

Colson Capital Corp.
(A Capital Pool Company)
Condensed Interim Financial Statements
For the six months ended September 30, 2019
(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, 2019 (Unaudited)		March 31, 2019 (Audited)
Assets			
Current			
Cash in trust (Note 4)	\$ 441,633	\$	457,781
Total Assets	\$ 441,633	\$	457,781
Liabilities			
Current			
Accounts payable and accrued liabilities	\$ 8,288	\$	7,576
Total Liabilities	\$ 8,288	\$	7,576
Shareholders' Equity			
Share Capital (Note 5)	\$ 517,593	\$	517,593
Contributed surplus	121,255		121,255
Deficit	(205,503)		(188,643)
Total shareholder's equity	433,345		450,205
Total Liabilities and Shareholders' Equity	\$ 441,633	\$	457,781

Incorporation 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 six months ended September 30,

	2019	2018
Expenses		
General and administrative	\$ 16,860	\$ 77,331
Net loss and comprehensive loss	\$ 16,860	\$ 77,331
 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, 2018	517,593	121,255	(105,104)	533,744
Net loss and comprehensive loss for the period	-	-	(77,331)	(77,331)
Balance, September 30, 2018	517,593	121,255	(182,435)	456,413
Balance, March 31, 2019	517,593	121,255	(188,643)	450,205
Net loss and comprehensive loss for the period			(16,860)	(16,860)
Balance, September 30, 2019	517,593	121,255	(205,503)	433,345

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,

	2019	2018
Cash flows related to the following activities		
Operating activities		
Net loss and comprehensive loss for the period	\$ (16,860)	\$ (77,331)
Change in non-cash working capital	712	19,826
Cash flows used in operating activities	(16,148)	(57,505)
Financing activities		
Issuance of common shares	-	-
Payment of financing costs	-	-
Cash flows from financing activities	-	-
Change in cash	(16,148)	(57,505)
Cash, beginning of period	457,781	541,318
Cash, end of period	\$ 441,633	\$ 483,813

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.

The Company, as a CPC, was required to complete a Qualifying Transaction (as such term is defined in the policies of the Exchange) by September 7, 2019. The Company was not successful in completing a Qualifying Transaction by September 7, 2019. As a result, the Company moved its listing to the NEX board of the Exchange ("NEX").

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.

The condensed interim financial statements of the Company as at and for the three months ended September 30, 2019 were authorized for issue in accordance with a resolution of the directors on November 28, 2019.

2. Basis of preparation

Statement of compliance

The condensed interim financial statements for the three months ended June 30, 2019 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, 2019. 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, 2019 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)*

Share-based payments

The Company applies a fair value based method of accounting to all share-based payments. Employee and director stock options are measured at the fair value of each tranche on the grant date and recognized over its respective vesting period. Non-employee stock options are measured based on the service provided to the reporting date and at their then-current fair value. The cost of stock options is presented as share-based payment expense when applicable with a corresponding credit to contributed surplus. On the exercise of stock options the share capital is credited for the consideration received and for the fair value amounts previously credited to contributed surplus. The Company used the Black-Scholes option pricing model to estimate the fair value of share-based payments.

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.

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 2019 and September 30, 2018 and 2019	8,400,000	517,593

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. As at September 30, 2019, the directors have been granted options to acquire up to 840,000 Common shares under this plan which vested immediately. The fair value of the options granted to directors and officers of \$77,355 is included in share-based payment expense in the statement of loss and comprehensive loss.

6 . Taxes

The Company has gross timing differences for tax purposes at its respective year ends of March 31 as follows:

		2019		2018
Share issue costs	\$	108,327	\$	148,808
Loss carry-forwards		205,368		81,348
Total timing differences	\$	313,695	\$	230,156

As at March 31, 2019, the Company has an estimated loss carry forward balance of \$205,368 available to reduce future years' income taxes. These losses, if not fully utilized, will expire in years 2037 to 2039.

7. 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.

8. 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.

8. Financial instruments (continued)

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, 2019, the Company had a cash balance of \$441,633 to settle liabilities of \$8,288.

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

9. Cancellation of proposed business combination

During the year ending March 31, 2019, 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. The Company had agreed to extend the terms of the LOI in various incremental periods to allow Province to satisfy the terms of the agreement.

As part of the Transaction, it was anticipated that Province would complete a private placement of its common shares for gross proceeds of up to \$30,000,000 and convert each issued and outstanding preferred share and convertible note into common shares of Province. Province was unable to fulfill their commitment in closing the private placement in the period of the original LOI or during the various extensions with the latest ending on August 31, 2019. During the quarter ending September 30, 2019 both parties agreed to not extend the LOI for another term.