IRONWOOD CAPITAL CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED JULY 31, 2018
(Unaudited – Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

IRONWOOD CAPITAL CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Expressed in Canadian Dollars)

	Note	July 31, 2018 $	October 31, 2017 $
ASSETS			
Current assets			
Cash		462,126	150,000
GST recoverable		1,383	42
Deferred acquisition costs	**5**	3,794	-
Total assets		467,303	150,042
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		5,911	6,405
SHAREHOLDERS' EQUITY			
Share capital	**4**	505,319	150,000
Contributed surplus		10,641	-
Deficit		(54,568)	(6,363)
		461,392	143,637
Total liabilities and shareholders' equity		467,303	150,042

Nature of operations and going concern (Note 1)
Proposed qualifying transaction (Note 5)

Approved and authorized on behalf of the Board of Directors on September 21, 2018

"**Paul Andreola**" Director   "**Colin Bowkett**" Director

IRONWOOD CAPITAL CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS

For the three and nine months ended July 31, 2018

(Unaudited – Expressed in Canadian Dollars)

	Three months ended July 31, 2018 $	Nine months ended July 31, 2018 $
ADMINISTRATIVE EXPENSES		
Filing fees	1,795	27,921
Office expenses	47	1,027
Professional fees	11,365	19,257
	(13,207)	(48,205)
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(13,207)	(48,205)
NET LOSS PER SHARE – BASIC AND DILUTED	(0.00)	(0.02)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	3,529,001	2,641,459

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

IRONWOOD CAPITAL CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited – Expressed in Canadian dollars, except for share figures)

	Number of Shares #	Share Capital $	Contributed Surplus $	Deficit $	Total $
Balance, Inception on August 28, 2017	-	-	-	-	-
Shares issued for cash	1,500,001	150,000	-	-	150,000
Net and comprehensive loss for the period	-	-	-	(6,363)	(6,363)
Balance, October 31, 2017	1,500,001	150,000	-	(6,363)	143,637
Shares issued for cash	2,062,000	412,400	-	-	412,400
Share issuance costs	-	(57,081)	10,641	-	(46,440)
Net and comprehensive loss for the period	-	-	-	(48,205)	(48,205)
Balance, July 31, 2018	3,562,001	505,319	10,641	(54,568)	461,392

IRONWOOD CAPITAL CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended July 31, 2018

(Unaudited – Expressed in Canadian Dollars)

	2018 **$**
Operating activities:	
Net loss for the period	(48,205)
Changes in non-cash working capital related to operations:	
GST recoverable	(1,341)
Accounts payable and accrued liabilities	(494)
Net cash used in operating activities	(50,040)
Investing activity:	
Deferred acquisition costs	(3,794)
Net cash used in investing activity	(3,794)
Financing activity:	
Shares issued for cash, net of share issuance costs	365,960
Net cash provided by financing activity	365,960
Increase in cash during the period	312,126
Cash – beginning of the period	150,000
Cash – end of the period	462,126

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Ironwood Capital Corp. ("the Company" or "Ironwood") was incorporated under the Company Act of British Columbia on August 28, 2017. The Company's registered and records office is located at Suite 704, 595 Howe Street, Vancouver, BC V6C 2T5. The Company is classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The principal business of the Company is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

On May 4, 2018, the Company successfully completed its initial public offering (the "IPO") and issued 1,012,000 common shares of the Company at a price of $0.20 per share for gross proceeds of $202,400. Additionally, the Company received approval of its application to list its common shares on the TSX-V. The Company's common shares were listed on the TSX-V on May 3, 2018 and immediately halted pending closing of the IPO. The Company's common shares resumed trading on May 7, 2018 under the trading symbol "IRN.P".

These condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern. The proposed business of the Company and the completion of a Qualifying Transaction involve a high degree of risk and there is no assurance that the Company will identify an appropriate business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such an acquisition or investment within the requisite time period. Additional funds will be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the business will be profitable. These factors indicate the existence of a material uncertainty that may cast doubt about the Company's ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, using the same accounting policies as detailed in the Company's audited financial statements for the period from inception on August 28, 2017 to October 31, 2017. They do not include all the information required for complete annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and therefore should be read together with the audited financial statements for the period from inception on August 28, 2017 to October 31, 2017.

These condensed interim consolidated financial statements were approved by the board of directors for issue on September 21, 2018.

b) Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value.

c) Consolidation

These condensed interim consolidated financial statements include the financial statements of the Company and a wholly-owned subsidiary subject to control by the Company, 2125839 Alberta Inc.

Control is achieved when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

d) Foreign currencies

The presentation currency of the Company is the Canadian dollar. The functional currency of the Company and 2125839 Alberta Inc. is the Canadian dollar.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

3. RECENT ACCOUNTING PRONOUNCEMENTS

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not completed its assessment of the impact that the new and amended standards will have on its financial statements. The Company also has not early adopted any of these standards in the financial statements.

<u>Financial instruments</u>
In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments* ("IFRS 9"), which reflects all phases of the financial instruments project and replaces IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39") and all previous versions of IFRS 9. The new standard introduces new requirements for classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. The Company

intends to adopt IFRS 9 in its financial statements for the fiscal year beginning November 1, 2018. The adaption of this standard is not expected to have material impact on the Company's financial statements.

Revenue recognition
In May 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15') establishing a comprehensive framework for revenue recognition. The standard replaces IAS 18, *Revenue* and IAS 11, *Construction Contracts* and related interpretations and is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company intends to adopt IFRS 15 in its financial statements for the fiscal year beginning November 1, 2018. The adaption of this standard is not expected to have material impact on the Company's financial statements.

Leases
In January 2016, the IASB issued IFRS 16, *Leases*, which supersedes IAS 17, *Leases*. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases. The standard establishes a single model for lessees to bring leases on-balance sheet while lessor accounting remains largely unchanged and retains the finance and operating lease distinctions. The Company intends to adopt IFRS 16 in its financial statements for the annual period beginning November 1, 2019. The extent of the impact of adoption has not yet been determined.

4. SHARE CAPITAL

a) **Authorized –** Unlimited common shares without par value.
b) **Issued and outstanding** – 3,562,001 common shares

c) **Financings**

On August 28, 2017, the Company issued 1 common share at $0.01 per share.

On August 29, 2017, the Company issued 1,500,000 common shares at $0.10 per share for gross proceeds of $150,000.

On January 2, 2018, the Company issued 1,050,000 common shares at $0.20 per share for gross proceeds of $210,000.

On May 4, 2018, the Company successfully completed its IPO and issued 1,012,000 common shares at $0.20 per share for gross proceeds of $202,400. Canaccord Genuity Corp. acted as agent (the "Agent") for the IPO. Cash transaction costs of $46,440 were incurred in connection with the IPO, which included a cash commission to the Agent and other administration and legal costs. The Company also issued 101,200 agent warrants, which entitled holders to purchase 101,200 common shares at a price of $0.20 per share until May 3, 2020. The fair value of these agent warrants was estimated to be $10,641 using the Black-Scholes option pricing model and the following assumptions: dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 1.10%, and an expected life of 2 years.

d) Stock options

During the nine months ended July 31, 2018, the Company adopted an incentive stock option plan (the "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 TSX-V requirements, grant to directors, officers, employees and technical 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. In connection with the foregoing, the number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Options may be exercised the greater of 12 months after completion of the Qualifying Transaction and 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Subject to earlier termination, all options granted under the Option Plan will expire not later than the date that is ten years from the date of the grant.

During the nine months ended July 31, 2018, the Company did not grant any stock options to its officers, directors, or consultants. There were no stock options outstanding as at July 31, 2018.

e) Agent Warrants

There are 101,200 agent warrants outstanding and exercisable at $0.20 per share as at July 31, 2018. These warrants will expire on May 3, 2020. The weighted average remaining life of these warrants is 1.76 years.

5. PROPOSED QUALIFYING TRANSACTION

On June 21, 2018, the Company entered into an amalgamation agreement (the "Amalgamation Agreement") with Nanalysis Corp. ("Nanalysis"), to acquire all of the outstanding common shares of Nanalysis by way of a three-corner amalgamation (the "Transaction") among the Company, Nanalysis and 2125839 Alberta Inc. ("Subco").

Nanalysis is a patent-protected technology company with a proven track record in the development, manufacturing, and sales of magnetic resonance spectrometers for the pharmaceutical, biotech, chemical, security, food, and education industries. The company sells its instruments in over 40 countries around the world, and is raising money to fuel its global growth strategy via the expansion of its sales and marketing organizations.

Pursuant to the Amalgamation Agreement, Ironwood and Subco will amalgamate, effective as of the date set forth in a certificate of amalgamation to be issued in respect of the Transaction (the "Effective Date").

Each Nanalysis common share ("Nanalysis Share") issued and outstanding before the Effective Date shall be cancelled and its holder shall receive one Ironwood common share ("Ironwood Share") for each four Nanalysis Shares held (the "Exchange Ratio"). The common shares of Subco issued and outstanding immediately before the Effective Date shall be replaced by common shares of the amalgamated company issued in favour of Ironwood. Upon amalgamation, Nanalysis will effectively be a wholly–owned subsidiary of Ironwood. In accordance with the terms of the Amalgamation Agreement, holders of Nanalysis options (the "Nanalysis Options") and Nanalysis restricted share units (the "Nanalysis RSUs") shall receive Ironwood Options and Ironwood RSUs, respectively, in accordance with the Exchange Ratio, on the same terms and conditions as their respective Nanalysis Options and Nanalysis RSUs. Upon completion of the Transaction, and assuming completion of the Concurrent Financing (as defined herein), former holders of Nanalysis Shares will hold approximately 74% of the Resulting Issuer (as defined below) common shares and Ironwood holders will hold 26% of the Resulting Issuer common shares.

On closing of the Transaction, the Company will change its name to "Nanalysis Group Inc." or such other similar name as the parties may agree to (the "Resulting Issuer") and the Company's common shares will be listed under a new trading symbol. The Resulting Issuer anticipates being classified as a Tier 1 issuer that will meet the initial listing requirements for a technology company.

The completion of the Transaction is subject to the approval of the TSXV and all other necessary regulatory approvals.

As at July 31, 2018, deferred acquisition costs of $3,794 have been incurred in connection with the Transaction.

Concurrent Financing

Prior to or concurrently with the closing of the Transaction, the Company intends to complete a non-brokered private placement of at least 3,600,000 Ironwood Shares at a price of $1.00 per share for gross proceeds of $3,600,000 (the "Concurrent Financing"). It is a condition to closing of the Transaction that the Company completes the Concurrent Financing for gross proceeds of at least $3,600,000. The proceeds of the Concurrent Financing will be used for costs associated with Nanalysis global expansion of its sales organization and distribution network.