Nurcapital Corporation Ltd.
Financial Statements

For the year ended December 31, 2016
and the period from January 8, 2015 (date of incorporation) to December 31, 2015

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Independent Auditors' Report

To the Shareholders of Nurcapital Corporation Ltd.:

We have audited the accompanying financial statements of Nurcapital Corporation Ltd., which comprise the statements of financial position as at December 31, 2016 and December 31, 2015, and the statements of loss and comprehensive loss, changes in equity and cash flows for the year ended December 31, 2016 and for the period from January 8, 2015 (date of incorporation) to December 31, 2015, 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 financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 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 financial statements present fairly, in all material respects, the financial position of Nurcapital Corporation Ltd. as at December 31, 2016 and December 31, 2015 and its financial performance and its cash flows for the year ended December 31, 2016 and the period from January 8, 2015 (date of incorporation) to December 31, 2016 in accordance with International Financial Reporting Standards.

MNP LLP

Toronto, Ontario
April 28, 2017

Chartered Professional Accountants

Licensed Public Accountants

Statements of Financial Position
(in Canadian Dollars)

As At December 31,		2016		2015
Assets				
Current assets				
Cash (note 7)	**$**	**465,324**	**$**	62,238
Harmonized sales tax receivable		**14,884**		-
		480,208		62,238
Deferred financing costs (*notes 3 and 7)*		-		49,485
	$	**480,208**	**$**	111,723
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities *(note 7)*	**$**	**36,815**	**$**	48,857
Shareholders' equity				
Share capital *(note 3)*		**532,310**		105,000
Contributed surplus *(note 3)*		**45,500**		-
Deficit		**(134,417)**		(42,134)
		443,393		62,866
	$	**480,208**	**$**	111,723

Nature of Operations *(note 1)*

Proposed Qualifying Transaction *(note 8)*

Approved by the Board

Signed: "Salim Ansari"

Director

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

MNP LLP

Statements of Loss and Comprehensive loss
(in Canadian Dollars)

	Year ended December 31, 2016	January 8, 2015 (from the date of incorporation) to December 31, 2015
Expenses		
Professional fee and listing fee (note 7)	**54,853**	42,134
Stock based compensation	**36,200**	-
General and administrative	**1,230**	-
Net loss and comprehensive loss	**$ (92,283)**	$ (42,134)
Basic and diluted loss per share	**$ (0.03)**	$ (0.04)
Weighted average number of shares outstanding	**3,368,161**	1,050,000

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

Statements of Changes in Equity
(in Canadian Dollars)

	Share Capital				
	Number of Shares	**Amount**	**Contributed surplus**	**Deficit**	**Total**
Balance, January 8, 2015 (Date of incorporation)		$	$ -	$ -	$ -
Issuance of common shares	1,050,000	105,000	--	-	105,000
Net and comprehensive loss for the period	-	-	-	(42,134)	(42,134)
Balance, December 31, 2015	**1,050,000**	**$ 105,000**	**$ -**	**$ (42,134)**	**$ 62,866**
Issuance of common shares	**2,694,500**	**538,900 -**	**-**	**538,900**	
Share issuance costs		**(111,590)**	**9,300**	**-**	**(102,290)**
Stock-based compensation			**36,200**	**-**	**36,200**
Net and comprehensive loss for the year		**-**	**-**	**(92,283)**	**(92,283)**
Balance, December 31, 2016	**3,744,500**	**$ 532,310**	**$ 45,500**	**$ (134,417)**	**$ 443,393**

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

Statements of Cash Flows
(in Canadian Dollars)

	Year ended December 31, 2016	From January 8, 2015 (from the date of incorporation) to December 31, 2015
Cash flows from operating activities:		
Loss before income taxes	**$ (92,283)**	$ (42,134)
Adjustments:		
Stock based compensation	**36,200**	-
Net change in non-cash working capital:		
Harmonized sales tax receivable	**(14,884)**	-
Increase (decrease) in accounts payable and accrued liabilities	**(12,042)**	16,322
Net cash generated from (used in) operating activities	**(83,009)**	(25,812)
Cash flows from financing activities:		
Proceeds from issuance of shares, net of issuance costs	**486,095**	88,050
Net cash generated from financing activities	**486,095**	88,050
Net increase in cash	**403,086**	62,238
Cash at beginning of period	**62,238**	-
Cash at end of period	**$ 465,324**	$ 62,238

The accompanying notes are an integral part of these financial statements

1. Nature of Operations

Nurcapital Corporation Ltd. ("the Corporation" or "the Company") was incorporated under the *Business Corporations Act of Ontario* on January 8, 2015 and is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange") corporate finance manual. The Corporation has no assets other than cash. The Corporation proposes to identify and evaluate potential acquisitions or businesses, and once identified and evaluated, to negotiate an acquisition or participation with a view to completing a Qualifying Transaction (the "Qualifying Transaction"), as defined in the policies of the Exchange.

As a Capital Pool Company, the proceeds raised by the Corporation from the issuance of common shares may only be used to identify and evaluate assets or business for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the sale of securities issued by the Corporation and $105,000 may be used to cover prescribed costs of issuing common shares or administrative and general expenditures of the Corporation. These restrictions apply until the completion of a Qualifying Transaction by the Corporation as defined under the policies of the Exchange.

The Corporation's continuing operations are dependent upon its ability to evaluate and negotiate an agreement to acquire an interest in a material asset or business within twenty-four months of listing on the Exchange. Where an acquisition or participation is warranted, additional funding may be required. The ability of the Corporation to fund its potential future operations and commitments is dependent upon its ability to obtain additional financing. Such an acquisition will be subject to regulatory approval and, if required, shareholder approval. As disclosed in note 8, the Corporation has entered into a letter of intent with Nurreal Capital Corporation to complete its Qualifying Transaction.

The head office and the registered head office of the Corporation is located at 1 Adelaide Street, Suite 801, Toronto, Ontario, M5C 2V9.

On April 28, 2017, the Board of Directors approved the financial statements for issuance.

2. Summary of Significant Accounting Policies

Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on an accruals 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, which is the Corporation's functional and presentation currency.

2. Summary of Significant Accounting Policies - continued

Use of Estimates and Judgment

The preparation of these financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Estimates and assumptions in these financial statements relate primarily to the assumptions used in determining the value of warrants and stock options. Actual results could differ from these estimates.

Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Corporation intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred income tax assets and liabilities are presented as non-current.

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Basic and Diluted Loss per Share

Basic loss per share is computed by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted.

2. Summary of Significant Accounting Policies – continued

Financial instruments

Financial assets

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

Fair value through profit or loss - this category comprises derivatives, or assets acquired principally for the purpose of being resold in the near term. They are carried on the statement of financial position at fair value with changes in fair value recognized in profit or 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 Corporation's management has the 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 profit or loss.

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 profit or loss

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 the future cash flows from a financial asset or a group of financial assets have been negatively impacted. Different criteria to determine impairment are applied for each category of financial assets described above.

The Corporation has classified its cash as financial assets at fair value through profit and loss.

2. Summary of Significant Accounting Policies – continued

Financial instruments - continued

Financial liabilities

The Corporation classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Corporation'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 in the near term. They are carried on the statement of financial position at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities - this category includes accounts payables and accrued liabilities, which are recognized at amortized cost.

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).

As of December 31, 2016 and 2015, cash is measured at fair value and is classified within Level 1 of the fair value hierarchy on the statements of financial position.

Accounting standards issued but not yet applied

The Corporation has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. In the current circumstances, it does not expect any of these to have a material impact on the financial statements.

(in Canadian Dollars)

3. Share Capital

Authorized

Unlimited	Common shares

Issued and Outstanding

3,744,500	Common shares

On January 8, 2015 the Corporation issued 1,050,000 common shares, at a price of $0.10 per share for gross proceeds of $105,000.

On February 2, 2016 the Corporation completed its initial public offering by issuing 2,208,500 common shares at a price of $0.20 per share, for gross proceeds of $441,700. The Company also granted incentive stock options to its five officers and directors to acquire a total of 220,850 common shares. The options may be exercised for a period of ten years at a price of $0.20 per share. All Group Financial Services Inc. ("All Group") acted as the agent for the initial public offering. In connection with the offering the Corporation granted All Group warrants to acquire 88,340 common shares at a price of $0.20 per share, paid All Group a commission of $17,668 (4% of the gross proceeds of the offering) and a corporate finance fee of $15,000. The warrants may be exercised for a period of 24 months from the date of listing of the common shares on the Exchange. The agent's warrants were valued at $9,300 on the date of issue at using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1.11%, expected volatility of 100% and an expected life of two years.

On May 18, 2016 the Corporation completed a non-brokered private placement financing by issuing 486,000 common shares at a price of $0.20 per share, for gross proceeds of $97,200. No financing cost was incurred for this financing.

As at December 31, 2015 the Corporation had incurred $49,485 in costs directly related to the initial public offering. These costs were classified as deferred financing costs on the statement of financial position as at December 31, 2015. Upon the completion of the Corporation's initial public offering on February 2, 2016, share issuance costs of $111,590 include these costs which were charged to share capital.

Escrow Shares

1,050,000 common shares will be subject to an Escrow Agreement pursuant to the requirements of the Exchange. Under the terms of the Escrow Agreement, these shares will be held in escrow and released as to 10% thereof on the completion of the Corporation's Qualifying Transaction, as defined in the policies of the Exchange, and as to 15% thereof on each of the 6th, 12th, 18th, 24th, 30th and 36th months following the initial release.

All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a Qualifying Transaction must also be deposited in escrow until the Final Exchange Bulletin is issued.

All common shares of the Corporation acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be escrowed.

(in Canadian Dollars)

3. Share Capital - continued

Stock Options

On February 2, 2016 the Corporation granted incentive stock options to its five officers and directors to acquire a total of 220,850 common shares. The options may be exercised for a period of ten years at a price of $0.20 per share. The options were valued at $36,200 on the date of issue at using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1 %, expected volatility of 100% and an expected life of ten years

4. Income Taxes

A reconciliation of combined federal and provincial corporate income taxes at statutory rates (26.5%) to the Corporation's effective income tax expense is as follows:

	December 31, 2016	For the period from January 8, 2015 (date of incorporation) to December 31, 2015
Net loss	**$ (92,283)**	$ (42,134)
Expected income tax recovery	**24,500**	11,166
Tax rate changes and other adjustments	**(24,500)**	(11,166)
Income tax recovery	$ -	$ -

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following item:

Non-capital loss carry forward expiring in		
2035	**$ 42,134**	
2036		**$ 92,283**

The non-capital losses can be carried forward twenty years to be applied against future taxable income. Deferred tax assets have not been recognized in respect of this item because it is not probable that future taxable profit will be available against which Corporation can utilize the benefits therefrom.

5. Financial Instruments

Fair Values

At December 31, 2016 and 2015, the Corporation's financial instruments consist of cash, harmonized sales tax receivable and accounts payable and accrued liabilities. The fair value of these financial instruments approximates its carrying value due to the relatively short-term maturity of this instrument.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfil its payment obligations. Financial instruments that potentially subject the Corporation to concentrations of credit risk consist of cash held in trust.

Interest Rate Risk

The Corporation is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation currently settles its financial obligations out of cash. The ability to do this relies on the Corporation raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

6. Capital Management

The Corporation's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Corporation's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets. The Corporation does not have any externally imposed capital requirements to which it is subject. The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares.

7. Related Party Balances and Transactions

Included in cash is $443,104 (December 31, 2015 - $39,722) held in trust in an account at a law firm where a partner is also a Board member of the Corporation.

As part of the initial public offering the Company incurred fees to the law firm in the amount of $45,500. These fees have been recorded as share issuance costs in the amount of $45,000 as a reduction of share capital, and $500 of these fees have been recorded as general and administrative expenses in the year ended December 31, 2016. The Corporation paid $39,565 during the year of professional fees to a law firm where a partner is a also a Board Member of the Corporation. The Corporation incurred deferred financing costs of $32,535 from this law firm during the period ended December 31, 2015.

8. Proposed Qualifying Transaction

On November 1, 2016, the Company entered into a letter of intent (the "LOI") with Nurreal Capital Corporation ("Nurreal") to acquire from Nurreal a 50% of the issued and outstanding common shares of Erindale Village Living Inc. ("EVLI") and 2,000,0000 preferred shares of EVLI, which owns a condominium project presently called EV Royale Condo Residences (the "Project"). The LOI will be superseded by definitive documentation between the Company and Nurreal that includes customary representations, warranties conditions and covenants for transactions of this nature. Subject to the approval of the Exchange, this proposed transaction will constitute the Company's Qualifying Transaction (the "QT") under Exchange Policy 2.4 – Capital Pool Companies (the "CPC Policy"). The Company intends to list its common shares on the Exchange as a Tier 2 Investment Issuer upon completion of the proposed QT.

Pursuant to the LOI, Nurreal will sell its ownership interest of EVLI, which owns the Project. For the QT, the Company will acquire from Nurreal a 50% of the issued and outstanding common shares of EVLI and 2,000,0000 preferred shares of EVLI, in consideration for 9,900,0000 common shares, based on an appraised value of $2,475,000 for Nurreal's equity interest of EVLI at $0.25 per common share.

Upon completion of the QT, the Company will have 2,000,0000 preferred shares of EVLI, which are entitled to preferential redemption by EVLI for $2,000,000.00 before any profits are dispersed, and 50% of the issued and outstanding common shares of EVLI. Pursuant to a unanimous shareholders agreement with the other shareholders of EVLI, the Company will have decision making authority over EVLI and the Project.

Completion of the QT is subject to completion and execution of all definitive transaction documents (including accuracy of representations and warranties, compliance of covenants and satisfaction of customary conditions) and receipt of all requisite approvals and consents for the QT including without limitation completion of due diligence by the Company, approval by the Exchange for the QT, approval by the board of directors and by the shareholders of the Company, as well as receipt of all other necessary regulatory, corporate and third party approvals and other conditions precedent customary for a transaction such as the proposed QT. There can be no assurance that the proposed QT will be completed as proposed or at all.

Nurreal and the Corporation are related as a result of officers and directors in common and these officers and directors of the Company directly and indirectly, own and control all the issued and outstanding shares of Nurreal. Accordingly, the proposed QT constitutes a "Non-Arm's Length Qualifying Transaction" within the meaning of Exchange Policy 2.4 and, as such, Majority of the Minority Approval (as defined in Exchange Policy 2.4) is required to approve the proposed QT.