

Colson Capital Corp.
(A Capital Pool Company)
Condensed Interim Financial Statements
For the six months ended September 30, 2018
(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:

| | September 30, 2018 (Unaudited) | March 31, 2018 (Audited) |
|---|--------------------------------------|--------------------------------|
| Assets | | |
| Current | | |
| Cash in trust (Note 4) | \$ 483,813 | \$ 541,318 |
| Total Assets | \$ 483,813 | \$ 541,318 |
| | | |
| Liabilities | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 13,124 | \$ 7,574 |
| Total Liabilities | \$ 13,124 | \$ 7,574 |
| | | |
| Shareholders' Equity | | |
| Share Capital (Note 5) | \$ 517,593 | \$ 517,593 |
| Contributed surplus | 121,255 | 121,255 |
| Deficit | (168,159) | (105,104) |
| Total shareholder's equity | 470,689 | 533,744 |
| Total Liabilities and Shareholders' Equity | \$ 483,813 | \$ 541,318 |

Nature of operations (Note 1)
Proposed business combination (Note 9)

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 Statements of Loss and Comprehensive Loss

For the three and six months ended September 30,

| | Three | | Three | | Six | |
|---|------------------|-----------|---------------|-----------|------------------|---------------|
| | months | | months | | month | Six |
| | ended | | ended | | ended | months |
| | 2018 | | 2017 | | 2018 | ended |
| | | | | | | 2017 |
| Expenses | | | | | | |
| General and administrative | \$ 13,432 | \$ | - | \$ | 63,055 | \$ - |
| Net loss and comprehensive loss | \$ 13,432 | \$ | - | \$ | 63,055 | \$ - |
| | | | | | | |
| Net loss per share | | | | | | |
| Basic and diluted | \$ (0.00) | \$ | - | \$ | (0.00) | \$ - |
| | | | | | | |
| Weighted average number of shares (Note 5) | 8,400,000 | | | | 8,400,000 | |

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

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

| | Share Capital (\$) | Contributed Surplus (\$) | Deficit (\$) | Shareholders' Equity (\$) |
|------------------------------------|--------------------------|--------------------------------|------------------|---------------------------------|
| Balance, March 31, 2017 | 120,000 | - | - | 120,000 |
| Net loss for the period | | | | |
| Share issuance | 441,493 | - | - | 441,493 |
| Agent warrants | (43,900) | 43,900 | - | - |
| Share based compensation | - | 77,355 | - | 77,355 |
| Balance, September 30, 2017 | 517,593 | 121,255 | - | 638,848 |
| Balance, March 31, 2018 | 517,593 | 121,255 | (105,104) | 533,744 |
| Net loss for the period | - | - | (63,055) | (63,055) |
| Balance, September 30, 2018 | 517,593 | 121,255 | (168,159) | 470,689 |

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 September 30,

| | 2018 | 2017 |
|--|-------------------|-------------------|
| Cash flows related to the following activities | | |
| Operating activities | | |
| Net loss for the period | \$ (63,055) | \$ - |
| Share based compensation | - | 77,355 |
| Change in non-cash working capital | 5,550 | (45,944) |
| Cash flows provided by (used in) operating activities | (57,505) | 31,411 |
| Financing activities | | |
| Issuance of common shares, net of issue costs | - | 441,493 |
| Cash flows from financing activities | - | 441,493 |
| Change in cash | (57,505) | 472,904 |
| Cash, beginning of period | 541,318 | 77,393 |
| Cash, end of period | \$ 483,813 | \$ 550,297 |

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.

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 six months ended September 30, 2018 were authorized for issue in accordance with a resolution of the directors on November 27, 2018.

2. Basis of preparation

Statement of compliance

The condensed interim financial statements for the six months ended September 30, 2018 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 March 31, 2018. 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 March 31, 2018 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.

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.

3. Significant accounting policies

Changes in significant accounting policies

IFRS 9 Financial Instruments:

IFRS 9 addresses classification and measurement of financial assets and replaces the multiple category and measurement models for debt instruments in IAS 39 – Financial Instruments – Recognition and Measurement (IAS 39) with a new measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and related dividends which will now limit recognition to fair value through profit or loss or at fair value through other comprehensive income.

3. Significant accounting policies (continued)

Requirements for financial liabilities were also added in October 2010 but they largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

The standard is required to be applied for years beginning on, or after, January 1, 2018. The Company has adopted this standard and concluded that there is a minimal impact on the interim and annual financial statements.

IFRS 15 Revenue from Contracts with Customers:

IFRS 15 replaces the previous guidance on revenue recognition and provides a framework to record revenue from contracts for the sale of goods or services, unless the contracts are in the scope of IAS 17 – Leases or other IFRS standards. Under IFRS 15, revenue is to be recognized to depict the transfer of goods or services in an amount that reflects the consideration to which the entity expects to be entitled following five steps:

1. Identify the contract with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when (or as) the entity satisfies a performance obligation

The new standard is effective for annual periods beginning on or after January 1, 2018. The Company has adopted this standard and concluded that there is no impact on the interim and annual financial statements.

Recently issued accounting standards not yet applied

In January 2016, the IASB issued IFRS 16 Leases, which requires lessees to recognize all leases on the statement of Financial Position. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 with earlier application permitted for companies that also apply IFRS 15 Revenue from Contracts with Customers.

The Company is currently evaluating the impact of the above standards on its financial statements.

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 March 31, 2017 | 2,400,000 | 120,000 |
| Issued for cash pursuant to the prospectus, net of financing costs | 6,000,000 | 397,593 |
| As at March 31, 2018 and September 30, 2018 | 8,400,000 | 517,593 |

5. Share capital (continued)

Pursuant to a prospectus dated June 12, 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") entered into between the Company and Industrial Alliance Securities Inc. (the "Agent"), the Company issued 6,000,000 Common Shares at \$0.10 per share to the public for total gross proceeds of \$600,000. The Agent was granted 600,000 non-transferable warrants at a price of \$0.10 per share, expiring 24 months from the closing date of September 7, 2017. The fair value of the warrants as determined by the Black-Scholes option pricing model was \$43,900. Concurrent with the closing, the Company granted the directors options to acquire 840,000 common shares under the Company's share option plan at a price of \$0.10 per share with an expiry date of September 7, 2022.

Costs incurred on the issuance of shares totaled \$202,407.

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. Concurrent with the closing of the prospectus, the directors were granted options to acquire up to 840,000 Common shares under this plan which vested immediately. The fair value of these options was \$77,355.

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 September 30, 2018, the Company had a cash balance of \$483,813 to settle liabilities of \$27,400.

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.

- i) Interest rate risk
The Company has cash balance and no interest-bearing debt
- ii) Foreign currency risk
The Company does not have assets or liabilities in foreign currencies.
- iii) Commodity risk
The Company is not exposed to commodity risk

8. Proposed business combination

During the period ending September 30, 2018, the Company signed a letter of intent ("LOI") in respect of a proposed business combination (the "Transaction") with an unrelated party, Province Brands of Canada ("Province") and a financing through a brokered private placement.

Pursuant to the Transaction, the Company and Province will complete a plan of arrangement, amalgamation, three-corned amalgamation or alternative structure yet to be determined. The common shares of the Company are to be consolidated on such a rate as agreed by the parties. Subsequent to the consolidation, the Company's common shares will be issued to the shareholders of Province on a basis such that the effect of the Transaction will be a reverse takeover of the Company by Province.

As part of the Transaction, it is anticipated that Province will complete a private placement of its common shares for gross proceeds of up to \$5,000,000 and a private placement of unsecured convertible notes to raise gross proceeds of up to \$11,500,000.

The Transaction is subject to TSX Venture and other regulatory approvals.