249	140,421
Depreciation for the period	267	173	440
Balance, September 30, 2016	65,439	75,422	140,861
Carrying amounts			
Balance, December 31, 2015	1,185	1,153	2,338
Balance, September 30, 2016	918	980	1,898

4) AMOUNTS DUE FROM RELATED COMPANY

During the year ended December 31, 2014, the Company remitted $30,091 in withholding taxes on behalf of a related company. During the year ended December 31, 2015, an additional $7,523 of additional withholding taxes was recorded for a total of $37,614 outstanding as at December 31, 2015. During the nine month period ended September 30, 2016, the $30,091 was repaid to the Company. As such, the corresponding additional accrual of withholding taxes of $7,523 was reversed. As at September 30, 2016, there is no further amounts outstanding.

5) SHARE CAPITAL AND SHARE-BASED PAYMENT PLANS

The authorized share capital of the Company consists of an unlimited number of common shares.

During the nine months ended September 30, 2016, the Company did not issue any shares.

During the year ended December 31, 2015, the Company did not issue any shares.

At its discretion, the Company may grant share options to qualified directors, employees, or consultants. To date, no share options have been issued by the Company.

(Unaudited - Expressed in Canadian dollars)

6) RELATED PARTY TRANSACTIONS

All related party transactions occurred in the normal course of business operations, and accordingly are measured at the exchange amount, which is the amount of consideration established and agreed to by the transacting parties.

a) The Company entered into the following transactions with parties not at arm's length to the Company:

	Nine months ended September 30, 2016	Year ended December 31, 2015
	$	$
Salary paid to a member of management who is a principal shareholder and director	30,000	60,000

A new employee agreement was entered into with the principal shareholder and director to fix the annual salary at $60,000 effective January 1, 2013. During the period ended September 30, 2016, $4,813 (December 31, 2015: $27,080) were incurred on behalf of, or reimbursed to, the member of management who is a principal shareholder and director for business-related expenses.

Prior to 2014, the annual salary was not paid in cash and was recorded as a liability in Amounts due to shareholder on the Statement of Financial Position. During the year ended December 31, 2014, the Company paid $390,000 of the outstanding $420,000 due to the shareholder, as such $30,000 is still outstanding as at December 31, 2015 and September 30, 2016.

In connection with the payment of the amounts due to shareholder in 2014, the Company also remitted $54,796 in withholding taxes on behalf of the principal shareholder and director. During the year ended December 31, 2015, an additional $8,219 for additional withholding taxes was recorded for a total of $63,015 as at December 31, 2015. This amount is still due to the Company at September 30, 2016.

b) Amounts due to and from shareholder are presented separately on the statements of financial position.

7) COMMITMENTS

Operating leases

The Company leases its premises under operating lease agreements. At September 30, 2016, the minimum base rent lease commitments under the rental agreements, expiring through November 2016, amount to $1,179 monthly.

8) CAPITAL MANAGEMENT

The Company's objectives for the management of capital are to safeguard its ability to continue as a going concern including the preservation of capital, and to achieve reasonable returns on its investment property under development. No changes were made in the objectives, policies or processes for managing capital during the nine months ended September 30, 2016.

The Company considers its cash and cash equivalents and to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating costs over a reasonable future period, generally one to one and a half years.

The Company currently has no externally-imposed capital requirements.

9) FINANCIAL INSTRUMENT RISKS

The Company's financial instruments are exposed to the following risks:

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company's primary exposure to credit risk is the risk of illiquidity of cash and cash equivalents amounting to $621,732 at September 30, 2016 (December 31, 2015 - $738,904). As the Company's policy is to limit cash holdings and short-term deposits to instruments issued by major Canadian banks, or investments of equivalent or better quality, the credit risk is considered by management to be negligible.

The amounts receivable largely relate to GST receivables due from the Canadian Revenue Agency, so the Company is not subject to credit risk on these financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to pay its liabilities as they come due. The Company is exposed to liquidity risk from its accounts payable and accrued liabilities and amounts due to shareholders.

Foreign exchange risk

The Company has no foreign exchange risk as all its activities are carried out in Canada and all its financial assets and liabilities are denominated in Canadian dollars.

Fair value of financial instruments

The fair values of the financial assets and financial liabilities are included as an estimate of the amount at which the instrument could be exchanged in a current transaction between willing parties.

IFRS 13, Fair Value Measurement, requires classification of financial instruments within a hierarchy that prioritizes the inputs to the fair value measurement.

The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value classification of the Company's financial instruments as at September 30, 2016 is as follows:

	Total	Level 1	Level 2	Level 3
	$	$	$	$
Financial instruments for which fair values are disclosed:				
Cash and cash equivalents	621,732	621,732	-	-
	621,732	621,732	-	-

9) FINANCIAL INSTRUMENT RISKS *(continued)*

The fair value classification of the Company's financial instruments as at December 31, 2015 is as follows:

	Total	Level 1	Level 2	Level 3
	$	$	$	$
Financial instruments for which fair values are disclosed:				
Cash and cash equivalents	738,904	738,904	-	-
	738,904	738,904	-	-

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.