

Colson Capital Corp.
(A Capital Pool Company)
Condensed Interim Financial Statements
For the six months ended June 30, 2017
(expressed in Canadian dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, "Continuous Disclosure Obligations", Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements a notice indicating that the financial statements have not been reviewed by an auditor must accompany the interim financial statements.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by management and are the responsibility of the Company's management. The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity's auditors.

Colson Capital Corp.
Condensed Interim Statements of Financial Position

As at:

	June 30, 2017 (Unaudited)		December 31, 2016 (Audited)
Assets			
Current			
Cash (Note 4)	\$ 69,956	\$	57,393
Deferred financing costs	66,284		65,588
Total Assets	\$ 136,240	\$	122,981
Liabilities			
Current			
Accounts payable and accrued liabilities	\$ 16,240	\$	22,981
Total Liabilities	\$ 16,240	\$	22,981
Shareholders' Equity			
Share Capital (Note 5)	\$ 120,000	\$	100,000
Total Liabilities and Shareholders' Equity	\$ 136,240	\$	122,981

Nature of operations (Note 1)

Approved on behalf of the Board:

"signed" Michael Doyle

Director

"signed" Murray Moore

Director

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

Colson Capital Corp.
Condensed Interim Statement of Changes in Shareholders' Equity

	Common Shares (#)	Share Capital (\$)	Deficit (\$)	Shareholders' Equity (\$)
Balance, December 31, 2015	-	-	-	-
Share issuance	-	-	-	-
Balance, June 30, 2016	-	-	-	-
 Balance, December 31, 2016	 2,000,000	 100,000	 -	 100,000
Share issuance	400,000	20,000	-	20,000
Balance, June 30, 2017	2,400,000	120,000	-	120,000

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

Colson Capital Corp.
Condensed Interim Statements of Cash Flows
For the six months ended June 30,

	2017	2016
Cash flows related to the following activities		
Operating activities		
Net loss for the period	\$ -	\$ -
Change in non-cash working capital	-	-
Cash flows used in operating activities	-	-
Financing activities		
Issuance of common shares	20,000	-
Payment of deferred financing costs	(7,417)	-
Cash flows from financing activities	12,583	-
Change in cash	12,583	-
Cash, beginning of period	57,393	-
Cash, end of period	\$ 69,956	\$ -

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

1. Incorporation and operations

Colson Capital Corp. (the "Company") was incorporated on September 4, 2014 by Certificate of incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta). The Company is classified as a Capital Pool Corporation ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Company is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising of an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a qualifying transaction under the Exchange rules. The head office and registered office of the Company is located at 1900, 520 3rd Avenue SW Calgary, Alberta, T2P 0R3.

Where an acquisition or participation is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. See also Note 8 below.

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Company's shares from trading.

The condensed interim financial statements of the Company as at and for the nine months ended June 30, 2017 were authorized for issue in accordance with a resolution of the directors on August 18, 2017.

2. Basis of preparation

Statement of compliance

The condensed interim financial statements for the six months ended June 30, 2017 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), including IAS 34 Interim Financial Reporting. These condensed unaudited interim financial statements have been prepared following the same accounting principles and application methods as disclosed in the Company's annual audited financial statements for the year ended December 31, 2016. These financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's December 31, 2016 annual financial statements.

Basis of measurement

These financial statements are stated in Canadian dollars, which is the Company's functional currency, and were prepared on a going concern basis, under the historical cost convention.

3. Significant accounting policies

Cash in trust

Cash consists of the proceeds generated on the issuance of common shares, which is being held in trust.

Earnings or loss per share

Basic earnings or loss per share is calculated by dividing net earnings (loss) by weighted number of Common shares outstanding during the period. The weighted average number of Common shares outstanding is calculated by adjusting the shares issued at the beginning of the period by the number of shares bought back or issued during the period, multiplied by a time-weighting factor.

Diluted earnings or loss per share is calculated by adjusting the number of Common shares for the effects of dilutive options and other dilutive potential units. All options are considered non-dilutive when the Company is in a loss position.

Shares held in escrow that are only released upon contingent events are not included in the calculation of the weighted average number of common shares.

3. Significant accounting policies *(continued from previous page)*

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the financial statements are as follows:

Fair value of financial instruments

The estimated fair value of financial assets and liabilities, by their nature, are subject to measurement uncertainty.

Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on qualitative assessment and relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Recent accounting pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC"). The standard impacted that is applicable to the Company is as follows:

- i.) IFRS 9, 'Financial Instruments', replaces IAS 39, Financial Instruments: Recognition and Measurement, and is effective for annual periods beginning on or after January 1, 2018. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in IAS 39. Pursuant to IFRS 9, an entity choosing to measure a liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than in the profit or loss. New requirements for the derecognition of financial instruments, impairment and hedge accounting are expected to be added to IFRS 9. The Company is currently assessing the impact of this standard.

4. Cash in trust

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds and \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions may apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange.

5. Share capital

Authorized

Unlimited number of voting Common Shares
 Unlimited number of non-voting Preferred shares issuable in series

Issued Common Shares

	Number of Shares	\$
At incorporation	1	-
Issued for cash at \$0.05 per share	2,399,999	120,000
As at June 30, 2017	2,400,000	120,000

During the year ended December 31, 2016, the Company issued 2,000,000 Common Shares to directors of the Company at a price of \$0.05 per share. An additional 400,000 Common Shares were issued in the period ended June 30, 2017. All 2,400,000 Common Shares are subject to an escrow agreement.

Escrow

The Company has 2,400,000 Common Shares subject to an escrow agreement whereby 10% of the shares will be released from escrow upon the issuance of the Final Exchange Bulletin. An additional 15% of the escrowed Common Shares will be released on each six month anniversary thereafter unless otherwise permitted by the Exchange. Common Shares issued upon the exercise of options held by officers and directors are subject to the same escrow conditions. Common Shares issued upon the exercise of the Agent's options are restricted such that only 50% of the issued shares on exercise of such options may be sold prior to the Company completing a Qualifying Transaction. These 2,400,000 shares, which are considered contingently issuable until the Company completes a Qualifying Transaction, are not considered to be outstanding for the purpose of loss per share calculation.

Stock options

The Company has adopted an incentive stock option plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares. However, other than in connection with a Qualifying Transaction (as defined in Exchange Policy 2.4), during the time that the Company is a CPC, the aggregate number of Common Shares issuable upon exercise of all options granted under the Option Plan shall not exceed 10% of the Common Shares of the Company issued and outstanding at the closing of the Company's initial public offering. Such options will be exercisable for a period of up to ten years from the date of grant. No options have been issued under the plan as at June 30, 2017.

6. Capital disclosures

The Company's capital consists of share capital. The Company's objective for managing capital is to maintain sufficient capital to identify, evaluate and complete an acquisition or other transaction as disclosed in Note 1.

The Company sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Company's objectives when managing capital are:

- i. to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and
- ii. to maintain investor, creditor and market confidence in order to sustain the future development of the business.

The Company is not subject to any externally or internally imposed capital requirements at period end.

7. Financial instruments

The Company, as part of its operations, carries financial instruments consisting of cash and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

Fair value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The fair value of cash is determined on level 1 inputs. The carrying amount of cash and accounts payable and accruals approximates their fair value due to the short-term maturities of these items.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2017, the Company had a cash balance of \$69,956 to settle liabilities of \$16,240

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company has no market risks.

8. Subsequent event

The Company filed a prospectus dated June 14, 2017 with the securities regulatory authorities in the provinces of Alberta, British Columbia, Saskatchewan and Ontario, and pursuant to an Agency Agreement (the "Agency Agreement") to be entered into between the Company and Industrial Alliance Securities Inc. (the "Agent"), to offer between 3,000,000 and 6,000,000 Common Shares at \$0.10 (the "Offering") per share to the public for total estimated proceeds of between \$300,000 and \$600,000 (before transaction costs). The Agent will be granted a non-transferable warrant to purchase up to 10% of the total number of common shares issued at a price of \$0.10 per share, and expiring 24 months from the closing date. The Company also intends to grant share options immediately after the closing of the offering to purchase an aggregate of 540,000 common shares in the event of the minimum offering and 840,000 common shares in the event of the maximum offering to directors and officers under the Company's share option plan at a price of \$0.10 per share and an expiry date of five years from the date of grant.

The Company will pay the agent a commission equal to 10% of the gross proceeds, a corporate finance fee of \$10,000 and reasonable expenses up to a maximum of \$12,000. Including the professional and agency fees to be incurred, Agent's commission, additional professional, listing and filing fees to complete the Offering are estimated between \$119,750 and \$149,750, including deferred financing costs currently recorded in the Statement of Financial Position.

The Company adopted an incentive stock option plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares. However, other than in connection with a Qualifying Transaction (as defined in Exchange Policy 2.4), during the time that the Company is a CPC, the aggregate number of Common Shares issuable upon exercise of all options granted under the Option Plan shall not exceed 10% of the Common Shares of the Company issued and outstanding at the closing of the Company's initial public offering. Such options will be exercisable for a period of up to ten years from the date of grant.