

**DEAL PRO CAPITAL CORPORATION**  
**(A Capital Pool Company)**  
**NINE-MONTH PERIOD ENDED**  
**SEPTEMBER 30, 2022**

**Notice to Reader**

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

**DEAL PRO CAPITAL CORPORATION  
(A CAPITAL POOL COMPANY)**

**INTERIM CONDENSED FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022**

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**DEAL PRO CAPITAL CORPORATION**  
**(A CAPITAL POOL COMPANY)**  
**STATEMENT OF INTERIM FINANCIAL POSITION**  
**(All Amounts are in Canadian Dollars - Unaudited)**

As at

	Notes	Sept. 30, 2022 \$	Dec. 31, 2021 \$
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash	5	308,632	370,736
<b>TOTAL ASSETS</b>		<u>308,632</u>	<u>370,736</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities		9,322	16,993
<b>SHAREHOLDERS' EQUITY</b>			
<b>CAPITAL STOCK</b>			
Issued and Outstanding – 8,207,001 Common shares	6	405,188	405,188
Warrants		13,222	13,222
Contributed Surplus		47,901	47,901
Accumulated Deficit		(167,001)	(112,568)
		<u>299,310</u>	<u>353,743</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u>308,632</u>	<u>370,736</u>

**APPROVED ON BEHALF OF THE BOARD**

(signed) "Harold Wolkin"

Harold Wolkin  
Director

(signed) "Norman Levine"

Norman Levine  
Director

See the accompanying notes to the interim financial statements

**DEAL PRO CAPITAL CORPORATION**  
**(A CAPITAL POOL COMPANY)**  
**STATEMENT OF INTERIM LOSS AND COMPREHENSIVE LOSS**  
**(All Amounts are in Canadian Dollars - Unaudited)**

	Three months ended		Nine months ended	
	Sept. 30, 2022	Sept. 30, 2021	Sept. 30, 2022	Sept. 30, 2021
<b>EXPENSES</b>				
Regulatory and listing costs	\$ 5,776	\$ 3,673	\$ 12,625	\$ 3,673
Professional fees	37,703	7,769	41,808	7,769
Share-based compensation	-	-	-	25,484
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>\$ 43,479</b>	<b>\$ 11,442</b>	<b>\$ 54,433</b>	<b>\$ 36,926</b>
<b>NET LOSS PER SHARE – Basic and diluted</b>	<b>\$ 0.01</b>	<b>\$0.00</b>	<b>\$ 0.01</b>	<b>\$0.01</b>
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – Basic and diluted</b>	<b>8,207,001</b>	<b>5,700,001</b>	<b>8,207,001</b>	<b>4,993,402</b>

See the accompanying notes to the interim financial statements

**DEAL PRO CAPITAL CORPORATION**  
**(A CAPITAL POOL COMPANY)**  
**STATEMENT OF INTERIM CHANGES IN SHAREHOLDERS' EQUITY**  
**(All Amounts are in Canadian Dollars - Unaudited)**

**For the Period from June 11, 2021 (Date of Incorporation) to September 30, 2022**

	Number of Common Shares	Amount of Common Shares	Warrants	Contributed Surplus	Accumulated Deficit	Shareholders' Equity
Share-based compensation	-	\$ -	\$ -	\$ 25,484	\$ -	\$ 25,484
Private placement for cash	5,700,001	285,000	-	-	-	285,000
Net loss for the period	-	-	-	-	(36,926)	(36,926)
Balance, September 30, 2021	5,700,001	285,000	-	25,484	(36,926)	273,558
Share-based compensation	-	-	-	22,417	-	22,417
Issuance of common shares for cash	2,507,000	120,188	13,222	-	-	133,410
Net loss for the period	-	-	-	-	(75,642)	(75,642)
Balance, December 31, 2021	8,207,001	405,188	13,222	47,901	(112,568)	353,743
Net loss for the period	-	-	-	-	(54,433)	(54,433)
Balance, September 30, 2022	8,207,001	\$ 405,188	\$ 13,222	\$ 47,901	\$ (167,001)	\$ 308,632

See the accompanying notes to the interim financial statements

**DEAL PRO CAPITAL CORPORATION**  
**(A CAPITAL POOL COMPANY)**  
**STATEMENT OF INTERIM CASH FLOW**  
**(All Amounts are in Canadian Dollars - Unaudited)**

	<b>Nine months ended</b>	
	<b>Sept. 30,</b>	<b>Sept. 30,</b>
	<b>2022</b>	<b>2021</b>
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (54,433)	\$ (36,926)
<u>Items not affecting cash:</u>		
Share-based compensation	-	25,484
<u>Change in non-cash working capital:</u>		
Increase in deferred financing costs	-	(55,750)
Increase in accounts payable	(7,671)	59,423
	(62,104)	(7,769)
<b>FINANCING ACTIVITIES</b>		
Issuance of common shares	-	285,000
Change in cash	(62,104)	277,231
Opening cash	370,736	-
Closing cash	\$ 308,632	\$ 277,231

See the accompanying notes to the interim financial statements

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**September 30, 2022**  
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## **1. Nature of Organization**

### *Description of the Business*

Deal Pro Capital Corporation (the "Company") was incorporated under the *Business Corporations Act* (Ontario) on June 11, 2021 ("Date of Incorporation"). The Company is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). On October 27, 2021, the Company announced it had completed its Initial Public Offering and that it was now defined as a Capital Pool Corporation trading under the symbol DPCC.P. The principal business of the Company will be to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein. The purpose of such an acquisition is to satisfy the related conditions of a "Qualifying Transaction" ("QT") under the Exchange rules.

The address of the Company's registered office is Suite 2100, 40 King Street, Toronto, Ontario, M5H 3C2.

The interim financial statements of the Company for the period ended September 30, 2022 were authorized for issuance in accordance with a resolution of the directors on October 21, 2022.

The Company has not commenced operations and has no assets other than cash. The Company's continuing operations are dependent upon its ability to identify, evaluate and negotiate an acquisition, business, or an interest therein. Such an acquisition or business will be subject to the approval of the Exchange, and in the case of a non-arm's length transaction, of the majority of the Company's minority shareholders.

## **2. Basis of Presentation**

### *Statement of Compliance*

The Corporation applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). These interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The same accounting policies and methods of computation are followed in these interim financial statements as compared with the most recent audited financial statements as at and for the period ended December 31, 2021. Any subsequent changes to IFRS that are given effect in the Corporation's annual financial statements for the year ending December 31, 2022 could result in restatement of these interim financial statements.

### *Basis of Measurement*

These interim financial statements are stated in Canadian dollars and were prepared on a going concern basis, under the historical cost convention.

### *Functional and presentation currency*

These interim financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

## **3. Summary of Significant Accounting Policies**

The significant accounting policies are unchanged from those in the audited financial statement for the period ended December 31, 2021.

## **4. Summary of Accounting Estimates and Assumptions**

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates.

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Significant judgements made in preparation of these financial statements include:

The Company uses the Black-Scholes option pricing model to determine the fair value of options in order to calculate share-based compensation expense and the fair value of agent options. The Black-Scholes model involves six key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based compensation expense.

## **5. Cash**

The Company has \$308,632 held in trust with its lawyers. As a Capital Pool Company, the proceeds raised from the issuance of common shares including the funds held in trust, may only be used to identify and evaluate assets or businesses for future investments, with the exception that not more than \$3,000 per month may be used to cover administrative and general expenditures of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under Policy 2.4 of the Exchange.

## **6. Capital Stock**

### ***Common Shares***

The Company is authorized to issue an unlimited number of common shares and unlimited number of preferred shares (issuable in series) and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. On June 25, 2021, the directors and officers of the Company subscribed for 5,700,001 common shares at a price of \$0.05 per common share for gross proceeds of \$285,000.

All 5,700,001 issued and outstanding common shares of the Company, and all common shares acquired on exercise of stock options granted to directors and officers prior to the receipt of a Final Exchange Bulletin on completion of a Qualifying Transaction, will be held in escrow pursuant to the requirements of the Exchange. Shares will be released from escrow as follows:

- 25% on receipt of the Final Exchange Bulletin,
- 25% on the 6-month anniversary of the Final Exchange Bulletin,
- 25% on the 12-month anniversary of the Final Exchange Bulletin,
- 25% on the 18-month anniversary of the Final Exchange Bulletin,

On October 22, 2021, the Company completed its Initial Public Offering ("IPO") of 2,507,000 common shares at \$0.10 per share (\$250,700). The Company paid a commission of 10% of gross proceeds to the Agent, and granted the Agent warrants to acquire 10% 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 \$0.10 per share. The Company also paid a corporate finance fee upon the closing of the offering and reimbursed the Agent for legal fees and other reasonable expenses incurred pursuant to the IPO. The Company incurred share issuance costs related to the IPO of \$70,290 which was netted against share capital and \$47,000 of deferred costs related to the IPO.

The grant date fair value of the Agent warrants was estimated at \$13,222 using the Black-Scholes option pricing model with the following assumptions: share price of \$0.10; expected volatility of 100% based on the average volatility of comparable companies; risk-free interest rate of 1.45%; expected dividend yield of 0%; and an expected life of 2 years.

### ***Stock Options***

The Company has established a stock option plan for its directors, officers and consultants under which the Company may grant options from time to time to acquire a maximum of 10% of the issued and

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outstanding common 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 90 days of termination of employment or holding office as director or officer of the Company and, in the case of death, expire one year thereafter.

Upon death, the options may be exercised by legal representation or designated beneficiaries of the holder of the option. Any shares issued upon exercise of the options prior to the Company entering into a QT will be subject to escrow restrictions. Unless otherwise stated, the options fully vest when granted.

On June 25, 2021, the Company granted 570,000 options to its officers and directors. The options were valued using the Black-Scholes model and the expense was charged to the statement of loss and comprehensive loss during the period ended December 31, 2021.

On October 22, 2021, the Company granted 250,700 options to its officers and directors. The options were issued with a strike price of \$0.10 per share and were valued using the Black-Scholes model. The expense was charged to the statement of loss and comprehensive loss during the period ended December 31, 2021.

At September 30, 2022, the following stock options were outstanding:

<b>Number of Options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Expected Volatility <sup>(a)</sup></b>	<b>Risk-Free Interest Rate</b>	<b>Expected Dividend Yield</b>	<b>Expected Life</b>
570,000	\$0.05	June 25, 2031	100%	1.45%	0%	10 years
250,700	\$0.10	October 22, 2031	100%	1.45%	0%	10 years

(a) Expected volatility is based on the average volatility of comparable companies

The following table reflects the continuity of stock options:

	<b>Stock Options</b>	
	Number	Weighted Average Exercise Price
Outstanding, June 11, 2021	-	\$ -
Granted	820,700	0.07
Exercised	-	-
Outstanding, December 31, 2021	820,700	\$ 0.07
Number exercisable, December 31, 2021	-	

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Outstanding, January 1, 2022	820,700	0.07
Granted	-	-
Exercised	-	-
Outstanding, September 30, 2022	820,700	\$ 0.07
Number exercisable, September 30, 2022	-	

Until the Company completes a QT, the 820,700 stock options will not be exercisable.

### **7. Capital Risk Management**

The Company manages its capital stock as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue to operate and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new common shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company may prepare expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing efforts, the Company does not pay out dividends.

The Company expects its current capital resources will be sufficient to carry its operations. The Company is not subject to any externally or internally imposed capital requirements as at September 30, 2022.

The Company's capital under management as at September 30, 2022 is \$405,188.

### **8. Transactions with Related Parties**

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions. During the period ended December 31, 2021, 820,700 stock options were granted to directors and officers which were valued at \$47,901 (Note 6). There was no further compensation to key management personnel.

### **9. Income Taxes**

This note has not been updated from the December 31, 2021 period.