Walmer Capital Corp.

(a capital pool corporation)

Unaudited Financial Statements

(Expressed in Canadian dollars)

As at and for the 9 months ended September 30, 2016 and 2015

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Walmer Capital Corp. (the "Company") are the responsibility of management and have been approved by the Board of Directors of the Company.

The financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards as disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the Statement of Financial Position date. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards appropriate in the circumstances.

The Board of Directors is responsible for reviewing and approving the 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 internal controls over the financial reporting process. The Audit Committee meets with management as well as with the independent auditors to review the financial statements and the auditors' report. The Audit Committee also reviews the Annual Report to ensure that the financial information reported therein is consistent with the information presented in the financial statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the 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.

“James (Jay) Richardson”

President and Chief Financial Officer

Walmer Capital Corp.

(a capital pool corporation)

Statements of Financial Position

December 31, 2015 and September 30, 2016

(Expressed in Canadian dollars)

(unaudited)

	December 31, 2015		September 30, 2016
Assets			
Current assets			
Cash	$ 31,903		$ 628
HST recoverable	10,287		12,144
	$ 42,190		$ 12,772
Liabilities			
Current liabilities			
Trade and other payables	$ 18,250		$ 4,450
Shareholders' Equity			
Share capital (note 4)	240,726		240,726
Warrants (note 4)	15,794		15,794
Contributed surplus (note 4)	31,065		31,065
Deficit	(263,645)		(279,263)
	23,940		8,322
	$ 42,190		$ 12,772

See accompanying notes to the financial statements.

Approved on behalf of the Board on November 29, 2016:

Signed "Jay Richardson"

Director

Signed "Peter Andrews"

Director

Walmer Capital Corp.

(a capital pool corporation)

Condensed Interim Statements of Loss and Comprehensive Loss

September 30, 2016 and 2015

(Expressed in Canadian dollars)

(unaudited)

	2016	2016	2015	2015
	3 months	*9 months*	*3 months*	*9 months*
Expenses				
Property acquisition costs	-	-	$ -	$ 39,000
Professional fees	$ 8,063	$ 15,619	26,534	$ 36,837
Net loss and comprehensive loss	$ 8,063	$ 15,619	$ 26,534	$ 75,837
Basic and diluted loss per share (note3(d))	$ (0.002)	$ (0.004)	$ (0.007)	$ (0.019)

See accompanying notes to the financial statements.

Walmer Capital Corp.

(a capital pool corporation)

Statements of Changes in Equity

Nine months ended September 30, 2016

(Expressed in Canadian dollars)

(unaudited)

	Number of Common Shares	Share Capital Stated Value	Warrants	Contributed Surplus	Deficit	Total Equity
Balance at January 1, 2015	4,000,000	$ 240,726	$ 15,794	$ 31,065	$ (167,205)	$ 120,380
Comprehensive loss	-	-	-	-	96,440	96,440
Balance at December 31, 2015	4,000,000	$ 240,726	$ 15,794	$ 31,065	$ (263,645)	$ 23,940
Comprehensive loss					15,619	15,619
Balance at September 30, 2016	4,000,000	$ 240,726	$ 15,794	$ 31,065	$ (279,264)	$ 8,321

See accompanying notes to the financial statements.

Walmer Capital Corp.

(a capital pool corporation)

Statements of Cash Flows

September 30, 2016 and 2015

(Expressed in Canadian dollars)

(unaudited)

	2016		2015
Operating activities			
Comprehensive loss	$ (15,619)		$ (75,837)
Changes in non−cash working capital items:			
HST recoverable	(1,856)		(7,326)
Trade and other payables	(13,800)		(44,300)
	(15,656)		(51,626)
Cash outflows	(31,275)		(127,463)
Cash, beginning of year	31,903		169,106
Cash, end of quarter	$ 628		$ 41,643

See accompanying notes to the financial statements.

1. General Business Description and Going Concern

Walmer Capital Corp. (the "Corporation"), was incorporated under the *Business Corporations Act* (Alberta) on June 27, 2011, and is classified as a Capital Pool Corporation ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange Inc. (the "Exchange). The Corporation has no significant assets other than cash and proposes to identify and evaluate potential acquisitions or businesses with a view to completing a Qualifying Transaction, as defined in the Exchange policy 2.4.

There is no assurance that the Corporation will identify a Qualifying Transaction within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or delist the Corporation's shares from trading. The 24 month time period to announce a Qualifying Transaction expired on May 8, 2014. On April 1, 2014, the Corporation entered into a Letter of Intent for its prospective Qualifying Transaction and on May 8, 2014 issued a Comprehensive Press Release conforming to Exchange policies to publish this news (note 7). This Qualifying Transaction has been terminated subsequent to that year end and a new Qualifying Transaction was entered into and Comprehensive Press Release issued March 26, 2015. This proposed Qualifying Transaction has also been terminated subsequent to the year ended December 31, 2015. The corporation announced a new Qualifying Transaction by way of Comprehensive Press Release on August 17, 2016, as filed on SEDAR. This and other important documents may be viewed at www.sedar.com.

The Company has not generated revenue to date. This condition raises material uncertainty which may cast substantial doubt about the ability of the Company to continue as a going concern. The financial statements do not contain any of the adjustments that would be necessary to reflect the possible future effects upon the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of the uncertainty.

The address, and principal place of business of the Corporation is 15th Floor, 850 - 2nd Avenue SW, Calgary, Alberta, T2P 0R8.

2. Basis of Preparation

(a) Statement of compliance

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

The financial statements were authorized for issue by the Board of Directors on November 29, 2016.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

(i) derivative financial instruments, if any, are measured at fair value; and
(ii) held-for-trading financial assets are measured at fair value with changes in fair value recorded in earnings.

The methods used to measure fair values are discussed in note 6.

2. Basis of Preparation (Continued)

(c) Functional and presentation currency

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

(d) Adoption of new and revised standards and interpretations

At the date of authorization of these financial statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted. However, the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2018. The Company has yet to evaluate the impact of the new standard.

3. Significant Accounting Policies

(a) Share-based payments

The Company's directors have previously received their only remuneration in the form of share-based payment transactions, whereby they render services as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment.

The costs of equity-settled transactions are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant individuals become fully entitled to the award ("the vesting date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflecting the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in the share based-payments reserve.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are

3. Significant Accounting Policies (Continued)

satisfied.

(a) Share-based payments (Continued)

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional dilution in the computation of earnings per share.

(b) Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose

Deferred income tax assets are recognized for all deductible temporary differences and carry forward of unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized, except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. The temporary differences of the Company relate to non-capital losses carry-forward and deferred share issuance costs. As the Company does not expect to become profitable in the foreseeable future, no deferred tax asset has been recorded.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

3. Significant Accounting Policies (Continued)

(c) Valuation of equity instruments

The Company has adopted the residual method with respect to the measurement of common shares and warrants issued as private placement units or initial public offering units. Warrants attached to units are valued based on the fair value of the warrants using the Black-Scholes option pricing model and the share price at the time of financing, and the difference between the proceeds raised and the value assigned to the warrants is the residual fair value of the shares.

The proceeds from the issue of units are allocated between share capital and reserve for warrants. If and when the warrants are exercised, the applicable amounts of reserve for warrants are transferred to capital stock. Consideration paid on the exercise of the warrants is credited to capital stock. All warrants issued to Brokers have expired throughout the previous fiscal year.

(d) Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year. The diluted loss per share amounts are calculated by dividing net loss attributable to common shareholders by the weighted average number of shares outstanding during the year plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential of warrants and options into common shares. During the quarters ended June 30, 2016 and 2015, shares issuable on exercise of all the outstanding stock options and warrants were not included in the computation of diluted loss per share as the effect would have been anti-dilutive.

(e) Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans-and-receivables or at fair value through profit or loss (“FVTPL”).

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through the statement of comprehensive loss. The Company’s cash is classified as FVTPL.

(f) Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as either FVTPL or other-financial-liabilities.

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. The Company’s trade and other payables are classified as other-financial-liabilities.

(g) Use of estimates and judgments

The preparation of these 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, liabilities, income and expenses. Actual results may differ from these estimates.

3. Significant Accounting Policies (Continued)

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Judgments made by management that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed below. The most significant estimates relate to, but are not limited to, the following:

- Assessment of the going concern presumption as detailed in Note 1 to the financial statements;

- The calculation of the fair value of share-based payments and equity settled transactions requires the use of estimates of inputs in the Black-Scholes option pricing valuation model;

4. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the completion of a qualifying transaction as it continues as a going concern. The Board of Directors does not establish quantitative return on capital criteria for management as this form of measure is irrelevant to the effective management of capital for a capital pool company at the initial stage of operations. Instead, the Board relies on the expertise of the Company’s management to sustain future development of the business. The Corporation's policy when managing capital is to maintain a strong capital base for the objectives of maintaining financial flexibility, creditor and market confidence and to sustain the future development of the business. The Corporation includes only shareholders' equity in its definition of capital.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size and stage of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the quarter ended September 30, 2016. The Company is not subject to externally imposed capital requirements.

5. Financial Instruments and Risk Management

The Corporation’s activities expose it to a variety of financial risks including credit risk and liquidity risk. This note presents information about the Corporation’s exposure to each of the above risks, the Corporation’s objectives, policies and processes for measuring and managing risk, and the Corporation’s management of capital. Further quantitative disclosures are included throughout these financial statements. The Corporation employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Corporation’s business objectives and risk tolerance levels. While the Board of Directors has the overall responsibility for the Corporation’s risk management framework, the Corporation’s management has the responsibility to administer and monitor these risks.

(a) Credit risk

Credit risk is the risk of financial loss to the Corporation if a counterparty fails to discharge its obligations.

The financial instruments that potentially subject the Corporation to a significant concentration of credit risk consist primarily of cash. The Corporation mitigates its exposure to credit loss by maintaining its cash in its legal counsel's trust account.

(b) Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities as they become due. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking harm to the Corporation's reputation.

(c) Fair values

The fair value of the Corporation's accounts payable and accrued liabilities approximates its carrying value because of the short-term nature of this financial instrument. Currently the Corporation is not involved in any hedging activities.

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - reflects valuation based on quoted prices observed in active markets for identical assets or liabilities.

Level 2 -- reflects valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for the instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - reflects valuation techniques with significant unobservable market inputs.

A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The financial instrument in the Corporation's financial statements measured at Level 1 fair value is cash.

6. Trade and Other Payables

Trade and other payables of the Company are substantially all comprised of amounts outstanding for professional services related to their annual audit and legal fees surrounding the Qualifying Transaction. The usual credit period taken for trade payables is between 30 and 90 days.

7. Share Capital

(a) Authorized

Unlimited Common shares without par value.

Unlimited Preferred shares that are non-voting, subject to non-cumulative dividends at a rate set by the Board at the time of their issuance, redeemable at paid-up capital at both the holder's and Company's option.

(b) Issued - 4,000,000 common shares

2,000,000 common shares were held in escrow pending completion of the Qualifying Transaction. As a result of not completing a Qualifying Transaction within the 24 month time period, on August 7, 2014, one million shares held in escrow on behalf of Founders were cancelled (effectively re-pricing their remaining one million shares to $0.10 per share, the same price as that paid by the IPO shareholders and reducing the earlier 5,000,000 shares issued to 4,000,000 shares issued). 1,000,000 shares are now held in escrow.

(c) Share Option Plan

The Corporation has a share option plan pursuant to which the Board of Directors of the Corporation may grant options to purchase common shares to the officers, directors and technical consultants of the Corporation.

The aggregate number of common shares reserved for issuance under the share option plan is set at a maximum of 10% of the total number of shares issued and outstanding at the time the options are granted. Furthermore, the aggregate number of options of shares issuable to one optionee other than a technical consultant in any 12 month period shall not exceed 5% of the total issued and outstanding common shares of the Corporation. The aggregate number of options of shares issuable to a technical consultant in any 12 month period shall not exceed 2% of the total issued and outstanding common shares of the Corporation. The exercise price of all options issued under the share option plan may not be less than the closing market price on the Exchange on the last business day prior to the date the option was granted.

A summary of the status of the Corporation's share options as at September 30, 2016 and 2015 is as follows:

(Expressed in Canadian Dollars)

7. Share Capital (Continued)

(c) Share Option Plan (Continued)

	Number of Options	**Weighted Average Exercise Price**
As at September 30, 2016 and 2015	500,000	$ 0.10

The options outstanding at September 30, 2016 have a remaining contractual life of 5.59 years (2015 – 6.59 years).

(d) Loss per common share

Loss per common share is calculated based on the basic and diluted number of common shares outstanding at the quarter-end September 30, 2016 of 4,000,000 (2015 - 4,000,000). The effect of all potential share option and warrant exercises has been excluded from the diluted calculations as there were no in-the-money options outstanding at September 30 2016 and 2015, and the effect would be anti-dilutive.

8 Income Taxes

(a) Provision for Income Taxes

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rate is as follows:

For the year ended December 31,	**2014**	2015
	$	$
Loss before income taxes	**(73,741)**	(96,440)
Combined statutory rate	**25%**	25%
	(18,400)	(24,110)
Share issuance costs	**(7,200)**	(7,200)
Change in valuation allowance	**25,600**	31,310
Balance	-	-

The Canadian statutory income tax rate of 25% (2014 – 25%) is comprised of the federal income tax rate at approximately 15.00% (2014 – 15%) and the provincial income tax rate of approximately 10% (2014– 10%). The effect of the additional loss in the first nine months is to increase the value of the loss carry forward and corresponding valuation allowance by approximately $3,900.

(Expressed in Canadian Dollars)

8. Income Taxes (Continued)

The unamortized balance, for income tax purposes, of the share issuance fees amounts to approximately $21,093 (2014 - $49,893) and will be deductible in Canada over the next year.

(b) Tax Loss Carry-forwards

The Company has accumulated non-capital losses of $355,000, which may be deducted in the calculation of taxable income in future years. The losses expire from 2031 to 2035.

(c) Deferred Tax Balances

The deferred income tax asset is compromised of the following temporary differences:

As at December 31,	**2014**	2015
Non-capital loss carry forwards	**57,400**	89,000
Unamortized financing costs	**12,500**	5,000
Valuation allowance	**(69,900)**	(94,000)
	$ -	$ -

9. Subsequent Events

The Corporation has announced its Qualifying Transaction by way of a Comprehensive Press Release on August 17, 2016 and expects to be able to announce the Closing of the Qualifying Transaction and the raising of additional equity capital by the end of December 2016. The issue of 8,000,000 Flow Through shares at a price of $0.05 per share for total proceeds of $400,000 and of 10,000,000 Subscription Receipts for Units of the Company, each Unit to consist of one share and one half warrant, each whole warrant being exercisable for the purchase of a further share of the Company at a price of $0.10 for a period of 18 months from Issue, which Issue Date is expected to be later in December to coincide with the Closing of the Company's Qualifying Transaction, is expected to Close on Dec. 1, 2016.

Pursuant to this Transaction, First Republic Capital Corp. will receive $90,000 in fees and be granted 1,800,000 Broker Warrants to purchase Units at $0.05 per Unit for a period of 24 Months.

The Corporation has also announced the intention to change its name to EnerSpar Corp. and anticipates a corresponding change of symbol if, as and when it is readmitted to trading on the TSX Venture Exchange.