SAGITTARIUS CAPITAL CORPORATION

(A capital pool corporation)

Condensed Interim Financial Statements

Three and nine month periods ended September 30, 2016 and 2015

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

NOTICE TO READER

The condensed interim financial statements for the period ended September 30, 2016 have been prepared by management and have not been audited or reviewed by the Company's auditor.

CONTENTS

Unaudited Condensed Interim Statements of Financial Position	**1**
Unaudited Condensed Interim Statements of Operations and Comprehensive Loss	**2**
Unaudited Condensed Interim Statements of Cash Flows	**3**
Unaudited Condensed Interim Statements of Changes in Equity	**4**
Notes to Financial Statements	**5 - 10**

Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)

Assets	**Notes**	**September 30, 2016 (unaudited) $**	December 31, 2015 (audited) $
Current			
Cash and cash equivalents	6	**1,348**	4,025
HST and other receivable		**832**	488
Total assets		**2,180**	4,513
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**28,009**	10,176
Shareholders' equity (deficiency)			
Share capital (note 3)	4	**620,194**	620,194
Share option reserve (note 3)	4	**93,240**	93,240
Accumulated deficit		**(739,263)**	(719,097)
Total shareholders' equity (deficiency)		**(25,829)**	(5,663)
Total liabilities and shareholders' equity (deficiency)		**2,180**	4,513

Nature of Operations and Going Concern (note 1)

APPROVED ON BEHALF OF THE BOARD

"BRIAN PRESEMENT"	**"CHRIS HAZELTON"**
DIRECTOR	**DIRECTOR**

(The accompanying notes are an integral part of these financial statements.)

Sagittarius Capital Corporation

Condensed Interim Statements of Operations and Comprehensive Loss
For the periods ended September 30, 2016 and 2015
(Expressed in Canadian dollars)
(Unaudited)

	Notes	**Three months ended September 30, 2016 $**	Three months ended September 30, 2015 $	**Nine months ended September 30, 2016 $**	Nine months ended September 30, 2015 $
Expenses					
Professional fees		**2,500**	3,000	**13,451**	8,630
Filing fees		**1,250**	-	**6,393**	4,981
Office and general		**206**	55	**322**	166
Total expenses		**3,956**	3,055	**20,166**	13,777
Interest income		**-**	-	**-**	(136)
Net loss and comprehensive loss		**(3,956)**	(3,055)	**(20,166)**	(13,641)
Loss per share		**(0.001)**	(0.001)	**(0.005)**	(0.003)
Weighted Average Number of Shares Outstanding					
Basic and diluted		**4,190,000**	4,190,000	**4,190,000**	4,190,000

(The accompanying notes are an integral part of these financial statements.)

Sagittarius Capital Corporation

Condensed Interim Statements of Cash Flows
For the nine month periods ended September 30, 2016 and 2015
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended September 30, 2016 $	Three months ended September 30, 2015 $	**Nine months ended September 30, 2016 $**	Nine months ended September 30, 2015 $
Cash Flows from Operating Activities				
Net loss	**(3,956)**	(3,055)	**(20,166)**	(13,641)
Adjustments for:				
Changes in non-cash working capital items:				
HST and other receivable	**129**	273	**(344)**	6,761
Accounts payables and accrued liabilities	**4,729**	(9,033)	**17,833**	(28,670)
Net funds used in operating activities	**902**	(11,815)	**(2,677)**	(35,550)
Net decrease in cash and cash equivalents	**902**	(11,815)	**(2,677)**	(35,550)
Cash and cash equivalents – beginning of period	**446**	19,743	**4,025**	43,478
Cash and cash equivalents – end of period	**1,348**	7,928	**1,348**	7,928

(The accompanying notes are an integral part of these financial statements.)

Sagittarius Capital Corporation

Condensed Interim Statements of Changes in Equity
For the nine month periods ended September 30, 2016 and 2015
(Expressed in Canadian dollars)
(Unaudited)

	Share capital Number of shares	Share capital Amount	Share option reserves	Accumulated deficit	Total
	#	$	$	$	$
Balance at December 31, 2014	**4,190,000**	**620,194**	**93,240**	**(702,942)**	**10,492**
Net loss and comprehensive loss	**-**	**-**	**-**	**(13,641)**	**(13,641)**
Balance at September 30, 2015	**4,190,000**	**620,194**	**93,240**	**(716,583)**	**(3,149)**
Balance at December 31, 2015	**4,190,000**	**620,194**	**93,240**	**(719,097)**	**(5,663)**
Net loss and comprehensive loss	**-**	**-**	**-**	**(20,166)**	**(20,166)**
Balance at September 30, 2016	**4190,000**	**620,194**	**93,240**	**(739,263)**	**(25,829)**

(The accompanying notes are an integral part of these financial statements.)

1. Nature of Operations

Sagittarius Capital Corporation (the "Company" or "Sagittarius") was incorporated under the Business Corporations Act (Ontario) on April 20, 2007 and is classified as a Capital Pool Corporation as defined in TSX Venture Exchange Inc. (the "Exchange") Policy 2.4. The Company has nominal assets other than cash and cash equivalents and proposes to identify and evaluate potential acquisitions or businesses with a view to completing a Qualifying Transaction, as defined in Exchange Policy 2.4.

The Company's registered address and principal place of business is 77 King Street West, Suite 3000, Toronto, Ontario, M5K 1G8.

There is no assurance that the Company will identify a Qualifying Transaction under the policies of the Exchange. If a qualifying transaction is not completed, the Company will need to identify other sources of finance to remain a going-concern entity.

These financial statements are prepared on the assumption that the Company is a going concern, which contemplates the realization of assets and the settlement of liabilities in the normal course of operations. Over the past two years the Company has incurred losses including operating losses for the nine month period ended September 30, 2016 and year ended December 31, 2015 of $20,166 and $16,155 respectively. As a result, the Company has an accumulated deficit of $739,263 and working capital deficiency of $(25,829) at September 30, 2016 (December 31, 2015 - $5,663). The Company has taken and continues to take steps to reduce these losses. However, losses are expected to continue for the 2016 fiscal year. As a result, there is substantial doubt surrounding the Company's ability to continue as a going concern. In order to rectify these problems the Company will require additional financing. Failure to obtain such financing could result in delay or indefinite postponement of the Company's strategic goals. These financial statements do not include any adjustments relative to the carrying values and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

On May 28, 2010, the shareholders of the Company authorized management to transfer the Company's shares to the NEX board and cancel 50% or 500,000 seed common shares held by current and past directors and officers of the Company for failing to complete a Qualifying Transaction within the prescribed time limit under Exchange policy.

2. Basis of Presentation

Statement of compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were authorized for issuance by the Board of Directors of the Company on November 29, 2016.

2. Basis of Presentation - Continued

Basis of measurement and functional currency

The financial statements are prepared on the historical cost basis. The accompanying financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

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

3. Summary of Significant Accounting Policies

Accounting estimates and judgments

The preparation of these financial statements requires management to make estimates and judgments and form assumptions that affect the reported amounts and other disclosures in these financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. There have been no significant judgements made by management in the application of IFRS that have a significant effect on these financial statements, with exception to accounts payable and accrued liabilities, deferred taxes and the going concern assumption.

Income Taxes

The Company accounts for income taxes in accordance with the asset and liability method. Under this method, deferred income 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 income tax bases, and losses carried forward.

Deferred income tax assets and liabilities are measured using enacted or 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. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in the statement of operations and comprehensive loss in the period that includes the date of enactment or substantive enactment.

Current income taxes are recognized for the estimated income taxes payable for the current year.

Deferred income tax assets are recognized to the extent that management believes that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

3. Significant Accounting Policies - Continued

Financial Instruments

All financial instruments are classified into one of the following categories: fair value through profit and loss ("FVTPL"), held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. Loans and receivables, held-to-maturity investments, and other financial liabilities which are initially measured at fair value and then at amortized cost. FVTPL financial instruments are subsequently re-measured at fair value and all gains and losses are included in net income or loss in the period which they arise. Available-for-sale financial instruments are subsequently measured at fair value with revaluation gains and losses included in other comprehensive income or loss until the instrument is derecognized or impaired. Cash and cash equivalents are classified as FVTPL. Accounts payable and accrued liabilities are classified as other financial liabilities.

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- 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).

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. Contingently issuable shares are not considered outstanding common shares and consequently not included in loss per share calculation. 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 warrants and options outstanding that may add to the total number of common shares.

Comprehensive Income

Other comprehensive income or loss is the change in net assets arising from transactions and other events and circumstances from non-owner sources. Comprehensive income comprises net income or loss and other comprehensive income or loss. Financial assets that are classified as available for sale will have revaluation gains and losses included in other comprehensive income or loss until the asset is removed from the balance sheet or impaired. At present, the Company has no other comprehensive income or loss.

Share Issuance Costs

Costs incurred in connection with the issuance of capital stock are netted against the proceeds received.

3. Significant Accounting Policies - Continued

Cash and cash equivalents

Cash and cash equivalents include demand deposits with banks, money market accounts, and other investments with original maturities of 90 days or less. Balances of cash and cash equivalents in financial institutions may at times exceed the government-insured limits.

Accounting standards issued but not yet applied

IFRS 9, Financial Instruments (IFRS 9), was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. The effective date of IFRS 9 is yet to be determined. The Company is currently assessing the impact on its financial statements.

4. Capital Stock

Authorized: Unlimited number of common shares without par value

Issued and outstanding:

	No. of Shares	Amount
December 31, 2015 and September 30, 2016	4,190,000	$ 620,194

(i) The Company had issued 1,000,000 common seed shares, of which 500,000 were cancelled (see (ii) below).

The seed common shares are considered contingently issuable until the Company completes a Qualifying Transaction and they are not considered to be outstanding shares for purposes of loss per share calculation.

(ii) At an Annual and Special Meeting of Shareholders held on May 28, 2010, a resolution was ratified cancelling 50% or 500,000 seed common shares for failing to complete a Qualifying Transaction within the prescribed period of time under TSX Venture Exchange policies. These common shares were initially issued at $0.10 per share with total face value of $50,000.

a) Stock Options

The Company awards stock options to officers and directors under an incentive stock plan (the "Plan"). Options are granted at the fair market value of the shares on the day granted, and vest over various terms. Compensation expense is recognized when options are vested. The board of directors of the Company may from time to time, in its discretion, grant to directors, officers, and technical consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed ten percent (10%) of the issued and outstanding Common Shares exercisable for a period of up to five years from the date of grant. The following is a continuity schedule of outstanding options for the reporting period, where “WAEP” refers to weighted average exercise price.

4. Capital Stock – Continued

	No. of Options		WAEP
Outstanding as at January 1, 2014	298,425		0.20
Expired	(298,425)		0.20
Outstanding at December 31, 2015 and September 30, 2016	-	$	-

5. Capital Management

The Company’s primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund ongoing operations and finance the identification and evaluation of potential investments. To secure the additional capital necessary to pursue these investments, the Company may attempt to raise additional funds through the issuance of equity and warrants or by securing strategic partners.

The Company considers share capital, share option reserve, and accumulated deficit in the amount of $(25,829) (December 31, 2015 - $5,663) to represent capital.

6. Cash Restriction

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 not more than the lesser of 30% of the gross proceeds from the issuance of shares or $210,000 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. As of September 30, 2016, the Company had exceeded this limit. The impact of this violation is not known and is ultimately dependent on the Exchange.

7. Financial Instruments and Financial Risk Management

The Company is exposed to different types of risks in the normal course of operations, including credit risk and liquidity risk as follows:

a) Fair Value

The carrying values of cash and cash equivalents and accounts payable and accrued liabilities approximate fair values due to the relatively short term maturities of these instruments.

b) Credit Risk

The Company's exposure to credit risk arises from the possibility that its debtors may fail to meet their obligations. The Company continually evaluates the collectability of amounts receivable and records an allowance for doubtful accounts, which reduces the receivables to the amount management, reasonably believes will be collected.

The Company manages the credit exposure related to cash and cash equivalents of $1,348 as at September 30, 2016 by making sure that the Company maintains bank accounts with Schedule 1 banks in Canada. The carrying amount of cash and cash equivalents represents the maximum credit exposure.

7. Financial Instruments and Financial Risk Management - Continued

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. All of the Company's accounts payable and accrued liabilities are due within one year,

8. Related-Party Transactions

Transactions with related parties, if any, are incurred in the normal course of business and are measured at the exchange amount which is the amount of consideration established and approved by the related parties.

During the nine months ended September 30, 2016, the Company incurred accounting fees of $7,500 to Branson Corporate Services, a Company in which the minor children of a related director has a non controlling indirect interest. The Company also accrued legal fees and disbursements of $9,269 (2015 - $530) to a director and Fogler, Rubinoff LLP, a law firm in which a director of the Company is a Partner. As of September 30, 2016, $8,475 is owing to Branson, $2,643 is owing to a director and $6,626 is owing to Fogler, Rubinoff LLP.

There was no remuneration paid to directors and key management personnel during the periods ended September 30, 2016 and December 31, 2015.