

Skyscape Capital Inc.

(A Capital Pool Company)

**Unaudited Condensed Interim Consolidated
Financial Statements**

**For the Three and Nine Months Ended September 30,
2021 and 2020**

(In Canadian Dollars)

Notice of No Auditor Review of the Interim Consolidated Financial Statements

The accompanying unaudited condensed interim consolidated financial statements of Skyscape Capital Inc. (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 consolidated financial statements in accordance with standards established by the CPA Canada for a review of interim consolidated financial statements by an entity's auditor.

Skyscape Capital Inc.
Unaudited Condensed Interim Consolidated Statements of Financial Position
As at September 30, 2021 and December 31, 2020
(in Canadian Dollars)

	September 30, 2021	December 31, 2020
Assets		
Cash held in trust	\$ 35,487	\$ 237,992
	\$ 35,487	\$ 237,992
Liabilities		
Accounts payable and accrued liabilities	\$ 329,368	\$ 129,951
Shareholder's Equity		
Share capital, net of issuance costs (Note 3)	651,354	651,354
Contributed surplus	101,363	101,363
Accumulated deficit	(1,046,598)	(644,676)
	(293,881)	108,041
	\$ 35,487	\$ 237,992

Approved by the Board Paul Pathak
Director (Signed)

James Walker
Director (Signed)

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

Skyscape Capital Inc.
Unaudited Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Three and Nine Months Ended September 30, 2021 and 2020
(in Canadian Dollars)

	Three month period ended September 30, 2021	Three month period ended September 30, 2020	Nine month period ended September 30, 2021	Nine month period ended September 30, 2020
Expenses				
Professional fees	\$ 129,069	\$ 17,074	\$ 375,813	38,134
Listing fees	3,563	189	26,109	10,889
Total expenses	132,632	\$ 17,263	\$ 401,922	49,023
Net loss and comprehensive loss	\$ (132,632)	\$ (17,263)	\$ (401,922)	(49,023)
Net loss per share (basic and diluted)	\$ (0.07)	\$ (0.02)	\$ (0.26)	(0.05)
Weighted average number of shares outstanding (basic and diluted)	2,000,000	1,000,000	1,544,118	1,000,000

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

Skyscape Capital Inc.
Unaudited Condensed Interim Consolidated Statements of Changes in Cash Flows
For the Nine Months Ended September 30, 2021 and 2020
(in Canadian Dollars)

	Nine month period ended September 30, 2021	Nine month period ended September 30, 2020
Cash flows from operating activities		
Net loss for the period	\$ (401,922)	\$ (49,023)
Change in accrued liabilities	199,417	13,916
Net cash used in operating activities	(202,505)	(35,107)
Net change in cash	(202,505)	(35,107)
Cash, beginning of period	237,992	273,098
Cash, ending of period	\$ 35,487	\$ 237,991

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

Skyscape Capital Inc.
Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the Three and Nine Months Ended September 30, 2021 and 2020
(in Canadian Dollars)

	Number of Shares	Share Capital	Contributed surplus	Accumulated Deficit	Shareholders' Equity
Balance at January 1, 2020	2,000,000	\$ 651,354	\$ 101,363	\$ (485,346)	\$ 267,371
Net loss for the period	-	-	-	(49,023)	(49,023)
Balance, September 30, 2020	2,000,000	\$ 651,354	\$ 101,363	\$ (534,369)	\$ 218,348

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Shareholders' Equity
Balance, January 1, 2021	2,000,000	\$ 651,354	\$ 101,363	\$ (644,676)	\$ 108,041
Net loss for the period	-	-	-	(401,922)	(401,922)
Balance, September 30, 2021	2,000,000	\$ 651,354	\$ 101,363	\$ (1,046,598)	\$ (293,881)

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

Skyscape Capital Inc.
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2021 and 2020
(in Canadian Dollars)

1. INCORPORATION AND NATURE OF BUSINESS

Skyscape Capital Inc. (the "Corporation") was incorporated under the Business Corporations Act (Ontario) on January 9, 2018 and is a Capital Pool Corporation as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange") Corporate Finance Manual. The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Corporation has not commenced commercial operations and has no assets other than cash held in trust. Given the nature of the activities, no separate segmented information is reported. The Corporation's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

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 \$3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT.

On March 11, 2020, the Corporation was suspended from trading by the Exchange for failing to complete a QT within 24 months from the date of listing. On May 5, 2021, the Corporation held a "Special Meeting" in which disinterested shareholders approved the removal of the consequences of failing to complete a QT within 24 months of listing as set out in section 15.2(b)(i) of the New CPC Policy; as well as amend the escrow release conditions and certain other provisions of the Corporation's CPC escrow agreement dated February 20, 2018.

The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Corporation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

The head office and the registered head office of the Corporation is located at 77 King Street, Suite 700, Toronto, ON M5K 1G8.

On November 29, 2021, the Board of Directors approved the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2021 and 2020.

Skyscape Capital Inc.
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2021 and 2020
(in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These unaudited condensed interim consolidated 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 unaudited condensed interim consolidated financial statements have been prepared on an accrual 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 unaudited condensed interim consolidated financial statements are presented in Canadian dollars, which is the corporation’s functional and presentation currency.

The accounting policies applied by the Corporation in these Unaudited Condensed Interim Consolidated Financial Statements are the same as those applied by the Corporation in the audited consolidated financial statements for the years ended December 31, 2020 and 2019.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and its wholly owned subsidiary, 11518003 Canada Inc.

3. SHARE CAPITAL

Authorized Unlimited common shares

Issued	#	\$
1,000,000 common shares (i)	1,000,000	\$ 250,000
1,000,000 common shares (ii)	1,000,000	500,000
Issuance cost (cash)	-	(72,202)
Issuance cost (warrants)	-	(26,444)
Balance, September 30, 2021 and December 31, 2020	2,000,000	\$ 651,354

(i) Escrowed Shares

During the period from incorporation (January 9, 2018) to December 31, 2018, the Corporation issued 1,000,000 common shares at \$0.25 per share for gross proceeds of \$250,000.

All common shares of the Corporation acquired in the secondary market prior to the completion of a QT 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 Corporation held by principals of the resulting issuer will also be subject to escrow. 1,000,000 shares have been escrowed at September 30, 2021 and December 31, 2020.

All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a QT, must also be deposited in escrow until the Final Exchange Bulletin is issued.

Skyscape Capital Inc.
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2021 and 2020
(in Canadian Dollars)

3. SHARE CAPITAL – continued

(ii) Initial Public Offering

On March 6, 2018, the Corporation completed its Initial Public Offering (“IPO”) of 1,000,000 common shares at \$0.50 per share (\$500,000). The Corporation paid a commission of 10% of the gross proceeds to Canaccord Genuity Corp. (the “Agent”), and granted the Agent warrants to acquire 10% of the common shares issued in the IPO exercisable for a period ending twenty-four months from the closing of the IPO, exercisable at \$0.50 per share. The Corporation also paid a corporate finance fee and reimbursed the Agent for legal fees and other reasonable expenses incurred pursuant to the Offering. Cash issuance costs of \$72,202 were associated with these issuances and the value attributed to warrants granted to the Agent is \$26,444.

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 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 are exercisable as determined by the Board of Directors when the option is granted. Options expire within 90 days of termination of employment or holding office as director or officer of the Corporation and, in the case of death, expire within a maximum period of one year after such death, subject to the expiry date of the option.

Any shares issued upon exercise of the options prior to the Corporation entering into a QT will be subject to escrow restrictions.

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

	Number of Stock Options and Warrants	Weighted Average Exercise Price (\$)
Balance, January 9, 2018	-	-
Granted (i)	100,000	\$0.50
Granted to directors and officers (ii)	200,000	\$0.50
Expiration of agents warrants (i)	(100,000)	(\$0.50)
Balance, December 31, 2020 and September 30, 2021	200,000	\$0.50

i. On March 6, 2018, the Corporation granted 100,000 warrants to the Agent, which are exercisable within two years from the closing of the IPO 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 1.75%, expected volatility of 100% and an expected life of two years. The value attributed to these warrants was \$26,444. On March 6, 2020, a total of 100,000 agent warrants expired unexercised.

ii. On March 6, 2018, the Corporation granted 200,000 options to its 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 1.97%, expected volatility of 100% and an expected life of five years. The value attributed to these options was \$74,919.

Skyscape Capital Inc.
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2021 and 2020
(in Canadian Dollars)

3. SHARE CAPITAL – continued

Options – continued

The following table reflects the actual stock options and warrants issued and outstanding as of September 30, 2021:

Expiry Date	Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Stock Options and Warrants Outstanding	Number of Stock Options and Warrants Vested (Exercisable)
March 6, 2023	\$0.50	1.43	200,000	200,000

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Corporation'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 Corporation includes equity, comprised of share capital and accumulated deficit, in the definition of capital.

The Corporation'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 Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

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 \$3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT.

Risk Disclosures and Fair Values

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

5. RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2021, the Corporation incurred legal fees of approximately \$364,729 (2020 - \$27,265) for services provided by a law firm whose partner is a director of the Corporation. As at September 30, 2021, \$318,670 (2020 - \$19,643) is included in accounts payable & accrued liabilities for these services.

There were no other transactions with related parties and no remuneration was paid to key management personnel during the nine months ended September 30, 2021 and 2020.

6. QUALIFYING TRANSACTION

On March 8, 2021, the Corporation entered an amalgamation agreement between the Corporation, PesoRama Inc. (“PesoRama”) and 11518003 Canada Corp. (“Subco”), a wholly owned subsidiary of the Corporation, which sets forth the terms and conditions upon which the Corporation will acquire PesoRama by way of reverse takeover. PesoRama is a private company incorporated and existing under the Canada Business Corporations Act. It is intended that the Transaction will constitute the “Qualifying Transaction” of the Corporation, as such term is defined in the policies of the Exchange.

The transaction is subject to customary approvals of the shareholders and the Exchange.