
CLUNY CAPITAL CORP.
(a capital pool company)
CONDENSED INTERIM FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2018
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

NOTICE TO READER

The accompanying unaudited condensed interim financial statements of Cluny Capital Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

Cluny Capital Corp.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at September 30, 2018	As at December 31, 2017
ASSETS		
Current assets		
Cash	\$ -	\$ 3,774
Funds in trust (note 3)	228,188	-
Total assets	\$ 228,188	\$ 3,774
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 27,182	\$ 12,337
Convertible debenture (note 4)	40,729	-
Total liabilities	67,911	12,337
Equity		
Share capital (note 5)	740,322	456,722
Stock Option Reserves	126,523	84,839
Contributed surplus	54,240	32,300
Deficit	(760,808)	(582,424)
Total equity	160,277	(8,563)
Total liabilities and equity	\$ 228,188	\$ 3,774

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

Cluny Capital Corp.**Condensed Interim Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****(Unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Revenues				
Interest revenue	\$ -	\$ 15	\$ 2	\$ 94
Expenses				
Professional fees	24,719	10,034	66,595	54,285
Listing fees	3,184	4,286	6,360	21,428
Stock based compensation (note 6)	-	-	41,684	-
Accretion	4,971	-	6,170	-
Investigation costs	-	-	56,500	-
Administration	851	-	1,077	-
	33,725	14,320	178,386	75,713
Net loss and comprehensive loss for the period	\$ (33,725)	\$ (14,305)	\$ (178,384)	\$ (75,619)
Basic and diluted net loss for the period (note 7)	\$ (0.00)	\$ (0.01)	\$ (0.04)	\$ (0.03)
Weighted average number of common shares outstanding	6,933,700	2,233,700	4,265,202	2,233,700

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

Cluny Capital Corp.

Condensed Interim Statements of Changes in Equity
Nine Months Ended September 30, 2018 and September 30, 2017
(Expressed in Canadian Dollars)
(Unaudited)

Share Capital

	Number of shares	Amount	Stock Option Reserves	Contributed Surplus	Accumulated Deficit	Total
Balance, December 31, 2016	3,733,701	\$ 456,722	\$ 84,839	\$ 32,300	\$ (495,558)	\$ 78,303
Cancellation of seed shares (note 1)	(500,001)	-	-	-	-	-
Net loss and comprehensive loss for the period	-	-	-	-	(75,619)	(75,619)
Balance, September 30, 2017	3,233,700	\$ 456,722	\$ 84,839	\$ 32,300	\$ (571,177)	\$ 2,684

Share Capital

	Number of shares	Amount	Stock Option Reserves	Contributed Surplus	Accumulated Deficit	Total
Balance, December 31, 2017	3,233,700	\$ 456,722	\$ 84,839	\$ 32,300	\$ (582,424)	\$ (8,563)
Private placement (note 5(b))	6,000,000	300,000	-	-	-	300,000
Cost of issue	-	(16,400)	-	-	-	(16,400)
Stock based compensation (note 6)	-	-	41,684	-	-	41,684
Equity component of convertible debenture (note 4)	-	-	-	21,940	-	21,940
Net loss and comprehensive loss for the period	-	-	-	-	(178,384)	(178,384)
Balance, September 30, 2018	9,233,700	\$ 740,322	\$ 126,523	\$ 54,240	\$ (760,808)	\$ 160,277

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

Cluny Capital Corp.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Nine Months Ended	
	September 30,	
	2018	2017
Operating activities		
Net loss for the period	\$ (178,384)	\$ (75,619)
Stock based compensation (note 6)	41,684	-
Accretion	6,170	-
Issuance of convertible debenture (note 4)	56,500	-
Non-cash working capital items:		
Accounts payable and accrued liabilities	14,844	(3,616)
Net cash used in operating activities	(59,186)	(79,235)
Financing activities		
Issuance of common shares (note 5)	300,000	-
Share issue costs	(16,400)	-
Net cash provided by financing activities	283,600	-
Net change in cash	224,414	(79,235)
Cash, beginning of period	3,774	87,614
Cash, end of period	\$ 228,188	\$ 8,379

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

Cluny Capital Corp.

Notes to Condensed Interim Financial Statements
Three and Nine Months Ended September 30, 2018
(Expressed in Canadian Dollars)
(Unaudited)

1. Business of the Company

Cluny Capital Corp. (the "**Company**") was incorporated under the *Business Corporations Act (Ontario)* on August 11, 2011 and is classified as a Capital Pool Company ("**CPC**") as defined in Policy 2.4 Capital Pool Companies ("**Policy 2.4**") of the TSX Venture Exchange Inc. (the "**Exchange**"). The Company has no significant assets. The Company proposes to identify and evaluate potential acquisitions or businesses with a view to completing a Qualifying Transaction (as such term is defined in Policy 2.4).

Effective March 13, 2017, the Company was transferred to the NEX trading board of the Exchange. In connection with the transfer to the NEX, a total of 500,001 common shares of the Company issued to non-arm's length parties that constituted "seed shares" under Policy 2.4 have been cancelled. The trading symbol for the Company was changed from CLN.P to CLN.H.

The registered office of the Company is located at 1 First Canadian Place, 100 King Street West, Suite 6000, Toronto, Ontario M5X 1G5.

On November 23, 2018, the directors of the Company approved the unaudited condensed interim financial statements for the periods ended September 30, 2018 and 2017.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applied on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. There is no assurance that the Company will identify a Qualifying Transaction under the policies of the Exchange. The Company will likely need to secure financing to pursue a Qualifying Transaction.

2. Significant accounting policies

Statement of compliance

These unaudited condensed interim financial statements present the Company's financial results of operations and financial position under International Financial Reporting Standards ("IFRS") as at and for the three and nine month period ended September 30, 2018, including 2017 comparatives. As a result, they have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as issued by the International Accounting Standards Board.

These unaudited condensed interim financial statements should be read in conjunction with the Company's 2017 annual audited financial statements prepared in accordance with IFRS.

The accounting policies adopted in these unaudited condensed interim financial statements are consistent with those disclosed in the Company's audited financial statements for the year ended December 31, 2017, except for the accounting standards implemented below.

Adoption of new accounting policy

The Company has adopted IFRS 9 Financial Instruments effective January 1, 2018. IFRS 9 replaces IAS 39.

Financial Instruments: Recognition and Measurement. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements.

Cluny Capital Corp.

Notes to Condensed Interim Financial Statements
Three and Nine Months Ended September 30, 2018
(Expressed in Canadian Dollars)
(Unaudited)

2. Significant accounting policies (continued)

Adoption of new accounting policy (continued)

(a) Classification of financial assets and financial liabilities

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. The standard includes three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit and loss (FVTPL). It eliminates existing IAS 39 categories of held to maturity, loans and receivables and available for sale. Based on the Company's assessment, this standard does not have a material impact on the classification of financial assets and financial liabilities of the Company.

(b) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. This will require judgement about how changes in economic factors affect ECLs, which will be determined on a probability weighted basis. Based on the Company's assessment, changes to the impairment model are not expected to have a material impact on the financial assets of the Company because:

- i) The majority of the financial assets are measured at FVTPL and the impairment requirements do not apply to such instruments; and
- ii) The financial assets at amortized cost are short-term and ECLs are expected to be immaterial. The accounting policies applicable to financial instruments from the date of initial application of IFRS 9 on January 1, 2018 are outlined.

New accounting standards and interpretations

Certain new accounting standards, amendments to standards and interpretations have been issued. These standards have been assessed to not have a significant impact on the Company's financial statements:

(a) IFRS 16, Leases

The new standard on leases, supersedes IAS 17, Leases, and related interpretations. The standard is effective for years beginning on or after January 1, 2019.

IFRS 16 Leases was issued in January 2016 and replaces IAS 17 Leases. Under IAS 17, lessees were required to make a distinction between a finance lease and an operating lease. If the lease was classified as a finance lease, a lease liability was included on the statement of financial position. IFRS 16 now requires lessees to recognize a right of use asset and lease liability reflecting future lease payments for virtually all lease contracts. The right of use asset is treated similarly to other non-financial assets and depreciated accordingly. The lease liability accrues interest. The IASB has included an optional exemption for certain short term leases and leases of low value assets; however, this exemption can only be applied by lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and obtain substantially all the economic benefits from that use. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted if IFRS 15, Revenue from Contracts with Customers, is also applied.

The Company has not determined the extent of the impact of the above standard and does not plan to early adopt this new standard.

Cluny Capital Corp.

Notes to Condensed Interim Financial Statements
Three and Nine Months Ended September 30, 2018
(Expressed in Canadian Dollars)
(Unaudited)

3. Cash restriction

The proceeds raised from the issuance of common shares, prior to completion of the Qualifying Transaction, 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 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 apply until completion of a Qualifying Transaction by the Company. The Company has exceeded this limit. The impact of this violation, if any, is unknown and is ultimately dependent on the Exchange.

4. Convertible debenture

On June 6, 2018, the Company completed securities for debt transactions with two arm's length service providers. Pursuant to the transactions the Company issued an aggregate of \$56,500 of unsecured convertible debentures in satisfaction of \$56,500 of indebtedness. The convertible debentures, which mature on June 6, 2019 and accrue interest at 6% per annum, are automatically convertible into an aggregate of 941,666 common shares of the Company at a deemed price of \$0.06 per share concurrent with the closing of a Qualifying Transaction. The Company determined to satisfy the indebtedness with convertible debentures in order to preserve its cash for use on working capital and the identification and evaluation of a Qualifying Transaction. The convertible debentures issued in satisfaction of the indebtedness are subject to a four month hold period from the date of issuance.

The convertible debenture was separated into its liability component of \$34,560 and equity component of \$21,940 using the effective interest rate method with an effective interest rate of 52.77% per annum. During the nine months ended September 30, 2018, the Company recorded an accretion expense of \$6,170 (2017 - \$nil) and an interest expense of \$1,077 (2017 - \$nil).

5. Share capital

a) Authorized share capital

Authorized unlimited common shares

b) Common shares issued

	Number of Common Shares	Amount
Balance, December 31, 2016	3,733,701	\$ 456,722
Cancellation of seed shares (note 1)	(500,001)	-
Balance, September 30, 2017	3,233,700	\$ 456,722
Balance, December 31, 2017	3,233,700	\$ 456,722
Private placement	6,000,000	300,000
Cost of issue	-	(16,400)
Balance, September 30, 2018	9,233,700	\$ 740,322

On August 20, 2014, the Company completed its initial public offering. The Company issued 2,233,700 common shares at a price of \$0.20 per share for gross proceeds to the Company of \$446,740. As a result of this issuance, the Company had 3,733,701 common shares issued and outstanding, of which 1,500,001 common shares were placed and are held in escrow. Share issue costs incurred with regards to this share issuance exclusive of the agent's options amounted to \$107,719.

Cluny Capital Corp.

Notes to Condensed Interim Financial Statements
Three and Nine Months Ended September 30, 2018
(Expressed in Canadian Dollars)
(Unaudited)

5. Share capital (continued)

b) Common shares issued (continued)

On June 6, 2018, the Company closed a non-brokered private placement for aggregate gross proceeds of \$300,000 through the issuance of 6,000,000 common shares at a price of \$0.05 per share. All shares issued pursuant to the financing are subject to a four month hold period from the date of issuance. The net proceeds will be used by the Company for working capital and the identification and evaluation of a Qualifying Transaction. In connection with the private placement the Company paid finder's fees of an aggregate of \$16,400. The Company received subscriptions from its four new officers and directors for an aggregate amount of \$25,000 for 500,000 common shares. In addition, in accordance with Policy 2.4, 1,300,000 common shares acquired by Non-Arm's Length Parties (as such term is defined by the Exchange) have been placed in escrow pursuant to an Exchange Form 2F *Escrow Agreement*.

The above seed shares are held in escrow pursuant to an Exchange Form 2F *Escrow Agreement* and will be released from escrow in accordance with such agreement. On March 13, 2017, the Company cancelled 500,001 seed shares held by non-arm's length parties in accordance with Exchange policies, as a result of its failure to complete a Qualifying Transaction within the deadline imposed by the Exchange (note 1). As of September 30, 2018 there are 2,300,000 (December 31, 2017 - 1,000,000) common shares held in escrow, and the weighted average shares outstanding does not include shares held in escrow as they are contingently returnable.

6. Stock options

The Company issued stock options to acquire common shares as follows:

	Number of Stock Options	Weighted Average Exercise Price (\$)
Balance, December 31, 2016 and September 30, 2017	347,185	0.20
	Number of Stock Options	Weighted Average Exercise Price (\$)
Balance, December 31, 2017	347,185	0.20
Forfeited ⁽¹⁾	(347,185)	0.20
Granted ⁽¹⁾⁽²⁾	773,370	0.06
Balance, September 30, 2018	773,370	0.06

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

Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)	Number of Options Unvested
May 23, 2028	0.06	9.65	323,370	323,370	-
June 6, 2028	0.06	9.69	450,000	450,000	-
	0.06	9.67	773,370	773,370	-

Cluny Capital Corp.

Notes to Condensed Interim Financial Statements Three and Nine Months Ended September 30, 2018 (Expressed in Canadian Dollars) (Unaudited)

6. Stock options (continued)

⁽¹⁾ On May 23, 2018, the Company granted 323,370 stock options to new officers and directors of the Company at an exercise price of \$0.06 per common share expiring on May 23, 2028. These options vested immediately. The fair value of these stock options was estimated to be \$17,429 at the grant date based on the Black-Scholes pricing model, using the following weighted average assumptions: share price - \$0.06; expected dividend yield - nil; risk free interest rate - 2.37%; expected life - 10.0 years; and expected volatility - 100%.

Upon resignation all of the stock options held by the departing officers and directors were forfeited.

⁽²⁾ On June 6, 2018, the Company granted 450,000 stock options to new officers and directors of the Company at an exercise price of \$0.06 per common share expiring on June 6, 2028. These options vested immediately. The fair value of these stock options was estimated to be \$24,255 at the grant date based on the Black-Scholes pricing model, using the following weighted average assumptions: share price - \$0.06; expected dividend yield - nil; risk free interest rate - 2.26%; expected life - 10.0 years; and expected volatility - 100%.

7. Net loss per share

The calculation of basic and diluted loss per share for the three and nine months ended September 30, 2018 was based on the loss attributable to common shareholders of \$33,725 and \$178,384, respectively (three and nine months ended September 30, 2017 - loss of \$14,305 and \$75,619, respectively) and the weighted average number of common shares outstanding of 6,933,700 and 4,265,202, respectively (three and nine months ended September 30, 2017 - 2,233,700).

Diluted loss per share did not include the effect of 773,370 stock options (September 30, 2017 - 347,185) as they are anti-dilutive.

8. Related party transactions

Related parties include the directors of the Company, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

During the nine months ended September 30, 2018, 773,370 (2017 - nil) stock options were granted to directors and officers which were valued at \$41,684 (2017 - \$nil). There was no further compensation to key management personnel. See note 6 for details.

During the nine months ended September 30, 2018, the Company incurred \$10,692 (2017 - \$48,350) in legal and agent fees to a law firm where a former director of the Company was a partner. As at September 30, 2018, \$nil (December 31, 2017 - \$2,381) was payable to the firm.

During the nine months ended September 30, 2018, the Company incurred \$44,708 (2017 - \$nil) in legal fees to a law firm where an officer of the Company is a partner. As at September 30, 2018, \$10,225 (December 31, 2017 - \$nil) was payable to the firm.

The Company received subscriptions from related parties for an aggregate amount of \$65,000 for 1,300,000 common shares (note 5(b)).

Cluny Capital Corp.

**Notes to Condensed Interim Financial Statements
Three and Nine Months Ended September 30, 2018
(Expressed in Canadian Dollars)
(Unaudited)**

9. 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 shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued common shares, 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 Company is not subject to externally imposed capital requirements other than the cash restriction disclosed in note 3.

Risk Disclosures and Fair Values

The Company's financial instruments, consisting of cash and accrued liabilities, approximate fair values 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.

As at September 30, 2018, the Company has accounts payable and accrued liabilities of \$27,182 (December 31, 2017 - \$12,337) due within 12 months and has cash and funds in trust of \$228,188 (December 31, 2017 - cash of \$3,774), subject to restrictions (note 3), to meet its current obligations. As a result the Company has minimal liquidity risk.

10. Proposed Qualifying Transaction

On July 3, 2018, the Company announced that it has entered into a binding letter of intent dated June 26, 2018 with Ronin Blockchain Corp. ("Ronin"), a wholly-owned subsidiary of Datametrex AI Limited, a reporting issuer listed on the Exchange, for the proposed combination of the businesses of the two companies (the "Proposed Transaction"). The Proposed Transaction is intended to constitute the Company's Qualifying Transaction and would result in a reverse take-over of the Company by Ronin.

11. Subsequent event

On November 15, 2018, the letter of intent for the Proposed Transaction terminated.