

SCRYB INC.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
SEPTEMBER 30, 2022 AND 2021

SCRYB INC.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
SEPTEMBER 30, 2022 AND 2021

INDEX

	Page
Independent Auditor's Report	1
Consolidated Statement of Financial Position	3
Consolidated Statements of Loss and Comprehensive Loss	4
Consolidated Statements of Changes in Shareholders' Equity	5
Consolidated Statements of Cash Flows	6
Notes to the Consolidated Financial Statements	7 - 34

INDEPENDENT AUDITOR'S REPORT

To The Shareholders of Scryb Inc.

Opinion

We have audited the financial statements of Scryb Inc. (formerly Relay Medical Corp.) and its subsidiaries (the "Company"), which comprise the statement of financial position as at September 30, 2022 and September 30, 2021, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with Canadian International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during out audit.

Jackson & Co., LLP

January 27, 2023
Toronto, Ontario

Jackson & Co., LLP
Chartered Professional Accountants
Licensed Public Accountants

SCRYB INC.
(Formerly Relay Medical Corp.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

	2022	2021
	\$	\$
CURRENT ASSETS		
Cash	368,223	5,687,089
Other receivables (note 5)	3,204,147	2,907,875
Prepaid expenses	259,461	486,965
	<u>3,831,831</u>	<u>9,081,929</u>
NON-CURRENT ASSETS		
Reclamation bonds (note 12)	75,584	73,431
Property, plant and equipment (note 7)	36,294	50,875
Right-of-use asset (note 8)	410,806	299,652
Investments in associates (note 6)	1,367,988	2,362,989
Intangible assets (notes 9, 10)	5,497,475	6,197,161
	<u>7,388,147</u>	<u>8,984,108</u>
TOTAL ASSETS	<u>11,219,978</u>	<u>18,066,037</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	1,325,612	643,801
Current portion of lease liability (note 11)	158,459	147,655
Government loan (note 13)	60,000	60,000
	<u>1,544,071</u>	<u>851,456</u>
NON-CURRENT LIABILITIES		
Lease liability (note 11)	104,826	235,275
Government loan (note 13)	113,178	122,719
Advances from Pima Zinc Corp. (note 14)	3,716,982	-
	<u>3,934,986</u>	<u>357,994</u>
TOTAL LIABILITIES	<u>5,479,057</u>	<u>1,209,450</u>
SHAREHOLDERS' EQUITY		
Capital stock (note 15 (a))	44,582,532	44,913,345
Warrant reserve	2,836,268	7,655,043
Contributed surplus	20,601,699	14,936,216
Deficit	(62,279,578)	(50,648,017)
TOTAL SHAREHOLDERS' EQUITY	<u>5,740,921</u>	<u>16,856,587</u>
	<u>11,219,978</u>	<u>18,066,037</u>

APPROVED ON BEHALF OF THE BOARD OF DIRECTOR:

"Greg Van Staveren" Director

"Michael Minder" Director

SCRYB INC.**(Formerly Relay Medical Corp.)****CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

	2022	2021
	\$	\$
REVENUE		
Royalties	145,357	125,930
Other revenue (note 6)	513,875	973,767
Government grants and subsidies (note 14)	9,541	60,140
	<u>668,773</u>	<u>1,159,837</u>
EXPENSES		
Advertising and promotions	521,539	21,013
Amortization expense (note 9)	699,686	699,696
Consulting and management fees (note 17)	1,743,216	1,873,303
Depreciation	250,664	140,580
Insurance	62,147	25,718
Interest and accretion	82,370	125,231
Loss on foreign exchange	12,179	15,960
Loss (gain) in investment in associate (note 6)	792,057	(202,971)
Office expenses	654,499	795,541
Product research and development costs	724,308	525,732
Professional fees	491,095	684,515
Salaries and benefits	5,190,556	1,941,960
Sales bonus and commissions	57,323	634
Share-based compensation (note 15(b))	212,861	7,943,116
Shareholder communications and marketing	229,553	3,785,003
Transfer agent and filing fees	88,729	38,086
	<u>11,812,782</u>	<u>18,413,117</u>
NET LOSS AND COMPREHENSIVE LOSS	(11,144,009)	(17,253,280)
LOSS PER SHARE		
Basic and diluted (note 20)	(0.05)	(0.08)
Weighted average number of common shares outstanding, basic and diluted	240,051,037	210,112,140

The accompanying notes are an integral part of these consolidated financial statements

SCRYB INC.
(Formerly Relay Medical Corp.)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	Capital Stock		Warrant Reserve	Contributed Surplus	Equity Component of Convertible Debentures	Deficit	Total Equity
	Number of shares	\$	\$	\$	\$	\$	\$
Balance - October 1, 2020	146,416,827	21,963,267	4,592,552	7,576,121	20,386	(33,281,095)	871,231
Units issued for cash, net of issuance costs	42,862,500	4,650,801	3,921,699	-	-	-	8,572,500
Units issued in relation to acquisition of Cybeats Technologies Inc.	10,950,819	6,680,000	-	-	-	-	6,680,000
Shares issued on exercise of options (note 15 (b))	10,538,000	2,571,750	-	(583,021)	-	-	1,988,729
Shares issued on exercise of warrants (note 15 (c))	26,230,003	8,086,287	(826,555)	-	-	-	7,259,732
Share-based compensation	-	-	-	7,943,116	-	-	7,943,116
Conversion of debentures	5,250,000	945,000	-	-	(20,386)	-	924,614
Warrant modification	-	-	113,642	-	-	(113,642)	-
Share buyback (NCIB)	(1,558,000)	(342,760)	-	-	-	-	(342,760)
Expiration of warrants	-	-	(146,295)	-	-	-	(146,295)
Shares issued on settlement of debt	588,524	359,000	-	-	-	-	359,000
Net loss for the year	-	-	-	-	-	(17,253,280)	(17,253,280)
Balance - September 30, 2021	241,278,673	44,913,345	7,655,043	14,936,216	-	(50,648,017)	16,856,587
Balance - October 1, 2021	241,278,673	44,913,345	7,655,043	14,936,216	-	(50,648,017)	16,856,587
Share-based compensation	-	-	-	212,861	-	-	212,861
Warrant modification	-	-	633,847	-	-	(487,552)	146,295
Share buyback (NCIB)	(1,586,001)	(330,813)	-	-	-	-	(330,813)
Expiration of warrants	-	-	(5,452,622)	5,452,622	-	-	-
Net loss for the year	-	-	-	-	-	(11,144,009)	(11,144,009)
Balance - September 30, 2022	239,692,672	44,582,532	2,836,268	20,601,699	-	(62,279,578)	5,740,921

The accompanying notes are an integral part of these consolidated financial statements

SCRYB INC.

(Formerly Relay Medical Corp.)

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	2022	2021
	\$	\$
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net loss and comprehensive loss for the year	(11,144,009)	(17,253,280)
Item not involving cash from operations:		
Depreciation	250,664	140,580
Amortization	699,686	699,696
Gain on cessation of significant influence (note 6)	-	(365,485)
Dilution loss (gain) on investment in associate	792,056	21,868
Share of loss of investment in associate	-	788,043
Share-based compensation	212,861	7,943,116
Warranty modification	9,924	-
Interest and accretion net	28,010	62,282
Government grant revenue	(9,541)	(60,140)
	(9,160,349)	(8,023,320)
Changes in non-cash working capital items		
Decrease in prepaid expenses	227,504	(473,977)
(Increase) in amounts receivable	(296,272)	(2,325,206)
Increase in accounts payable and accrued liabilities	681,811	117,925
(Increase) in reclamation bonds	(2,153)	-
Advances from Pima Zinc Corp.	3,716,982	-
	(4,832,477)	(10,704,578)
INVESTING ACTIVITIES		
Investment in associate Glow Lifetech Corp.	321,887	(600,000)
Acquisition of Cybeats Technologies Inc.	-	(500,000)
Purchase of property and equipment	(348,277)	(49,197)
	(26,390)	(1,149,197)
FINANCING ACTIVITIES		
Proceeds from private placement, net of issue costs	-	6,347,303
Proceeds from warrant exercise	-	8,086,287
Proceeds from options exercise	-	2,571,750
Proceeds from government loans	(9,541)	63,423
Share buyback (NCIB)	(330,813)	(342,760)
Net payments on leases	(119,645)	(81,196)
	(459,999)	16,644,807
NET (DECREASE) INCREASE IN CASH FOR THE PERIOD	(5,318,866)	4,791,032
CASH, beginning of period	5,687,089	896,057
CASH, end of period	368,223	5,687,089

SCRYB INC.
(Operating as Relay Medical Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

1. NATURE OF OPERATIONS

Scryb Inc., formerly Relay Medical Corp., (“the Company”) was incorporated in British Columbia and is a technology company that provides its platform to power businesses and technologies with applied intelligence, real-time analytics, and actionable insights headquartered in Toronto, Ontario. On January 31, 2017, the Company filed Articles of Amalgamation under the Business Corporations Act (Ontario), whereby the Company was amalgamated with ChroMedX to form an amalgamated corporation operating under the name of “Relay Medical Corp.” On December 8, 2021 the Company filed articles of amendment to change its name to Scryb Inc. All amounts herein reflect the financial effects of the amalgamation. The principal business address of the Company is 65 International Blvd., Suite 202, Toronto, Ontario, M9W 6L9.

2. BASIS OF PRESENTATION

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The consolidated financial statements of the Company for the year for the year ended September 30, 2022 were reviewed by the Audit Commiee and approved and authorized for issue by the Board of Directors on January 30, 2023.

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Cybeat's Technologies Inc., UX Data Sciences Corp., Osprey Device Networks Corp. and HemoPalm Corp. All significant intercompany balances and transactions have been eliminated on consolidation.

Subsidiaries

Subsidiaries are entities over which the Company has control. Control is defined as when the Company is exposed or has rights to the variable returns from the subsidiary and has the ability to affect those returns through its power over the subsidiary. Power is defined as existing rights that give the Company the ability to direct the relevant activities of the subsidiary. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases.

Non-controlling interests

A non-controlling interest is initially recognized as the proportionate share of the identifiable net assets of the subsidiary on the date of its acquisition and is subsequently adjusted for the noncontrolling interest’s share in changes of the acquired subsidiary’s earnings and capital. Effects of transactions with non-controlling interests are recorded in equity if there is no change in control

SCRYB INC.
(Operating as Relay Medical Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and Presentation Currency

The consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently to all periods presented in these consolidated financial statements:

(a) IMPAIRMENT

At each financial position reporting date, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired at a cash generating unit level. If any such indication exists, the recoverable amount of the cash generating unit is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use, which is the present value of future cash flows expected to be derived. If the recoverable amount is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(b) INTANGIBLE ASSETS

The Company records intangible assets at fair value at the date of acquisition. An intangible asset is capitalized when the economic benefit associated with an asset is probable and when the cost can be measured reliably. Intangible assets are carried at cost less accumulated depreciation and impairment losses. Cost consists of expenditures directly attributable to the acquisition of the assets. Intangible assets with finite lives are amortized over the related benefit period. Those with indefinite lives are not amortized and are tested for impairment on an annual basis. The Company's intangible assets consist of patents, patent applications and research and development costs that are amortized over their five-year estimated useful life commencing with their utilization in revenue generating activities.

SCRYB INC.
(Operating as Relay Medical Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(c) RESEARCH AND DEVELOPMENT COSTS

Costs associated with the development of the Company's products are capitalized where the following criteria are met:

- the technical feasibility of completing the intangible asset so it will be available for use or sale;
- its intention to complete and its ability to use or sell the assets;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably of the expenditure during development.

All research and development costs incurred by the Company were expensed in the year.

(d) SHARE-BASED PAYMENTS

The Company accounts for share-based payments using the fair value method. Under this method, employee stock options recognized as compensation expense are measured at fair value on the date of grant using the Black-Scholes option pricing model, and are recognized as an expense or capitalized, depending on the nature of the grant, with a corresponding increase in equity, over the period that the employees earn the options. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The Black-Scholes option pricing model requires the input of subjective assumptions, including the expected term of the option and stock price volatility.

For transactions with employees and others providing similar services, the Company measures the fair value of the services received by reference to the fair value of the services rendered. For transactions with parties other than employees, the Company measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. When the Company cannot estimate reliably the fair value of the goods or services received, it measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

(e) FOREIGN CURRENCY TRANSLATION

The Company's functional and presentation currency is the Canadian dollar. Foreign currency transactions are initially recorded in the functional currency at the transaction date exchange rate. At closing date, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the closing date exchange rate, and non-monetary assets and liabilities at the historical rates. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in profit or loss.

SCRYB INC.
(Operating as Relay Medical Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(f) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL").

Below is a summary showing the classification and measurement basis of financial instruments;

Asset or Liability	Measurement
Cash and funds held in trust	Fair value
Other receivables	Amortized cost
Convertible debentures	Amortized cost
Reclamation bonds	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Government loans	Amortized cost

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

- (i) Financial assets recorded at FVTPL
 Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost of FVTOCI. Gains or losses on these items are recognized in profit or loss. The Company's cash and cash equivalents are classified as financial assets measured at FVTPL.
- (ii) Amortized cost
 Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest". The Company's reclamation bonds are classified as financial assets measured at amortized cost.
- (iii) Fair Value through other comprehensive income
 Investments recorded at fair value through other comprehensive income (FVTOCI) on initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to measure the investment at FVTOCI whereby changes in the investment's fair value (realized and unrealized) will be recognized permanently in OCI with no reclassification to profit or loss. The election is made on an investment-by-investment basis.

SCRYB INC.
(Operating as Relay Medical Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

(i) Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination. The Company's accounts payable and accrued liabilities do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

(ii) Financial liabilities recorded FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Expected credit loss impairment model

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's consolidated financial statements.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

SCRYB INC.
(Operating as Relay Medical Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Financial instruments at fair value through profit and loss

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash and funds held in trust are measured at fair value using Level 1 inputs.

As at September 30, 2022 and 2021, the fair value of the financial liabilities approximates the carrying value, due to the short-term nature of the instruments.

(g) CASH

Cash consists of deposits in banks and funds held in trust.

(h) REVENUE RECOGNITION

Product sales revenue is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is recognized on a time-proportion basis using the effective interest method.

(i) FUNDS HELD IN TRUST

Funds held in trust consists of cash on hand, deposits in banks and funds held in trust by the Company's external legal counsel. Funds held in trust are not restricted and can be used for working capital purposes.

SCRYB INC.
(Operating as Relay Medical Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(j) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of loss and comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss in the period.

Amortization is calculated on a straight line basis at the following annual rates:

Laboratory and technical equipment	3 years
Office, furniture and equipment	3 years
Computer equipment	2 years

(k) INCOME TAXES

Income tax on profit or loss for the year comprises of current and deferred tax. Current tax is the expected tax paid or payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax paid or payable in respect of previous years.

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The effect on deferred income tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of the enactment or substantive enactment of the change. Deferred tax assets and liabilities are presented separately except where there is a right of set off within fiscal jurisdictions.

(l) BASIC AND DILUTED INCOME (LOSS) PER SHARE

Basic income (loss) per share has been calculated using the weighted average number of common shares outstanding during the year. Diluted income (loss) per share has been calculated using the weighted average number of common shares that would have been outstanding during the respective period had all of the stock options and warrants outstanding at year end having a dilutive effect been converted into shares at the beginning of the year and the proceeds used to repurchase the Company's common shares at the average market price for the year. If these computations prove to be antidilutive, diluted income (loss) per share is the same as basic income (loss) per share.

SCRYB INC.
(Operating as Relay Medical Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(m) COMPREHENSIVE INCOME (LOSS)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the change in shareholders' equity which results from transactions and events from sources other than the Company's shareholders. Income or loss from an investment in associate is included in other comprehensive income (loss). Accumulated other comprehensive income (net of income taxes) is included on the consolidated statements of financial position as a component of common shareholders' equity.

(n) INVESTMENT IN ASSOCIATES

Investment in associate is accounted for using the equity method based on the Company's ability to exercise significant influence over the operating and financial policies of the investee.

Investments of this nature are recorded at original cost and adjusted periodically to recognize the Company's proportionate share of the associate's net income or losses after the date of investment, additional contributions made and dividends received. Investments are written down when there has been a significant or prolonged decline in fair value.

(o) LEASES

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for leases of low value assets and leases with a duration of twelve months or less. Lease liabilities are measured at the present value of the contractual payments due to the lessor over the term of the lease with the discount rate determined by using the incremental borrowing rate on commencement of the lease. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the remaining lease term.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these consolidated financial statements in conformity with IFRS requires that management make estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the interim non-consolidated financial statements. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

SCRYB INC.
(Operating as Relay Medical Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Share based payments and warrants

The fair value of stock options and warrants issued are subject to the limitation of the Black Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Useful life of intangible assets

Management has exercised their judgment in determining the useful life of its patents, patent applications, intellectual property, and research and development costs. The estimate is based on the expected period of benefit of the patent and the expected life of the product in the market place.

(ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are, but are not limited to, the following:

Determination of functional currency

In accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, management has determined that the functional currency of the Company is the Canadian dollar.

Evaluation of going concern

The preparation of the consolidated financial statements requires management to make judgments regarding the going concern of the Company as previously discussed in Note 1.

Impairment of intangible assets

Management has exercised their judgment in determining if the patents are impaired. The judgment is based on the expected future benefit of the intangible assets and intellectual property.

Income taxes

Management has exercised their judgment in determining the provision for future income taxes. The judgment is based on the Company's current understanding of the tax law as it relates to the transactions and activities entered into by the Company.

Acquisition of an asset or business combination

In accordance with IFRS 3, management has exercised their judgment in determining the acquisition of Cybeats Technologies Inc. was considered an asset acquisition as it did not meet the definition of a business.

SCRYB INC.
(Operating as Relay Medical Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

5. OTHER RECEIVABLES

As at September 30, 2022 and 2021, other receivables were comprised of the following:

	2022	2021
	\$	\$
Trade receivables	391,774	286,815
HST receivable	160,008	587,738
Due from Fionet Rapid Response Group	2,107,992	1,469,464
Due from Glow Lifetech Ltd.	464,609	74,620
Other receivables	79,764	489,238
	<u>3,204,147</u>	<u>2,907,875</u>

6. INVESTMENT IN ASSOCIATES

Fionet Rapid Response Group:

On August 19, 2020, Scryb announced the establishment of a joint venture ("JV") with Fio Corporation ("Fio") to accelerate adoption and delivery of Fio's proven data-and-device platform, Fionet, as a COVID-19 pandemic testing, data collection and reporting solution. The JV will operate under the name "Fionet Rapid Response Group" and be headquartered in Toronto, Canada. Scryb and Fionet Rapid Response Group previously announced the signing of a Memorandum of Understanding May 15, 2020. The Fionet Rapid Response Group will enable mass distributed testing and automated aggregation, triage, and tracking to contain COVID-19, for deployment by public health agencies, retail health providers and private sector companies in Canada, the United States, Europe, Africa, and elsewhere.

On December 22, 2020, Fionet Rapid Response Group ("FRR") was incorporated in Ontario. As part of the Joint Venture agreement Scryb was to invest \$1,500,000 into FRR through the provision of consulting services with another \$500,000 to be given in the form of a repayable loan. With this investment Scryb is entitled to receive a 33% royalty on all FRR revenue related to individual testing and a 20% royalty on all FRR revenue related to FRR platform solutions. In addition to the revenue royalty, Scryb also owns 33% of the FRR while Fio owns the remaining balance. Scryb recognized an investment in associate, as a result of the Company's ability to significantly influence FRR. The investment in associate has been initially valued and recognized at its cost of \$1,500,000 less the Company's share of markup on certain consulting services provided of \$57,114.

SCRYB INC.
(Operating as Relay Medical Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

A summary of the Company's investment in FRR is as follows:

	September 30, 2022	September 30, 2021
	\$	\$
Initial investment	1,442,886	1,442,886
Share of equity loss	(734,897)	(647,397)
	707,989	795,489

Glow Lifetech Corp. (formerly Glow Lifetech Ltd.):

During the September 30, 2020 fiscal year, Glow Lifetech Ltd. (Glow Ltd.) completed a series of private placements for gross proceeds of \$2,411,115 through the issuance of 12,120,000 common shares at a price of \$0.20 per share. In connection with these private placements, as of September 30, 2020, Scryb's ownership in Glow Ltd. was further diluted down to 22.2% (September 30, 2019 – 39.1%). As a result, a dilution gain on investment in associate was recognized in the statement of loss and comprehensive loss for the year ended September 30, 2020 totaling \$197,410 (September 30, 2019 - \$nil).

During the three months ended December 31, 2020, Glow Ltd. completed a private placement for gross proceeds of \$285,000 through the issuance of 1,425,000 common shares.

On February 9, 2021, the Company acquired 2,000,000 common shares of Glow Ltd. at a price of \$0.30 per share for a total investment of \$600,000.

On March 3, 2021, Glow Ltd. completed its previously announced reverse takeover of Ateba Resources Inc. ("Ateba"), an inactive company, pursuant to the terms of a Business Combination Agreement. The reverse takeover transaction was completed by way of a three-cornered amalgamation between Glow Ltd. and Ateba whereby Ateba acquired all of the issued and outstanding shares of Glow Ltd. in exchange for 47,334,379 common shares of Ateba, resulting in Glow Ltd. becoming a wholly-owned subsidiary of the Ateba.

In connection with the reverse takeover transaction, Glow Ltd. completed a non-brokered private placement financing of 17,138,432 units of Glow Ltd. at a price of \$0.30 per unit for gross proceeds of \$5,141,530. Each unit was comprised of one common share in the capital of Glow Ltd. and one-half of one whole common share purchase warrant, with each warrant exercisable at a price of \$0.40 per common share for a period of two years from the date of issuance. On February 9, 2021, the Company acquired 2,000,000 units of Glow Ltd. at a price of \$0.30 per unit for a total investment of \$600,000.

Prior to the completion of the reverse takeover transaction Ateba changed its name to Glow Lifetech Corp. ("Glow Corp."). Upon completion of the reverse takeover transaction the common shares of Glow Corp. became listed on the Canadian Stock Exchange under the symbol "GLOW".

On September 30, 2021 the Company held 8,250,000 commons shares of Glow Corp. or 14.57% of the issued and outstanding common shares.

SCRYB INC.
(Operating as Relay Medical Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Prior to March 3, 2021, Scryb valued its investment in Glow Corp. (formerly Glow Ltd.) using the equity method. As a result of the dilution of the Company's holdings of Glow Corp. to 14.57% (September 30, 2020 - 22.2%) and Managements assessment that its significant influence over the operating and financial policy decisions of Glow Corp. ceased on March 3, 2021, the Company recorded a dilution loss of \$21,868 and adopted the fair value method of accounting for its investment in Glow Corp. effective March 3, 2021

Scryb's investment in Glow Corp. has been valued at \$0.08 per common share which was the listed price per share at September 30, 2022.

	September 30, 2022	September 30, 2021	September 30, 2020
	\$	\$	\$
Opening balance	1,567,500	764,529	1,139,607
Purchase of common shares	-	600,000	-
Dilution/revaluation (loss) gain	-	(21,868)	197,410
Share of equity loss	-	(140,646)	(495,810)
Elimination of intercompany transactions	-	-	(76,678)
Fair value gain	(907,500)	365,485	-
	660,000	1,567,500	764,529

7. PROPERTY PLANT AND EQUIPMENT

	Laboratory equipment	Office furniture & equipment	Computer equipment	Total
	\$	\$	\$	\$
Cost				
As at October 1, 2020	-	149,673	8,119	157,792
Additions	23,861	26,890	6,219	56,970
As at September 30, 2021	23,861	176,563	14,338	214,762
Additions	18,066	30,531	-	48,597
As at September 30, 2022	41,927	207,094	14,338	263,359
Accumulated amortization				
As at October 1, 2020	-	84,479	8,119	92,598
Amortization for the period	18,503	49,034	3,752	71,289
As at September 30, 2021	18,503	133,513	11,871	163,887
Amortization for the period	6,923	53,788	2,467	63,178
As at September 30, 2022	25,426	187,301	14,338	227,065
Net book value				
As at October 1, 2020	-	65,194	-	65,194
As at September 30, 2021	5,358	43,050	2,467	50,875
As at September 30, 2022	16,501	19,793	-	36,294

SCRYB INC.
(Operating as Relay Medical Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

8. RIGHT OF USE ASSETS

Right-of-use assets consist of the lease for the Company's office and laboratory and are amortized over a period of 74 months.

	2022	2021
	\$	\$
Opening balance	299,652	396,785
Additions	283,679	-
Depreciation	(172,525)	(97,133)
Ending balance	410,806	299,652

9. INTANGIBLES

The following is a summary of patents as at September 30, 2022 and 2021:

	Software license	Intellectual property	Total
	\$	\$	\$
Balance, September 30, 2020	60,000	-	60,000
Additions	-	6,836,857	6,836,857
Amortization	(16,010)	(683,686)	(699,696)
Balance, September 30, 2021	43,990	6,153,171	6,197,161
Amortization	(16,000)	(683,686)	(699,686)
Balance, September 30, 2022	27,990	5,469,485	5,497,475

10. ACQUISITIONS

On March 18, 2021, the Company acquired all the issued and outstanding shares of Cybeats Technologies Inc. ("Cybeats") pursuant to the Share Exchange Agreement signed March 2, 2021. The acquired business was purchased for \$7,180,000, paid by the issuance of 10,950,819 common shares, valued at \$0.61 per share and \$500,000 in cash. As Cybeats did not meet the definition of a business per IFRS 3, the acquisition has been accounted for as an asset acquisition, whereby Scryb is considered to issue shares in return for the net assets of Cybeats at their fair value as follows;

Intellectual property represents technologies developed by Cybeats.

Net assets acquired	
	\$
Receivables and prepaids	331,862
Property, plant and equipment	9,985
Accounts payable	1,296
Intellectual property	6,836,857
	7,180,000

SCRYB INC.
(Operating as Relay Medical Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

11. LEASE LIABILITY

On November 1, 2018, the Company entered into a 60 month lease to lease office and laboratory facilities. The lease payments are \$5,540 per month from the commencement date of the lease.

	Office & laboratory lease
	\$
Balance, September 30, 2020	472,654
Interest payments	62,282
Lease payments	(152,006)
Balance, September 30, 2021	382,930
Interest payments	50,279
Lease payments	(169,924)
Balance, September 30, 2022	263,285

The Company has recorded these leases as right-of-use assets (note 8) and lease liability in the statement of financial position as at September 30, 2022 and 2021. At the commencement date of the lease, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 15%, which was the Company's incremental borrowing rate.

Maturity Analysis - Contractual Undiscounted Cash Flows

As of	September 30, 2022	September 30, 2021
	\$	\$
Less than one year	158,459	147,655
Greater than one year	104,826	235,275
Total undiscounted lease obligation	263,285	382,930

The continuity of the lease liability as at September 30, 2022 is presented in the table below:

	Under 1 year	Between 1-2 years	Total
	\$	\$	\$
Office lease	158,459	104,826	263,285

SCRYB INC.
(Operating as Relay Medical Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

12. RECLAMATION BONDS

The Company holds reclamation bonds with the Alberta Energy Regulator as required by section 1.100(2) of the Oil and Gas Conservation Regulations and Directive 006: License Liability Rating Program and License Transfer Process. The reclamation bonds are held for the purposes of the future well abandonment, related to the business of the Company prior to the reverse takeover transaction. The Company has performed all requested remediation work at the site and is currently engaged with the regulator for the return of these funds to the Company.

13. GOVERNMENT LOANS

Canadian Emergency Business Account ("CEBA") Loan:

The Company applied for and received the CEBA loan for amounts totaling \$60,000. The CEBA loan was implemented by the Government of Canada to provide relief measures to small businesses adversely effected by COVID-19. Under the terms of the CEBA loan, proceeds received are interest free up until December 31, 2022. If a minimum of 66.7% of the principal balance is repaid on or prior to, December 31, 2022, the remaining 33.3% shall be forgiven. On January 12, 2022, the Government of Canada announced that the repayment deadline of December 31, 2022 for CEBA loans to qualify for for the 33.3% forgiveness is being extended to December 31, 2023, for all eligible borrowers in good standing.

The Company has identified that they do not qualify for the CEBA loan and as a result, the Company has not recognized any grant revenue or interest benefit in the statement of loss and comprehensive loss in connection with this loan.

Regional Relief and Recovery Fund ("RRRF") Loan:

On November 27, 2020 the Company applied for and received a RRRF loan for amounts totaling \$103,563. The RRRF loan was implemented by the Government of Canada to provide financial relief measures to small businesses in Southern Ontario adversely effected by COVID-19. Under the terms of the RRRF loan, proceeds received are interest free and repayable in sixty (60) equal monthly payments, commencing on January 15, 2020.

In connection with the interest free term on the loan, the interest benefit has been valued at \$9,541 (September 30, 2021 - \$52,609) based on a fair market interest rate of 16.5% (September 30, 2021 - 16.5%).

SCRYB INC.
(Operating as Relay Medical Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

The continuity of the government loans as at September 30, 2022 is presented in the table below:

Balance - October 1, 2021	182,719
Accretion	(9,541)
Balance, September 30, 2022	173,178
Current	60,000
Non-current	113,178
Balance, September 30, 2022	173,178

14. ADVANCES FROM PIMA ZINC CORP.

On November 11, 2022 the Company completed a three-cornered amalgamation (the "Transaction") with Pima Zinc Corp. ("Pima") and Cybeats Technologies Inc. ("Cybeats") that resulted in Cybeats becoming a listed company on the Canadian Stock Exchange (note 21).

In advance of the Transaction and pursuant to series of Bridge Loan Agreements with Pima Zinc Corp. ("Pima") signed by Cybeats Technologies Inc. ("Cybeats") on May 26, 2022 for a loan in the amount of \$500,000, June 6, 2022 for a loan in the amount of \$300,000, July 30, 2022 for a loan in the amount of \$600,000 and September 22, 2022 for a loan in the amount of \$1,060,400 each with a lending rate of 10% per annum computed on the basis of a 360-day year and a maturity date of December 31, 2022. The total loans available under the Pima Bridge Loan facilities at September 30, 2022 amount to \$2,460,000.

As at September 30, 2022 Cybeats has taken draws under the Pima bridge loan facilities in the amount of \$3,629,320. Interest under the Pima bridge loan facilities for the period May 26, 2022 to September 30, 2022 amounts to \$87,662. The total balance owing under the Pima bridge loan facilities as at September 30, 2022 amounts to \$3,716,982.

Subsequent to the year end, on October 31, 2022 the Company signed a Bridge Loan Agreement with Pima for a loan in the amount of \$1,474,500, for a total loan available under the Pima bridge loan facilities of \$3,934,900.

Subsequent to the year end on November 11, 2022 the Company completed the Transaction after which the balance owing under the Pima bridge loan facilities amounted to \$0.

SCRYB INC.
(Operating as Relay Medical Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

15. CAPITAL STOCK

(a) Common shares

Authorized

The authorized capital stock of the Company consists of an unlimited number of common shares.

Issued and Outstanding

	Number
Balance - September 30, 2020	146,416,827
Shares issued on financing (i)	42,862,500
Shares issued on convertible debentures (ii)	5,250,000
Shares issued on the exercise of stock options (iii)	10,538,000
Shares issued on the exercise of warrants (iv)	26,230,003
Shares issued on acquisition of Cybeats (v)	10,950,819
Shares issued in settlement of debt (vi)	588,524
Shares repurchased under NCIB (vii)	(1,558,000)
Balance - September 30, 2021	241,278,673
Shares repurchased under NCIB (viii & ix)	(1,586,001)
Balance - September 30, 2022	239,692,672

- (i) On January 22, 2021, the Company closed a non-brokered private placement financing for gross proceeds of \$8,572,500 through the issuance of 42,862,500 Units (each "Unit") at a price of \$0.20 per unit. Each Unit is comprised of: (i) one common share in the capital of the Company (each a "Common Share"); (ii) one Common Share purchase warrant (each, a "Warrant"). Each whole Warrant entitles the holder to purchase one additional Common Share at an exercise price of \$0.30 on or before 18 months from the date of issuance;
- (ii) On December 22, 2020, 5,250,000 common shares were issued in connection with the converting of the convertible debenture of \$945,000 for the price of \$0.18 per share
- (iii) During the year-ended September 30, 2021, 10,538,000 common shares were issued in connection with the exercise of 10,538,000 stock options at an exercise price of \$0.24 for gross proceeds of \$2,571,750;
- (iv) During the year-ended September 30, 2021, 26,230,003 common shares were issued in connection with the exercise of 26,230,003 warrants at an exercise price of \$0.29 for gross proceeds of \$8,086,287;
- (v) On March 18, 2021, the Company acquired all the issued and outstanding shares of Cybeats Technologies Inc. pursuant to the Share Exchange Agreement signed March 2, 2021. The acquired business was purchased for \$7,180,000, paid by the issuance of 10,950,819 common shares, valued at \$0.61 per share and \$500,000 in cash;

SCRYB INC.

(Operating as Relay Medical Corp.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

- (vi) On April 9, 2021, 588,524 common shares were issued in connection with the settlement of debt, issued at a price of \$0.61 to settle amounts owing of \$359,000;
- (vii) On September 20, 2021, the Company purchased 1,588,000 common shares under the Normal-Course Issuer Bid ("NCIB") stock buyback program used by companies listed in Canada for total costs of \$342,760. These shares have been returned to treasury and cancelled;
- (viii) On November 16, 2021, the Company purchased 1,133,334 common shares under the Normal-Course Issuer Bid ("NCIB") stock buyback program used by companies listed in Canada for total costs of \$249,333. These shares have been returned to treasury and cancelled;
- (ix) On March 23, 2022, the Company purchased 452,667 common shares under the Normal-Course Issuer Bid ("NCIB") stock buyback program used by companies listed in Canada for total costs of \$81,480. These shares have been returned to treasury and cancelled;

(b) Stock option plan and share-based compensation

The Company has a stock option plan under which it is authorized to grant options to directors, employees and consultants enabling them to acquire up to 20% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price, minimum price, or a discounted price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 10 years.

The following table summarizes activity within the Company's stock option plan during the year:

	Number of Options Outstanding	Black-Scholes Value \$	Weighted Average Exercise Price \$
Balance September 30, 2020	25,641,500	4,370,566	0.22
Granted	24,100,000	7,943,116	0.33
Exercised	(10,538,000)	(583,021)	0.24
Corrections	(352,000)	(17,571)	0.05
Balance September 30, 2021	38,851,500	11,713,090	0.29
Granted	2,000,000	212,861	0.11
Expired	(1,100,000)	(164,487)	0.15
Cancelled	(2,152,500)	(402,089)	0.19
Corrections	322,500	-	-
Balance September 30, 2022	37,921,500	11,925,951	0.30

SCRYB INC.
(Operating as Relay Medical Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

During the year ended September 30, 2021 a total of 10,538,000 grants were exercised into common shares of the Company at an average weighted price of \$0.24 per share. The fair value of the options exercised was \$583,021.

On December 18, 2020, the Company announced that it has granted an aggregate of 4,600,000 options to purchase common shares of the Company with an estimated fair value of \$968,625 exercisable at a price of \$0.225 per common share, vesting immediately and expiring on December 18, 2025, to certain directors, employees, officers, and consultants of the Company.

On January 8, 2021, the Company announced that it has granted an aggregate of 1,000,000 options to purchase common shares of the Company with an estimated fair value of \$285,001 exercisable at a price of \$0.305 per common share, vesting immediately and expiring on January 8, 2026, to certain directors, employees, officers and consultants of the Company.

On January 22, 2021, the Company announced that it has granted an aggregate of 3,000,000 options to purchase common shares of the Company with an estimated fair value of \$939,430 exercisable at a price of \$0.335 per common share, vesting immediately and expiring on January 22, 2026, to certain directors, employees, officers and consultants of the Company.

On March 3, 2021, the Company announced that it has granted an aggregate of 4,000,000 options to purchase common shares of the Company with an estimated fair value of \$2,921,548 exercisable at a price of \$0.74 per common share, vesting immediately and expiring on March 3, 2026, to certain directors, employees, officers and consultants of the Company.

On April 26, 2021, the Company granted an aggregate of 1,500,000 options to purchase common shares of the Company with an estimated fair value of \$580,237 exercisable at a price of \$0.50 per common share, vesting immediately and expiring on April 26, 2026 to certain directors, employees, officers and consultants of the Company.

On July 22, 2021, the Company granted an aggregate of 6,000,000 options to purchase common shares of the Company with an estimated fair value of \$1,346,487 exercisable at a price of \$0.22 per common share, vesting immediately and expiring on July 22, 2026 to certain directors, employees, officers and consultants of the Company.

On August 4, 2021, the Company granted an aggregate of 2,500,000 options to purchase common shares of the Company with an estimated fair value of \$580,237 exercisable at a price of \$0.50 per common share, vesting immediately and expiring on April 26, 2026 to certain directors, employees, officers and consultants of the Company.

On September 8, 2021, the Company granted an aggregate of 500,000 options to purchase common shares of the Company with an estimated fair value of \$115,576 exercisable at a price of \$0.235 per common share, vesting immediately and expiring on September 8, 2026 to certain directors, employees, officers and consultants of the Company.

SCRYB INC.

(Operating as Relay Medical Corp.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

On September 17, 2021, the Company granted an aggregate of 500,000 options to purchase common shares of the Company with an estimated fair value of \$72,738 exercisable at a price of \$0.245 per common share, vesting immediately and expiring on September 17, 2026 to certain directors, employees, officers and consultants of the Company.

On September 21, 2021, the Company granted an aggregate of 500,000 options to purchase common shares of the Company with an estimated fair value of \$133,237 exercisable at a price of \$0.27 per common share, vesting immediately and expiring on September 21, 2026 to certain directors, employees, officers and consultants of the Company.

On May 17, 2022, the Company granted an aggregate of 2,000,000 options to purchase common shares of the Company with an estimated fair value of \$212,861 exercisable at a price of \$0.20 per common share, vesting immediately and expiring on May 17, 2027 to certain directors, employees, officers and consultants of the Company.

The following common share purchase options are outstanding at September 30, 2022:

Date of Grant	Number of Options Outstanding	Exercise Price (\$)	Weighted Average Remaining Life (years)	Expiry Date	Number of Options Exercisable
November 20, 2017	1,612,000	0.270	0.14	November 20, 2022	1,612,000
June 20, 2018	1,094,500	0.270	0.72	June 21, 2023	1,094,500
September 12, 2019	2,325,000	0.200	1.95	September 12, 2024	2,325,000
February 18, 2020	5,360,000	0.200	2.39	February 19, 2025	5,360,000
August 18, 2020	3,700,000	0.205	2.88	August 18, 2025	3,700,000
August 26, 2020	750,000	0.230	2.91	August 26, 2025	750,000
December 18, 2020	2,900,000	0.225	3.22	December 18, 2025	2,900,000
January 8, 2021	1,100,000	0.305	3.28	January 8, 2026	1,100,000
January 22, 2021	2,750,000	0.335	3.32	January 22, 2026	2,750,000
March 3, 2021	3,875,000	0.740	3.42	March 3, 2026	3,875,000
April 26, 2021	1,065,000	0.500	3.57	April 26, 2026	1,065,000
July 22, 2021	5,490,000	0.250	3.81	July 22, 2026	5,490,000
August 4, 2021	2,500,000	0.250	3.85	August 4, 2026	2,500,000
September 8, 2021	500,000	0.250	3.94	September 8, 2026	500,000
September 17, 2021	400,000	0.250	3.97	September 17, 2026	400,000
September 21, 2021	500,000	0.270	3.98	September 21, 2026	500,000
May 17, 2022	2,000,000	0.200	4.63	May 17, 2027	2,000,000
	37,921,500	0.300	3.01		37,921,500

Share based compensation during the September 30, 2022 fiscal year totaled \$212,861 (2021 - \$7,943,116).

SCRYB INC.
(Operating as Relay Medical Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

The fair value of options granted during the period ended September 30, 2022 was estimated at the date of grant using a Black Scholes Option Pricing Model with the following assumptions.

	May 17 2022
Share price	\$ 0.16
Risk free interest rate	2.82%
Expected life of options	5 years
Annualized volatility	89%
Dividend rate	Nil
Forfeiture rate	0%

(c) Warrants

The following table summarizes warrants that have been issued, exercised or have expired during the period ended September 30, 2022:

	Number of Warrants Outstanding	Black-Scholes Value	Weighted Average Exercise Price
		\$	\$
Balance September 30, 2020	37,483,711	2,503,773	0.25
Granted	46,094,824	3,921,697	0.29
Exercised	(26,230,003)	(826,553)	0.29
Expired	(1,124,723)	(146,295)	0.30
Balance September 30, 2021	56,223,809	5,452,622	0.29
Extended	6,105,445	633,847	0.20
Expired	(56,223,809)	(5,452,622)	0.30
Balance September 30, 2022	6,105,445	633,847	0.20

The fair value of warrants granted during the year ended September 30, 2022 was estimated at the date of grant using a Black Scholes Option Pricing Model with the following assumption:

	Investor and Broker Warrants September 2022
Share price	\$0.11
Risk-free interest rate	3.42%
Time to maturity	1.5
Annualized volatility	79%
Dividend yield	Nil

On August 15, 2022, the Company extended the expiry date of an aggregate of 6,105,445 previously issued warrants at an exercise price of \$0.20 for an additional 18 months, with the expiry date now being March 17, 2024. The exercise price of the warrants remains unchanged. In connection with this modification, an incremental change in the fair value was determined to be \$633,847.

SCRYB INC.
(Operating as Relay Medical Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

As at September 30, 2022 there were 6,105,445 (September 30, 2021 - 56,223,809) warrants outstanding.

16. INCOME TAXES

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

	September 30, 2022	September 30, 2021
	\$	\$
Net loss before income taxes	(11,144,009)	(17,253,280)
Combined Canadian federal and provincial tax rate	26.5%	26.5%
Expected income tax recovery at statutory tax rates	(2,953,162)	(4,572,118)
Share-based compensation and non-deductible expenses	212,861	2,114,945
Other	23,187	130,355
Change in unrecognized deferred tax assets	2,717,114	2,326,818
Provision for income tax	-	-

Significant components of deductible and taxable temporary differences, unused tax losses and unused tax credits that have not been included on the statement of financial position are as follows:

	September 30, 2022	September 30, 2021
	\$	\$
Exploration and evaluation assets	2,608,354	2,608,354
Share issuance costs	41,982	88,177
Intangible assets	4,609,099	3,909,413
Non-capital losses	33,754,622	25,730,369
	41,014,057	32,336,313

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits there from. Non-capital loss carry forwards expire as rated in the table below. Share issue costs will be fully amortized in 2025. The remaining deductible temporary differences may be carried forward indefinitely.

SCRYB INC.
(Operating as Relay Medical Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

As at September 30, 2022 the Company has non-capital losses of \$33,754,622 (2021 - 25,730,369) that can be used to reduce future taxable income. These losses expire as follows:

	\$
2034	305,339
2035	1,396,730
2036	940,885
2037	1,897,406
2038	4,231,668
2039	4,693,838
2040	3,758,583
2041	8,505,920
<u>2042</u>	<u>8,024,253</u>
	<u>33,754,622</u>

17. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors, Corporate Officers and Vice Presidents.

During the year ended September 30, 2022, \$151,800 (2021 - \$87,714) was due to key management and companies controlled by or related to key management. Remuneration of key management of the Company was as follows:

	September 30, 2022	September 30, 2021
	\$	\$
Share based compensation	-	1,156,558
Consulting and management fees	483,287	2,022,232
	483,287	3,178,790

At September 30, 2022, the following intercompany balances were outstanding:

	September 30, 2022	September 30, 2021
	\$	\$
Advances to Glow LifeTech Corp.	464,609	74,620
Demand loan receivable	228,547	536,646
Advances to Fionet Rapid Response Group (note 6)	1,879,445	932,818
Due to Pima Zinc Corp.	3,716,982	-
	6,289,583	1,544,084

The demand loan receivable is due from Fionet Rapid Response Group and the demand loan bears interest at the annual rate of 8% with no fixed terms of repayment.

SCRYB INC.
(Operating as Relay Medical Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

18. FINANCIAL RISK FACTORS

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks, credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and up-to-date market information.

The Company's financial instruments primarily consist of cash, other receivables, reclamation bonds, accounts payable and accrued liabilities, government loans. The fair value of the Company's other receivables, accounts payable and accrued liabilities, and government loans approximate their carrying value, due to their short-term maturities or ability of prompt liquidation.

The Company's cash is recorded at fair value, under the fair value hierarchy, based on level one quoted prices in active markets for identical assets of liabilities. The Company's other receivables, reclamation bonds, accounts payable and accrued liabilities, government loans are measured at amortized cost.

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis.

(i) Interest Rate Risk

The Company has cash balances and is not at a significant risk to fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company monitors the credit worthiness of the debtor and is satisfied with the debtor's ability to repay the amount owing.

(ii) Foreign currency risk

As at September 30, 2022 the Company's expenditures are predominantly in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars and therefore is not at a significant risk to fluctuating exchange risks.

SCRYB INC.
(Operating as Relay Medical Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Liquidity Risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main source of liquidity is derived from its common stock issuances. These funds are primarily used to finance working capital, operating expenses, capital expenditures, and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash and cash equivalents. As at September 30, 2022 the Company held cash in banks and cash in trust of \$368,223 (September 30, 2021 - \$5,687,089) to settle current liabilities of \$1,544,071 (September 30, 2021 - \$851,456).

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash. The Company has reduced its credit risk by investing its cash in trust with Canadian chartered banks.

19. CAPITAL MANAGEMENT

Due to the development stage of the Company and its reliance on equity funding at this time, the Company defines capital as its common stock. As at September 30, 2022 the Company's capital stock was \$44,582,532 (September 30, 2021 - \$44,913,345).

There were no changes in the Company's approach to capital management during the year ended September 30, 2022 and the Company is not subject to any externally imposed capital requirements. Management has no expectations that it will raise debt in the coming year. The Company's objectives when managing capital are:

- (a) To safeguard the Company's financial capacity and liquidity for future earnings in order to continue to provide an appropriate return to shareholders and other stakeholders;
- (b) To maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk; and
- (c) To enable the Company to maximize growth by meeting its capital expenditure budget, to expand its budget to accelerate projects, and to take advantage of acquisition opportunities.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future opportunities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

SCRYB INC.
(Operating as Relay Medical Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

20. BASIC AND DILUTED LOSS PER SHARE

Basic loss per share has been calculated by dividing the net loss per the financial statements by the weighted average number of shares outstanding during the year. The fully diluted loss per share would be calculated using a common share balance increased by the number of common shares that could be issued on the exercise of outstanding warrants and options of the Company. As the Company is in a loss position for years ended September 30, 2022 and 2021, this would be anti-dilutive.

21. SUBSEQUENT EVENTS

Completion of Cybeats Technologies Inc. Public Listing

On December 10, 2021, Scryb Inc. (formerly Relay Medical Corp.), the parent and sole shareholder of the Company, entered into a non-binding letter of intent ("LOI") with Pima Zinc Corp. ("Pima Corp."), pursuant to which the Pima Corp. will acquire all of the issued and outstanding common shares in the capital of the Company from Scryb Inc.

On August 11, 2022 the Company entered into an amalgamation agreement (the "Amalgamation Agreement") with Scryb Inc., 2635212 Ontario Inc. ("Subco"), and Pima Corp. pursuant under which Pima Corp. acquired all of the issued and outstanding common shares and preferred shares of the Company pursuant to a three-cornered amalgamation in accordance with Section 174 of the Business Corporations Act (Ontario) (the "Transaction"). As consideration for the Transaction, Pima Corp. issued Scryb Inc. an aggregate of 60,000,000 common shares in the capital of the Pima Corp. The parties entered into an amending agreement ("Amending Agreement") dated November 1, 2022, whereas Pima Corp. also issued Scryb Inc. 10,000,000 common share purchase warrants. Each warrant will entitle Scryb Inc. to acquire one additional common share of Pima Corp. at a price of CDN \$0.60 per common share for a period of 18 months following the completion of the Transaction. In addition, pursuant to the Amending Agreement, the termination date for the Amalgamation Agreement was extended to December 31, 2022.

Pursuant to the Amalgamation Agreement the following, among other things, requirements were satisfied:

- (i) Pima Corp. changed its name to "Cybeats Technologies Corp.". Pima Corp. changed its name to Cybeats Technology Corp. on November 9, 2022;

SCRYB INC.

(Operating as Relay Medical Corp.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

- (ii) Subco completed a non-brokered private placement financing (the "Financing") for minimum gross proceeds of CDN\$7,000,000. The Financing was completed on November 4, 2022 through the issuance of 13,323,800 units (each, a "PP Unit") at a price of \$0.50 (the "Issue Price") per PP Unit for gross proceeds of \$6,661,900. Each PP Unit is comprised of one common share in the capital of Subco (each, a "Subco Share") and one Subco Share purchase warrant (each, a "PP Warrant"). Each PP Warrant shall entitle the holder thereof to acquire one Common Share at a price of \$0.60 per Common Share for a period of 18 months following the completion of the Proposed Transaction. In addition, the Company issued 3,411,000 subscription receipts (the "Subscription Receipts") in the capital of Subco at a price of \$0.50 per Subscription Receipt for gross proceeds of \$1,705,500. Each Subscription Receipt entitles the holder thereof to receive, without payment of additional consideration, one unit (each, a "Unit"). Each Unit shall be comprised of one Subco Share and PP Warrant. In connection with the Financing, Pima Corp. paid certain eligible persons (each, a "Finder") a cash commission of \$40,000 equal to 8% of the gross proceeds of the PP Units delivered by the Finder and issued 80,000 broker warrants (the "Broker Warrants") equal to 8% of the number of PP Units delivered by the Finders pursuant to the Offering. Each Broker Warrant entitles the holder thereof to acquire one common share of the Company at a price of \$0.50 per common share for a period of 18 months from the completion of the Proposed Transaction. In addition, Pima Corp. paid Finders a cash commission of \$102,330 equal to 6% of the gross proceeds of the Subscription Receipts.
- (iii) Subco, a corporation formed solely for the purpose of facilitating the Transaction, will merge with and into Cybeats Technologies Corp., pursuant to which, among other things, all outstanding Subco Shares and all securities convertible into Subco Shares shall be exchanged for replacement securities of the resulting issuer, on a one-for-one basis, exercisable in accordance with their terms and conditions.

In addition, pursuant to the Amalgamation Agreement, Pima Corp. assumed all of the obligations of the Company pursuant to the share exchange agreement dated March 2, 2021 (the "Share Exchange Agreement"), between the Company, Cybeats Technologies Inc., and the former shareholders of the Cybeats Technologies Inc. with respect to the payment and the issuance of the aggregate performance consideration (the "Aggregate Performance Consideration") upon the closing of the Proposed Transaction. Pima Corp. and the Company acknowledged and agreed that those persons who are entitled to the payment and issuance of the Aggregate Performance Consideration must agree to receive payment from Pima Corp. In the event that they do not agree, the Company will continue its obligations pursuant to the Share Exchange Agreement and complete the Aggregate Performance Consideration for such persons. In the event that the persons who are entitled to the payment and issuance of the Aggregate Performance Consideration do not agree to receive payment from Pima Corp., Pima Corp. shall issue such number of common shares in the capital of Pima Corp. to the Company equal in value to the number of common shares in the capital of the Company that are issued pursuant to the Aggregate Performance Consideration.

SCRYB INC.
(Operating as Relay Medical Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Cybeats Technologies Corp. commenced trading on the CSE under the symbol "CYBT" on November 21, 2022.

22. COMPARATIVE BALANCES

Certain comparative figures for the year ended September 30, 2021 have been reclassified to conform to the presentation adopted for the year ended September 30, 2022.