IRONWOOD CAPITAL CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JANUARY 31, 2020 AND 2019
(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	January 31, 2020 $	October 31, 2019 $
ASSETS			
Current assets			
Cash		164,177	436,841
GST recoverable		1,357	759
Prepaid expenses		6,433	1,733
Loan receivable	**5**	252,365	-
Total assets		424,332	439,333
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		26,517	24,683
SHAREHOLDERS' EQUITY			
Share capital	**4**	505,319	505,319
Contributed surplus	**4**	10,641	10,641
Deficit		(118,145)	(101,310)
		397,815	414,650
Total liabilities and shareholders’ equity		424,332	439,333

Nature of operations and going concern (Note 1)

Approved and authorized on behalf of the Board of Directors on March 25, 2020

“**Luke Montaine**” Director

“**Nicholas Houghton**” Director

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

IRONWOOD CAPITAL CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the three months ended January 31, 2020 and 2019

(Unaudited – Expressed in Canadian Dollars)

	2020 $	2019 $
ADMINISTRATIVE EXPENSES		
Consulting fees	1,500	-
Filing fees	2,139	120
Investor relations	1,615	-
Office expenses	62	47
Professional fees	13,884	2,814
	(19,200)	(2,981)
OTHER INCOME		
Interest revenue	2,365	-
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(16,835)	(2,981)
NET LOSS PER SHARE – BASIC AND DILUTED	(0.00)	(0.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	3,562,001	3,562,001

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, October 31, 2018	3,562,001	505,319	10,641	(40,222)	475,738
Net and comprehensive loss for the period	-	-	-	(2,981)	(2,981)
Balance, January 31, 2019	3,562,001	505,319	10,641	(43,203)	472,757
Net and comprehensive loss for the period	-	-	-	(58,107)	(58,107)
Balance, October 31, 2019	3,562,001	505,319	10,641	(101,310)	414,650
Net and comprehensive loss for the period	-	-	-	(16,835)	(16,835)
Balance, January 31, 2020	3,562,001	505,319	10,641	(118,145)	397,815

IRONWOOD CAPITAL CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended January 31, 2020 and 2019

(Unaudited – Expressed in Canadian Dollars)

	2020 $	2019 $
Operating activities:		
Net loss for the period	(16,835)	(2,981)
Changes in non-cash working capital related to operations:		
GST recoverable	(598)	25
Accrued interest revenue	(2,365)	-
Prepaid expenses	(4,700)	-
Accounts payable and accrued liabilities	1,834	(719)
Net cash used in operating activities	(22,664)	(3,675)
Financing activity:		
Loans advanced	(250,000)	-
Net cash used in financing activity	(250,000)	-
Decrease in cash during the period	(272,664)	(3,675)
Cash – beginning of the period	436,841	503,797
Cash – end of the period	164,177	500,122

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 2300 – 1177 West Hastings Street, Vancouver, BC V6E 2K3. 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 year ended October 31, 2019. 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 year ended October 31, 2019.

These condensed interim consolidated financial statements were approved by the board of directors for issue on March 25, 2020.

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. ACCOUNTING CHANGES AND RECENT PRONOUNCEMENTS

New and amended standards adopted by the Company

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 adopted IFRS 16 in its financial statements for the annual period beginning November 1, 2019. The adoption of this standard did not have a material measurement or disclosure impact on the Company's consolidated financial statements.

Amendments to IFRS 9, *Financial Instruments* clarify that a financial asset that would otherwise have contractual cash flows that are solely payments of principal and interest but do not meet that condition only as a result of a prepayment feature with negative compensation may be eligible to be measured at either amortized cost or fair value through other comprehensive income. This classification is subject to the assessment of the business model in which the particular financial asset is held as well as consideration of whether certain eligibility conditions are met. The Company adopted the IFRS 9 amendments in its financial statements for the annual period beginning November 1, 2019. The adoption of this standard did not have a material measurement or disclosure impact on the Company's consolidated financial statements.

New standards and interpretations not yet adopted

In October 2018, the IASB issued amendments to IFRS 3, *Business Combinations*. The amendments narrowed and clarified the definition of a business. The amendments will help companies determine whether an acquisition is a business or a group of assets. They also permit a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business. Distinguishing between a business and a group of assets is important because an acquirer recognizes goodwill only when acquiring a business. This amendment will be effective for annual periods beginning on or after January 1, 2020. Early adoption is permitted.

4. SHARE CAPITAL

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

The Company did not issue any common shares during the three months ended January 31, 2020.

d) Stock options

During the year ended October 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 three months ended January 31, 2020, the Company did not grant any stock options to its officers, directors, or consultants. There were no stock options outstanding as at January 31, 2020.

e) Agent Warrants

There are 101,200 agent warrants outstanding and exercisable at $0.20 per share as at January 31, 2020 and October 31, 2019. These warrants will expire on May 3, 2020. The weighted average remaining life of these warrants at January 31, 2020 is 0.26 years.

5. PROPOSED QUALIFYING TRANSACTION AND LOAN RECEIVABLE

The Company entered into a non-binding letter of intent ("LOI") on December 6, 2019 respecting the proposed acquisition by Ironwood of 1Five2 Tech Solutions Ltd ("152 Tech") (the "Transaction"). The Transaction is intended to qualify as Ironwood's Qualifying Transaction. The transaction is expected to proceed by way of a "three-cornered amalgamation" under which a wholly-owned subsidiary of Ironwood will amalgamate with 152 Tech. Under the Transaction, shareholders of 152 Tech will receive an aggregate of 30,200,000 common shares of Ironwood at a deemed price of $0.25 per share, representing aggregate consideration of $7,550,000 for their 152 Tech shares.

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

Prior to or concurrently with the closing of the Transaction, Ironwood intends to complete a private placement to raise gross proceeds of no less than $1,500,000 through the issuance of units (each, a "Unit") at a price of $0.25 per Unit, with each Unit comprised of one common share and one-half of one common share purchase warrant. Each whole warrant will be exercisable for an Ironwood common share at an exercise price of $0.50 for two years from the date of issuance. The Company may pay finder's or broker's fees and may issue finder's or broker's warrants in connection with the private placement.

In conjunction with the execution of the LOI, Ironwood has provided 152 Tech with a loan in the amount of $25,000 and was required to ensure preservation of 152 Tech's assets. The loan is unsecured, bears interests at 6% per year, compounded monthly, and is repayable on the earlier of: (a) December 4, 2020; and (b) the date which is 90 days after the date on which the LOI is terminated for any reason other than the execution of the definitive agreement.

Ironwood also provided a line of credit loan (the "Secured Loan") of up to $225,000 to 152 Tech. The Secured Loan will be secured against all of the assets of 152 Tech. The Secured Loan bears interests at 6% per year, compounded monthly; and is repayable on the earlier of: (a) December 4, 2020; and (b) the date which is 90 days after the date on which the LOI is terminated for any reason other than the execution of the definitive agreement.

During the three months ended January 31, 2020, the Company recorded interest revenue of $237 (2019- $Nil) on the $25,000 loan receivable and $2,128 (2019 - $Nil) on the $225,000 secured loan. As at January 31, 2020, the total loan receivable balance is $252,365 (October 31, 2019 - $Nil).

In conjunction with the closing of the Transaction, Ironwood will change its name to "152 Tech Solutions Ltd.", or such similar name as is agreed to by the parties.