Colson Capital Corp.
(A Capital Pool Company)
Condensed Interim Financial Statements
For the six months ended September 30, 2020
(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.

		September 30, 2020 (Unaudited)		March 31, 2020 (Audited)
Assets				
Current				
Cash in trust *(Note 4)*	**$**	**408,453**	$	423,557
Total Assets	**$**	**408,453**	$	423,557
Liabilities				
Current				
Accounts payable and accrued liabilities	**$**	**15,367**	$	11,913
Total Liabilities	**$**	**15,367**	$	11,913
Shareholders' Equity				
Share Capital *(Note 5)*	**$**	**517,593**	$	517,593
Contributed surplus		**121,255**		121,255
Deficit		**(245,762)**		(227,204)
Total Shareholder's Equity		**393,086**		411,644
Total Liabilities and Shareholders' Equity	**$**	**408,453**	$	423,557

Incorporation 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.

		2020		2019
Expenses				
General and administrative	**$**	**18,558**	$	16,860
Net loss and comprehensive loss	**$**	**18,558**	$	16,860
Net loss per share				
Basic and diluted	**$**	**(0.00)**	**$**	(0.00)
Weighted average number of shares (Note 5)		**6,000,000**		6,000,000

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

	Share Capital ($)	**Contributed Surplus ($)**	**Deficit ($)**	Shareholders' Equity ($)
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
Balance, March 31, 2020	517,593	121,255	(227,204)	411,644
Net loss and comprehensive loss for the period	-	-	(18,558)	(18,558)
Balance, September 30, 2020	**517,593**	**121,255**	**(245,762)**	**393,086**

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

		2020		2019
Cash flows related to the following activities				
Operating activities				
Net loss and comprehensive loss for the period	$	**(18,558)**	$	(16,860)
Change in non-cash working capital		**3,454**		712
Cash flows used in operating activities		**(15,104)**		(16,148)
Change in cash		**(15,104)**		(16,148)
Cash, beginning of period		**423,557**		457,781
Cash, end of period	$	**408,453**	$	441,633

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 that date. 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.

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, 2020 were authorized for issue in accordance with a resolution of the directors on November 27, 2020.

The COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in significant economic uncertainty and governments worldwide are enacting emergency measures to contain the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global financial markets have experienced significant volatility and weakness as a consequence of this economic uncertainty. The duration and impact of the COVID-19 outbreak is unknown as this time, as is the effectiveness of interventions by governments and central banks as well as the impact on the Company.

2. Basis of preparation

Statement of compliance

The condensed interim financial statements for the six months ended September 30, 2020 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, 2020. 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, 2020 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.

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	$
As at March 31, 2018, 2019 and 2020 and September 30, 2018, 2019 and 2020	**8,400,000**	**517,593**

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, 2020, 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:

		2020		2019
Share issue costs	$	**67,486**	$	108,327
Loss carry-forwards		**284,410**		205,368
Total timing differences	$	**352,256**	$	313,695

As at March 31, 2020, the Company's loss carry forward balance is available to reduce future years' income taxes, and if not fully utilized will begin to expire in fiscal 2037.

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, 2020, the Company had a cash balance of $408,453 to settle liabilities of $15,367

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. Proposed business combination

During the period ended September 30, 2020, the Company entered into a non-binding letter of intent (“LOI”) with an unrelated party, The Clinic Network Canada Inc. (“TCNC”), through its parent holding corporation, in respect of a proposed business combination (the “Transaction”) with a newly created company, Spinco. The Transaction is expected to be structured as a reverse takeover under the rules and policies of the TSX Venture Exchange (the “TSXV**”)**, whereby the Company will acquire all of the issued and outstanding shares of SpinCo, a related company to TCNC, in consideration for the issuance of common shares of the Company. This acquisition of the shares of Spinco will be preceded by the acquisition by SpinCo of all of the business and assets of TCNC. The Transaction is intended to constitute the Company’s Qualifying Transaction (as such term is defined in the policies of the TSXV).

As part of the Transaction, it is anticipated that SpinCo will concurrently complete a private placement of subscription receipts at a price of $0.50 per subscription receipt for the gross proceeds of a minimum of $10,000,000. TCNC and its parent holding corporation have granted the agent in connection with the offering, an over-allotment option to place up to an additional 15% of the number of subscription receipts issuable under the offering for additional gross proceeds of up to $1,500.000.

The Transaction is subject to TSXV and other regulatory approvals.