

**Cherry Street Capital
Inc.**
(A Capital Pool Corporation)

**Unaudited Condensed
Interim Financial statements**

**For the Three and Nine month Periods
ended September 30, 2018 and 2017
(In Canadian Dollars)**

Notice of No Auditor Review of the Interim Financial Statements

The accompanying unaudited condensed interim financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established by the CPA Canada for a review of interim financial statements by an entity's auditor.

Cherry Street Capital Inc.
Unaudited Condensed Interim Statement of Financial Position
(in Canadian dollars)

As at	September 30, 2018	December 31, 2017
Current assets		
Cash held in trust	\$ 849,599	457,693
Deferred offering costs	-	27,858
Total current assets	849,599	485,551
Current Liabilities		
Accrued liabilities	13,951	12,858
Shareholders' equity		
Share capital (note 3)	897,076	494,822
Contributed Surplus	142,462	-
Accumulated deficit	(203,890)	(22,129)
Total Shareholders' equity	835,648	472,693
Total Liabilities and shareholders' equity	\$ 849,599	485,551

Approved on behalf of the Board

"Rudy Cheddie"
Director

"Joseph del Moral"
Director

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

Cherry Street Capital Inc.

Unaudited Condensed Interim Statements of Loss and Comprehensive Loss

For the period from the date of incorporation (June 5, 2017) to September 30, 2017 and the three month period ended September 30, 2017 and the three and nine month periods ended September 30, 2018

(in Canadian dollars)

	Nine month Period Ended September 30, 2018	From the period of incorporation (June 5, 2017) to September 30, 2017	Three month period ended September 30, 2018	Three month period ended September 30, 2017
Expenses				
Professional fees (note 4)	\$ 53,059	\$ 5,179	\$ 22,697	\$ 5,179
Listing fees	14,113	-	3,641	-
Stock-based compensation	114,589	-	114,589	-
Total expenses	181,761	5,179	140,927	5,179
Net loss and comprehensive loss for the period	\$ (181,761)	\$ 5,179	\$ (140,927)	\$ 5,179
Net loss per share (Basic and diluted)	\$ (15.69)	\$ (0.00)	\$ (4.07)	\$ (0.00)
Weighted average number of shares outstanding (Basic and diluted)	11,581	-	34,615	-

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

Cherry Street Capital Inc.**Unaudited Condensed Interim Statement of Changes in Shareholders' Equity****For the period from June 5, 2017 to September 30, 2017 and the nine month period ended September 30, 2018**

(in Canadian dollars)

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Total
Balance at June 5, 2017	-	-	-	-	-
Share issuance	2,000,000	500,000	-	-	500,000
Share issuance costs	-	(5,178)	-	-	(5,178)
Net loss	-	-	-	(5,179)	(5,179)
Balance, September 30, 2017	2,000,000	\$494,822	-	\$(5,179)	\$(489,643)
Balance at January 1, 2018	2,000,000	\$ 494,822	\$ -	(22,129)	\$ 472,693
Initial Public Offering	1,050,000	525,000	-	-	525,000
Issuance of Agent Warrants	-	(27,873)	27,873	-	-
Cost of issuance	-	(94,873)	-	-	(94,873)
Stock-based compensation	-	-	114,589	-	114,589
Net loss	-	-	-	(181,761)	(181,761)
Balance, September 30, 2018	3,050,000	\$ 897,076	\$ 142,462	(203,890)	\$ 835,648

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

Cherry Street Capital Inc.**Unaudited Condensed Interim Statement of Cash Flows**

For the period from the date of incorporation (June 5, 2017) to September 30, 2017 and the nine month period ended September 30, 2018

(in Canadian dollars)

	Nine month period ended September 30, 2018	From the date of incorporation (June 5, 2017) to September 30, 2017
Cash provided by (used in)		
Operating activities		
Net loss for the period	\$ (181,761)	\$ (5,179)
Stock-based compensation	114,589	-
Change in accrued liabilities	1,093	10,357
Change in deferred offering costs	27,858	(15,000)
Cash Used in Operating Activities	(38,221)	(9,822)
Financing Activities		
Share subscription, net of issuance costs	430,127	494,822
Cash provided by Financing Activities	430,127	494,822
Net change in cash	391,906	485,000
Cash beginning of period	457,693	-
Cash end of period	\$ 849,599	485,000

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

1. INCORPORATION AND NATURE OF OPERATIONS

Cherry Street Capital Inc. (“the Company”), was incorporated under the Ontario Business Corporations Act on June 5, 2017 and is classified as a Capital Pool corporation, as defined in the Policy 2.4 of the TSX Venture Exchange (the “Exchange”). The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (“QT”). The Company has not commenced operations and has no assets other than cash held in trust. The Company’s continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and, in the case of a non-arm’s length transaction, of the majority of the minority shareholders.

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 up to the lesser of 30% of the gross proceeds realized by the Company, in respect of the sale of its securities, or \$210,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until completion of a QT by the Company, as defined under the policies of the Exchange. The Company is required to complete its QT on or before two years from the date the Company receives regulatory approval.

The head office and the registered head office of the Company is located at 320 Bay Street, Suite 1600, Toronto ON M5H 4A6.

On November 23, 2018 the Board of Directors approved the unaudited condensed interim financial statements for the three and nine month periods ended September 30, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These unaudited interim condensed financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 ‘Interim Financial Reporting’ (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These financial statements have been prepared on an accruals basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets, and financial liabilities. These financial statements are presented in Canadian dollars, which is the corporation’s functional and presentation currency.

The Corporation’s significant accounting policies are consistent with the policies summarized in its prospectus dated July 16, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Standards issued

IFRS 9, Financial Instruments ("IFRS 9") was initially issued by the IASB on November 12, 2009 and issued in its completed version in July 2014, and will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for financial years beginning on or after January 1, 2018. The company adopted this standard on January 1, 2018, which had no impact on the financial statements.

3. SHARE CAPITAL

Authorized

Unlimited common shares

Issued	#	\$
2,000,000 common shares (i)	2,000,000	\$ 500,000
1,050,000 common shares (ii)	1,050,000	\$525,000
Cost of issuance-cash	-	(100,051)
Cost of issuance-share-based payment	-	(27,873)
Balance, September 30, 2018	3,050,000	\$ 897,076

Escrowed Shares

(i) During the period from incorporation (June 5, 2017) to December 31, 2017 the Company issued 2,000,000 common shares at \$0.25 per share for total proceeds of \$500,000. The Company incurred share issuance costs of \$5,178 related to this issuance.

The 2,000,000 issued and outstanding common shares will be held in escrow pursuant to the requirements of the Exchange.

All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a Qualifying Transaction, must also be deposited in escrow until the final exchange bulletin is issued. As a result, the escrow shares have not been contemplated in the weighted-average shares outstanding calculation.

All common shares of the Company acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Company held by principals of the resulting issuer will also be subject to escrow.

(ii) On September 27, 2018, the Company completed an initial public offering (“IPO”) of 1,050,000 common shares at \$0.50 per share (\$525,000). The Company paid a commission of 10% of gross proceeds to the Agent (Canaccord Genuity Corp.) and granted the Agent an option purchase up to 105,000 of the common shares issued in the offering exercisable for a period ending twenty-four months from the date the Company’s Common Shares are listed on the TSX Venture Exchange, exercisable at \$0.50 per share. The Company also reimbursed the Agent for legal fees and other reasonable expenses incurred pursuant to the Offering.

Options

The Corporation has established a stock option plan for its directors, officers and consultants under which the Corporation may grant options from time to time to acquire a maximum of 10% of the issued and outstanding common shares. The options shall not result at any time: (i) the number of shares reserved for issuance pursuant to options granted to Insiders exceeding 10% of the issued and outstanding shares ii) the grant to Insiders within a 12 month period, of a number of options exceeding 10% of outstanding shares or iii) the grant to any one (1) Optionee within a 12 month period, of a number of options exceeding 5% of the issued and outstanding shares. The exercise price of each option granted under the plan shall be determined by the Board of Directors.

Options may be granted for a maximum term of ten years from the date of the grant. They are non-transferable and expire within the later of the expiry date or 90 days of termination of employment or holding office as director or officer of the Corporation and, in the case of death, expire the earlier of the expiry date of the option or one year after death.

The following table reflects the continuity of stock options and warrants:

	Number of Stock Options and warrants	Weighted Average Exercise Price (\$)
January 1, 2018	-	-
Granted (i)	105,000	\$0.50
Granted to directors and officers (ii)	305,000	\$0.50
Balance, September 30, 2018	410,000	\$0.50

- i. On September 27, 2018, the Corporation granted 105,000 compensation warrants to the Agent, which are exercisable within two years from the date of grant at an exercise price of \$0.50 per share. These warrants were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 2.19%, expected volatility of 100% and an expected life of two years. The value attributed to these warrants was \$27,873.
- ii. On September 27, 2018, the Corporation granted 305,000 options to directors and officers, which are exercisable within five years from the date of grant at an exercise price of \$0.50 per share. These options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 2.32%, expected volatility of 100% and an expected life of five years. The value attributed to these options was \$114,589.

3. SHARE CAPITAL (Continued)

The following table reflects the actual options issued and outstanding as of September 30, 2018:

Expiry Date	Exercise Price	Weighted Average Remaining Contractual Life (years)	Number of Options and Warrants Outstanding	Number of Options Vested (Exercisable)
September 27 2020	\$0.50	1.99	105,000	105,000
September 27 2023	\$0.50	4.66	305,000	305,000
	\$0.50	3.98	410,000	410,000

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Company's objective when managing capital is to maintain its ability to continue as a going concern, in order to provide returns for the shareholders and benefits for other stakeholders. The Company includes equity, comprised of issued common shares and deficit, in the definition of capital.

The Company's primary objective, with respect to its capital management, is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of common shares 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 from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange policy 2.4.

Risk Disclosures and Fair Values

The Company's financial instruments, consisting of cash held in trust and accrued liabilities, approximate fair value due to the relatively short-term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

5. RELATED PARTY TRANSACTIONS

During the period ended September 30, 2018, the Company incurred legal fees of approximately \$29,950 (2017-\$5,179) for services provided by a law firm whose partner is a director of the Company.

As at September 30, 2018, \$12,137 (2017-\$10,357) is included in accrued liabilities for these services and \$18,673 (2017-\$5,178) has been included in share issuance costs.

There were no transactions with related parties and no remuneration was paid to key management personnel during the period ended September 30, 2018.