IRONWOOD CAPITAL CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED JULY 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	July 31, 2020 $	October 31, 2019 $
ASSETS			
Current assets			
Cash		92,475	436,841
GST recoverable		4,150	759
Prepaid expenses		6,000	1,733
		102,625	439,333
Loan receivable	**5**	260,031	-
Total assets		362,656	439,333
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		17,111	24,683
SHAREHOLDERS' EQUITY			
Share capital	**4**	505,319	505,319
Contributed surplus	**4**	10,641	10,641
Deficit		(170,415)	(101,310)
		345,545	414,650
Total liabilities and shareholders’ equity		362,656	439,333

Nature of operations and going concern (Note 1)

Approved and authorized on behalf of the Board of Directors on September 29, 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 and nine months ended July 31, 2020 and 2019

(Unaudited – Expressed in Canadian Dollars)

	Three months ended		Nine months ended	
		July 31,		July 31,
	2020	2019	2020	2019
	$	$	$	$
ADMINISTRATIVE EXPENSES				
Consulting fees	14,875	-	37,375	-
Filing fees (overpayment)	(1,717)	2,532	7,208	11,450
Investor relations	-	-	1,615	-
Office expenses	43	56	924	152
Professional fees	7,277	15,109	33,186	21,639
	(20,478)	(17,697)	(80,308)	(33,241)
OTHER INCOME				
Interest revenue	3,861	-	10,031	-
Foreign exchange (loss) gain	(642)	-	1,172	-
	3,219	-	11,203	-
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(17,259)	(17,697)	(69,105)	(33,241)
NET LOSS PER SHARE – BASIC AND DILUTED	(0.00)	(0.00)	(0.02)	(0.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	3,562,001	3,562,001	3,562,001	3,562,001

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	-	-	-	(33,241)	(33,241)
Balance, July 31, 2019	3,562,001	505,319	10,641	(73,463)	442,497
Net and comprehensive loss for the period	-	-	-	(27,847)	(27,847)
Balance, October 31, 2019	3,562,001	505,319	10,641	(101,310)	414,650
Net and comprehensive loss for the period	-	-	-	(69,105)	(69,105)
Balance, July 31, 2020	3,562,001	505,319	10,641	(170,415)	345,545

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

IRONWOOD CAPITAL CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the nine months ended July 31, 2020 and 2019
(Unaudited – Expressed in Canadian Dollars)

	2020 $	2019 $
Operating activities:		
Net loss for the period	(69,105)	(33,241)
Changes in non-cash working capital related to operations:		
GST recoverable	(3,391)	970
Accrued interest revenue	(10,031)	-
Prepaid expenses	(4,267)	(3,033)
Accounts payable and accrued liabilities	(7,572)	(2,133)
Net cash used in operating activities	(94,366)	(37,437)
Investing activity:		
Loans advanced	(250,000)	-
Net cash used in investing activity	(250,000)	-
Decrease in cash during the period	(344,366)	(37,437)
Cash – beginning of the period	436,841	503,797
Cash – end of the period	92,475	466,360

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. In March 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business and continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. 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 consolidated 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 consolidated financial statements for year ended October 31, 2019.

These condensed interim consolidated financial statements were approved by the board of directors for issue on September 29, 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 condensed interim 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 condensed interim 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 nine months ended July 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 nine months ended July 31, 2020, the Company did not grant any stock options to its officers, directors, or consultants. There were no stock options outstanding as at July 31, 2020.

e) Agent Warrants

There were 101,200 agent warrants outstanding and exercisable at $0.20 per share as at October 31, 2019. All of these warrants expired unexercised on May 3, 2020.

5. TERMINATED 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 proposed acquisition was intended to qualify as Ironwood's Qualifying Transaction and was expected to proceed by way of a "three-cornered amalgamation" under which a wholly-owned subsidiary of Ironwood would amalgamate with 152 Tech.

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 interest 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 is secured against all of the assets of 152 Tech. The Secured Loan bears interest 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 and nine months ended July 31, 2020, the Company recorded interest revenue of $3,861 and $10,031 (2019 - $nil and $nil) on the loans advanced to 152 Tech. As at July 31, 2020, the total loan receivable balance is $260,031 (October 31, 2019 - $nil).

During the nine months ended July 31, 2020, the LOI has expired and the proposed acquisition has been terminated.

6. PROPOSED QUALIFYING TRANSACTION

On May 11, 2020, the Company entered into a sale, assignment and assumption agreement (the "Assumption Agreement") with Origen Resources Inc. ("Origen") respecting the purchase and assumption by the Company of all of Origen's right and interest under an option and joint venture agreement (the "Underlying Agreement") dated May 10, 2018, as amended January 7, 2020, with Great Atlantic Resources Corp. ("Great Atlantic") (the "Transaction"). The Transaction is intended to qualify as Ironwood's Qualifying Transaction.

As consideration for the Assumption Agreement, the Company will issue an aggregate of 500,000 common shares to Origen. Pursuant to the Underlying Agreement, Origen has the right to earn (the "Option") a 75% interest in the Kagoot Brook property (the "Property") located near Bathhurst, New Brunswick, comprised of one mineral tenure covering 4,233 hectares. To successfully exercise the Option, the optionee is required to: (a) make a total of $650,000 of exploration expenditures on the Property on or before May 10, 2022; and (b) make aggregate cash payments of $110,000 to Great Atlantic, as follows: $30,000 by May 23, 2020 (paid by Origen); $30,000 by January 23, 2021; and $50,000 by January 23, 2022.

Once the Option has been exercised, certain tenures comprising the Property will be subject to a 2% NSR royalty in favour of the prospectors who staked those tenures, with 1% of such NSR royalty being subject to a repurchase right for $500,000. Upon successful exercise of the Option, the optionee shall have acquired an undivided 75% interest in the Property, which interest will be subject to the 75%/25% joint venture formed between the optionee and Great Atlantic. If a joint venture party does not contribute its proportionate share of expenditures on the Property, the non-contributing party's joint venture interest will be reduced proportionately. If Great Atlantic's joint venture interest is reduced to 5% or less, Great Atlantic will be deemed to have withdrawn from the joint venture and its remaining interest in the Property will convert into a 3% NSR royalty, with the optionee having the right to repurchase up to 2% of such royalty for $1,000,000 per each 1%.

In conjunction with the Transaction, the Company will be conducting a private placement financing (the "Private Placement") under which it will raise gross proceeds of up to $600,000 through the issuance of units (each, a "Unit") at a price of $0.18 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 $0.35 for two years from the date of issuance. The Company may pay finder's fees and may issue finder's warrants in connection with the Private Placement.

The Company will be a "Mining" issuer under the policies of the TSX-V. The Transaction is subject to completion of certain conditions precedent, including without limitation receipt of the TSX-V approval and written consent of Great Atlantic to the assignment of the Underlying Agreement.