

# **Pima Zinc Corp.**

**Condensed Interim Consolidated Financial Statements**

**For the three and nine months ended September 30, 2022 and 2021**

**(Expressed in U.S. Dollars)**

**(Unaudited)**

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying condensed interim consolidated financial statements of Pima Zinc Corp. (the "Company"), are the responsibility of the management and Board of Directors of the Company.

The condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the condensed interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Albert Contardi", CEO  
Albert Contardi

"Arvin Ramos", CFO  
Arvin Ramos

Toronto, Ontario  
November 10, 2022

**PIMA ZINC CORP.**

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in U.S. Dollars)

(Unaudited)

	September 30, 2022	December 31, 2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 9,663	\$ 10,600
<b>Total assets</b>	<b>\$ 9,663</b>	<b>\$ 10,600</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 3)	\$ 242,849	\$ 318,239
	<b>242,849</b>	<b>318,239</b>
<b>Shareholders' equity</b>		
Capital stock (note 4)	4,079,980	3,867,771
Reserve for share-based payments (note 6)	332,000	332,000
Reserve for warrants (note 7)	1,220,910	1,205,647
Accumulated deficit	(5,966,977)	(5,805,475)
Cumulative foreign translation gain	100,901	92,418
<b>Total shareholders' equity</b>	<b>(233,186)</b>	<b>(307,639)</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 9,663</b>	<b>\$ 10,600</b>

Nature of operations and going concern (note 1)

Proposed transaction (note 11)

**Approved on behalf of the Board:**

(Signed) "Daniel Nauth", Director \_\_\_\_\_

(Signed) "David MacMillan", Director \_\_\_\_\_

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

PIMA ZINC CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in U.S. Dollars)

(Unaudited)

	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
<b>OPERATING EXPENSES:</b>				
Consulting fees (note 8)	\$ 10,000	\$ 10,000	\$ 30,000	\$ 30,000
Professional fees	22,025	9,399	101,499	29,152
General and administrative expenses	1,380	170	4,167	13,825
Investor relations, transfer agent and filing fees	2,153	4,563	25,836	22,114
<b>NET LOSS</b>	\$ (35,558)	(24,132)	\$ (161,502)	\$ (95,091)
<b>OTHER COMPREHENSIVE LOSS</b>				
Foreign exchange gain (loss)	9,024	(141)	8,483	153
<b>NET COMPREHENSIVE LOSS</b>	\$ (26,534)	(24,273)	\$ (153,019)	\$ (94,938)
<b>COMPREHENSIVE LOSS PER SHARE</b>				
- BASIC AND DILUTED	\$ (0.00)	\$ (0.01)	\$ (0.02)	0.07
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING,</b>				
BASIC AND DILUTED	15,517,139	1,267,139	9,723,183	1,267,139

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

**PIMA ZINC CORP.**

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in U.S. Dollars)

(Unaudited)

	Common Stock		Reserve for Warrants	Reserve for Share based payments	Cumulative Transalation Gain	Accumulated Deficit	Total Shareholders' Equity
	Shares*	Amount					
Balance, December 31, 2020	1,267,139	\$ 3,867,771	\$ \$ 1,205,647	\$ 332,000	\$ 96,714	\$ (5,688,758)	\$ (186,626)
Comprehensive gain (loss) for the period	-	-	-	-	153	(95,091)	(94,938)
Balance, Setpember 30, 2021	1,267,139	\$ 3,867,771	\$ \$ 1,205,647	\$ 332,000	\$ 96,867	\$ (5,783,849)	\$ (281,564)
Comprehensive loss for the period	-	-	-	-	(4,449)	(21,626)	(26,075)
Balance, December 31, 2021	1,267,139	\$ 3,867,771	\$ \$ 1,205,647	\$ 332,000	\$ 92,418	\$ (5,805,475)	\$ (307,639)
Debt settlements	14,250,000	212,209	15,263	-	-	-	227,472
Comprehensive loss for the period	-	-	-	-	8,483	(161,502)	(153,019)
<b>Balance, September 30, 2022</b>	<b>15,517,139</b>	<b>\$ 4,079,980</b>	<b>\$ \$ 1,220,910</b>	<b>\$ 332,000</b>	<b>\$ 100,901</b>	<b>\$ (5,966,977)</b>	<b>\$ (233,186)</b>

\*Post 20:1 share consolidation

Effective May 7, 2021, the Company consolidated its common shares on the basis of one new common share for every twenty old common shares issued and outstanding at that time. All references to share and per share amounts in these consolidated financial statements have been retroactively restated to reflect the share consolidation.

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

**PIMA ZINC CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in U.S. Dollars)  
(Unaudited)

	<b>Nine months ended</b>	
	<b>September 30, 2022</b>	<b>September 30, 2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (161,502)	\$ (95,091)
Changes in assets and liabilities:		
Accounts payable and accrued liabilities	152,082	94,445
Cash provided (used) by operating activities	<b>(9,420)</b>	<b>(646)</b>
<b>Effect of foreign exchange translation</b>	<b>8,483</b>	<b>153</b>
<b>Increase (decrease) in cash</b>	<b>(937)</b>	<b>(493)</b>
<b>Cash, beginning of period</b>	<b>10,600</b>	<b>11,181</b>
<b>Cash, end of period</b>	<b>\$ 9,663</b>	<b>\$ 10,688</b>
<b>Supplementary Information</b>		
Shares and warrants issued for settlement of debt	\$ 227,472	\$ -

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

**Pima Zinc Corp**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
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**General**

Pima Zinc Corp (hereinafter “Pima” or “the Company”) was incorporated under the laws of the State of Idaho in 1916. After several decades of dormancy, the Company reorganized in 1997 as an exploration stage company focused on evaluating, acquiring and exploring mineral prospects with potential for economic deposits. In 2011, the Company was re-domiciled to the Cayman Islands. The Company filed a continuation application to continue out of the Cayman Islands under the provisions of the of the *Companies Law* (2020 Revision) and into the Province of British Columbia under the provisions of the *Business Corporations Act* (British Columbia) (the “Continuance”). The Continuance became effective on June 25, 2021. The Company’s head office is located at 401 – 217 Queen Street West, Toronto, ON M5V 0R2.

**1. NATURE OF OPERATIONS AND GOING CONCERN**

At September 30, 2022, the Company had working capital deficiency of \$233,186 (December 31, 2021 – \$307,639) and had not yet achieved profitable operations, had accumulated losses of \$5,966,977 (December 31, 2021 - \$5,805,475) and expects to incur further losses in the development of its business, all of which raises substantial doubt upon the Company’s ability to continue as a going concern. Pima will require additional financing in order to operate and meet its ongoing levels of corporate overhead and discharge its liabilities as they come due.

These condensed interim consolidated financial statements have been prepared on a going-concern basis which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly, these consolidated financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption were not used then the adjustments required to report Pima’s assets and liabilities on a liquidation basis could be material to these consolidated financial statements.

The COVID-19 pandemic has not resulted in any material impact on operations and the Company currently does not expect it will impact its 2022 operations. Preventative measures are in place to ensure the well-being of employees and contractors and no risks were noted at the end of the year. Management continues to monitor the situation at the site and corporate office to identify any issues that may affect operational or financial reporting activities.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

These condensed interim consolidated financial statements are unaudited and have been prepared on a condensed basis in accordance with the International Accounting Standard 34, Interim Financial Reporting, issued by the International Accounting Standards Board and interpretations of the International Financial Interpretations Committee using accounting policies consistent with International Financial Reporting Standards (“IFRS”). These condensed interim consolidated financial statements for the three and nine months ended September 30, 2022 and 2021 should be read together with the annual financial statements as at and for the year ended December 31, 2021. The same accounting policies and methods of computation were followed in the preparation of these interim condensed financial statements as were followed in the preparation of and as described in note 3 of the annual financial statements as at and for the year ended December 31, 2021.

These condensed interim consolidated financial statements were authorized by the Board of Directors of the Company on November 10, 2022.

## **2. BASIS OF PREPARATION (continued)**

### **2.2 Basis of presentation**

The condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain non-current assets and financial instruments, which are measured at amortized cost.

### **2.3 Basis of consolidation**

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned and controlled operating subsidiaries, 1139432 B.C. Ltd and 1139432 Nevada Ltd. The financial statements of its subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases. All significant inter-company transactions and balances have been eliminated on consolidation. All references to the Company should be treated as references to the Company and its subsidiaries.

### **2.4 Critical Accounting Estimates, Judgments, and Assumptions**

The preparation of the condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The significant areas of estimation uncertainty considered by management in preparing the condensed interim consolidated financial statements are as follows:

(i) Stock-based compensation expense:

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

(ii) Valuation of warrants:

The Company uses the Black-Scholes option pricing model to calculate the value of warrants issued as part of the Company's private placements. The Black-Scholes model requires six key inputs to determine a value for a warrant: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life and expected volatility. Certain of the inputs are estimates which involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. For example, a longer expected life of the warrant or a higher volatility number used would result in an increase in the warrant value.



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**3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities of the Company are principally comprised of amounts outstanding for purchases relating to exploration and acquisition costs and general operating activities.

The following is an aged analysis of the trade and other payables:

	<b>September 30, 2022</b>	December 31, 2021
Trade payables	\$ 185,447	\$ 203,040
Accrued liabilities	57,402	115,199
	<b>\$ 242,849</b>	<b>\$ 318,239</b>

**4. CAPITAL STOCK**

***Share Capital***

Pima is authorized to issue an unlimited number of common shares. The issued and outstanding common shares at September 30, 2022 consist of the following:

	Number	Amount (\$)
Balance at December 31, 2021	1,267,139	3,867,771
Shares issued on debt settlement	14,250,000	227,472
FMV of warrants issued	-	(15,263)
<b>Balance at September 30, 2022</b>	<b>15,517,139</b>	<b>4,079,980</b>

On May 7, 2021, the Company amended its memorandum of association to consolidate all of the issued and outstanding ordinary shares ("Shares") of the Company by changing each block of twenty (20) pre-consolidation Shares of the Company into one (1) post-consolidation Share of the Company (the "Consolidation"), resulting in the previously outstanding Shares of the Company being consolidated into 1,267,139 Shares. No fractional Shares will be issued pursuant to the Consolidation and any fractional Shares that would have otherwise been issued have been rounded down to the nearest whole number. The Consolidation was approved by the members of the Company at the Annual and Special General Meeting of Shareholders held on February 8, 2021.

On April 21, 2022, the Company settled an aggregate of CDN\$285,000 of indebtedness to certain creditors of the Company through the issuance of 14,250,000 units in the capital of the Company (the "Units") at a price of CDN\$0.02 per Unit (the "Debt Settlement"). Each Unit is comprised of one common share (each, a "Common Share") in the capital of the Company and one-half of one whole Common Share purchase warrant (each whole warrant, a "Warrant") (the "Debt Securities") in satisfaction of the Debt. Each Warrant will entitle the holder to acquire an additional Common Share at an exercise price of no less than CDN\$0.50 for a period of two years from the date of issuance. The warrants were valued at \$15,263.

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**4. CAPITAL STOCK (continued)**

**Warrants**

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

	Number	Weighted-Average Exercise Price
<b>Balance at December 31, 2020</b>	<b>573,153</b>	<b>\$1.65</b>
Expired	(370,000)	\$2.00
<b>Balance at December 31, 2021</b>	<b>203,153</b>	<b>\$1.00</b>
<b>Issued</b>	<b>7,125,000</b>	<b>0.50</b>
<b>Expired</b>	<b>(203,153)</b>	<b>2.00</b>
<b>Balance at September 30, 2022</b>	<b>7,125,000</b>	<b>\$0.50</b>

Date of Grant	Warrants Granted	Exercise Price	Expiry Date
April 21, 2022	7,125,000	\$0.50	April 21, 2024
	<b>7,125,000</b>		

The fair value of the warrants issued during the period ended September 30, 2022 is determined using the Black-Scholes model for pricing options under the following assumptions:

Expected dividend yield	Nil
Risk free interest rate	2.58%
Expected volatility	135.00%
Expected life	2 years
Share price (CDN)	\$0.02

Expected volatility is based on comparable companies.

**5. SHARE BASED PAYMENTS**

Pima established a stock option plan ("Plan") to provide additional incentive to its officers, directors, employees and consultants in their effort on behalf of the Company in the conduct of its affairs. The Plan authorizes the granting of stock options to employees, directors and consultants and may not exceed 10% of the Company's issued and outstanding common shares. Options vest immediately and expire on the fifth anniversary from the date of issue unless otherwise specified.

As at September 30, 2022 and 2021, there are no stock options outstanding.

**6. RESERVE FOR SHARE-BASED PAYMENTS**

	September 30, 2022	December 31, 2021
Balance at beginning of period/year	\$ 332,000	\$ 332,000
Balance at end of period/year	\$ 332,000	\$ 332,000

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**7. RESERVE FOR WARRANTS**

	<b>September 30, 2022</b>	December 31, 2021
Balance at beginning of period/year	<b>\$ 1,205,647</b>	\$ 1,205,647
Issued – April 21, 2022	<b>15,263</b>	-
Balance at end of period/year	<b>\$ 1,220,910</b>	\$ 1,205,647

**8. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION**

During the nine months ended September 30, 2022, \$15,000 (2021 – \$15,000) was charged for services by the Chief Executive Officer.

During the nine months ended September 30, 2022, \$15,000 (2021 – \$15,000) was charged for services by the Chief Financial Officer.

These expenses have been measured at their exchange amount, being the amounts negotiated and agreed to by the parties to the transactions. As at September 30, 2022, \$47,090 (December 31, 2021 - \$90,000) of amounts due to related parties is included in accounts payable and accrued liabilities.

Management believes these transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**9. MANAGEMENT OF CAPITAL**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its shareholders' equity. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended September 30, 2022. The Company is not subject to externally imposed capital requirements.

The Company considers its capital to be shareholders' equity, which is comprised of capital stock, reserves, and accumulated deficit, which as at September 30, 2022 totaled a deficiency \$233,186 (December 31, 2021 – \$307,639).

The Company's objective when managing capital is to obtain adequate levels of funding to support its exploration activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the identification and development of precious metals deposits.

The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

## **10. FINANCIAL INSTRUMENTS**

### ***Fair Value of Financial Instruments***

The Company has designated its cash as FVTPL which are measured at fair value. Fair value of cash is determined based on transaction value and is categorized as a Level one measurement.

- Level One includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level Two includes inputs that are observable other than quoted prices included in Level One.
- Level Three includes inputs that are not based on observable market data.

Cash is measured using Level One inputs.

As at September 30, 2022 and December 31, 2021, both the carrying and fair value amounts of the Company's cash, trade and other payables are approximately equivalent due to their short term nature.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

### ***Credit Risk***

The Company is not exposed to major credit risk attributable to customers. Additionally, the majority of the Company's cash is held with a high rated Canadian financial institution in Canada.

### ***Interest Rate Risk***

The Company invests cash surplus to its operational needs in investment-grade short term deposits certificates issued by the bank where it keeps its Canadian and U.S. Bank accounts. The Company periodically assesses the quality of its investments with this bank and is satisfied with the credit rating of the bank and the investment grade of its short term deposits certificates. A change in the interest rate of 1% would cause interest income to change by less than \$100 (December 31, 2021 - \$100).

### ***Foreign Currency Risk***

The Company's funds are predominantly kept in Canadian dollars, with a major Canadian financial institution. As at September 30, 2022, the Company believes that it is not exposed to major foreign currency risks.

### ***Liquidity Risk***

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2022, the Company had current assets of \$9,663 (December 31, 2021 - \$10,600) and current liabilities of \$242,849 (December 31, 2021 - \$318,239). All of the Company's financial liabilities and receivables have contractual maturities of less than 90 days and are subject to normal trade terms. The Company currently has a working capital deficiency of \$233,186 (December 31, 2021 - \$307,639).

## **11. PROPOSED TRANSACTION**

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

The Company has entered into an amalgamation agreement (the "Amalgamation Agreement") and with Scryb, Inc., 2635212 Ontario Inc. ("Subco"), and Cybeats dated August 11, 2022, pursuant to which the Company will acquire all of the issued and outstanding common shares and preferred shares of Cybeats pursuant to a three-cornered amalgamation in accordance with Section 174 of the Business Corporations Act (Ontario) (the "Proposed Transaction"). As consideration for the Proposed Transaction, the Company will issue Scryb an aggregate of 60,000,000 common shares in the capital of the Company.

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**11. PROPOSED TRANSACTION (continued)**

The parties entered into an amending agreement ("Amending Agreement") dated November 1, 2022, whereas, the Company will also issue Scryb 10,000,000 common share purchase warrants. Each warrant will entitle Scryb to acquire one additional common share at a price of CDN\$0.60 per common share for a period of 18 months following the completion of the Proposed 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 and upon the satisfaction or waiver of the conditions set out therein, the following, among other things, are required to be prior to consummation of the Proposed Transaction:

- The Company shall change its name to "Cybeats Technologies Corp.". The Company changed its name on November 9, 2022;
- Subco shall complete 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, the Company 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, the Company paid Finders a cash commission of \$102,330 equal to 6% of the gross proceeds of the Subscription Receipts.

- Subco, a corporation formed solely for the purpose of facilitating the Proposed Transaction, will merge with and into Cybeats, pursuant to which, among other things, all outstanding Subco Shares all securities convertible into Subco Shares shall be exchanged for replacement securities of the resulting issuer, one-for-one basis, exercisable in accordance with their terms

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