TEMPUS CAPITAL INC.

Consolidated Financial Statements

For the year ended December 31, 2013, and
for the period from August 1, 2012 to December 31, 2012

(Expressed in Canadian Dollars)

TEMPUS CAPITAL INC.

(Expressed in Canadian Dollars)

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December 31, 2013 and 2012

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Tempus Capital Inc. were prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

/s/ Brian Crawford____________________
Brian Crawford, Chief Financial Officer

/s/ Russell Tanz____________________
Russell Tanz, Chief Executive Officer

Burlington, Ontario
April 25, 2014

Grant Thornton

Independent auditor's report

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To the Shareholders of Tempus Capital Inc.,

We have audited the accompanying consolidated financial statements of Tempus Capital Inc., which comprise the consolidated statements of financial position as at December 31, 2013 and December 2012, the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the year ended December 31, 2013 and for the period from August 1, 2012 to December 31, 2012 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 consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the consolidated 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 company'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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of Tempus Capital Inc. as at December 31, 2013 and December 2012, and its financial performance and its cash flows for the year ended December 31, 2013 and for the period from August 1, 2012 to December 31, 2012, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 to the consolidated financial statements which describes the status of the Company's operations and its ability to continue as a going concern. The condition described indicates the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern.

Burlington, Canada
April 25, 2014

Chartered Accountants
Licensed Public Accountants

TEMPUS CAPITAL INC.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	December 31, 2013	December 31, 2012
Assets		
Investment property (Note 4)	$ 5,546,236	$ -
Sundry receivables	22,319	4,834
Prepaid expenses and deposits (Note 5)	125,583	19,500
Cash	3,021	101,102
Total assets	$ 5,697,159	$ 125,436
Liabilities		
Mortgages payable (Note 6)	$ 4,280,000	$ -
Promissory notes payable (Note 7)	1,154,700	-
Tenant deposits	8,910	-
Accounts payable and accrued liabilities	136,146	43,250
Total liabilities	5,579,756	43,250
Equity		
Share capital (Note 8)	427,841	202,500
Deficit	(310,438)	(120,314)
	117,403	82,186
Total liabilities and equity	$ 5,697,159	$ 125,436

Commitments and contingencies (Note 12)
Subsequent events (Note 14)

Approved on behalf of the Board

"Russell Tanz"
Russell Tanz - Director

"Brian Crawford"
Brian Crawford - Director

See accompanying notes to the consolidated financial statements

TEMPUS CAPITAL INC.
Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars, except where otherwise stated)

	Year Ended December 31, 2013	Period from August 1, 2012 to December 31, 2012
Rental revenue	$ 14,754	$ -
Property operating costs	2,226	-
	12,528	-
Expenses		
General and administrative	62,967	4,709
Interest expense	8,427	-
Professional fees	23,590	9,850
Due diligence, advisory and consulting	107,668	-
	202,652	14,559
Net loss and comprehensive loss	**$** (190,124)	$ (14,559)
Weighted average number of shares outstanding	5,623,124	2,067,320
Basic and diluted loss per share	$ (0.03)	$ (0.01)

See accompanying notes to the consolidated financial statements

TEMPUS CAPITAL INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Year Ended December 31, 2013	Period from August 1, 2012 to December 31, 2012
CASH FLOWS PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net loss for the period	$ (190,124)	$ (14,559)
Items not affecting cash		
Promissory note interest rate discount	(5,300)	-
Changes in non-cash working capital		
Sundry receivables	(17,485)	(3,851)
Prepaid expenses and deposits	(106,083)	(19,500)
Tenant deposits	8,910	-
Accounts payable and accrued liabilities	92,896	18,900
	(217,186)	(19,010)
FINANCING ACTIVITIES		
Proceeds from issuance of share capital, net of share issue costs	225,341	60,000
Proceeds from issuance of promissory notes	90,000	-
Proceeds from mortgage financing	3,830,000	-
	4,145,341	60,000
INVESTING ACTIVITIES		
Purchase of investment property	(4,026,236)	-
	(4,026,236)	-
(Decrease) increase in cash for the period	(98,081)	40,990
Cash, beginning of period	101,102	60,112
Cash, end of period	**$** 3,021	$ 101,102
Supplemental consolidated cash flow information:		
Interest paid	$ (8,427)	$ -
Non-cash investing transactions not included in cash flows:		
Assumed debt used to fund the purchase of investment property	$ 1,514,700	$ -

See accompanying notes to the consolidated financial statements

TEMPUS CAPITAL INC.
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars, except where otherwise stated)

	Share Capital			
	Number of Shares	Amount	Deficit	Total Shareholders' Equity
Balance, August 1, 2012	1,900,000	$ 142,500	$ (102,755)	$ 36,745
Common shares issued for cash	800,000	60,000	-	60,000
Net loss for the period			(14,559)	(14,559)
Balance December 31, 2012	2,700,000	202,500	(120,314)	82,186
Common shares issued for cash	3,182,998	238,725	-	238,725
Share issue costs		(13,384)	-	(13,384)
Net loss for the year		-	(190,124)	(190,124)
Balance, December 31, 2013	5,882,998	$ 427,841	$ (310,438)	$ 117,403

See accompanying notes to the consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Tempus Capital Inc. (the "Company") was incorporated on February 16, 2011 pursuant to the provisions of the Business Corporations Act (Ontario).

The Company is a reporting issuer in Ontario, Alberta and British Columbia but its shares are not listed on an exchange or trading platform.

The Company changed its financial year end to December 31 effective December 31, 2012 in order to align its financial reporting with its operational and budgeting cycles.

The registered and operating office of the Company is 855 Brant Street, Burlington, Ontario L7R 2J6.

These consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

The Company has recently completed the acquisition of its first investment property and requires debt or equity financing in order to repay the promissory note payable that is past due as at the date of issue of the financial statements. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the near future, or available under terms favourable to the Company. These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The consolidated financial statements do not reflect any adjustments that would be necessary if the going concern basis was not appropriate. If the going concern basis was not appropriate for these consolidated financial statements, significant adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the classifications used on the consolidated statements of financial position.

2. BASIS OF PRESENTATION AND STATMENT OF COMPLIANCE

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

The policies applied in these consolidated financial statements are based on IFRS issued and effective as of December 31, 2013. The Board of Directors approved the consolidated financial statements on April 25, 2014.

2. BASIS OF PRESENTATION AND STATMENT OF COMPLIANCE (continued)

Basis of Presentation

These consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The financial statements are presented in Canadian dollars.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary.

Investment Property

Investment property is held to earn rental income or for capital appreciation, or both. A key characteristic of an investment property is that it generates cash flows largely independently of the other assets held by an entity. Income property is initially measured at cost including transaction costs. Transaction costs include various professional fees, land transfer tax and initial leasing commissions to bring the property up to the condition necessary for it to be capable of operating. Subsequent to initial recognition, income properties are recorded at fair value and related gains or losses arising from changes in fair value are recognized in net earnings in the period of change. The determination of fair value is based upon, among other things, rental revenue from current leases and reasonable and supportable assumptions that represent what knowledgeable, willing parties would assume about rental revenue from future leases in light of current conditions, less future cash outflows in respect of tenant installation costs and income property operations.

Investment property is derecognized when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment property are recognized in the statement of operations and comprehensive loss in the period of retirement or disposal. Gains or losses on the disposal of investment property are determined as the difference between the net disposal proceeds and the carrying value of the asset in the previous reporting period financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business Combinations

At the time of acquisition of property whether through a controlling share investment or directly, the Company considers whether the acquisition represents the acquisition of a business. The Company accounts for this as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made of the extent to which significant processes are acquired. If no, or only insignificant processes are acquired, the acquisition is treated as an asset acquisition rather than a business combination.

The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the acquisition date. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition date. The Company recognizes assets or liabilities, if any, resulting from a contingent consideration arrangement at their acquisition date fair value and such amounts form part of the cost of the business combination. Subsequent changes in the fair value of contingent consideration arrangements are recognized in net earnings. The difference between the purchase price and the Company's net fair value of the acquired identifiable net assets and liabilities is goodwill. On the date of acquisition, the purchaser records positive goodwill as an asset. Negative goodwill is

immediately recognized in the consolidated statement of earnings. Goodwill is not amortized and must be tested for impairment at least annually, or more frequently, if events or changes in circumstances indicate impairment has occurred.

The Company expenses transaction costs associated with business combinations in the period incurred.

Impairment of Assets

At the end of each reporting period, assets, other than those identified in the standards as not being applicable to IAS 36 – Impairment of Assets, such as investment properties recorded at fair value, are assessed for any indication of impairment. Should the indication of impairment exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Recoverable amount is defined as the higher of an asset's "fair value less cost to sell" and its "value-in-use". 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 for which the estimate of future cash flows have not been adjusted.

Where the carrying amount of an asset exceeds the recoverable amount determined, an impairment loss is recognized in the consolidated statement of operations and comprehensive loss. After the recognition of an impairment loss, the depreciation charge related to that asset is also revised for the adjusted carrying amount on a systematic basis over the remaining useful life of the asset. Should this impairment loss be determined to have reversed in a future period a reversal of the impairment loss is recorded in profit or loss. However, the reversal of an impairment loss will not increase the carrying amount that would have been determined (net of amortization) had no impairment loss been recognized.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

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 item 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 charged to the income statement as they arise.

Other leases are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term, except for contingent rental payments which are expensed when they arise.

The Company has assessed all leases in which it is the lessor to be operating leases.

When the acquisition does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities, the cost of the acquisition including transaction costs is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill is recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received.

The Company accounts for leases with its tenants as operating leases as the Company has not transferred substantially all of the benefits and risks of ownership of its investment properties. Rental revenue includes all amounts earned from tenants related to lease agreements including property tax and operating cost recoveries.

The Company reports minimum rental revenue on a straight-line basis, whereby the total amount of cash to be received under a lease is recognized into net earnings in equal periodic amounts over the term of the lease. Contingent rents are recognized as revenue in the period in which they are earned.

Amounts payable by tenants to terminate their lease prior to their contractual expiry date are included in rental revenue.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset. Tenant incentives are recognized as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease.

Share-Based Compensation

The Company uses the fair value method whereby the Company recognizes compensation costs for the granting of all stock options and direct awards of stock based on its fair value over the period of vesting. Any consideration paid by the option holders to purchase shares is credited to share capital.

Income Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in earnings except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable (or receivable) on the taxable income (loss) for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax is recognized by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets and liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference 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. For the determination of deferred tax assets and liabilities where investment property is measured using the fair value model, the presumption is that the carrying amount of an investment property is recovered through sale, as opposed to presuming that the economic benefits of the investment property will be substantially consumed through use over time.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Loss Per Share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is recognized on the use of proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period.

Basic loss per share is calculated using the weighted-average number of shares outstanding during the period.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

Financial Assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category involves financial instruments held for the purpose of selling them in the short term. All of the financial instruments in this category meet the definition of financial assets held for trading. Derivatives are included in this category, unless they are designated as hedges. The instruments classified in this category are classified in current assets and include cash. The financial instruments included in this category are initially recognized at fair value and the transaction costs are expensed to the Consolidated Statement of Operations and Comprehensive Loss. Subsequently, financial assets at fair value through profit or loss are measured at fair value and all gains and losses, realized and unrealized, measured on the basis of market transactions, are recognized directly in the Consolidated Statement of Operations and Comprehensive Loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the Consolidated Statement of Operations and Comprehensive Loss. The Company has no held to maturity investments as at December 31, 2013.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the Consolidated Statement of Operations and Comprehensive Loss. The Company has no available-for-sale assets as at December 31, 2013.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial Liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was assumed. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the Consolidated Statement of Financial Position at fair value with changes in fair value recognized in the Consolidated Statement of Operations and Comprehensive Loss. The company has no derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term.

Other financial liabilities - This category includes promissory notes, amounts due to related parties and trade and other payables, all of which are measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition.

The Company derecognizes financial liabilities when the obligations are discharged, cancelled or expire.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company's financial instruments consist of the following:

Financial assets:	Classification:	Measurement:
Cash	Loans and receivables	Amortized cost
Sundry receivables	Loans and receivables	Amortized cost
Prepaid expenses and deposits	Loans and receivables	Amortized cost

Financial liabilities:	Classification:	Measurement:
Mortgages payable	Other financial liabilities	Amortized cost
Promissory notes payable	Other financial liabilities	Amortized cost
Accounts payable and other liabilities	Other financial liabilities	Amortized cost
Tenant deposits	Other financial liabilities	Amortized cost

Impairment of financial assets:

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been negatively impacted.

Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- the likelihood that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of a financial asset is reduced by any impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to income. Changes in the carrying amount of the allowance account are recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the Statement of Operations and Comprehensive Loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the reliability of the inputs 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).

As at December 31, 2013 and December 31, 2012, none of the Company's financial instruments are recorded at fair value on the statement of financial position.

Provisions

A provision is a liability of uncertain timing or amount. The Company records provisions when it has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Provisions are remeasured at each statement of financial position date using the current discount rate. The increase in the provision due to the passage of time is recognized as interest expense.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's consolidated 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 and liabilities, and the disclosure of contingent liabilities at the date of the financial statements, and income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(i) Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(1) Investment property

The Company's accounting policies relating to investment property are described under "Investment Property". In applying these policies, judgment is applied in determining whether certain costs are additions to the carrying amount of the property.

(2) Leases

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts with tenants as operating leases.

In applying this policy, the Company makes judgments with respect to the point in time at which revenue recognition under the lease commences.

(3) Income taxes

The Company follows the asset/liability method for calculating deferred income taxes. Tax interpretations, regulations and legislation in the various jurisdictions in which the Company operates are subject to change. As such, income taxes are subject to measurement uncertainty. Deferred income tax assets are assessed by management at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings. Assessing the recoverability of deferred income tax assets requires the Company to make significant estimates related to the expectations of future cash flows from operations and the application of existing tax laws in each jurisdiction.

(ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(1) Valuation of investment property

Estimates and assumptions used in the valuation of investment property are described in Note 4.

(2) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position or disclosed in the notes cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(3) Guarantees

The Company reviews its contingent liabilities relating to guarantees it provides to third parties. The Company's guarantees remain in place for certain debts guaranteed by third parties and will remain until such debts are extinguished or lenders agree to release the third parties' covenants.

(4) Deferred income taxes

The Company exercises judgment in estimating deferred tax assets and liabilities. Income tax laws may be subject to different interpretations and the income tax expense recorded by the Company reflects the Company's interpretation of the relevant tax laws. The Company is also required to estimate the timing of reversals of temporary differences between accounting and taxable income in determining the appropriate rate to apply in calculating deferred taxes.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting years beginning on or after January 1, 2014. Many are not applicable or do not have a significant impact to the Company and have been excluded from the table below. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

(i) IFRS 9 Financial instruments ("IFRS 9") is a partial replacement of IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets.

Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. 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, 2015.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) IAS 32 Financial Instruments: Presentation was amended to address inconsistencies in current practice when applying the offsetting criteria. The amendments clarify the meaning of ‘currently has a legally enforceable right of set-off’ and clarify that some gross settlement systems may be considered to net settlement. The amendment is effective for annual periods beginning on or after January 1, 2014. The adoption of this standard will not have a material impact on the Company’s consolidated financial statements.

(iii) IFRIC 21 Levies is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and establishes criteria for the recognition of a liability to pay levies imposed by governments, other than income taxes. The interpretation clarifies that the obligating event which give rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014.

Accounting Pronouncements Adopted

The following accounting pronouncements were adopted by the Company effective January 1, 2013 and had no material impact on the financial statements:

(i) IFRS 10 Consolidated Financial Statements (“IFRS 10”) requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under previous IFRS, consolidation was required when an entity had the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 *Consolidation – Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements.*

(ii) IFRS 11 Joint Arrangements (“IFRS 11”) requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures are accounted for using the equity method of accounting whereas for a joint operation the venture recognizes its share of the assets, liabilities, revenue and expenses of the joint operation. Under previous IFRS, entities had the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities – Non-monetary Contributions by Venturers*.

(iii) IFRS 12 Disclosure of Interests in Other Entities (“IFRS 12”) establishes disclosure requirements for interests in other entities, such as joint arrangements, associates special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity’s interests in other entities.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(iv) IFRS 13 Fair Value Measurement ("IFRS 13") is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under previous IFRS, guidance on measuring and disclosing fair value was dispersed among the specific standards requiring fair value measurements and in many cases did not reflect a clear measurement basis or consistent disclosures.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

4. INVESTMENT PROPERTY

	2013	2012
Balance, beginning of period	$ -	$ -
Acquisition	5,546,236	-
Balance, end of period	$ 5,546,236	$ -

The Company acquired the investment property on December 17, 2013 and determined the fair value of the investment property based on a third party appraisal valuation.

5. PREPAID EXPENSES AND DEPOSITS

	2013	2012
Prepaid insurance	$ 24,168	$ -
Prepaid due diligence costs	51,415	19,500
Deposit in trust	50,000	-
Total	$ 125,583	$ 19,500

Prepaid due diligence costs include costs related to a commercial real estate portfolio with a cost of approximately $100 million for which the Company has entered into an acquisition agreement and which subject to due diligence by the Company. The deposit which relates to the same property portfolio is refundable in the event the transaction does not close.

6. MORTGAGES PAYABLE

		2013	2012
First mortgage	- current	$ 83,364	$ -
	- non-current	3,746,636	-
Second mortgage	- current	450,000	-
		$ 4,280,000	$ -

The first mortgage bears interest at 4.03% and is payable in blended monthly payments of $20,209. The second mortgage bears interest at 6% and is payable including principal and accrued interest on June 17, 2014. Both mortgages are secured by the investment property. The first mortgage is guaranteed as to 25% by a director of the Company.

Scheduled annual principal repayments are as follows:

2014	$ 533,364
2015	94,488
2016	98,334
2017	102,337
2018	106,503
Thereafter	3,344,974
	$ 4,280,000

7. PROMISSORY NOTES PAYABLE

		2013	2012
Promissory note	(i)	$ 35,000	$ -
Promissory note	(i), (iii)	35,000	-
Promissory note	(i), (iii)	20,000	-
Promissory note	(ii),(iv)	1,064,700	-
		$ 1,154,700	$ -

(i) These promissory notes are unsecured, interest at 6% per annum and are due May 19, 2014.

(ii) This promissory note is unsecured, non-interest bearing and was due January 17, 2014. A payment of $5,000 was made to extend the due date until February 17, 2014. Interest at the rate of 18% per annum will accrue on the promissory note commencing February 1, 2014. A discount of $5,300 has been recorded against the liability. The Company repaid $535,000 subsequent to year end and the remaining amount is in default. See Note 14.

(iii) These promissory notes are payable to a related party. See note 13.

(iv) This promissory note is guaranteed by a director of the Company.

8. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value

Issued	**2013**	**2012**
Common Shares		
5,882,998 (2012 – 2,700,000)	$ 427,841	$ 202,500

During the year, the Company issued 3,182,998 common shares at $0.075 per share for cash proceeds of $238,725 and incurred share issue costs of $13,384.

During the prior period, the Company issued 800,000 common shares at $0.075 per share for cash proceeds of $60,000.

Stock options

The Company has established a stock option plan (the "Plan") for the benefit of directors, officers and employees of and consultants to the Company. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company at any time. Under the plan, the exercise price of each option equals the market price of the Company's stock, less an applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 5 years and vest at the discretion of the board of directors. The Company did not grant any stock options during the year ended December 31, 2013 or the period from August 1, 2012 to December 31, 2012.

9. INCOME TAXES

Provision for Income Taxes

The following table reconciles the expected income tax provision at the statutory income tax rate of 26.5% (2012 - 26.5%) to the amounts recognized in the statements of loss and comprehensive loss:

	2013	**2012**
Loss before income taxes	$ (190,124)	$ (14,559)
Expected income tax recovery at the statutory tax rate	(50,383)	(3,858)
Other	12,318	(399)
Benefit of tax losses not recognized	38,065	4,257
Income tax recovery	$ -	$ -

9. INCOME TAXES (continued)

The following temporary differences have not been recognized in the financial statements as it is management's opinion at this time, that it is not probable that sufficient taxable income will be available against which they can be utilized:

	2013	2012
Non-capital loss carry forwards	$ 194,216	$ 50,572
Tax deductible reserves	68,507	49,826
	$ 262,723	$ 100,398

Tax loss-carry-forwards

As at December 31, 2013 the Company had approximately $194,216 (2012 - $50,572) of non-capital losses which can be used to reduce taxable income in future years. The non-capital losses expire at dates as described below:

2031	$ 157
2032	35,856
2033	14,559
2034	143,644
	$ 194,216

10. RISK MANAGEMENT

In the normal course of business, the Company is exposed to a variety of risks that can affect its operating performance. These risks, and the actions taken to manage them, are as follows:

Credit risk

Credit risk arises from the possibility that tenants and/or debtors may experience financial difficulty and be unable or unwilling to fulfill their lease commitments or other obligations. The Company mitigates the risk of credit loss by investing in well-located properties in urban markets that attract quality tenants, ensuring that its tenant mix is well diversified, and by limiting its exposure to any one tenant. A tenant's success over the term of its lease and its ability to fulfill its lease obligations is subject to many factors. There can be no assurance that a tenant will be able to fulfill all of its existing commitments and leases up to the expiry date. The Company's exposure to credit risk is limited to the carrying amounts of its financial assets.

10. RISK MANAGEMENT (continued)

The Company's leases typically have lease terms between five and twenty years and may include clauses to enable periodic upward revision of the rental rates.

	2013
Within 1 year	$ 357,546
After 1 year, but not later than 5 years	1,364,489
More than 5 years	907,479
	$ 2,629,514

Interest rate risk

The Company attempts to structure its financings so as to stagger the maturities of its debt, thereby mitigating its exposure to interest rate and other credit market fluctuations. Interest represents a significant cost in financing the ownership of real property. Currently all of the Company's mortgages and promissory notes are fixed rate instruments. The Company's cash held in its bank account earns interest income at variable rates and is exposed to movements in interest rates.

Liquidity risk

Real estate investments are relatively illiquid. This will tend to limit the Company's ability to sell components of its portfolio promptly in response to changing economic or investment conditions. If the Company was required to quickly liquidate its assets, there is a risk that it would realize sale proceeds of less than the current value of its investment property.

An analysis of the Company's contractual maturities of its material financial liabilities is set out below:

	Payments by Period				
	2014	2015	2016	Thereafter	Total
Mortgages payable	$ 533,364	$ 192,822	$ 208,840	$ 3,344,974	$ 4,280,000
Promissory notes payable	1,160,000	-	-	-	1,160,000
Total	$ 1,693,364	$ 192,822	$ 208,840	$ 3,344,974	$ 5,440,000

In addition, the Company has contractual commitments with respect to its outstanding accounts payable and other liabilities and investment property.

The Company manages its liquidity risk by staggering debt maturities, holding cash reserves and issuing equity when considered appropriate.

11. CAPITAL MANAGEMENT

The Company manages its capital, taking into account the long-term business objectives of the Company, to provide stability and reduce risk while generating an acceptable return on investment over the long term to shareholders. The Company's capital structure currently includes share capital, mortgages and other term financings, which together provide the Company with financing flexibility to meet its capital needs. Primary uses of capital include acquisitions, capital improvements, leasing costs, and debt principal repayments. The actual level and type of future financings to fund these capital requirements will be determined based on prevailing interest rates, various costs of debt and/or equity capital, capital market conditions and management's general view of the required leverage in the business.

The Company periodically re-evaluates its overall financing and execution strategy to ensure the best access to available capital at the lowest possible cost.

The Company is not subject to externally imposed capital requirements.

The components of the Company's capital are set out in the following table:

December 31	**2013**	**2012**
Mortgages payable	$ 4,280,000	$ -
Promissory notes payable	1,154,700	-
Share capital	427,841	202,500
	$ 5,862,541	$ 202,500

12. COMMITMENTS AND CONTINGENCIES

The Company has agreed to indemnify a director who has personally guaranteed 25% of the first mortgage to a maximum of $957,500 and a promissory note in the amount of $1,070,000.

13. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

During the year, the Company paid $8,000 (2012 - $Nil) to a company controlled by the CFO of the Company for office rent, telephone, office supplies, and other overhead items.

13. RELATED PARTY TRANSACTIONS (continued)

During the year the CEO of the Company advanced $55,000 (2012 - $Nil) by way of promissory notes to the Company. The amount which bears interest at 6% per annum is included in Note 5.

During the year the Company accrued $1,272 (2012 - $Nil) as payment to the CEO for his personal guarantee of a promissory note and of 25% of the first mortgage.

Included in accounts payable and accrued liabilities is an amount of $1,551 (2012 - $Nil) with respect to accrued interest on the promissory notes and personal guarantees.

14. SUBSEQUENT EVENTS

On January 9, 2014, the Company engaged Mackie Research Capital Corporation ("Mackie") as agent pursuant to which the Company intends to raise up to $1,500,000 by issuing up to 15,000,000 units at $0.10 per unit, with a unit consisting of one common share and one common share purchase warrant exercisable at $0.12 per common share for a period of twelve months from the date of issue. The Company will pay Mackie a cash commission of 10% of the aggregate amount of capital raised plus compensation options equal to 10% of the aggregate proceeds. The compensation options are exercisable at $0.12 per common share for a period of twelve months from the date of issue.

On January 17, 2014, the Company paid $5,000 to the holder of one of the promissory notes disclosed in Note 6 to extend the due date of the promissory note to February 17, 2014.

On February 12, 2014, the Company entered into a letter of intent to acquire a 50% interest in a commercial real estate property in Guelph, Ontario. The purchase price for a 100% interest in the property is $2,500,000. The purchase price for a 50% interest will be satisfied by the assumption of an existing first mortgage and the issue of common shares of the Company at a deemed price of $0.10 per share. The transaction is a related party transaction as the vendor is the CEO of the Company.

On February 19, 2014, the Company by mutual agreement terminated the acquisition agreement whereby the Company would acquire a commercial real estate portfolio with a cost of approximately $100 million. As a result the Company received the deposit in trust in the amount of $50,000 as set out in Note 5.

14. SUBSEQUENT EVENTS (continued)

On February 20, 2014, the Company issued 4,900,000 units at $0.10 per unit for gross cash proceeds of $490,000. Each unit consists of one common share of the Company and one common share purchase warrant exercisable at $0.12 per share at any time within twelve months from the date of issue. The Company incurred cash commissions of $1,250 and issued 12,500 warrants as finder's fees.

On February 21, 2014, the Company repaid $535,000 of the promissory note with a face value of $1,070,000. In addition the Company negotiated an extension of the due date of the balance of the promissory note until March 17, 2014. In the event the balance of the promissory note was not paid on that date, the holder of the note could require the Company to transfer a 50% interest in the investment property to the holder of the note, and the holder of the note would in turn assume 50% of the liability for the first mortgage.

The Company did not make the payment due on March 17, 2014 in the amount of $535,000 and the holder of the note opted not to acquire a 50% interest in the property, but instead initiated legal proceedings for payment of the amount outstanding under the note.

The Company has filed a statement of defense with respect to the claim and is negotiating with several sources of financing to repay the note.