

DEAL PRO CAPITAL CORPORATION
(A Capital Pool Company)
INTERIM CONDENSED FINANCIAL STATEMENTS
PERIOD ENDED
SEPTEMBER 30, 2023

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

INTERIM CONDENSED FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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DEAL PRO CAPITAL CORPORATION
(A CAPITAL POOL COMPANY)
STATEMENTS OF INTERIM FINANCIAL POSITION
(All Amounts are in Canadian Dollars)

As at

	Notes	September 30, 2023 \$	December 31, 2022 \$
ASSETS			
CURRENT			
Cash	5	236,229	297,287
TOTAL ASSETS		236,229	297,287
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities		34,661	28,459
SHAREHOLDERS' EQUITY			
CAPITAL STOCK			
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		(264,743)	(197,483)
		203,568	268,828
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		236,229	297,287

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 condensed financial statements.

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

	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	\$	\$	\$	\$
EXPENSES				
Regulatory and listing costs	189	2,669	11,477	12,625
Professional fees	31,816	18,697	55,783	41,808
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	32,005	21,366	67,260	54,433
NET LOSS PER SHARE – Basic and diluted	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.01
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – Basic and diluted	8,207,001	8,207,001	8,207,001	8,207,001

See the accompanying notes to the interim condensed financial statements.

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

	Number of Common Shares	Amount of Common Shares \$	Warrants \$	Contributed Surplus \$	Accumulated Deficit \$	Shareholders' Equity \$
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)	299,310
Net loss for the period	-	-	-	-	(30,482)	(30,482)
Balance, December 31, 2022	8,207,001	405,188	13,222	47,901	(197,483)	268,828
Net loss for the period	-	-	-	-	(67,260)	(67,260)
Balance, September 30, 2023	8,207,001	405,188	13,222	47,901	(264,743)	201,568

See the accompanying notes to the interim condensed financial statements.

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

	Nine months ended	
	September 30,	September 30,
	2023	2022
	\$	\$
OPERATING ACTIVITIES		
Net loss for the period	(67,260)	(54,433)
Change in non-cash working capital:		
Increase in accounts payable and accrued liabilities	6,202	(7,671)
	(61,058)	(62,104)
Change in cash	(61,058)	(62,104)
Opening cash	297,287	370,736
Closing cash	236,229	308,632

See the accompanying notes to the interim condensed financial statements.

DEAL PRO CAPITAL CORPORATION
(A CAPITAL POOL COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
September 30, 2023
(All Amounts are in Canadian Dollars - Unaudited)

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 22, 2021, the Company 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 3200, 40 Temperance St., Toronto, Ontario, M5H 0B4.

The interim condensed financial statements of the Company for the period ended September 30, 2023 were authorized for issuance in accordance with a resolution of the directors on October 24, 2023.

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 Company 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, 2022. These interim condensed financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2022.

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 Company's functional currency.

3. Summary of Significant Accounting Policies

Cash

Cash consists of deposits with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Income Taxes

Income tax expense comprises current and deferred tax. Tax is recognized in the statement of comprehensive income except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current Income Tax

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

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Deferred Tax

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Earnings (Loss) Per Share

The Company presents basic earnings (loss) per share for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders on the weighted average number of common shares outstanding when the effect is anti-dilutive.

Financial instruments

The following table shows the classification of the Company's financial instruments under IFRS 9:

Financial assets	
Cash	Amortized cost
Financial liabilities	
Trade payables and accrued liabilities	Amortized cost

The Company classifies its financial assets in one of the following categories: (1) at fair value through profit or loss ("FVTPL"), (2) at amortised cost or (3) at fair value through other comprehensive income ("FVTOCI"). The classification depends on the purpose for which the financial assets were acquired, the business model in which they are managed and their cash flow characteristics. Management determines the classification of its financial assets at initial recognition.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of profit or loss in the period in which they arise.

Amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current or non-current based on their maturity date.

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition,

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the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company recognizes in the statements of profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

Level 3 – Applies to assets or liabilities for which there are unobservable market data.

The carrying value of cash, trade payables and accrued liabilities approximate their fair value because of the short-term nature of these instruments or their ability of prompt liquidation.

Share-based Payments

Stock options issued by the Company are accounted for in accordance with the fair value-based method. The fair value of options issued to directors, officers, employees of and consultants to the Company is charged to operations on a straight-line basis over the vesting period of each tranche (graded vesting) with the offsetting amount recorded to contributed surplus. The historical forfeiture rate is also factored into the calculations. When options are exercised, the amount received, together with the amount previously recorded in contributed surplus are added to capital stock. The fair value of warrants issued to agents in conjunction with a public offering is charged to share issue costs with an offsetting amount recorded to contributed surplus. Fair value is measured using the Black-Scholes option pricing model.

Recent Accounting Pronouncements

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements, except as follows:

IAS 1, Presentation of Financial Statements

On January 23, 2020, the IASB issued amendments to IAS 1 Presentation of Financial Statements to clarify the requirements for classifying liabilities as current or non-current. The amendments include specifying the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists and expectations about events after the balance sheet date are not relevant. The amendments are

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effective for annual reporting periods beginning on or after January 1, 2024. The Company is in the process of evaluating the impact of the standard on its consolidated financial statements.

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.

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 \$236,229 (December 31, 2022 - \$297,287) 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. The Company did not issue common shares or grant stock options in the year ended December 31, 2022.

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 cash costs related to the IPO of \$117,290 which was netted against share capital.

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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 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, 2023 and December 31, 2022, the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date	Expected Volatility ^(a)	Risk-Free Interest Rate	Expected Dividend Yield	Expected Life
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:

	September 30, 2023		December 31, 2022	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, beginning of period	820,700	\$ 0.07	820,700	\$ 0.07
Granted	-	-	-	-
Exercised	-	-	-	-
Outstanding, end of period	820,700	\$ 0.07	820,700	\$ 0.07
Number exercisable, end of period	-	-	-	-

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

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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, 2023, except those indicated in Note 5.

The Company's capital under management as at September 30, 2023 is \$405,188 (December 31, 2022 - \$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 September 30, 2023 the Company did not record any compensation to directors and officers. During the year ended December 31, 2022, the Company did not record any compensation and did not grant any stock options to directors and officers.