CSE FORM 2A
LISTING STATEMENT

CYBEATS TECHNOLOGIES CORP.

65 International Blvd, Suite 103
Etobicoke, Ontario M9W 6L9

Neither the Canadian Securities Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the Amalgamation Agreement described in the Listing Statement.

November 21, 2022

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ITEM 1: GENERAL

1.1 – Effective Date of Information

All information in this Listing Statement is as of November 11, 2022 unless otherwise indicated.

1.2 – Presentation

Unless otherwise indicated, information in this Listing Statement has been presented assuming completion of the Amalgamation. Unless otherwise indicated, use of the term "**Cybeats**" refers to Cybeats Technologies Inc., before completion of the Amalgamation, use of the term "**Pima**" refers to Pima Zinc Corp., prior to completion of the Amalgamation and use of the terms "**Resulting Issuer**" and "**Cybeats Technologies Corp.**" refer to Pima after completion of the Amalgamation.

1.3 – Forward Looking Statements

The information provided in this listing statement (the "**Listing Statement**"), including information incorporated by reference, may contain "forward-looking statements" about Cybeats and the Resulting Issuer.

Cautionary Statement Regarding Forward-Looking Information

Forward-looking statements are based on the beliefs of the Resulting Issuer's management, as well as on assumptions, which such management believes to be reasonable based on information currently available at the time such statements were made. However, by their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements are subject to a variety of risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation those risks outlined in Sections 6 and 17 of this Listing Statement.

In particular, this Listing Statement contains forward-looking statements pertaining to the following:

- estimates of the Resulting Issuer's future revenues and profits;
- treatment under government regulatory and taxation regimes;
- projections of market prices and costs and the future market for the Resulting Issuer's products and conditions affecting same;
- ability to obtain and protect the Resulting Issuer's intellectual property and proprietary rights;
- expectations regarding the Resulting Issuer's ability to raise capital;
- timing and costs associated with completing research and development work relating to the Resulting Issuer's products;
- the Resulting Issuer's strategies, objectives and plans to pursue the commercialization of its products;
- the Resulting Issuer's estimates of the size of the potential markets for its products and the rate and degree of market acceptance of such products;
- statements and information concerning the Amalgamation;
- statements relating to the business and future activities of, and developments related to the Resulting Issuer after the date of this Listing Statement and thereafter;
- market position, and future financial or operating performance of the Resulting Issuer; and

- liquidity of the Common Shares of the Resulting Issuer.

With respect to forward-looking statements listed above and contained in this Listing Statement, management of the Resulting Issuer has made assumptions regarding, among other things:

- the legislative and regulatory environment;
- the timing and receipt of governmental approvals;
- foreign currency and exchange rates;
- predictable changes to market prices for the Resulting Issuer's products and other predicted trends regarding factors underlying the market for such products;
- anticipated results of research and development activities;
- that tax regimes will remain largely unaltered;
- the Resulting Issuer's ability to obtain additional financing on satisfactory terms; and
- the global economic environment.

The actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Listing Statement:

- the possibility that future research and development results will not be consistent with the Resulting Issuer's expectations;
- liabilities inherent in research and development and biopharmaceutical operations;
- whether the Resulting Issuer's products can be successfully commercialized;
- fluctuations in currency and interest rates;
- critical illness or death of the principals of the Resulting Issuer;
- competition for, among other things, customers, supply, capital, capital acquisitions of products and skilled personnel;
- risks relating to global financial and economic conditions;
- alteration of tax regimes and treatments;
- limited operating history;
- changes in legislation affecting operations;
- failure to realize the benefits of the Amalgamation and any future acquisitions;
- incorrect assessments of the value of acquisitions; and
- other factors discussed under "Section 17 – *Risk Factors*" below.

The list of risk factors set out in this Listing Statement is not exhaustive of the factors that may affect any forward-looking statements of the Resulting Issuer. Forward-looking statements are statements about the future and are inherently uncertain. Actual results could differ materially from those projected in the forward-looking statements as a result of the matters set out or incorporated by reference in this Listing Statement generally and certain economic and business factors, some of which may be beyond the control of the Resulting Issuer. In addition, recent unprecedented events in the world economy and global financial and credit markets have resulted in high market and commodity volatility and a contraction in debt and equity markets, which could have a particularly significant, detrimental and unpredictable effect on forward-looking statements. For all of these reasons, the Resulting Issuer's securityholders should not place undue reliance on forward-looking statements. The Issuer does not intend, and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation and applicable law (see Section 17 – *Risk Factors*).

1.4 – Currency

Unless otherwise indicated herein, references to "$" or "Canadian dollars" are to Canadian dollars.

1.5 – Market and Industry Data

This Listing Statement includes market and industry data that has been obtained from third party sources, including industry publications. The Issuer believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, the Resulting Issuer has not independently verified any of the data from third party sources referred to in this Listing Statement or ascertained the underlying economic assumptions relied upon by such sources.

Glossary of Terms

The following is a glossary of certain general terms used in this Listing Statement including the summary hereof. Terms and abbreviations used in the financial statements included in, or appended to this Listing Statement are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

"**Advisors**" when used with respect to any Person, shall mean such Person's directors, officers, employees, representatives, agents, counsel, accountants, advisers, engineers, and consultants.

"**Affiliate**" shall have the meaning ascribed to such term in National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators.

"**Aggregate Performance Consideration**" has the meaning ascribed thereto in *Section 3 – General Development of the Business*.

"**Amalco**" means the corporation resulting from the amalgamation of Subco and Cybeats pursuant to the Amalgamation.

"**Amalgamation Agreement**" means the amalgamation agreement dated August 11, 2022, as it may be amended or supplemented at any time and from time to time after the date hereof, between Pima, Scryb Inc. ("**Scryb**"), Cybeats and Subco, pursuant to which Pima 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).

"**Amalgamation**" means an amalgamation under Section 174 of the OBCA, on the terms and subject to the conditions set out in the Amalgamation Agreement, subject to any amendments or variations thereto made in accordance with the provisions of the Amalgamation Agreement, and pursuant to which Scryb will receive Pima Shares on the basis of one Pima Share for each one Cybeats Share held and Pima will become the parent company of Amalco.

"**Amalgamation Resolution**" means the special resolution of the holders of Cybeats Shares approving the Amalgamation.

"**Amending Agreement**" means the amending agreement dated November 1, 2022 between Pima, Scryb, Cybeats and Subco, pursuant to which the terms of the consideration payable to Scryb pursuant to the Amalgamation Agreement was amended.

"**April 2022 Debt Settlement**" has the meaning ascribed to it in section "*General Development of the Business – Events Occurring Subsequent to December 31, 2021 and Prior to this Listing Statement*"

"**Associate**" shall have the meaning ascribed to such term in the *Securities Act* (Ontario).

"**BCBCA**" means the *Business Corporations Act* (British Columbia).

"**Business**" means the business of Cybeats providing integrated security platforms designed to secure and protect high-valued connected devices.

"**Canadian Securities Laws**" means the *Securities Act* (Ontario) (or equivalent legislation) in each of the Provinces of Canada and the respective regulations under such legislation together with applicable published rules, regulations, policy statements, national instruments and memoranda of understanding of the Canadian Provincial Securities Administrators and the securities regulatory authorities in such Provinces.

"**CSE**" means the Canadian Securities Exchange.

"**Cybeats**" means Cybeats Technologies Inc., a corporation incorporated under the laws of Ontario.

"**Cybeats Broker Warrants**" means the issued and outstanding broker warrants exercisable into common shares in the capital of Cybeats.

"**Cybeats Shares**" means the common shares, Class Seed-1 Preferred Shares, Class Seed-2 Preferred Shares, and Class Seed-3 Preferred Shares, which Cybeats is authorized to issue.

"**Cybeats Warrants**" means the issued and outstanding warrants exercisable into common shares in the capital of Cybeats.

"**Debt Settlement Units**" means the units issued in connection with the April 2022 Debt Settlement.

"Earned Interest" means the interest payable on the Escrowed Proceeds by the Escrow Agent in accordance with the terms of the Subscription Receipt Agreement.

"**Employee Plans**" means all plans, arrangements, agreements, programs, policies or practices, whether oral or written, formal or informal, funded or unfunded, maintained for employees, including, without limitation:

(a) any employee benefit plan or material fringe benefit plan;

(b) any retirement savings plan, pension plan or compensation plan, including, without limitation, any defined benefit pension plan, defined contribution pension plan, group registered retirement savings plan or supplemental pension or retirement income plan;

(c) any bonus, profit sharing, deferred compensation, incentive compensation, stock compensation, stock purchase, hospitalization, health, drug, dental, legal disability, insurance (including without limitation unemployment insurance), vacation pay, severance pay or other benefit plan, arrangement or practice with respect to employees or former employees, individuals working on contract, or other individuals providing services of a kind normally provided by employees; and

(d) where applicable, all statutory plans, including, without limitation, the Canada or Québec Pension Plans.

"Escrow Agent" means TSX Trust Company, in its capacity as escrow agent for the Escrowed Funds held in escrow under the Subscription Receipt Agreement.

"Escrow Agreement" means the Form 46-201 Escrow Agreement to be entered into and dated on or before the date of listing on the CSE.

"Escrow Release Conditions" means the satisfaction and/or waiver of: (i) the receipt of all required corporate, shareholder and regulatory approvals in connection with the Financing and the Amalgamation, including, without limitation, the conditional approval of the CSE for the listing of the Resulting Issuer's Shares and any relevant listing documents having been accepted for filing with the CSE; (ii) the completion or the satisfaction of all conditions precedent to the Amalgamation, substantially in accordance with the Amalgamation Agreement; and (iii) Subco having delivered a notice to the Escrow Agent, confirming that the conditions have been met or waived.

"Escrow Release Deadline" means 5:00 p.m. (Toronto time) on March 4, 2022, being the date, which is 120 days after the closing date of the Financing.

"Escrow Release Notice" means the notice provided to the Subscription Receipt Agent, substantially in the form attached as Schedule "B" to the Subscription Receipt Agreement, executed by Subco and certifying that the Escrow Release Conditions have been satisfied.

"Escrowed Funds" means the Escrowed Proceeds and the Earned Interest thereon at any given time.

"Escrowed Proceeds" means $1,705,500, representing the gross proceeds of the Financing.

"**Expert Market**" means a private market to serve broker dealer pricing and best execution needs in securities that are restricted from public quoting or trading.

"**Fifth Bridge Loan Agreement**" means the bridge loan agreement dated October 31, 2022 between Subco and Cybeats pursuant to which Subco agreed to lend $2,981,000 to Cybeats.

"Financing" means the private placement of up to: (i) a minimum of 14,000,000 PP Units at a price of $0.50 (the "**Issue Price**") per PP Unit for gross proceeds of $7,000,000, each PP Unit is comprised of one Subco Share and one PP Warrant; (ii) a minimum of 14,000,000 subscription receipts in the capital of Subco (each, a "**PP Subscription Receipt**") at a price of $0.50 per PP Subscription Receipt for minimum gross proceeds of $7,000,000 each entitling the holder to receive, without payment of additional consideration, one PP Unit upon satisfaction of the escrow release conditions; and (iii) any combination of (i) and (ii) which equals a minimum of $7,000,000 (the "**Minimum Financing**") and a maximum of $12,000,000 (the "**Maximum Financing**").

"**First Bridge Loan Agreement**" means the bridge loan agreement dated May 26, 2022, as amended June 30, 2022, August 9, 2022 and October 31, 2022 between Subco and Cybeats pursuant to which Subco agreed to lend $500,000 to Cybeats.

"**First Performance Milestones**" has the meaning ascribed thereto in *Schedule "K" – Revenue Performance Milestones*.

"**Fourth Bridge Loan Agreement**" means the bridge loan agreement dated September 22, 2022, as amended October 31, 2022 between Subco and Cybeats pursuant to which Subco agreed to lend $1,060,400 to Cybeats.

"**Government**" means:

(a) the government of Canada, or any foreign country;

(b) the government of any Province, county, municipality, city, town, or district of Canada, or any foreign country; and

(c) any ministry, agency, department, authority, commission, administration, corporation, bank, court, magistrate, tribunal, arbitrator, instrumentality, or political subdivision of, or within the geographical jurisdiction of, any government described in the foregoing clauses (a) and (b).

"**Governmental**" means pertaining to any Government.

"**Grey Market**" means an unofficial market for financial securities, which generally occurs when new securities are bought and sold before official trading has begun.

"**IFRS**" means the International Financial Reporting Standards.

"**Income Tax**" means any Tax based on or measured by income (including without limitation, based on net income, gross income, income as specifically defined, earnings, profits or selected items of income, earnings or profits); and any interest, Penalties and additions to tax with respect to any such tax (or any estimate or payment thereof).

"**Listing Date**" means the date of listing of the common shares of the Resulting Issuer.

"**Listing Statement**" means this listing statement and including all information incorporated by reference herein together with all Schedules hereto.

"**Name Change**" means the name change of Pima from "Pima Zinc Corp." to "Cybeats Technologies Corp.", in accordance with the provisions of the BCBCA.

"**OBCA**" means the *Business Corporations Act* (Ontario) as amended.

"**Performance Milestones**" has the meaning ascribed thereto in *Schedule "K" – Revenue Performance Milestones*.

"**Person**" means any corporation, partnership, limited liability company or partnership, joint venture, trust, unincorporated association or organization, business, enterprise or other entity; any individual; and any Government.

"**Pink Limited**" means a category on the OTC Markets for companies that are in financial distress, bankruptcy, or those with accounting issues. This category also includes companies that are unwilling to meet the OTC pink sheet basic disclosure guidelines.

"**Pink No Information**" means a category on the OTC Markets for companies that either provides no information or information that is more than six (6) months old.

"**Pima**" means Pima Zinc Corp., a corporation continued under the BCBCA.

"**Pima Options**" means the currently issued and outstanding options to purchase common shares in the capital of Pima.

"**Pima Securities Documents**" shall have the meaning ascribed to such term in Section 3.7.

"Pima Shareholders" means the holders of Pima Shares.

"Pima Shares" means the common shares which Pima is authorized to issue.

"Pima Warrants" means the Pima Share purchase warrants to be issued in exchange for the PP Warrants.

"PP Warrants" mean the Subco Share purchase warrants comprising part of the PP Unit issued in connection with the Financing. Each PP Warrant entitling the holder to acquire one Subco Share at an exercise price of $0.60 per Subco Share for a period of eighteen (18) months from the date of issuance.

"PP Unit" means the units in the capital of Subco, issued in connection with the Financing.

"Resulting Issuer" means Pima (which will then be named "Cybeats Technologies Corp." or such other name as determined by Pima and Scryb, each acting reasonably) after giving effect to Amalgamation.

"Resulting Issuer Shares" means the common shares which the Resulting Issuer is authorized to issue.

"Scryb means Scryb Inc. (formerly Relay Medical Corp.)

"**Scryb Bridge Loan Agreement**" means the bridge loan agreement whereby the Scryb agreed to lend $2,200,000 to Cybeats.

"**SEC Rule 15c2-11**" means the rules that apply to broker-dealers that provide quotations for securities traded on the OTC Market.

"**Second Bridge Loan Agreement**" means the bridge loan agreement dated June 6, 2022, as amended June 30, 2022, August 9, 2022 and October 31, 2022, between Subco and Cybeats pursuant to which Subco agreed to lend $300,000 to Cybeats.

"**Second Performance Milestone**" has the meaning ascribed thereto in *Schedule "K" – Revenue Performance Milestones*.

"Share Exchange Agreement" means the share exchange agreement dated March 2, 2021, between Scryb Inc. (formerly, Relay Medical Corp.), Cybeats, and the shareholders of Cybeats.

"Subco" means 2635212 Ontario Inc. created for the purpose of effecting the Amalgamation.

"Subco Share" means the common shares in the capital of Subco.

"Subscription Receipt Agent" means TSX Trust Company, including its successors and assigns.

"Subscription Receipt Agreement" means the subscription receipt agreement dated November 4, 2022 between Subco and the Subscription Receipt Agent.

"**Tax**" means any tax, levy, charge or assessment imposed by or due any Government, together with any interest, Penalties, and additions to tax relating thereto, including without limitation, any of the following:

(a) any Income Tax;

(b) any franchise, sales, use and value added tax or any license or withholding tax; any payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, alternative or add-on minimum tax; and any customs duties or other taxes;

(c) any tax on property (real or personal, tangible or intangible, based on transfer or gains);

(d) any estimate or payment of any of tax described in the foregoing clauses (a) through (d); and

(e) any interest, Penalties and additions to tax with respect to any tax (or any estimate or payment thereof) described in the foregoing clauses (a) through (e).

"**Tax Return**" means all returns, amended returns and reports (including elections, declarations, disclosures, schedules, estimates and information returns) required to be supplied to a Tax authority in Canada.

"**Third Bridge Loan Agreement**" means the bridge loan agreement dated July 30, 2022, as amended August 9, 2022 and October 31, 2022, between Subco and Cybeats pursuant to which Subco agreed to lend $600,000 to Cybeats.

"**Third Performance Milestone**" has the meaning ascribed thereto in *Schedule "K" – Revenue Performance Milestone*.

"**Warrant Indenture**" means the warrant indenture dated November 11, 2022 between the Resulting Issuer and the Transfer Agent, as warrant agent, in connection with the Financing.

"**Warrants**" means the common share pursuant warrants of the Resulting Issuer issued pursuant to the Warrant Indenture.

2. CORPORATE STRUCTURE

2.1(a) – Corporate Name and Head and Registered Office – Pima

The full name of Pima is "Pima Zinc Corp.". The head office of Pima is located at 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2 and the registered office of Pima is located at Suite 600, 890 West Pender Street, Vancouver, British Columbia, V6C 1J9.

2.1(b) – Corporate Name and Head and Registered Office – Cybeats

The full name of Cybeats is "Cybeats Technologies Inc.". The head office and registered office of Cybeats is located at 65 International Boulevard, Suite 103, Etobicoke, Ontario M9W 6L9.

2.1(c) – Corporate Name and Head and Registered Office – Scryb

The full name of Scryb is "Scryb Inc.". The head office and registered office of Scryb is located at 65 International Boulevard, Suite 103, Etobicoke, Ontario M9W 6L9.

2.1(d) – Corporate Name and Head and Registered Office – Resulting Issuer following completion of the Amalgamation.

The full name of the Resulting Issuer following completion of the Amalgamation will be "Cybeats Technologies Corp.". The head office of the Resulting Issuer will be 65 International Boulevard, Suite 103, Etobicoke, Ontario M9W 6L9 and the registered office of the Resulting Issuer will be Suite 600, 890 West Pender Street, Vancouver, British Columbia, V6C 1J9.

2.2(a) – Jurisdiction of Incorporation prior to Amalgamation – Pima

Pima was incorporated under the laws of the State of Idaho in 1916. After several decades of dormancy, in 1997 Pima reorganized under the *Idaho Business Corporations Act* as an exploration company focusing on evaluating, acquiring and exploring mineral prospects with potential for economic deposits of gold and silver. As part of this reorganization, Pima amended its articles and changed its name to "Rae-Wallace Mining Co." on July 1, 1997. On February 16, 2007, its articles of incorporation to change the name of Pima to "Rae-Wallace Mining Company" and to increase the authorized capital of Pima to 110,000,000 ordinary shares.

On June 15, 2011, Pima was re-domiciled to the Cayman Islands.

On March 26, 2018, Pima amended its memorandum of association to change its name to its current name, "Pima Zinc Corp.", as approved by the holders of ordinary shares of Pima at the annual and special general meeting of members held on November 24, 2017.

On August 20, 2018, Pima amended its memorandum of association to consolidate its ordinary shares on a 1 for 6 basis as approved by the holders of ordinary shares at the annual and special general meeting held on November 24, 2017.

On June 28, 2021, Pima's continued the company into the province of British Columbia under the BCBCA, and its authorized capital was amended to an unlimited number of Common Shares.

Pima is a reporting issuer in the provinces of Ontario, Alberta, and British Columbia, with its principal regulator being Ontario.

2.2(b) – Jurisdiction of Incorporation prior to Amalgamation – Cybeats

Cybeats was incorporated pursuant to articles of incorporation on September 20, 2016, as FWUP Inc. under the OBCA. Cybeats changed its name from "FWUP Inc." to "Cybeats Technologies Inc." on April 10, 2017.

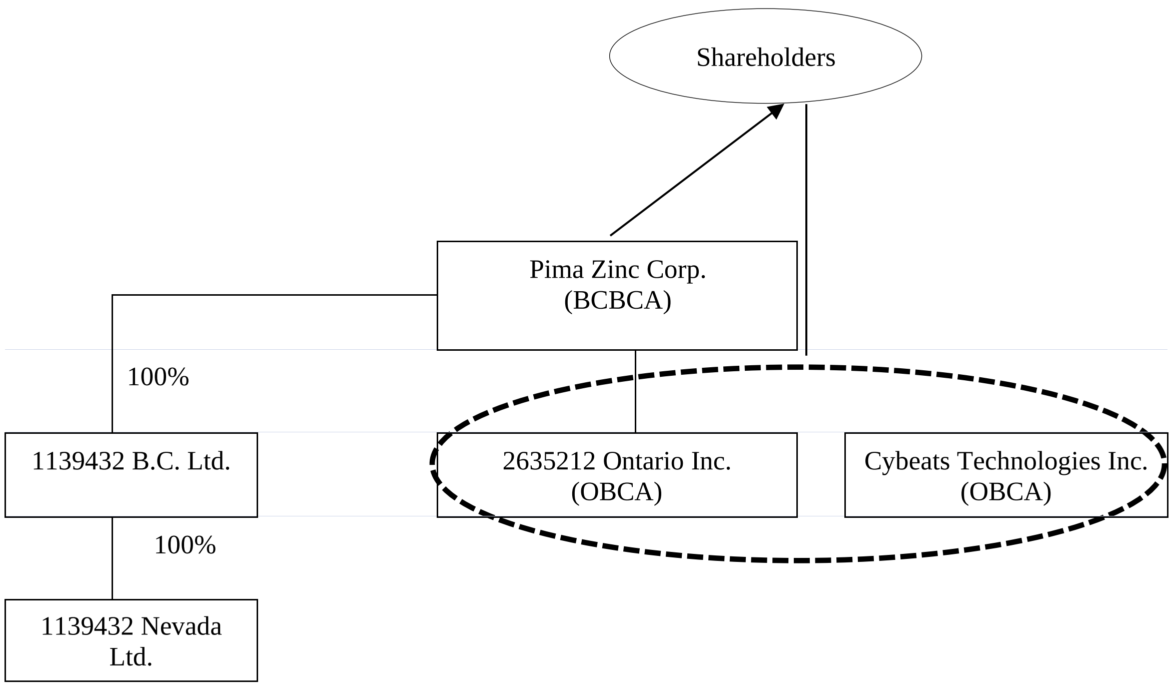
2.2(c) – Jurisdiction of Incorporation of the Resulting Issuer following the Amalgamation

On November 11, 2022, Subco and Cybeats completed the Amalgamation pursuant to the terms and conditions of the Amalgamation Agreement. In connection with the Amalgamation, Pima changed its name from "Pima Zinc Corp" to "Cybeats Technologies Corp." in accordance with the OBCA on November 9, 2022.

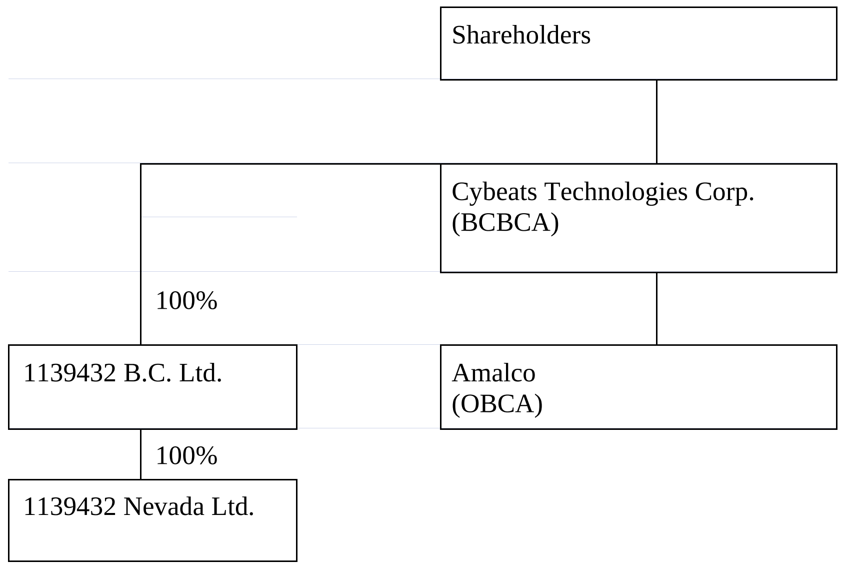
Upon completion of the transactions contemplated by the Amalgamation Agreement, the Resulting Issuer is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario

2.3 – Inter-corporate Relationships

Prior to Amalgamation



Following the Amalgamation



2.4 – Fundamental Change

On November 11, 2022, Subco and Cybeats completed the Amalgamation described below in *Section 3 – General Development of the Business*. Amalco, the corporation resulting from the Amalgamation of Subco and Cybeats, is now a wholly-owned subsidiary of the Resulting Issuer (in accordance with the corporate structure diagram in Section 2.3 above).

Following the Amalgamation, the Resulting Issuer re-classified itself from being a dormant issuer to an industrial issuer operating in the technology industry.

2.5 – Non-Corporate Issuers and Issuers Incorporated Outside of Canada

This section is not applicable.

3. GENERAL DEVELOPMENT OF THE BUSINESS

Historically, Pima was a mineral exploration company engaged in the exploration and development of mineral properties. During the three years ended December 31, 2019, Pima had not conducted any active business. During that period, Pima primarily engaged in the Peruvian Properties were held by Pima through a wholly-owned subsidiary of Pima, all of the shares of which were sold by Pima in April 2013.

On March 26, 2018, Pima amended its memorandum of association to change its name from "Rae-Wallace Mining Company" to "Pima Zinc Corp." as approved by the members of Pima at the annual and special general meeting of members held on November 24, 2017.

On August 9, 2018, Pima entered into a share purchase agreement with 1139432 B.C. Ltd. ("**B.C. Co.**") to acquire all of the issued and outstanding shares of B.C. Co. (the "**Acquisition**"). On July 17, 2019, Pima completed the acquisition of B.C. Co for a cash payment of $162,000 and the issuance of 5,000,000 Pima Shares to the shareholders of B.C. Co. on a *pro-rata* basis at a deemed price per share of $0.03. Following the Acquisition, Pima could not raise additional funds and all mineral claims held by B.C. Co. lapsed.

On August 20, 2018, Pima amended its memorandum of association to consolidate the Pima Shares on a 1 for 6 basis as approved by the members at the annual and special general meeting of Members held on November 24, 2017.

On July 17, 2019, Pima entered into debt forgiveness and conversion agreements to eliminate an aggregate of $243,783 of indebtedness (the "**Debt Settlement**"), through the issuance of an aggregate of 8,126,122 units (each, a "**Debt Unit**") in the capital of Pima and $10,000 of indebtedness through the issuance of 200,000 Pima Shares at a deemed price per share of $0.05. Each Debt Unit was comprised of one Pima Share and one-half of a Pima Share purchase warrant (each whole warrant, a "**Debt Warrant**"), with each Debt Warrant entitling the holder thereof to acquire one Pima Share at an exercise price of $0.05 per Pima Share for a period of three years after the date of issue.

On July 17, 2019, Pima also completed a private placement for gross proceeds of $370,000 through the issuance of 7,400,000 units. Each unit was comprised of one Pima Share and one Pima Share purchase warrant with each warrant entitling the holder to acquire one Pima Share at an exercise price of $0.10 per Pima Share for a period of two (2) years from the date of issue.

On May 7, 2021, the Pima amended its memorandum of association to: (i) consolidate the Pima Shares on a 1 for 20 basis as approved at the annual and special general meeting held on February 8, 2021 (the "**2021 Meeting**"); and (ii) permit for Pima to apply to the Registrar of Companies in the Cayman Islands to be deregistered as a Cayman Islands exempted company and continued into the provincial jurisdiction of British Columbia (the "**Continuance**") as approved at the annual and special general meeting held on February 8, 2021. The Continuance became effective as of June 25, 2021.

Events Occurring Subsequent to December 31, 2021 and Prior to this Listing Statement

December 10, 2021, Pima entered into a non-binding letter of intent (the "**LOI**") with Scryb, pursuant to which Pima would acquire all of the issued and outstanding shares in the capital of Cybeats from Scryb.

On April 21, 2022, Pima settled an aggregate of $285,000 of indebtedness to certain creditors through the issuance of 14,250,000 units in the capital of Pima at a price of $0.02 per unit (the "**April 2022 Debt Settlement**"). Each unit was comprised of a Pima Share and one-half of one whole Pima Share purchase warrant in satisfaction of the debt. Each whole Pima Share purchase warrant entitled the holder to acquire an additional Pima Share at an exercise price of $0.50 per Pima Share for a period of two years from the date of issuance.

On May 26, 2022, Subco closed the first tranche of the Financing through the issuance of 1,945,000 PP Units for gross proceeds of $972,500.

On May 26, 2022, pursuant to the First Bridge Loan Agreement, Subco agreed to lend $500,000 to Cybeats as a bridge loan with a lending rate of 10% per annum computed on the basis of a 360-day year and a maturity date of July 1, 2022. On June 30, 2022, pursuant to an amending agreement, the maturity agreement was amended to August 31, 2022. On August 9, 2022, pursuant to an amending agreement, the maturity date was extended to October 31, 2022. On October 31, 2022, pursuant to an amending agreement, the maturity date was further extended to December 31, 2022.

On June 6, 2022, pursuant to the Second Bridge Loan Agreement, Subco agreed to lend $300,000 to Cybeats as a bridge loan with a lending rate of 10% per annum computed on the basis of a 360-day year and a maturity date of July 1, 2022. On June 30, 2022, pursuant to an amending agreement, the maturity agreement was amended to August 31, 2022. On August 9, 2022, pursuant to an amending agreement, the maturity date was extended to October 31, 2022. On October 31, 2022, pursuant to an amending agreement, the maturity date was further extended to December 31, 2022.

On June 28, 2022, pursuant to the Scryb Bridge Loan Agreement, Scryb agreed to lend $2,200,000 to Cybeats as a bridge loan with a lending rate of 10% per annum computed on the basis of a 360-day year and a maturity date of December 31, 2023.

On July 30, 2022, pursuant to the Third Bridge Loan Agreement, Subco agreed to lend $600,000 to Cybeats as a bridge loan with a lending rate of 10% per annum computed on the basis of a 360-day year and a maturity date of August 31, 2022. On August 9, 2022, pursuant to an amending agreement, the maturity date was extended to October 31, 2022. On October 31, 2022, pursuant to an amending agreement, the maturity date was extended to December 31, 2022.

On September 22, 2022, pursuant to the Fourth Bridge Loan Agreement, Subco agreed to lend $1,060,400 to Cybeats as a bridge loan with a lending rate of 10% per annum computed on the basis of a 360-day year and a maturity date of October 31, 2022. On October 31, 2022, pursuant to an amending agreement, the maturity date was extended to December 31, 2022.

On August 11, 2022, Pima, Cybeats, Subco and Scryb entered into the Amalgamation Agreement, pursuant to which the Cybeats and Pima agreed to affect the combination of their respective businesses and assets by way of a three-cornered amalgamation between Pima, Subco and Cybeats.

On October 31, 2022, pursuant to the Fifth Bridge Loan Agreement, Subco agreed to lend $1,474,500 to Cybeats as a bridge loan 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.

On November 1, 2022, Pima, Pima Subo, Cybeats and Scryb entered into the Amending Agreement, pursuant to which the the consideration for the Proposed Transaction was amended such that the Company will now issue Scryb 60,000,000 Resulting Issuer Shares and 10,000,000 Warrants. Each Warrant will entitle Scryb to acquire one additional common share at a price of $0.60 per Common Share for a period of eighteen (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.

On November 4, 2022 Subco closed the second tranche of the Financing through the issuance of 11,378,800 PP Units at a price of $0.50 per PP Unit for gross proceeds of $5,689,400 and 3,411,000 PP Subscription Receipts at a price of $0.50 per PP Subscription Receipt for gross proceeds of $1,705,500. The aggregate gross proceeds from the first and second tranches of the Financing was $8,366,900. The gross proceeds from the PP Subscription Receipts issued pursuant to the Financing, being the Escrowed Proceeds, were placed in escrow pursuant to the terms of the Subscription Receipt Agreement. In connection with the Financing, Subco paid certain eligible finders an aggregate of $142,330 in cash commissions and issued 80,000 finders warrants (the "**Finder Warrants**"). Each Finder Warrant entitles the holder thereof to acquire one Subco Share at a price of $0.50 per Subco Share until the date that is eighteen (18) months following the completion of the Proposed Transaction.

On November 9, 2022, Pima filed a notice of alteration to affect the Name Change.

On November 11, 2022, Pima, Subco and Cybeats completed the Amalgamation. As consideration for the Amalgamation, Scryb was issued 60,000,000 Resulting Issuer Shares and 10,000,000 Warrants. In addition, upon completion of the Amalgamation, all outstanding Subco Shares and PP Warrants were exchanged, for no additional consideration, into Resulting Issuer Shares and Warrants.

On November 11, 2022, the Escrow Release Conditions were satisfied, including the receipt of all required corporate, shareholder and regulatory approvals in connection with the Financing and the Amalgamation, including, without limitation, the conditional approval of the CSE for the listing of the Resulting Issuer's common shares and any relevant listing documents having been accepted for filing with the CSE; the completion or the satisfaction of all conditions precedent to the Amalgamation, substantially in accordance with the Amalgamation Agreement; and Subco having delivered a notice to the Escrow Agent, confirming that the conditions Escrow Release Conditions have been met. On November 11, 2022, the Escrowed Funds were released from escrow and each Subscription Receipt was exchanged, for no additional consideration, for one PP Unit, subject to adjustments.

3.2 – Significant Acquisitions and Dispositions

The Amalgamation was completed on November 11, 2022, pursuant to which Pima effected the combination of its business and assets with Cybeats by way of a "three-cornered amalgamation" between Subco and Cybeats.

Pursuant to the Amalgamation Agreement, Pima assumed all of the obligations of Scryb pursuant to the Share Exchange Agreement with respect to the payment and the issuance of the aggregate performance consideration (the "**Aggregate Performance Consideration**") upon the Effective Date. Pima 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 Pima. 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 Pima Shares 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. Further information about the Aggregate Performance Consideration can be found in Schedule "K" – Revenue Performance Milestones.

On May 26, 2022, Subco closed the first tranche of the Financing through the issuance of 1,945,000 PP Units for gross proceeds of $972,500.

On November 4, 2022 Subco closed the second tranche of the Financing through the issuance of 11,378,800 PP Units at a price of $0.50 per PP Unit for gross proceeds of $5,689,400 and 3,411,000 PP Subscription Receipts at a price of $0.50 per PP Subscription Receipt for gross proceeds of $1,705,500. The aggregate gross proceeds from the first and second tranches of the Financing was $8,366,900. The gross proceeds from the PP Subscription Receipts issued pursuant to the Financing, being the Escrowed Proceeds, were placed in escrow pursuant to the terms of the Subscription Receipt Agreement. In connection with the Financing, Subco paid certain eligible finders an aggregate of $142,330 in cash commissions and issued 80,000 Finder Warrants. Each Finder Warrant entitles the holder thereof to acquire one Subco Share at a price of $0.50 per Subco Share until the date that is eighteen (18) months following the completion of the Proposed Transaction.

On November 11, 2022, Pima, Subco and Cybeats completed the Amalgamation. As consideration for the Amalgamation, Scryb was issued 60,000,000 Resulting Issuer Shares and 10,000,000 Warrants. In addition, upon completion of the Amalgamation, all outstanding Subco Shares and PP Warrants were exchanged, for no additional consideration, into Resulting Issuer Shares and Warrants.

On November 11, 2022, the Escrow Release Conditions were satisfied, including the receipt of all required corporate, shareholder and regulatory approvals in connection with the Financing and the Amalgamation, including, without limitation, the conditional approval of the CSE for the listing of the Resulting Issuer's common shares and any relevant listing documents having been accepted for filing with the CSE; the completion or the satisfaction of all conditions precedent to the Amalgamation, substantially in accordance with the Amalgamation Agreement; and Subco having delivered a notice to the Escrow Agent, confirming that the conditions Escrow Release Conditions have been met. On November 11, 2022, the Escrowed Funds were released from escrow and each Subscription Receipt was exchanged, for no additional consideration, for one PP Unit, subject to adjustments.

3.3 – Trends, Commitments, Events or Uncertainties

Other than as set out in Section 17- *Risk Factors*, there are no trends, commitments, events or uncertainties which are presently known to management which could reasonably be expected to have a material effect on the Resulting Issuer's business, financial condition or results of operations.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

General Overview

The Resulting Issuer delivers intelligent security applications for software supply chains and Internet of Things ("**IoT**") connected devices, detecting and eliminating cybersecurity threats starting from the design phase, through to product operation, and empowers enterprises to efficiently oversee the vulnerabilities and threats to their software products and IoT devices. By doing so, the Resulting Issuer plays a pivotal role in an organization's ability to proactively mitigate cybersecurity risks, as well as provide tools to monitor regulatory compliance, software licensing infringement and improve the software security development operations of the organization.

The Resulting Issuer offers two product suites: (i) the software bill of materials studio ("**SBOM Studio**") and (ii) the IoT runtime application security protection ("**RASP**") Solution. These two solutions offer a proactive approach to cybersecurity by improving software security through software bill of materials ("**SBOM**") analysis of vulnerabilities and monitoring active software and IoT devices through continuous real-time assessment. The products offer organizations and their software development teams unparalleled cybersecurity tools from the design phase throughout the commercial life cycle following a secure-by-design approach to software.

The SBOM Studio is a software management platform which assures enterprises their products are built with and remain secured, compliant and proactive to cybersecurity threats.

The IoT Security RASP Solution is an embedded security solution installed on-devices by IoT device manufacturers.

Background

Cybersecurity, also referred to as computer security or information technology security, is a field which derives from information technology that involves the protection of computer systems, including the prevention of unauthorized use, changes or access to electronic information.

Cybersecurity has become increasingly salient due to the global reliance on computer systems, the internet and wireless network standards such as Bluetooth and Wi-Fi, and due to the growth of 'smart' devices, smartphones, televisions, medical devices, surveillance cameras, connected vehicles and the various other devices that constitute the IoT. The number of IoT devices worldwide is expected to grow 300% from 2020-

2025, to a total of 75 billion connected devices by 2025.[1] Each IoT device is connected to a network, and is a vulnerable target for potential cyber attacks attempting to access the network or information stored on the device itself.

In 2016, Cybeats commenced operations and the building of an integrated cybersecurity platform designed to secure and protect IoT devices. The vision included a unique approach to eliminate device downtime due to cyber-attacks, while also allowing device manufacturers to develop and maintain secure and protected devices in a timely and cost-efficient manner.

Many traditional security solutions involve products that simply ‘secure the perimeter’ or provide defense solutions to the networks that devices are connected to. The problem arises when a network perimeter is breached, an infiltration and its reach can be unknown or lost within the network, whereby attackers can access or jump to other IoT devices or systems within the network. Modern solutions have therefore needed to offer on-device solutions which provide transparency and protection ‘within the network’, and more importantly, within each IoT device.

The Resulting Issuer’s customers install a micro-agent, which is a small piece of code, onto each device, typically in the manufacturing stages of the device. The micro-agent allows for continuous monitoring of the status updates of the IoT device, acting as a "heartbeat" or human nervous system, which communicates the status or ‘posture’ of each device to the security teams and device operators. The Resulting Issuer’s proprietary micro-agent include several competitive advantages, for example, having a very low resource (digital) footprint on each device in an effort to limit any impact on the normal operation of the device.

After roughly 5 years of building its IoT security platform, growing its operations and arriving at a growth stage that required additional capital to expand, Cybeats, and its micro-agent product, was acquired by Scryb in early 2021 for $7,180,000.

2021 Share Exchange Agreement.

On March 2, 2021, Scryb and Cybeats signed the Share Exchange Agreement. However, it was not until March 18, 2021, that Scryb and Cybeats announced that they had completed and closed the acquisition of Cybeats pursuant to the Share Exchange Agreement. As part of this agreement, Scryb acquired the Cybeats. technologies, intellectual property and trade secrets, and Cybeats became a wholly owned subsidiary of the Scryb.

In accordance with the terms of the Share Exchange Agreement, Scryb acquired all of the issued and outstanding shares of Cybeats for an aggregate purchase price of $7,180,000, satisfied by a cash payment of $500,000 and the issuance of 9,311,475 common shares in the capital of Scryb at a deemed price of $0.61 per share.

As a result of the Scryb acquisition of Cybeats, Cybeats was reliant on Scryb for funding through cash infusions. Due to its soft commercial launch Q4 2021, Cybeats’ sales have been relatively low of which were generated from small number of sales from IoT, which involved only two clients.

Business Model

Software as a Solution ("**SaaS**") and Platform as a Solution ("**PaaS**")

[1] https://www.statista.com/statistics/471264/iot-number-of-connected-devices-worldwide/

Software Made Certain.

Cybeats rebranded the Company in late 2021, with support from the marketing consultancy firm, Bluetext, LLC. As both SBOM Studio and IoT security products focus on software vulnerabilities from both existing and newly developed software, "Cybeats, 'Software Made Certain.'" is the slogan for the brand.

The Resulting Issuer is currently in the stage of commercially expanding and scaling up both product suites, and more information on each product suite is outlined below:

Principal Products

The Company's principal products will be divided into two categories: Cybeats SBOM Studio, and IoT RASP Solution. Its principal business will be the B2B sale of its Software Supply Chain Management Tool to all software developers and consumers and B2B sales of its IoT cybersecurity platform to downstream companies selling connected IoT devices. These consumer facing products for connected IoT devices include medical devices, critical infrastructure, consumer electronics, automotive and aerospace.

IoT Market Overview and Customer Need

The world is becoming increasingly connected with the number of connected devices growing exponentially along with increased speed of communication with 5G connectivity. These connected devices have been targets for cybersecurity attacks as these devices are usually less secure than traditional digital assets of a company. The increased rate of attacks has been a problem for many industries, such as consumer electronics, medical devices and critical infrastructure to name a few. There has also been an increase in zero-day attacks, which exploit potentially serious software security weaknesses that the vendor or developer may be unaware of, that pose a high level of risk because they are not detected by conventional IoT solutions in the marketplace as these network-based solutions are unable to detect before it is too late. This explosive growth of IoT devices along with the increase in sophistication and frequency of cyber attacks has led to a large demand for new and innovative cybersecurity solutions for IoT devices.

The IoT RASP Solution was created to effectively manage these increased risks, attacks and to fill a void where existing solutions are deficient. The IoT solution uses a secure-by-design approach to IoT devices by offering an on-device micro-agent incorporated into the IOT device software, which differs from the conventional approach of monitoring the network communication of connected IOT devices.

IoT Cybersecurity Market

Focuses on devices connected to the internet. Connected IoT devices are growing in size and complexity as the International Data Corporation predicts that there will be over 41.6 billion connected devices by 2025 compared to 20 billion in 2020[2]. Along with major growth in connected devices, there have been major changes in the regulatory environment. For example, the United States President, Joe Biden, outlined a cybersecurity policy making as a top priority and stated that it is essential that the federal government lead by example for all federal information systems to exceed the current standards and requirements set forth. Key drivers of this market include:

- The substantial increase in amount of connected IoT devices;
- Regulations mandating enhanced security for software & connected devices;
- Changing regulations that bring more attention to the cybersecurity risks of critical assets;
- Increase in amount and frequency of cybersecurity hacks;

[2]https://www.idc.com/getdoc.jsp?containerId=prUS45213219

- Governments being increasingly involved in cybersecurity hacks which increase the amount and complexity of the attacks; and
- Increased connectivity and speed that comes with 5G increases cybersecurity risk.

The IoT security market size was valued at roughly $8.4 billion in 2018 and is projected to reach nearly $74 billion by 2026, growing at a CAGR of 31.2% during that same period[3]. The IoT security market trends include an increase in the number of ransomware attacks on various IoT devices.

Cybeats IoT RASP Solution

The Resulting Issuer’s proprietary micro-agent (a small piece of code) is incorporated into a device to protect it from within during the development and production phase of the IOT device. The micro-agent is then activated when the IOT device is connected and allows for continuous monitoring of the status of the IOT device through a "heartbeat", which is used to communicate the security posture of the device. The proprietary micro-agent has a very low resource footprint so that it does not affect the normal operation of the device.

The IoT RASP solution, this was already defined earlier was created to provide the next generation of security for IOT devices by providing on-device protection. The IOT Solution is offered as a PaaS solution for IOT device designers, which includes a per device fee for continuous monitoring of deployed devices. The service is marketed to medium to large IoT device producers across a wide range of industries including consumer electronics, critical infrastructure, manufacturing equipment producers and medical device manufactures to name a few examples. It is primarily used by product security teams, development leads and Security Operations Center (SOC) teams.

The IoT Solution allows five main functionalities:

1. **Detecting Abnormalities**

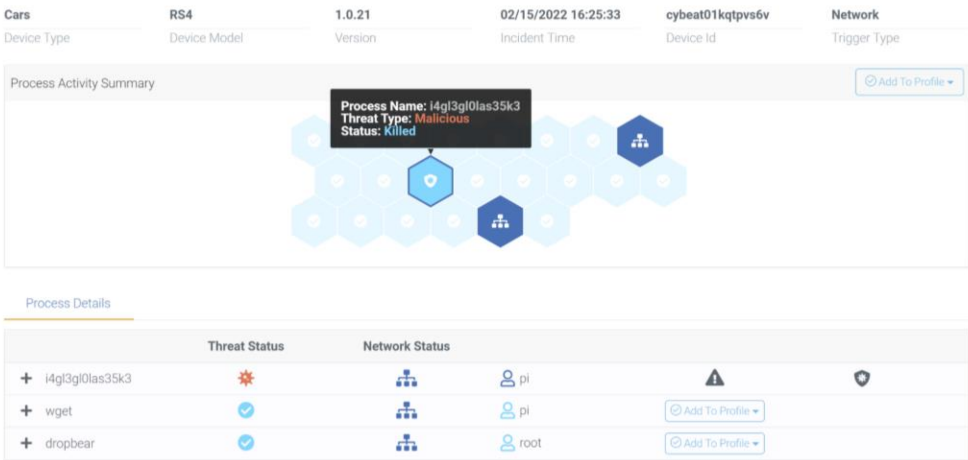
   The micro-agent learns the behaviour and normal operation of the device and detects any operation outside the norm of the device.

2. **Quickly Terminates Malicious Processes**

   Once a malicious process is detected using the Resulting Issuer’s’s large data lake of malicious Ips, it terminates the attack and if need be, can quarantine the device to avoid attack spread. This allows for the device to have minimal downtime.

Fig 4. Attack from Malicious IP neutralized

[3] https://www.alliedmarketresearch.com/internet-of-things-IOT-security-market#:~:text=IoT%20Security%20Market%20Statistics%20-%202026%20The%20global,number%20of%20ransomware%20attacks%20on%20various%20IoT%20devices.



3. **Logs and Notifies Malicious Attempts**

   The solution logs all attacks attempts and provides an audit log of the attack to notify the customer which allows the customer to accurately track attacks and resolutions.

4. **File Integrity Monitoring**

   The micro-agent monitors the file integrity of the device which prevents zero-day, attacks which are missed by conventional network solutions.

5. **Integrates to Security Operations Center ("SOC")**

   The solution integrates to a customers existing SOC solution, which allows for efficient scaling throughout the customer's device fleet.

The benefits of the IoT RASP Solution include:

- Allows customers to reduce cost and risk of device penetration by having a single enterprise solution that scales across a customer's device fleet;

- Improves the brand equity and trust of a customer by providing visibility into device fleet management;

- Possible to generate additional revenue by offering enhanced security services to their users;

- Offers device context by being aware of the state of the device and can take appropriate action such as vehicle limping mode which is applicable to critical devices such as electric cars.

- Gathering forensic information about when and how an attack occurred and when it was neutralized to provide an audit trail of the attack

RASP can be used by medium to large device manufacturers across multiple industry verticals, which includes medical devices, critical infrastructure and consumer electronics. The increasing number of vulnerable connected devices presents an enormous opportunity with a growing market need.

RASP is currently in commercial stages with a few customers in the stages of negotiation and proof of concept testing out the functionality of the product. The interest in the product continues to grow as a result of an increasing number of connected devices and a marked increase in 5G connectivity. The IoT RASP Solution continues to expand its functionality to help maintain its competitive advantage. The Resulting Issuer will focus on expanding its product offering to add additional machine learning capabilities for the micro-agent. IoT RASP Solution is poised to capture an expanding market.

Competition

Agentless Solutions

Traditionally IoT cybersecurity has been dominated by solutions that protect the network and not the individual device. These solutions prevent attacks by stopping the attack at the network level. Companies in this category would be indirect competitors as they are IoT cybersecurity solutions, but they do not directly compete against Cybeats IoT solution that is an agent-based solution. Companies that offer agentless solutions are more established brands such as Armis, SentinelOne and others. These solutions can be used in tandem with Cybeats IoT RASP solution.

Agent based Solutions

Agent based solutions is the next evolution in IoT cybersecurity. These solutions put an agent (small piece of software) on the individual device and protect the individual device from within. This agent then learns the normal behaviour of the device. This small piece of software is then used to detect anomalies on the device. These anomalies are they either determined to be malicious or not and if malicious they are eliminated. These solutions differ from network solutions as instead of detecting known attacks they detect anomalies of the device's normal operating system which make it easier to detect unknown attacks. There are very few agent based IoT solutions in the market with no clear market leaders as this market is still in its infancy. One of Cybeats main competitors in the agent-based solution is Firedome but not solution has been established as a clear market leader.

Software Supply Chain Security Overview and Customer Need

Today, software is rarely developed from the ground-up and is instead composed of third-party elements such as pre-built libraries and open-source components in order to shorten the development cycle. Use of open-source components has increased significantly in recent years with estimates that software typically contains up to 90% of open-source components. The greater reliance on external components, the greater risk of exposing companies and their customers to greater risk as these may have critical vulnerabilities that could be exploited/hacked. To combat this threat, the industry has moved towards improving the security posture of software by improving transparency through the software supply chain. This greater need for software transparency has pushed the government to enact regulations such as the Whitehouse Executive Order (May 12, 2021). The order's primary mandate is to enhance the integrity of software supply chains by requiring a Software Bill of Materials ("**SBOM**") to all United States federal government suppliers.

An SBOM is a record of all the components that make up a software product. It is analogous to a nutritional facts/ingredients list found on everyday food products. It is noted that according to Gartner Inc., a global technological research and consulting firm, less than 5% of organizations currently enforce software supply chain security, which will rise to 40% by 2025[4]. The adaptation of SBOMs will be a major part of this increase in software supply chain security and is expected to occur across a wide range of industries including automotive, critical infrastructure, financial software, medical software as a few examples. An organization that effectively monitors its SBOM's will produce more secure products and will be able to

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[4] Access to this particular article is available for purchase here.

act quickly and effectively as vulnerabilities arise within their products once deployed. The current lack of security has been seen in the rise in software supply chain attacks that have created significant disruptions to both businesses and services. The high visibility of attacks has increased public pressure for producers of software to demonstrate that their products are secure.

The introduction of new regulations and the industry shift to enhanced security has created the need for organizations to effectively manage their SBOMs and then share them with downstream consumers of their products. Developing such systems to facilitate the execution of an SBOM management system can be time consuming in terms of money and time for any organization.

Software Supply Chain Security Market

Focuses on the development and consumption of software. Software developers rarely develop software from the ground-up and instead rely on third-party resources when developing software. This market will be led by the implementation and management of the core component of software supply chain security which is the SBOM. Key Drivers in the software supply chain security market include:

- Regulations mandating enhanced security for software such as Whitehouse Executive Order, which mandate the use of an SBOM for federal suppliers;
- Other regulations that bring more attention to the cybersecurity risks of critical assets;
- An increase in the number and the frequency of software supply chain hacks;
- Governments becoming increasingly involved in cybersecurity hacks, which has had the effect of increasing the complexity of the attacks;
- Increased connectivity and speed that comes with 5G increases cybersecurity risk; and
- Use of open-source code by software developers, which leads to greater software supply chain risk.

Cybercrimes pose immense risks to companies as they endanger corporate assets, intellectual property, customer relationships, brands, and employees. Over the past decade there has been a significant increase in cybercrime, with global damages reaching $3.5 billion in 2019, approximately 3.3 times higher than the damages recorded in 2015, 7.2 times higher than the damages recorded in 2011 and 14.6 times higher than the damages recorded in 2007[5].

Cybeats SBOM Studio

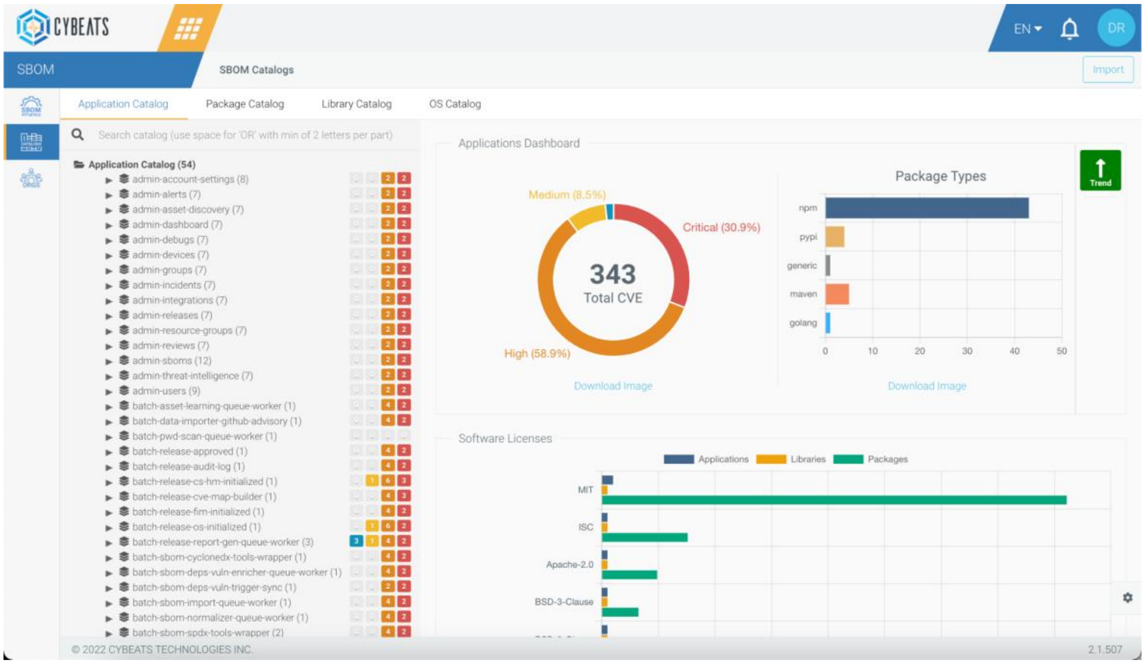
The SBOM Studio was created to manage this rapidly growing need for software supply chain security. It is marketed to all software producers and consumers where supply chain transparency is essential to their business. SBOM Studio is offered as a SaaS, a self-hosted application, and an on-premises application, depending on the requirements of the customer. The primary users include software developers, product security teams, and Chief Information Officers as well as their respective teams.

The SBOM Studio offers an effective and innovative solution to the software supply chain problem, which has four (4) main functionalities:

1. **SBOM Document Management and Repository -** Allows clients to store and manage the entities SBOMs while also providing an easy-to-use dashboard and search functionality.

Fig 2. SBOM Studio Dashboard

[5] FBI: Internet Crime Report for calendar years 2019, 2015, 2011 and 2007.



2. **Vulnerability Risk Management** – Allows for effective vulnerability risk management, which uses a large data lake to identify and rank vulnerabilities that have been identified in the components of the software. Vulnerabilities are continuously updated so users can have up to date information on the security posture of their software during development and in the field.

3. **License Risk Management** – Monitors the software for licenses that are required for the software components included in the customer's software, which allows an entity to protect itself and reduce legal risk.

4. **SBOM Exchange –** allows customers to share and potentially redact SBOMs with suppliers or customers that require them. This is an essential piece in relation to the Whitehouse Executive Order and will continue to be a key part of providing software transparency along the software supply chain.

<u>The benefits of Cybeats SBOM Studio include</u>:

- Data completeness of SBOMs as a result of an expanding data lake of vulnerabilities;
- Integration with the existing corporate infrastructure that streamlines and improves efficiency. SBOM Studio currently integrates with third-party solutions, such as "Jira", which allows customers to utilize current solutions;
- Cost reduction because it allows for the reduction of time to look through code to find known vulnerabilities. For example, when Log4J was discovered, many large enterprises took thousands of hours to locate this vulnerability within their code, but Cybeats SBOM Studio could have found this vulnerability within minutes which adds to effective crisis management;
- A prioritization plan to reduce the vulnerability risk of the customers' software by ranking the vulnerabilities and highlighting the changes that are easy to implement;
- A license risk management system that lists the licenses that the customer's software uses that helps lower the legal risk; and
- SBOM sharing, which is needed for software transparency along the software supply chain.

Cybeats SBOM Studio is a solution that can be used by both software developers, such as Software-as-a-service companies and software consumers such as hospitals as both could require the functionality of the product. SBOM Studio can also be used across many industry verticals such as automotive & aerospace, medical devices, critical infrastructure, and IT & digital solutions. This large number of potential customers presents an enormous opportunity with a growing market need.

Cybeats SBOM Studio is currently in commercial stages with a few customers using a fully paid solution with many more in the proof-of-concept stage testing out the functionality of the product. The interest in the product continues to grow at a rapid pace due to customer needs and a changing regulatory environment. Cybeats SBOM Studio continues to expand its functionality to help maintain its competitive advantage. Cybeats will focus on expanding its product offering to address a broader market and continue expanding its integration with existing corporate solutions. Cybeats SBOM Studio is poised to capture an expanding market.

Competition

Companies that both develop and consume software look to both generate and manage SBOMs as apart of their cybersecurity solutions and to be compliant with the industry regulations and Executive Orders.

SBOM Generating Solutions

To be compliant with regulations companies will look for solutions to generate SBOMs from their software. There are currently open-source solutions along with paid solutions from third party vendors. These solutions focus on generating SBOMs but do not deal with how to manage or properly analyze SBOM. These companies do not directly compete against Cybeats SBOM Studio as Cybeats currently does not generate SBOMs but manages and analyzes them. Companies that offer generation solution are Whitesource, Finite State, Adolus and others. These solutions have no clear market leader as the market is still in its infancy, but these solutions can be used in tandem with Cybeats SBOM Studio.

SBOM Management Solutions

As companies generate SBOMs they will need a solution to properly manage and analyze them. These solutions will offer a repository for a place to store all company SBOMs. This repository will give the company a wholistic view of the company SBOMs and security. These solutions will be direct competitors with Cybeats SBOM Studio. Companies that manage and analyze SBOMs are Adolus, Ion Channel, Anchore and others. These solutions have no clear market leader as the market is still in its infancy.

Research and Development

Management of the Resulting Issuer intends to implement a business minded and cost-conscious approach to product research and development by focusing on the development of novel products and new features that address unmet needs in the marketplace. Research and development activities will be carried with various public sector research centres/universities. While negotiations are currently underway with the University of Waterloo, there is currently no binding contract in existence. The estimated cost of $30,000 over a three-year period in this respect are for the time of three (3) PhD students at the University of Waterloo.

Sales, Marketing and Distribution

While the Resulting Issuer continues to expand its sales infrastructure and marketing capabilities, to further commercialize products, the Resulting Issuer will continue to develop sales and marketing and distribution capabilities or appoint other parties to perform these services. The Resulting Issuer intends to market the product worldwide due to the low distribution infrastructure needed for software sales. For example, marketing efforts are currently underway in the United States and the intention is to begin marketing efforts in the European Union and Korea by the end of September 2022. There are currently some clients based in the United States and other clients utilizing their free trial periods.

The Resulting Issuer's sales are generated through the existing sales team and networks of strategic advisors. Cybeats recently hired a senior sales executive located in the United States to expand sales and operations within North America. The intention of the sales team is to continue to expand with a larger focus on the United States market. The Resulting Issuer also intends to expand to China as well as the European at some point in the future. Cybeats entered into a marketing agreement with Bluetext, LLC on June 28, 2021, which is a leading marketing firm in the cybersecurity technology space to help to establish an industry leading brand identity.

Specialized Skills and Knowledge

As of the date hereof, the Resulting Issuer employs 48 employees and contractors, working in the areas of financing, operations, marketing and business development. From time to time, the Resulting Issuer will also seek the services of expert regulatory/industry consultants in the IoT cybersecurity industry. The Resulting Issuer will also engage third-party specialized consultants from time to time to assist in other aspects of its business including experts in regulatory, software development and sales.

The key skills and knowledge required to successfully develop products and/or features in the IoT and software supply chain cybersecurity sectors include:

- Software development;
- Embedded hardware development;
- Cloud software architecture;
- Cybersecurity market knowledge;
- Collecting vulnerability data and expanding SBOM libraries, which supports superior product offering, development and management;
- Quality Assurance in software development;
- Software Penetration Testing; and
- Machine learning software development.

Patents and Proprietary Rights

The Resulting Issuer's success will partially depend on its ability to protect its products and intellectual property in many jurisdictions through a combination of patent protection, regulatory protection, trade secrets, know-how, continued innovation, and licensing opportunities. The Resulting Issuer will set up policies and protocols, both physical and digital, to secure and maintain the confidential nature of the intellectual property. Currently, it is the policy to require all employees, consultants, contractors, and advisors to execute confidentiality agreements upon commencement of their employment or consulting. These agreements mandate that all inventions related to the Resulting Issuer's business be kept confidential and that they are the exclusive property of the Resulting Issuer. The Resulting Issuer does not currently hold any patents on its IoT product or on the SBOM Studio product, but plans to file a patent application for both products in the near future.

Commercial Engagements by Opportunity Segment

The Resulting Issuer will deploy the following framework for the commercial engagement pipeline and related opportunities:

(i) Trial Deployments at no cost:

Currently, Cybeats has multiple trial deployments in a variety of industries that include:

- Multinational manufacturing firm
- Tech Company in software and services
- Global Technology Leader in 'Smart Buildings' and building security equipment
- Institutional fintech company
- Multinational infrastructure firm in energy management and industrial automation
- International safety certification and compliance company

(ii) Paid Software Evaluation Periods:

Cybeats is currently in discussion with potential customers in multiple industries to have a paid software evaluation period. With one exception, all of these discussions with potential customers are still in very early stages and there is no guarantee that any further paid software evaluation periods will be agreed upon.

(iii) Commercial Licenses to Enterprise Product Suites:

The Resulting Issuer recently announced an enterprise license of its SBOM Studio product.

(iv) Large Commercial Engagements:

Marketing activities are designed to identify prospects with buying intent based on the response to certain calls-to-action in direct marketing programs. Qualified sales leads with purchase intent are routed to the business development team for one-on-one follow-up and opportunity identification.

(v) Partnership Programs:

On May 11, 2022, Cybeats announced that it would be partnering with a large American cybersecurity company as part of its technology partnership alliance program. Cybeats and the large American cybersecurity company have an agreement in place.

(vi) Resellers:

The Resulting Issuer is pursuing partnerships and resellers that are trained and equipped to market and sell its products and services, or that have typically been focused on serving a single country where the Resulting Issuer does not have a direct sales force. In some instances, resellers will collaborate with the direct sales team on larger scale strategic opportunities in a joint selling model. In all instances that resellers are used to actively market and sell our products and services, the Resulting Issuer remains responsible for the delivery of our products to the customer and oversee establishing pricing. We recognize products and services sold through resellers will be sold at wholesale prices and will be recognized in revenue in a similar manner to those sold by the Company's direct sales channel. As at of the date hereof, Cybeats has only signed one agreement with a reseller.

Marketing and Lead Generation

The Resulting Issuer intends to generate targeted brand awareness and interest through a combination of digital and event marketing campaigns and conference sponsorships. These initiatives alongside traditional digital marketing efforts including paid search, display and social advertising, search engine optimization, content syndication and content sponsorship, generate targeted interest for our product and solution offering.

Live Industry Webinars

Historically, Cybeats hosted a cybersecurity industry webinar series on topics relating to the software security and specific market verticals approximately once per month. As of the listing date, the Resulting Issuer had hosted nine cybersecurity webinars with over 20 panelists or invited industry guests. The aim of the podcast is to; (i) attract an audience to drive potential leads into its sales funnel; and (ii) to attract t talented industry spokespeople to the events. Some of the key panelists include high-ranking executives from technology companies, governments, critical infrastructure multinationals, and more. These discussions provide content for future marketing and other networking benefits in the cyber industry.

Conferences and Events

Historically, Cybeats engaged with several live events to increase awareness and funnel potential sales engagement opportunities. As COVID-19 becomes less impactful on the scheduling of live events, the Resulting Issuer intends to make a concerted effort to attend various live conferences and events going forwarded.

Typical Sales Cycle

The sales cycle length varies depending on the size and complexity of a customer and their needs. In enterprise software markets, the typical commercial engagement has several legal, administrative and governance gateways to surpass before a full software license is purchased. Considering the complexity of products and the onboard of certain software developers and managers, prospective customers are most likely to commence with a trial evaluation of the software before considering a full license. The sales cycle is therefore expected to be approximately 60-180 days from first contact to signing, and is exemplified by the roughly 90 days from lead to close in the cryptocurrency exchange commercial license sale from May 2022.

Customers

Historically, the focus was primarily on serving the IoT devices market. The customer base can now be categorized into various market segments, industry verticals and regions, which includes automotive, medical, consumer electronics, cryptocurrency, critical infrastructure and the IoT devices market. Expanding the public sector customer base will be a key focus for the Resulting Issuer in the third quarter of 2022 and thereafter.

Facilities and Locations

Cybeats is currently leasing approximately 8,000 square feet of office space located at 65 International Blvd, 103, Etobicoke, ON, which is the development centre, while Cybeats subleases its headquarters at 65 International Blvd. Suite 202 from Scryb. Along with the current fundraising efforts, the Resulting Issuer will aim to form strategic alliances with research institutions and companies with specific expertise that are relevant to ongoing commercialization efforts.

The Resulting Issuer believes that the present facilities are suitable and adequate for business as presently conducted. However, the Resulting Issuer periodically reviews its facility requirements and may acquire a new space to meet the needs of its business or consolidate and dispose of facilities that are no longer required. If additional space is required, the Resulting Issuer expect that we will be able to obtain additional facilities on commercially reasonable terms.

Seasonality

The business of the Resulting Issuer is not subject to seasonality fluctuations.

Employees

The Resulting Issuer has 48 employees as of the date of this Listing Statement. The Resulting Issuer expects the number of employees to increase as it continues to scale up its commercial operations.

<u>Business Objectives and Milestones</u>

The Resulting Issuer's long-term business objectives are as follows:

- expanding of sales and marketing capabilities of the Resulting Issuer's platform;
- expand the development capabilities of the Resulting Issuer's platform;
- perform innovative applied development research on IoT and SBOM cybersecurity; and
- Build a successful cybersecurity technology company by focusing on long term growth opportunities, merger and acquisition activities and prudent financial management.

Within the first 12 months following the date of this Listing Statement, the Resulting Issuer plans to achieve the following objectives:

(I) Expansion of Sales and Marketing Team

The Resulting Issuer has plans to hire six (6) sales and marketing team members to assist with commercializing the two product offerings. The Resulting Issuer's plans to achieve this objective by March 31, 2023, at an estimated cost of $560,000.

(II) Expansion of Development Team

The Resulting Issuer intends to hire five (5) development team members to handle the increased commercialization of product with the integration features needed for each new client and to develop new product features. The Resulting Issuer plans to achieve this objective by March 31, 2023, at an estimated cost of $550,000.

(III) Development of Innovative Cybersecurity Products

The Resulting Issuer intends to establish an "Innovation Lab" in order to keep up with the new and constantly evolving industry, which is cybersecurity, that will be tasked with developing new products and features within the IoT cybersecurity market to in an effort to attain technological supremacy. The Resulting Issuer plans to achieve this objective by March 31, 2023, at an estimated cost of $230,000.

(IV) ISO 27001 Compliance

The Resulting Issuer's SBOM Studio operates in a space where it is desirable to be ISO 27001 compliant.

ISO 27001 is the only auditable international standard that defines the requirements of an information security management system ("**ISMS**"), which is a set of policies, procedures processes and systems that manage information risks, such as cyber attacks, hacks, data leaks or thefts. The Resulting Issuer intends to work towards ISO 27001 compliance to ensure that it can enhance commercial capabilities and prospects. The Resulting Issuer plans to achieve this objective by December 31, 2022, at an estimated cost of $90,000.

<u>Use of Available Funds</u>

The Resulting Issuer anticipates using the available funds in the following manner over the next 12 months:

Description of Funds	Amount
Estimated working capital of Cybeats as at June 30, 2022	$191,949
Estimated working capital of Pima as at June 30, 2022	($206,625)
Net proceeds from the Financing	$8,367,400
Proceeds of Fourth Bridge Loan Agreement and Fifth Bridge Loan Agreement	$2,534,900
Advance From Pima	($225,000)
Repayment of First Bridge Loan Agreement, Second Bridge Loan Agreement, Third Bridge Loan Agreement, Fourth Bridge Loan Agreement and Fifth Bridge Loan Agreement	($3,934,900)
Less expenses and costs of the Amalgamation	($50,000)
Total available funds:	**$6,558,481**

The Resulting Issuer will use the funds available to it to further its business objectives and for general and administrative costs for the 12 months immediately following the listing of the Resulting Issuer on the Exchange as follows:

Principal Purpose of Funds	Amount
Commissions and Advisory Fees in connection with the Financing	$200,000
Expansion of Sales and Marketing Team	$560,000
Expansion of Development Team	$550,000
Development of Innovative Cybersecurity Products	$230,000
ISO 27001Compliance	$90,000
General & Administrative Expenses(1)	$3,466,000
Total Uses	**$5,096,000**
Residual working capital	**$1,522,089**

Notes

(1) See General and Administrative Expenses below

General and Administrative Expenses	Amount
Executive Salaries	$800,000
Development and Other Salaries	$1,292,000
Office Salaries	$216,000
Recruitment Fees	$30,000
Marketing, Advertising and Investor Relations	$500,000
Professional Fees (legal, accounting, tax)	$200,000
Office Supplies, Software, ect.	$30,000
Insurance	$30,000
Filing Fees and Transfer Agent	$50,000
Audit	$50,000
Rent	$168,000
Miscellaneous	$100,000
Total Uses	**$3,466,000**

The Resulting Issuer intends to use the funds available to it to further the business objectives stated herein. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve those objectives. If the Resulting Issuer wishes to complete any capital expenditures in addition to the amounts set forth above, the Resulting Issuer will utilize its unallocated working capital and, if required, raise additional capital through equity or debt financing. There is no assurance that the Resulting Issuer will be successful in raising additional capital or that if additional capital is required, that it will be available on terms acceptable to the Resulting Issuer. Scryb has been funding the expansion of the Resulting Issuer and has invested capital for the above expenses. As such Scryb will be reimbursed for the funds invested in the Resulting Issuer.

4.2 – Asset Backed Securities

Neither Pima nor Cybeats has any asset-backed securities.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 – Annual Information

5.1(a) – Annual Information of Pima

The following table summarizes financial information of Pima for the last three completed financial years ended December 31, 2021, 2020 and 2019, which is in USD$. This summary financial information should only be read in conjunction with Pima's financial statements, including the notes thereto, attached as Schedule A to this Listing Statement.

Description	December 31, 2021	December 31, 2020	December 31, 2019
Revenue	Nil	Nil	Nil
Net comprehensive loss	($121,013)	($67,173)	($526,894)
Net comprehensive loss per share (basic and diluted)	($0.10)	($0.05)	($0.77)
Total Assets	$10,600	$11,181	$26,860
Total liabilities	$318,239	$197,807	$146,313
Cash dividends per share	Nil	Nil	Nil

5.1(b) – Annual Information of Cybeats

The following table summarizes financial information of Cybeats for the last three completed financial years ended December 31, 2021, 2020 and 2019. This summary financial information should only be read in conjunction with Cybeats financial statements, including the notes thereto, attached as Schedule B to this Listing Statement.

Description	December 31, 2021	December 31, 2020	December 31, 2019
Revenue	$217,615	$371,081	$460,677
Net loss	($1,442,936)	($800,884)	($1,182,291)
Net loss per share (basic and diluted)	($0.16)	($0.09)	($0.13)
Total Assets	$157,782	$726,248	$1,396,526
Total liabilities	$1,049,709	$183,239	$52,634
Cash dividends per share	Nil	Nil	Nil

5.2 – Quarterly Information

5.2(a) – Quarterly Information for Pima

The following table summarizes the financial information of Pima for each of the eight most recently completed quarters of Pima at the end of June 30, 2022, which is in USD$:

Quarter	06/30/2022	03/31/22	12/31/2021	09/30/2021	06/30/2021	03/31/21	12/31/2020	09/30/2020	06/30/2020
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Comprehensive income (loss)	(89,744)	($36,741)	($26,075)	($26,105)	($47,482)	($21,351)	($5,073)	($15,390)	($25,461)
Comprehensive Loss/per share – basic and diluted	($0.01)	($0.03)	($0.02)	($0.02)	($0.04)	($0.02)	($0.00)	($0.01)	($0.02)

5.2(b) – Quarterly Information for Cybeats

The following table summarizes the financial information of Cybeats for each of the eight most recently completed quarters of Cybeats ending at the end of June 30, 2022.

Quarter	**06/30/2022**	**03/31/22**	**12/31/2021**	**09/30/2021**	**06/30/2021**	**03/31/21**	**12/31/2020**	**09/30/2020**	**06/30/2020**
Revenue*	$16,419	$6,252	$24,354	$24,354	$3,292	$312	$625	$625	$625
Net income (loss)	($1,360,562)	($1,115,903)	($427,073)	($546,632)	($25,065)	($444,168)	$45,382	($165,829)	($355,650)
Loss/per share – basic and diluted	(0.15)	(0.12)	($0.05)	($0.06)	($0.00)	($0.05)	$0.00	($0.02)	($0.04)

*All government subsidies and wage subsidies were taken out of this number to only show sales.

5.3 – Dividends

It is not expected that the Resulting Issuer will declare or pay any cash dividends on the common shares in the foreseeable future. It is expected that the directors of the Resulting Issuer will review the dividend policy of the Resulting Issuer from time to time in the context of the Resulting Issuer's earnings, financial condition, capital requirements and other relevant factors, however it is currently intended that the Resulting Issuer will retain all available funds and any future earnings to fund the development and growth of its business.

5.4 – Foreign GAAP

Pima prepares and presents its financial information in accordance with International Financial Reporting Standards. It is expected that, following the Amalgamation, the Resulting Issuer will follow the same accounting policy.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

6.1 – Management's Discussion and Analysis

Pima's Management Discussion and Analysis for the financial years ended December 31, 2021 and 2020 is attached hereto as Schedule "B" and should be read in conjunction with Pima's audited annual financial statements for the same period, and notes thereto with respect to the same period, which are attached hereto as Schedule "A" and available on SEDAR at www.sedar.com.

Pima's Management's Discussion and Analysis for the period ended June 30, 2022 is attached hereto as Schedule "G".

Cybeats Management Discussion and Analysis for the financial years ended December 31, 2021 and 2020 is attached hereto as Schedule "D" and should be read in conjunction with Pima's audited annual financial statements and notes thereto with respect to the same period, which are attached hereto as Schedule "C" and available on SEDAR at www.sedar.com.

Cybeats Management's Discussion and Analysis for the period ended June 30, 2022 is attached hereto as Schedule "H".

7. MARKET FOR SECURITIES

7.1 – Listings

Pima Shares are quoted on the OTC Market under the symbol "RAEWF". Pima was traded on the Grey Market until January 15, 2022 when they were moved up to the Pink No Information tier. On January 24, 2017, the Company was upgraded to the Pink Limited tier and then on April 3, 2017, the Company was downgraded back to the Pink No Information tier. On September 27, 2021, the Company was downgraded to the Expert Market for not complying with SEC Rule 15c2-11.

Although Pima received the conditional approval of the TSXV to list the Pima Shares on the TSXV on February 24, 2012, Pima Shares were never formally listed on the exchange.

Cybeats is not listed for trading on any stock exchange or quotation and trade reporting system.

8. CONSOLIDATED CAPITALIZATION

8.1 – Consolidated Capitalization – Resulting Issuer

The following table sets forth the capitalization of the Resulting Issuer as of the date hereof:

Designation of Security	Amount Authorized or to be Authorized	Amount Outstanding as of December 31, 2021 (audited)	Amount Outstanding as of the date of this Listing Statement
Common Shares	Unlimited	1,267,139	92,251,939(1)
Warrants	Unlimited	Nil	34,029,800
Stock Options	18,450,388(2)	Nil	18,450,000

Notes:

(1) *This figure represents the total issued and outstanding Resulting Issuer Shares as at the date of this Listing Statement on a non-diluted basis.*

(2) *This figure represents the number of stock options of the Resulting Issuer reserved for issuance as at the date of this Listing Statemen, representing 20% of the issued and outstanding Resulting Issuer Shares.*

9. OPTIONS TO PURCHASE SECURITIES

9.1 – Stock Option Plan – Resulting Issuer

The Resulting Issuer has in place a "rolling" stock option plan (the "**Stock Option Plan**"), which was approved by the Pima Board on June 30, 2011 as then amended by the Pima Board on January 4, 2022. The number of Resulting Issuer Shares that may be reserved for issuance under the Stock Option Plan is limited to 20% of the issued and outstanding number of Resulting Issuer Shares as at the date of the grant of stock options

The purpose of the Stock Option Plan is to, among other things, encourage share ownership in the Resulting Issuer by directors, officers, employees and consultants of the Resulting Issuer and its affiliates and other designated persons. Stock options may be granted under the Stock Option Plan only to directors, officers, employees and consultants of the Resulting Issuer and its subsidiaries and other designated persons as designated from time to time by the Board. Any Resulting Issuer Shares subject to an option which, for any reason, is cancelled or terminated prior to exercise will be available for a subsequent grant under the Stock Option Plan. The option price of any Resulting Issuer Shares cannot be less than the market price of the Resulting Issuer Shares. Options granted under the Stock Option Plan may be exercised during a period not exceeding ten years, subject to earlier termination upon the termination of the optionee's employment, upon the optionee ceasing to be an employee, officer, director or consultant of the Resulting Issuer or any of its subsidiaries or ceasing to have a designated relationship with the Resulting Issuer, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The options are non-transferable. The Stock Option Plan contains provisions for adjustment in the number of Resulting Issuer Shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the Resulting Issuer Shares, a merger or other relevant changes in the Resulting Issuer's capitalization. Subject to shareholder approval in certain circumstances, the board of directors may, from time to time, amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time. The Stock Option Plan does not contain any provision for financial assistance by the Resulting Issuer in respect of options granted under the Stock Option Plan.

10. DESCRIPTION OF THE SECURITIES

10.1 – Description of the Resulting Issuer's Securities

The Resulting Issuer's authorized share capital consists of an unlimited number of common shares. As at the date of this Listing Statement, there are 92,251,939 Resulting Issuer Shares, issued and outstanding.

Each holder of Resulting Issuer Shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Resulting Issuer, except meetings at which only holders of other classes or series of shares are entitled to attend, and at all such meetings shall be entitled to one vote in respect of each Resulting Issuer Share held by such holder.

The holders of Resulting Issuer Shares shall be entitled to receive dividends if and when declared by the board of directors.

In the event of any liquidation, dissolution or winding-up of the Resulting Issuer or other distribution of the assets of the Resulting Issuer among its shareholders for the purpose of winding-up its affairs, the holders of Resulting Issuer Shares shall be entitled, subject to the rights of holders of shares of any class ranking prior to the Resulting Issuer Shares, to receive the remaining property or assets of the Resulting Issuer.

10.2 – 10.6 – Miscellaneous Securities Provisions

None of the matters set out in Sections 10.2 to 10.6 of CSE – Form 2A – Listing Statement are applicable to the Resulting Issuer Shares.

10.7 – Prior Sales

The following table contains the details of the prior sales of securities by Pima during the 12-month period prior to the date of this Listing Statement.

Date	Number of Shares	Issue Price per Resulting Issuer Share
April 21, 2022	14,250,000 Debt Settlement Units (1)	$0.02
November 11, 2022	60,000,000 Resulting Issuer Shares(2)	$0.50
November 11, 2022	3,411,000 Resulting Issuer Shares(3)	$0.50
November 11, 2022	3,411,000 Warrants(4)	$0.60
November 11, 2022	13,323,800 Resulting Issuer Shares(5)	$0.50
November 11, 2022	13,323,800 Warrants(6)	$0.60
November 11, 2022	10,000,000 Warrants(2)	$0.60
November 11, 2022	80,000 Finder Warrants	$0.50

Notes:

(1) *Issued pursuant to the April 2022 Debt Settlement.*
(2) *Issued to Scryb as consideration for the Cybeats Shares.*
(3) *Issued in connection with the exchange of the Subco Shares issued upon conversion of the PP Subscription Receipts.*
(4) *Issued in connection with the exchange of the PP Warrants issued upon conversion of the PP Subscription Receipts.*
(5) *Issued in connection with the exchange of the Subco Shares issued to the subscribers of the PP Units.*
(6) *Issued in connection with the exchange of the PP Warrants issued to the subscribers of the PP Units. In addition, 10,000,000 Warrants were issued to Scryb in connection with the Amending Agreement.*
(7) *Issued in connection with the Financing.*

10.8 – Stock Exchange Price

Pima Shares trade over-the-counter under the symbol "RAEWF" but are not currently listed on any stock exchange.

In the event that the CSE approves the listing, the Resulting Issuer intends to be traded on the CSE under the symbol "CYBT".

11. ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESALE RESTRICTIONS

11.1 – Escrowed Securities

Prior to the completion of the Amalgamation, the Resulting Issuer had no securities held in escrow. No securities are otherwise subject to any contractual restrictions on transfer.

In connection with the listing of the Resulting Issuer Shares on the CSE following the completion of the Amalgamation, in accordance with CSE Policies, all securities held by "Related Persons" of the Resulting Issuer as of the Listing Date are subject to escrow restrictions. Under the CSE Policies, "Related Persons" are (i) directors and officers of the Resulting Issuer, (ii) promoters of the Resulting Issuer, and (iii) any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the outstanding common shares of the Resulting Issuer. The CSE Policies require that the escrow securities be governed by the form of escrow agreement prescribed under NP 46-201 – *Escrow for Initial Public Offerings* (the "**Escrow Agreement**"). Securities held by "Related Persons" of the Resulting Issuer are held in escrow by TSX Trust Company as escrow agent and depositary pursuant to an escrow agreement dated November 11, 2022. 10% of such securities held in escrow will be released from escrow on the date the common shares are listed on the CSE, and 15% every six months thereafter, subject to acceleration provisions provided for in NP 46-201 – *Escrow for Initial Public Offerings*. The following table sets forth details of the securities of the Resulting Issuer held in escrow:

Designation of class held in escrow	Number of securities held in escrow	Percentage of Class
Resulting Issuer Shares	60,000,000	65.04%
Warrants	10,000,000	29.38%

Notes:

(1) Pursuant to an escrow agreement (the "**Escrow Agreement**") made as of November 11, 2022, among the Resulting Issuer, the Escrow Agent and certain Principals of the Resulting Issuer, the Principals agreed to deposit in escrow their Common Shares (the "**Escrowed Securities**") with the Escrow Agent. The Escrow Agreement provides that 1/10 of the Escrowed Securities will be released from escrow upon the Listing Date and that, where there are no changes to the Resulting Issuer Shares initially deposited and no additional Escrow Securities, the remaining Escrowed Securities will be released in accordance with the Escrow Agreement.

12. PRINCIPAL SHAREHOLDERS

12.1 and 12.2 – Principal Shareholders

Principal Securityholders

To the knowledge of the Resulting Issuer's directors and executive officers, as of the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, common shares carrying more than 10% of the voting rights attached to the outstanding common shares, other than:

Name	Type of Ownership	Number and Percentage of Common Shares
Scryb(1)	Beneficial	60,000,000 (65.04%)

Notes:

(1) Scryb is a widely held public company that trades on the CSE. The directors and officers of Scryb are as follows:

- Yoav Raiter – Chief Executive Officer
- Chris Hopkins – Chief Financial Officer
- W. Clark Kent – President and Director
- Tom Glawdel – Chief Science Officer
- Igal Roytblat – Chief Technology Officer
- Paul Glavina – Vice-President, In Vitro Diagnostics
- Ian Fine – Vice-President, Research and Development
- Vadim Kositsky – Vice-President, Artificial Intelligence and Data Science
- Michael Minder – Director
- Greg Van Staveren – Director
- Sudhir Thomas – Director
- Medhanie Tekeste – Director

12.3 – Voting Trusts

To the knowledge of the Resulting Issuer, no voting trust exists such that more than 10% of any class of voting securities of the Resulting Issuer are held, or are to be held after completion of the Amalgamation, subject to any voting trust or other similar agreement.

12.4 – Associates and Affiliates

Other than Scryb, to the knowledge of the Resulting Issuer, there is no person or company that can be considered an affiliate or an associate.

13. DIRECTORS AND OFFICERS

13.1 – 13.3, 13.5, 13.11 – Directors and Officers

The Resulting Issuer's Board is currently comprised of 5 directors, each of whom has been appointed to hold office until the close of the next annual general meeting of the Resulting Issuer, or until his successor is elected or appointed, unless his office is earlier vacated.

The following table sets forth the name and residence of each director and officer of the Resulting Issuer, as well as such individual's position with the Resulting Issuer, period of service as a director and/or officer (as applicable), and principal occupation(s) within the five preceding years.

Name, Address, Occupation and Security Holdings

Name and Place of residence	Position held at the Resulting Issuer	Principal occupations during the last five years	Director and/or Officer since	Securities of the Resulting Issuer Beneficially Owned
Yoav Raiter	Chairman, Chief Executive Officer and Director	Chief Executive Officer of Scryb Inc. (March 2020 – Present), Director of Product Development (July 2018 – February 2020), Project Manager Strategic Accounts of Starfish Medical (April 2017 – July 2018)	November 11, 2022	100,000 Resulting Issuer Shares 100,000 Warrants 1,260,000 Options
Josh Bald	Chief Financial Officer	Chief Financial Officer of Glow LifeTech Corp. (October 2021 – Present), Financial Controller at Scryb Inc. (January 2021 – Present), Assurance Manager at EY Canada (September 2016 – January 2021)	November 11, 2022	100,000 Resulting Issuer Shares 100,000 Warrants 500,000 Options
Bob Lyle	Chief Revenue Officer	Strategic Advisor at Forewarned Inc. (December 2021 – Present), Chair, Device Security Group at GSMA Ltd. (October 2017 – Present), Strategic Advisor at Freebit Co Ltd. (July 2014 – Present), Vice President at SpyCloud Technologies (January 2020 – April 2022), CEO and Co-Founder at Valona Labs Inc. (June 2018 – January 2020), Vice-President, Mobile at Absolute Software Corporation (May 2016 – May 2018)	November 11, 2022	1,000,000 Options
Greg Falck [(1)]	Director	Manager of Research and Development, Aluula Composites (2018-present), Director, El Norte Adventures (2016-2018), Mechanical and Electrical Engineering Officer, Canadian Armed Forces (2007-2016)	November 11, 2022	72,000 Resulting Issuer Shares 72,000 Warrants 175,000 Options

Justin Leger[1][2]	Director	Ortano Consulting Operations Executive December 2016 – Present, Logistics Officer Canadian Military 2001- 2019	November 11, 2022	250,000 Resulting Issuer Shares 250,000 Warrants 1,000,000 Options
Michael Minder [1]	Director	President of Even Keel Capital Ltd. (October 2017- Present), Chief Financial Officer of Zecotek Photonics Inc. (July 2011 – October 2018)	November 11, 2022	150,000 Resulting Issuer Shares 150,000 Warrants 250,000 Options
Medhanie Tekeste	Director	Chief Information Officer at Apotex Inc. (July 2018 to present), Vice President, Global Information Services at Apotex Inc. (September 2016 – July 2018)	November 11, 2022	72,000 Resulting Issuer Shares 72,000 Warrants 175,000 Options

Notes:

(1) Member of the Audit Committee. Each member can be considered "independent" and "financially literate" as those terms are defined in National Instrument 52-110 – Audit Committees.

(2) Chair of the Audit Committee.

As at the date of this Listing Statement, the directors and executive officers of Pima as a group owned beneficially, directly or indirectly, or exercise control or direction over 744,000 Resulting Issuer Shares, 744,000 Warrants and 4,360,000 Options, representing approximately 0.80% of the issued and outstanding Resulting Issuer Shares on an undiluted basis and 6.01% on a partially diluted basis.

Management and Directors

Set forth below is a description of the background of the officers and directors of Pima, including a description of each individual's principal occupation(s) within the past five years.

When Scryb acquired Cybeats, it retained the three cofounders who are currently employees of Scryb Inc. and will become employees of Cybeats Technologies Corp. These three cofounders have deep knowledge of the two Cybeats products which include knowledge in embedded software development, cloud infrastructure and DevSecOps.

Yoav Raiter, Chairman, Chief Executive Officer and Director, age 56

Yoav is the currently Chief Executive Officer of Scryb, which is a position he has held for the last two years. Prior to that, he held the position of Director of Product Development. His career has focused on developing innovative software and medical device products mainly for start-ups and fast-growing companies. He has developed processes to ensure delivery against clients needs at a high-quality standard, has improved operations, and business strategy. Prior to joining Scryb, he was project manager for strategic accounts at StarFish Medical and director of project management and business development at Kangaroo Group. He has also held several prominent positions managing large scale ERP product development and implementation projects for broadcasters in Canada and the US for Pilat Media and SintecMedia.Yoav was the co-founder and Co-CEO of Panta-Rhei, a software development and consulting firm. He received an MBA, specialized in High Tech Innovation Strategy, from Haifa University in Israel in 1997 and a B.Sc. in Industrial Engineering in 1993. He will devote 75% of his time to the Resulting Issuer.

Josh Bald, Chief Financial Officer, age 28

Mr. Bald attained an HBA degree from Richard Ivey School of Business at Western University in 2016. In 2019 he obtained his Chartered Professional Accounting Designation. He has held senior financial positions in multiple public companies, involving executive functions, corporate governance, operations, corporate finance, human resources and strategic partnerships. Mr. Bald's supports executive teams in product and commercial strategies, including pricing and market penetration, and leads strategic talent acquisition efforts for senior cybersecurity positions at the Company. Previously he held a position of manager at Ernst & Young in the audit department. Mr. Bald is also currently the Financial Controller of Scryb Inc. He will devote 60% of his time to the Resulting Issuer.

Bob Lyle, Chief Revenue Officer, age 52

For over 25 years Mr. Lyle has led high-performing sales teams and fast-growing companies in the US and international, holding executive leadership positions at cybersecurity companies including Absolute Software Corporation, a renowned American-Canadian company dually listed on the TSX and NASDAQ. Bob is the Chairman of the Device Security Group at Global System for Mobile Communications, an industry IoT device security group that includes 750 mobile device operators around the globe.

Bob recently served as Senior Vice President at SpyCloud, where he led the company's security business development efforts to engage with key market verticals such as telecommunications, e-commerce and others. Prior to SpyCloud, Lyle held leadership positions at Motorola, Samsung and Qualcomm, and co-founded a mobile enterprise security focused startup, Valona Labs, that was acquired 18 months later in 2020 by Nokia Mobile.

Bob received his Bachelor of Science in Electrical Engineering (BSEE) in 1992 and a Master of Science in Electrical Engineering (MSEE) in 1994 from Purdue University. He also received an MBA from Arizona State University in 1999. He will devote 100% of his time to the Resulting Issuer.

Greg Falck, Director, age 35

Mr. Falck. has a diverse leadership background within both the military and private sector. He served nine years as an Electrical and Mechanical Engineering Officer in the Canadian Armed Forces, including two years as a platoon commander in the Canadian Special Operations Regiment responsible for support of the unit's equipment during all foreign and domestic activities. He also led the development and procurement of a variety of leading-edge military equipment alongside special forces operators, technicians, and industry experts.

As head of research and development at Aluula Composites Ltd, his multidisciplinary team of chemists, engineers, and technologists developed a novel lightweight and ultra high strength composite polymer fabric for commercialization. Their first composite fabric on the market won the ISPO Textrends 2020 Best Product award. He is currently overseeing the production of the material using the equipment his team designed and built and is working with customers to develop custom composite fabrics for a variety of high-performance applications. He graduated from the University of Western Ontario with a Bachelor of Engineering Science in 2009. He will devote 10% of his time to the Resulting Issuer.

Justin Leger, Director, age 38

Justin Leger is a seasoned operations professional who has helped tech and government organizations scale their operations by turning strategic intent into tactical action. As a management consultant he has helped numerous start-ups to operationalize and scale-up by leading strategic planning, establishing business processes, supporting product development, and recruiting key personnel. He has served as a Senior Director of Business Performance at Maximus Canada where he led the bid and delivery of a new and complex line of business with the Canadian federal government

He served as a senior officer in the Canadian Armed Forces as an Logistics Officer most notably in Canada's Special Operational Forces deploying numerous times on missions of national strategic importance. Justin received his BA in political science from Dalhousie University in 2006 and his MBA from Royal Roads University in 2017. He will devote 90% of his time to the Resulting Issuer.

Michael Minder, Director, age 53

Michael Minder is a seasoned finance professional with over 15 years of international banking experience. He held senior leadership roles in Asset and Wealth Management for Credit Suisse Group in both Switzerland and North America, managing assets of high net worth accounts. In 1998 he left the Credit Suisse Group to form his own firm providing international investment banking and investor relations advisory services to numerous U.S., Canadian, and European listed companies. He will devote 15% of his time to the Resulting Issuer.

Medhanie Tekeste, Director, age 60

Mr. Tekeste is an executive with over 20 years of information systems experience including many years of broad-based management expertise in systems development, implementation and support. He is experienced in strategically and cost effectively utilizing technology to achieve corporate goals. He has extensive global experience in service delivery in the pharmaceutical industry including Quality, Manufacturing and R&D processes. Medhanie also has considerable experience in laboratory quality assurance testing and computer systems validation. Currently, he is the Chief Information Officer at Apotex Inc., where he is responsible for delivery of all end-to-end IT services globally, including Enterprise Architecture, Cloud and platform services, Service Design, Data Governance, Software Quality Assurance and Security Management, Governance, Program Management and Business Enablement. He graduated University of Toronto with Bachelor of Science degree in Chemistry/Biochemistry in 1987. Later, he graduated Pharmaceutical Technology at Seneca College 1998 and obtained a diploma in Information Technology from DeVry Technology Institute in 1994. He will devote 10% of his time to the Resulting Issuer.

Special Advisors to Cybeats

Cybeats has assembled a team of cybersecurity experts and industry leaders in SBOM, which include:

Chuck Brooks

Named one of the "Top 5 tech experts to Follow on LinkedIn", Chuck was named as 2020 top leader and influencer in "Who's Who in Cybersecurity" and Thomson Reuters "Top 50 Global Influencer in Risk, Compliance". Chuck is a two-time Presidential appointee who was an original member of the Department of Homeland Security. He is a Faculty at Georgetown University where he teaches the Graduate Applied Intelligence and Cybersecurity Programs. As well as a contributor to Forbes.

Chris Blask

Mr. Blask's 25-year career spans the cybersecurity industry. He invented one of the first firewall products, built a multibillion-dollar firewall business at Cisco System, co-founded an early SIEM vendor, authored the first book on SIEM, founded an information sharing center for critical infrastructures, and has advised public and private organizations around the world. Blask created and leads the Operational Technology and IoT security practices, and invented the Digital Bill of Materials (DBoM) structure.

Nicolas Chaillan

Mr. Nicolas Chaillan was appointed as the first Air Force and Space Force Chief Software Officer, under Dr. William Roper, the Assistant Secretary of the Air Force for Acquisition, Technology and Logistics, Arlington, Virginia. He was also the co-lead for the Department of Defense Enterprise DevSecOps Initiative with the Department of Defense Chief Information Officer. As the Air Force's senior software czar, Mr. Chaillan was responsible for enabling Air Force programs in the transition to Agile and DevSecOps to establish force-wide DevSecOps capabilities and best practices, including continuous Authority to Operate processes and faster streamlined technology adoption.

Mr. Chaillan was the Special Advisor for Cloud Security and DevSecOps at the Department of Defense, OSD, A&S and Special Advisor for Cybersecurity and Chief Architect for Cyber.gov at the Department of Homeland Security. He designed the new robust, innovative and holistic .gov cybersecurity architecture (Cyber.gov), that mitigates cyber threats by leveraging best practices and implementable solutions with minimal impact to workforce efficiency.

Mr. Chaillan is also a serial entrepreneur having founded 12 technology companies, including AFTER-MOUSE.COM and anyGuest.com. He has created and sold over 180 innovative software products to 45 Fortune 500 companies, and was recognized as one of France's youngest entrepreneurs after founding, WORLDAKT at the age of 15 years. Mr. Chaillan is a sought-after adviser and speaker participating in multiple industry conferences and working in close

Duncan Sparrell

Mr. Sparrell is a highly accomplished cybersecurity evangelist with more than 40 years of success in engineering, software development, cybersecurity, and international standards. His key areas of expertise include cybersecurity, software development, technical project management, government contracts, digital signal processing, telecommunications, and international standards. He offers a combination of engineering know-how, software development savvy, and project management acumen to jumpstart innovative security initiatives.

Duncan spent most of his career with AT&T. He retired as a Distinguished Member of Technical Staff at and AT&T's Chief Security Architect. He was responsible for pioneering development of technologies to harmonize and unify security across AT&T's different internal (IT, network) and external (consumer, government) business units. Prior to that, he led technical development of cyber-defense solutions for the government including several classified Comprehensive National Cybersecurity Initiative (CNCI) programs including creating the first SOC. He has published numerous articles, holds 7 patents, was awarded the Intelligence Community Seal Medallion and the AT&T Science & Technology Medal. Duncan is the Co-Chair of the OASIS Open Command & Control Technical Committee, represents the U.S. at the

International Telecommunications Union Cybersecurity Study Group and is very active in the NTIA Software Transparency and CISA Software Bill of Materials activities.

Setu Kulkarni

Setu Kulkarni is a senior corporate strategy & product management executive with a successful track record of leading strategic and operational initiatives. He has held leadership positions at large (Fortune 500) and small companies alike and has global experience in North America, Europe, and Asia Pacific. He is currently the VP of Product Management at Venafi, a leader in Machine Identity Management. Prior to Venafi, Kulkarni established and led the corporate strategy & product management functions at WhiteHat Security, resulting in its acquisition by NTT Security. At TIBCO Software he led product management and strategy for the Operational Intelligence product portfolio. Kulkarni has an engineering degree in computer science and engineering from Visvesvaraya Technological University, India.

13.4 – Board Committees of the Resulting Issuer

The Resulting Issuer has an Audit Committee of the Board. Other committees of the Board may be instituted as the Resulting Issuer deems necessary or advisable. Justin Leger, Greg Falck and Michael Minder are the current members of the Audit Committee.

The Resulting Issuer will have an Audit Committee consisting of the following members:

- Justin Leger
- Greg Falck
- Michael Minder

The Resulting Issuer's Board will adopt a written charter setting forth the responsibilities, powers and operations of the Audit Committee consistent with NI 52-110. The principal duties and responsibilities of the Resulting Issuer's Audit Committee will be to assist the Resulting Issuer's Board in discharging the oversight of:

- the integrity of the Resulting Issuer's consolidated financial statements and accounting and financial processes and the audits of our consolidated financial statements;
- the Resulting Issuer's compliance with legal and regulatory requirements;
- the Resulting Issuer's external auditors' qualifications and independence;
- the work and performance of the Resulting Issuer's financial management and its external auditors; and the Resulting Issuer's system of disclosure controls and procedures and system of internal controls regarding finance, accounting, legal compliance, and risk management established by management and the Resulting Issuer's Board.

It is anticipated that the Audit Committee will have access to all books, records, facilities, and personnel and may request any information about the Resulting Issuer as it may deem appropriate. It will also have the authority to retain and compensate special legal, accounting, financial and other consultants, or advisors to advise the Audit Committee. The Audit Committee is also expected to review and approve all related-party transactions and prepare reports for the Resulting Issuer's Board on such related-party transactions as well as be responsible for the pre-approval of all non-audit services to be provided by our auditors.

The Resulting Issuer is a "Venture Issuer" as that term is defined in NI 52-110 and is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110.

13.5 – Involvement with Other Issuers

The following table sets out the directors and officers of the Resulting Issuer that are, or have been directors or officers of other issuers that are or were reporting issuers within the last 5 years:

Name	Name of Reporting Issuer	Name of Trading Market	Position	From	To
Yoav Raiter	Scryb Inc.	CSE	Chief Executive Officer	March 2020	Present
Medhanie Tekeste	Scryb Inc.	CSE	Director	April 2019	Present
	Glow Lifetech Corp.	CSE	Director	March 2021	Present
Josh Bald	Glow Lifetech Corp.	CSE	Chief Financial Officer	October 2021	Present
Greg Falck	Glow Lifetech Corp.	CSE	Director	March 2021	Present
Michael Minder	Scryb Inc.	CSE	Director	April 2019	Present
	Zecotek Photonics Inc	TSXV	Chief Financial Officer	June 2011	October 2018
	Deserving Health International Corp.	N/A	Chief Financial Officer	June 2016	September 2020
	TAC-AD Solutions Ltd.	N/A	Chief Executive Officer, Chief Financial Officer and Director	June 2016	September 2020

13.6 – 13.9 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as set forth below, at the time of this Listing Statement, none of the directors or officers of Pima or any person holding a sufficient number of securities to affect materially the control of Pima is, or within 10 years of the Listing Statement has been, a director or officer of any other Issuer that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the other Issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days;

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Michael Minder was Chief Executive Officer of TEC-AD Solutions Ltd. which was subject to a cease trade order resulting from a failure to file financial statements as issued on December 5, 2018 by the British Columbia Securities Commission. As of the date of this Listing Statement, the cease trade order has not been revoked or rescinded. TEC-AD Solutions Ltd. was dissolved on April 27, 2020.

13.10 – Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of the Resulting Issuer may be subject in connection with the operations of the Resulting Issuer. Some of the directors and officers are engaged and will continue to be engaged, directly or indirectly, in other businesses and situations may arise where some of the directors and officers will be in direct competition with the Resulting Issuer. Except as otherwise disclosed in this Listing Statement, no conflicts of interest currently exist between the Resulting Issuer and a director or officer of the Resulting Issuer.

The directors and officers of the Resulting Issuer are required by law to act in the best interests of Resulting Issuer. They have the same obligations to the other companies in respect of which they act as directors and officers. Any decision made by any of such directors or officers involving the Resulting Issuer will be made in accordance with their duties and obligations under the applicable laws.

14. CAPITALIZATION

14.1 – Issued Capital

Following the Amalgamation, the Resulting Issuer has the following issued and outstanding securities according to the below table:

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	%Of Issued (non-diluted)	% Of Issued (Fully diluted)
Public Float				
Total outstanding (A)	92,251,939	144,731,739	100%	100%
Held by Related Persons or employees of the Resulting Issuer or Related Person of the Resulting Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Resulting Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Resulting Issuer upon exercise or conversion of other securities held) (B)	60,744,000	71,327,000	65.84%	49.28%
Total Public Float (A-B)	31,507,939	73,404,739	34.15%	50.71%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	60,000,000	70,000,000	65.04%	56.23%
Total Tradeable Float (A-C)	32,251,939	74,731,739	34.96 %	51.63 %

Public Securityholders (Registered)

Class of Security **Size of Holding**	**Number of holders**	**Total number of securities**
1 – 99 securities	1	659
100 – 499 securities	21	9,217
500 – 999 securities	32	121,660
1,000 – 1,999 securities	126	13,222
2,000 – 2,999 securities	3	7,541
3,000 – 3,999 securities	1	3,958
4,000 – 4,999 securities	2	9,966
5,000 or more securities	144	92,085,716
	215	**92,251,939**

Public Securityholders (Beneficial)

Class of Security **Size of Holding**	**Number of holders**	**Total number of securities** [(1)]
1 – 99 securities	3	40
100 – 499 securities	5	1,707
500 – 999 securities	7	4,878
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	2	4,374
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	1	4,966
5,000 or more securities	9	523,650
	27	**539,575**

Non-Public Securityholders (Registered)

Class of Security **Size of Holding**	**Number of holders**	**Total number of securities**
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	123	76,734,800
	123	76,734,800

14.2 – Convertible Securities

On May 26, 2022, Subco closed the first tranche of the Financing through the issuance of 1,945,000 PP Units for gross proceeds of $972,500.

On November 4, 2022 Subco closed the second tranche of the Financing through the issuance of 11,378,800 PP Units at a price of $0.50 per PP Unit for gross proceeds of $5,689,400 and 3,411,000 PP Subscription

Receipts at a price of $0.50 per PP Subscription Receipt for gross proceeds of $1,705,500. The aggregate gross proceeds from the first and second tranches of the Financing was $8,366,900. The gross proceeds from the PP Subscription Receipts issued pursuant to the Financing, being the Escrowed Proceeds, were placed in escrow pursuant to the terms of the Subscription Receipt Agreement. In connection with the Financing, Subco paid certain eligible finders an aggregate of $142,330 in cash commissions and issued 80,000 finders warrants (the "**Finder Warrants**"). Each Finder Warrant entitles the holder thereof to acquire one Subco Share at a price of $0.50 per Subco Share until the date that is eighteen (18) months following the completion of the Proposed Transaction.

On November 11, 2022, Pima, Subco and Cybeats completed the Amalgamation. As consideration for the Amalgamation, Scryb was issued 60,000,000 Resulting Issuer Shares and 10,000,000 Warrants. In addition, upon completion of the Amalgamation, all outstanding Subco Shares and PP Warrants were exchanged, for no additional consideration, into Resulting Issuer Shares and Warrants.

On November 11, 2022, the Escrow Release Conditions were satisfied, including the receipt of all required corporate, shareholder and regulatory approvals in connection with the Financing and the Amalgamation, including, without limitation, the conditional approval of the CSE for the listing of the Resulting Issuer's common shares and any relevant listing documents having been accepted for filing with the CSE; the completion or the satisfaction of all conditions precedent to the Amalgamation, substantially in accordance with the Amalgamation Agreement; and Subco having delivered a notice to the Escrow Agent, confirming that the conditions Escrow Release Conditions have been met. On November 11, 2022, the Escrowed Funds were released from escrow and each Subscription Receipt was exchanged, for no additional consideration, for one PP Unit, subject to adjustments.

As at the date of this Listing Statement, the Resulting Issuer has the following outstanding convertible securities:

EXERCISE PRICE	NUMBER OF OUTSTANDING WARRANTS OR OPTIONS	EXPIRY DATE
0.50	7,215,000(1)	April 21, 2024
0.60	3,411,000(2)	May 11, 2024
0.60	10,000,000(3)	May 11, 2024
0.60	13,323,800(4)	May 11, 2024
0.50	80,000(5)	May 11, 2024
0.50	18,450,000(6)	November 11, 2027

Notes:
(1) *Issued pursuant to the April 2022 Debt Settlement.*
(2) *Issued in connection with the exchange of the PP Warrants issued upon conversion of the PP Subscription Receipts*.
(3) *issued to Scryb in connection with the Amending Agreement.*
(4) *Issued in connection with the exchange of the PP Warrants issued to the subscribers of the PP Units.*
(5) *Issued in connection with the Financing.*
(6) *Issued to certain directors, officers and employees of the Resulting Issuer upon completion of the Amalgamation. The Options are subject to certain vesting provisions as detailed in the certificates representing the Options.*

14.3 – Other Securities reserved for Issuance

There are no other securities of Pima reserved for issuance and none are anticipated to be outstanding upon completion of the Amalgamation.

15. EXECUTIVE COMPENSATION

Current NEOs and Directors

The following table provides a summary of compensation paid in USD$, directly or indirectly, for each of the two most recently completed financial years to the current NEOs of Pima as at December 31, 2021 and for the current directors of Pima:

Table of Compensation Excluding Compensation Securities *(1)*

Name and position	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites	Pension value ($)	Value of all other compensation ($)	Total compensation ($)
Albert Contardi (2) Chief Executive Officer and Director	2021 2020	20,000 20,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	20,000 20,000
Brian Stecyk (2) Former Chief Executive Officer and Former Director	2021 2020	N/A Nil	N/A Nil	N/A Nil	N/A Nil	N/A Nil	N/A Nil	N/A Nil
Arvin Ramos (3) Chief Financial Officer	2021 2020	20,000 20,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	20,000 20,000
John Dyer (3) Former Chief Financial Officer	2021 2020	N/A Nil	N/A Nil	N/A Nil	N/A Nil	N/A Nil	N/A Nil	N/A Nil
David MacMillan (3) Director	2021 2020	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Daniel Nauth (4) Director	2021 2020	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Conan Taylor (4) Former Director	2021 2020	N/A Nil	N/A Nil	N/A Nil	N/A Nil	N/A Nil	N/A Nil	N/A Nil

Notes:

(1) This table does not include any amount paid as reimbursement for expenses.

(2) Mr. Stecyk was appointed as Chief Executive Officer and director on July 17, 2019 and resigned on April 28, 2020. Mr. Contardi was appointed in his stead.

(3) Mr. Dyer was appointed as Chief Financial Officer and director on July 17, 2019 and resigned on April 28, 2020. Mr. Ramos was appointed Chief Financial Officer and Mr. MacMillan was appointed director in his stead.

(4) Mr. Taylor was appointed as a director on July 17, 2017 and resigned on April 28, 2020. Mr. Nauth was appointed in his stead.

Stock Options and Other Compensation Securities

No compensation securities were granted or issued to any NEO or to any director of Pima during the most recently completed financial year of Pima for services provided or to be provided, directly or indirectly, to Pima or any of its subsidiaries.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, officer, employees and former officers, directors and employees:

(a) is, or at any time since the beginning of the most recently completed financial year of the Resulting Issuer has been, indebted to Pima or any of its subsidiaries; or

(b) has indebtedness to another entity that is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Pima or any of its subsidiaries.

17. RISK FACTORS

17.1 – Description of Risk Factors

The following are certain risk factors relating to the business carried on by the Resulting Issuer which prospective investors should carefully consider before deciding whether to purchase common shares of the Resulting Issuer. The Resulting Issuer will face a number of challenges in the development of its technology and in building its business. Due to the nature of the Resulting Issuer's business and the present stage of the business, the Resulting Issuer may be subject to significant risks. Readers should carefully consider all such risks, including those set out in the discussion below. The following is a description of the principal risk factors affecting the Resulting Issuer that will, in turn, affect the Resulting Issuer.

Cybersecurity Risks

Security incidents could result in unauthorized access to, the loss of, or unauthorized disclosure of such information. Although the Resulting Issuer has security systems in place and what the Resulting Issuer deem sufficient security around the Resulting Issuer's systems to prevent unauthorized access, the Resulting Issuer must ensure that we continually enhance security and fraud protection within our websites and merchant platform, and if the Resulting Issuer is unable to do so the Resulting Issuer may become subject to liability for privacy breaches or consequences that result from any unanticipated incident. As a result of advances in computer capabilities, new discoveries in the field of cryptography or other developments, a compromise or breach of our security precautions may occur. The techniques used to obtain unauthorized, improper or illegal access to our systems, our data or the Resulting Issuer's customers' data and to sabotage our system are constantly evolving and may be difficult to detect quickly.

An information breach in the Resulting Issuer's systems and loss of confidential information such as credit card numbers and related information, or interruption in the operation of the Resulting Issuer's apps, could have a longer and more significant impact on our business operations than a software failure. A compromise in the Resulting Issuer's security system could severely harm the Resulting Issuer's business by the loss of the Resulting Issuer's customers' confidence in the Resulting Issuer and thus the loss of their business. The Resulting Issuer may be required to spend significant funds and other resources to protect against the threat of security breaches or to alleviate problems caused by these breaches. However, protection may not be available at a reasonable price, or at all. Any failure to adequately comply with necessary protective measures could result in fees, penalties and/or litigation. Concerns regarding the security of e-commerce and the privacy of users may also inhibit the growth of the Internet as a means of conducting commercial Amalgamations. This may result in a reduction in revenues and increase the Resulting Issuer's operating expenses, which would prevent the Resulting Issuer from achieving profitability. Security incidents could result in unauthorized access to, the loss of, or unauthorized disclosure of such information.

Although the Resulting Issuer has security systems in place and what the Resulting Issuer deem sufficient security around the Resulting Issuer's systems to prevent unauthorized access, the Resulting Issuer must ensure that we continually enhance security and fraud protection within our websites and merchant platform, and if the Resulting Issuer is unable to do so the Resulting Issuer may become subject to liability for privacy breaches or consequences that result from any unanticipated incident. As a result of advances in computer capabilities, new discoveries in the field of cryptography or other developments, a compromise or breach of our security precautions may occur. The techniques used to obtain unauthorized, improper or illegal access to our systems, our data or the Resulting Issuer's customers' data and to sabotage our system are constantly evolving and may be difficult to detect quickly.

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Market and Economy Risks

Global Financial Conditions

Current global financial conditions have been subject to increased volatility and access to financial markets has been severely restricted. These factors may impact the ability of the Resulting Issuer to obtain equity or debt financing in the future and, if obtained, on terms favourable to the Resulting Issuer. If these increased levels of volatility and market turmoil continue, the Resulting Issuer's operations could be adversely impacted and the value and the price of the Resulting Issuer Shares could continue to be adversely affected.

Uncertainty and adverse changes in the economy

Adverse changes in the economy could negatively impact the Resulting Issuer's business. Future economic distress may result in a decrease in demand for the Resulting Issuer's products, which could have a material adverse impact on the Resulting Issuer's operating results and financial condition. Uncertainty and adverse changes in the economy could also increase costs associated with developing and publishing products, increase the cost and decrease the availability of sources of financing, and increase the Resulting Issuer's exposure to material losses from bad debts, any of which could have a material adverse impact on the financial condition and operating results of the Resulting Issuer.

Currency Fluctuations

Due to the Resulting Issuer's present operations in Canada, and its intention to continue future operations outside Canada, the Resulting Issuer is expected to be exposed to significant currency fluctuations. Recent events in the global financial markets have been coupled with increased volatility in the currency markets. All or substantially all of the Resulting Issuer's revenue will be earned in Canadian dollars, but a portion of its operating expenses may be incurred in foreign currencies. The Resulting Issuer does not have currency hedging arrangements in place and there is no expectation that the Resulting Issuer will put any currency hedging arrangements in place in the future. Fluctuations in the exchange rate between the Canadian dollar and foreign currencies may have a material adverse effect on the Resulting Issuer's business, financial position or results of operations.

COVID-19

The international outbreak of the illness COVID-19 (coronavirus) and efforts to contain it may have a significant effect on the global economy and financial markets in the future, including the demand for and prices of products. COVID-19 may also impact third parties' ability to meet their obligations to the Resulting Issuer and the Resulting Issuer's ability to meet its obligations to third parties or its customers. The full extent and impact of the COVID-19 pandemic is unknown and to date has included extreme volatility in financial markets, a slowdown in economic activity, and has raised the prospect of an extended global recession. As efforts are undertaken to slow the spread of the COVID-19 pandemic, the operation and development of business operations, including the Resulting Issuer's may be impacted.

There can be no assurance that legislative or regulatory changes will not occur, which may negatively impact the business of the Resulting Issuer. Any requirement that the Resulting Issuer cease operations, including in connection with efforts to slow the spread of the COVID-19 pandemic would have a material adverse effect on the business, operating results and financial performance of the Resulting Issuer.

COVID-19, or any other contagious disease or public health threat to the human population, could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could affect demand for the Resulting Issuer's products and negatively impact its operating results and financial performance. Global pandemics and other public health threats (like COVID-19), or a fear thereof, could adversely impact the Resulting Issuer's production operations, sales efforts, expansion projects, lead to labour shortages, and severely impact supply chain logistics including travel and shipping disruptions and shutdowns (including as a result of government regulation and prevention measures) affecting delivery of materials needed for Pima to operate and delivery of the Resulting Issuer's products to consumers. It is unknown whether and how the Resulting Issuer may be affected if such an occurrence persists for an extended period of time, but the Resulting Issuer anticipates that it would have a material adverse effect on its business, operating results and financial performance. In addition, the Resulting Issuer may also be required to incur additional expenses and/or delays relating to such events which could have a further negative impact on its business, operating results and financial performance.

<u>General Regulatory and Legal Risks</u>

Government Regulations

If the Resulting Issuer commences operations as currently proposed it will be subject to various regulations in the jurisdiction in which it chooses to operate. Additionally, Government approval, permits and certifications are currently required, and may in the future, be required for the Resulting Issuer's operations. If such approval is not obtained, the Resulting Issuer's business may be curtailed or prohibited until such approval is granted. Furthermore, failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions and may require the Resulting Issuer to compensate those suffering from loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Legislative or Regulatory Reform

The Resulting Issuer's operations will be subject to a variety of laws, regulations, guidelines, and policies relating to the manufacturing, import, export, management, storage, packaging, advertising, sale, transportation and disposal of cannabis, cannabis ancillary products, electronics, data, and nutraceuticals. Due to matters beyond the control of the Resulting Issuer, these laws, regulations, guidelines, and policies may cause adverse effects to its operations. Furthermore, there is the possibility that reforms, alterations, or introduction of new policies may suspend the legality of certain products which could have a material adverse effect on the Resulting Issuer's business, operating results and financial condition.

Regulatory Risks

The activities of the Resulting Issuer will be subject to regulation by governmental authorities. Achievement of the Resulting Issuer's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Resulting Issuer cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

The Resulting Issuer will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on the Resulting Issuer's operations. In addition, changes in regulations, changes in the enforcement thereof or other unanticipated events could require extensive changes to the Resulting Issuer's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

Litigation

The Resulting Issuer may be forced to litigate, enforce, or defend its intellectual property rights, protect its trade secrets, or determine the validity and scope of other parties' proprietary rights. Such litigation would be a drain on the financial and management resources of the Resulting Issuer which may affect the operations and business of the Resulting Issuer. Furthermore, because the content of most of the Resulting Issuer's intellectual property concerns cannabis and other activities that are not legal in some state jurisdictions, the Resulting Issuer may face additional difficulties in defending its intellectual property rights. The Resulting Issuer may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Resulting Issuer becomes involved be determined against the Resulting Issuer such a decision could adversely affect the Resulting Issuer's ability to continue operating and the market price for Company Shares and could use significant resources. Even if the Resulting Issuer is involved in litigation and wins, litigation can redirect significant company resources.

Conflicts of Interest

Because directors and officers of the Resulting Issuer are or may become directors or officers of other reporting companies or have significant shareholdings in other companies, the directors and officers of the Resulting Issuer may have a conflict of interest in conducting their duties. The Resulting Issuer and its directors and officers will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the directors of the Resulting Issuer, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases the Resulting Issuer will establish a special committee of independent directors to review a matter in which several directors, or officers, may have a conflict. In determining whether or not the Resulting Issuer will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Resulting Issuer, the degree of risk to which the Resulting Issuer may be exposed and its financial position at that time. Other than as indicated, the Resulting Issuer has no other procedures or mechanisms to deal with conflicts of interest.

Executive officers and directors may have rights to indemnification including directors' and officers' liability insurance that will survive consummation of their agreements.

Environmental Risks

Unknown Environmental Risks

There can be no assurance that the Resulting Issuer will not encounter hazardous conditions at the real estate used to operate its businesses, such as asbestos or lead, in excess of expectations, that may delay the development of its businesses. Upon encountering a hazardous condition, work at the facilities of the Resulting Issuer may be suspended. If the Resulting Issuer receives notice of a hazardous condition, it may be required to correct the condition prior to continuing construction. The presence of other hazardous conditions will likely delay construction and may require significant expenditure of the Resulting Issuer's resources to correct the condition. Such conditions could have a material impact on the business, operations and prospects of the Resulting Issuer.

Security Risks

Theft

The business premises of the Resulting Issuer's operating locations may be targeted to break-ins, robberies and other breaches in security. If there was a breach in security and the Resulting Issuer fell victim to a robbery or theft the loss of products and equipment could have a material adverse impact on the business, financial condition and results of operations of the Resulting Issuer. A security breach at one of the Resulting Issuer's facilities could expose the Resulting Issuer to additional liability and to potentially costly litigation, increase expenses relating to the resolution and future prevention of these breaches and may deter potential customers from choosing the Resulting Issuer's products.

Electronic Communication Security Risks

A significant potential vulnerability of electronic communications is the security of transmission of confidential information over public networks. Anyone who is able to circumvent the Resulting Issuer's security measures could misappropriate proprietary information or cause interruptions in its operations. The Resulting Issuer may be required to expend capital and other resources to protect against such security breaches or to alleviate problems caused by such breaches.

General Business Risks

Operational Risks

The Resulting Issuer will be affected by a number of operational risks and the Resulting Issuer may not be adequately insured for certain risks, including: labour disputes; catastrophic accidents; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; natural phenomena, such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Resulting Issuer's technologies, personal injury or death, environmental damage, adverse impacts on the Resulting Issuer's operation, costs, monetary losses, potential legal liability and adverse governmental action, any of which could have an adverse impact on the Resulting Issuer's future cash flows, earnings and financial condition.

Insurance and Uninsured Risks

The Resulting Issuer's business is subject to several risks and hazards including adverse environmental conditions, accidents, labour disputes and changes in the regulatory environment. To protect against certain risks the Resulting Issuer will continue to maintain insurance at a level to mitigate these risks including product liability insurance. However, in some cases the Resulting Issuer may not be able to cover these risks at economically feasible premiums resulting in potential liabilities, particularly for environmental pollution coverage. Losses from these events may cause the Resulting Issuer to incur significant costs that could have a material adverse effect upon its business.

Limited operating history

The Resulting Issuer has a limited operating history on which to base an evaluation of its respective business, financial performance and prospects. As such, the Resulting Issuer's business and prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stage of development. As the Resulting Issuer is in an early stage, its revenues may be materially affected by the decisions, including timing decisions, of a relatively consolidated customer base. In addition, it is also difficult to evaluate the viability of the Resulting Issuer's technology because the Resulting Issuer has had limited experience to address the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly companies in new and rapidly evolving markets. There can be no assurance that the Resulting Issuer will be successful in addressing these risks, and the failure to do so in any one area could have a material adverse effect on the Resulting Issuer's business prospects, financial condition and results of operations.

History of Losses

The Resulting Issuer on a consolidated basis has incurred losses to date as it is in the early stages of growth. The Resulting Issuer may not be able to achieve profitability soon and will continue to incur losses. Furthermore, the Resulting Issuer expects to continue to increase operating expenses as it implements initiatives to establish and grow the business.

The Resulting Issuer operates in new and evolving markets

The Resulting Issuer's services are sold in new and rapidly evolving markets. The IoT cybersecurity industry is in the early stages of its life cycle. Accordingly, the Resulting Issuer's business and future prospects may be difficult to evaluate. The Resulting Issuer cannot accurately predict the extent to which demand for its services or products or the IoT cybersecurity market in general will increase, or if at all. The challenges, risks and uncertainties frequently encountered by companies in rapidly evolving markets could impact the Resulting Issuer's ability to do the following:

- Generate sufficient revenue to maintain profitability;
- Acquire and maintain market share;
- Achieve or manage growth in operations;
- Develop and renew contracts;
- Attract and retain highly-qualified personnel; and
- Adapt to new or changing policies and spending priorities of governments and government agencies; and • access additional capital when required and on reasonable terms.

If the Resulting Issuer fails to address these and other challenges, risks and uncertainties successfully, its business, results of operations and financial condition would be materially harmed.

Substantial Capital Requirements

Management of the Resulting Issuer anticipates that they may make substantial capital expenditures for the acquisition, exploration, development and production of its business in the future. They may have limited ability to raise the capital necessary to undertake or complete future development work. There can be no assurance that debt or equity financing will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Resulting Issuer. Moreover, future activities may require the Resulting Issuer to alter its capitalization significantly. The inability of the Resulting Issuer to access sufficient capital for its operations could have a material adverse effect on its financial condition, results of operations or prospects. In particular, failure to obtain such financing on a timely basis could cause the Resulting Issuer to forfeit its interest in certain business opportunities, miss certain acquisition opportunities and reduce or terminate operations.

Management of Growth

The Resulting Issuer may experience a period of significant growth in the number of personnel that will place a strain upon its management systems and resources. Its future will depend in part on the ability of its officers and other key employees to implement and improve financial and management controls, reporting systems and procedures on a timely basis and to expand, train, motivate and manage the workforce. The Resulting Issuer's current and planned personnel, systems, procedures and controls may be inadequate to support its future operations.

Growth and Consolidation in the Industry

Acquisitions or other consolidating Amalgamations could have adverse effects on the Resulting Issuer. The Resulting Issuer could lose strategic relationships if its partners are acquired by or enter into agreements with a competitor, causing the Resulting Issuer to lose access to distribution, content and other resources. The relationships between the Resulting Issuer and its strategic partners may deteriorate and cause an adverse effect on the business. The Resulting Issuer could lose customers if competitors or user of competing technology consolidate with the Resulting Issuer's current or potential customers. Furthermore, the Resulting Issuer's current competitors could become larger players in the market or new competitors could form from consolidations. Any of the foregoing events could put the Resulting Issuer at a competitive disadvantage, which could cause the Resulting Issuer to lose customers revenue, and market share. Consolidation in the industry could also force the Resulting Issuer to divert greater resources to meet new or additional competitive threats, which could harm the Resulting Issuer's operating results.

Risks Associated with Acquisitions

As part of the Resulting Issuer's overall business strategy, after the completion of the Amalgamation, the Resulting Issuer's may pursue select strategic acquisitions that would provide additional product or service offerings, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose it to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Resulting Issuer's existing business; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions; or (f) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Costs of being a Reporting Issuer

As a reporting issuer, the Resulting Issuer is subject to the reporting requirements and rules and regulations under applicable Canadian securities laws and rules of the CSE. Additional or new regulatory requirements may be adopted in the future, requiring compliance by the Resulting Issuer. The requirements of existing and potential future rules and regulations will increase the Resulting Issuer's legal, accounting and financial compliance costs, make some activities more difficult, time consuming or costly and may also place undue strain on its personnel, systems and resources, which could adversely affect its business and financial condition.

Once listed, the Resulting Issuer will be subject to reporting and other obligations under applicable Canadian securities laws including National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, which requires annual management assessment of the effectiveness of the Resulting Issuer's internal controls over financial reporting. Effective internal controls, including financial reporting and disclosure controls and procedures, are necessary for the Resulting Issuer to provide reliable financial reports, to effectively reduce the risk of fraud and to operate successfully as a public company. These reporting and other obligations place significant demands on the Resulting Issuer as well as on the Resulting Issuer's management, administrative, operational, and accounting resources. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Resulting Issuer's results of operations, or cause it to fail to meet its reporting obligations. If the Resulting Issuer or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Resulting Issuer's financial statements and materially adversely affect the trading price of the Resulting Issuer's Shares.

Difficulty to Forecast

The Resulting Issuer will in most cases rely on internal market research and forecast of sales combined with third-party forecasts of the IoT cybersecurity. However, given the early stage of the Resulting Issuer and the IoT cybersecurity industry, forecasts are subject to significant uncertainty. A failure in the demand for the Resulting Issuer's products because of competition, regulatory, and technological change may have a material adverse effect on the business.

Competition

The Resulting Issuer faces competition and new competitors will continue to emerge throughout the world.

Future products offered by the Resulting Issuer's competitors may take a larger market share than anticipated, which could cause revenue generated from the Resulting Issuer's products and services to fall below expectations. It is expected that competition in these markets will intensify. If competitors of the Resulting Issuer develop and market more successful products or services, offer competitive products or services at lower price points, or if the Resulting Issuer does not produce consistently high-quality and well-received products and services, revenues, margins, and profitability of the Resulting Issuer will decline.

The Resulting Issuer's ability to compete effectively will depend on, among other things, the Resulting Issuer's pricing of services and equipment, quality of customer service, development of new and enhanced products and services in response to customer demands and changing technology, reach and quality of sales and distribution channels and capital resources. Competition could lead to a reduction in the rate at which the Resulting Issuer adds new customers, a decrease in the size of the Resulting Issuer's market share and a decline in its customers. Examples include but are not limited to competition from other companies in the same industry as the Resulting Issuer.

Intellectual Property

The Resulting Issuer relies primarily on trademarks, copyrights and trade secrets, as well as license agreements and other contractual provisions, to protect the Resulting Issuer's intellectual property and other proprietary rights. Existing legal standards relating to the validity, enforceability and scope of protection of intellectual property rights offer only limited protection, may not provide the Resulting Issuer with any competitive advantages, and may be challenged by third parties. Accordingly, despite its efforts, the Resulting Issuer may be unable to prevent third parties from infringing upon or misappropriating its intellectual property or otherwise gaining access to the Resulting Issuer's technology. Unauthorized third parties may try to copy or reverse engineer the Resulting Issuer's products or portions of its products or otherwise obtain and use the Resulting Issuer's intellectual property. Moreover, many of the Resulting Issuer's employees have access to the Resulting Issuer's trade secrets and other intellectual property. If one or more of these employees leave to work for one of the Resulting Issuer's competitors, then they may disseminate this proprietary information, which may as a result damage the Resulting Issuer's competitive position. If the Resulting Issuer fails to protect its intellectual property and other proprietary rights, then the Resulting Issuer's business, results of operations or financial condition could be materially harmed. From time to time, the Resulting Issuer may have to initiate lawsuits to protect its intellectual property and other proprietary rights. Pursuing these claims is time consuming and expensive and could adversely impact the Resulting Issuer's results of operations.

In addition, affirmatively defending the Resulting Issuer's intellectual property rights and investigating whether the Resulting Issuer's is pursuing a product or service development that may violate the rights of others may entail significant expense. Any of the Resulting Issuer's intellectual property rights may be challenged by others or invalidated through administrative processes or litigation. If the Resulting Issuer resorts to legal proceedings to enforce its intellectual property rights or to determine the validity and scope of the intellectual property or other proprietary rights of others, then the proceedings could result in significant expense to the Resulting Issuer and divert the attention and efforts of the Resulting Issuer's management and technical employees, even if the Resulting Issuer prevails.

The Resulting Issuer's Trade Secrets May Be Difficult to Protect

The Resulting Issuer's success depends upon the skills, knowledge, and experience of its scientific and technical personnel, its consultants and advisors, as well as its licensors and contractors. Because the Resulting Issuer operates in a highly competitive industry, the Resulting Issuer relies in part on trade secrets to protect its proprietary technology and processes. However, trade secrets are difficult to protect. The Resulting Issuer may enter into confidentiality or nondisclosure agreements with its corporate partners, employees, consultants, outside scientific collaborators, developers, and other advisors, which would require that the receiving party keep confidential and not disclose to third parties' confidential information developed by the receiving party or made known to the receiving party during the course of the receiving party's relationship with the Resulting Issuer. These agreements would also generally provide those inventions conceived by the receiving party in the course of rendering services to the Resulting Issuer will be the Resulting Issuer's exclusive property, and the Resulting Issuer enters into assignment agreements to perfect its rights. These confidentiality, inventions, and assignment agreements may be breached and may not effectively assign intellectual property rights to the Resulting Issuer. The Resulting Issuer's trade secrets also could be independently discovered by competitors, in which case the Resulting Issuer would not be able to prevent the use of such trade secrets by its competitors. The enforcement of a claim alleging that a party illegally obtained and was using its trade secrets could be difficult, expensive, and time consuming and the outcome would be unpredictable. In addition, courts outside the United States and Canada may be less willing to protect trade secrets. The failure to obtain or maintain meaningful trade secret protection could adversely affect the Resulting Issuer's competitive position.

Reliance on Management and Key Personnel

Due to the technical nature of the Resulting Issuer's business, the loss of important staff members represents a risk. The Resulting Issuer aims to maintain a good standing with all high level and critical employees, contractors and consultants. The success of the Resulting Issuer will depend on the ability, judgement, discretion and expertise of its personnel. Any loss of services by key individuals could have a material adverse effect on the Resulting Issuer's business. There can be no assurance that any of the Resulting Issuer's consultants will remain with the Resulting Issuer or that, in the future, they will not organize competitive businesses or accept opportunities with companies competitive with the Resulting Issuer.

Fraudulent or Illegal Activity by Employees, Contractors and Consultants

The Resulting Issuer is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Resulting Issuer that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and state healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It may not always be possible for the Resulting Issuer to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Resulting Issuer to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Resulting Issuer from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Resulting Issuer, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Resulting Issuer's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Resulting Issuer's operations, any of which could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

Product Viability

If the products the Resulting Issuer sells are not perceived to have the effects intended by the end user, its business may suffer. Many of the Resulting Issuer's products contain innovative technologies. There is little long-term data with respect to overall security coverage of the product. As a result, the Resulting Issuer's products could not have the security coverage or intended effect that the customer wanted. This may have a material adverse impact on the sales of the Resulting Issuer.

Product Liability

The Resulting Issuer will be distributing products that will be a security asset for their clients, and thus will face a risk associated with product liability claims, regulatory action and litigation if the products are alleged to cause injury or loss. Product liability claims may include, among others, inadequate warnings for potential security breaches. Maintaining product liability insurance on acceptable terms may not be economically feasible to provide adequate coverage for all potential risks. Regulatory or liability action against the Resulting Issuer could have a material adverse effect on the business.

Constraints on Marketing Products

The development of the Resulting Issuer’s business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies. If the Resulting Issuer is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Resulting Issuer’s sales and results of operations could be adversely affected.

Availability of Key Suppliers

The Resulting Issuer reliant upon certain key suppliers and partners for products, components or services and no assurances can be given that we will not experience delays or other difficulties in obtaining the same, as a result of trade disputes or other matters. Although the Resulting Issuer believes there are alternative suppliers for most key requirements, if current suppliers and partners are unable to provide the necessary products, components or services or otherwise fail to timely deliver products, components or services in the quantities or manners required, any resulting delays in the manufacture or distribution of existing products, or the provision of services, could have a material adverse effect on our results of operations and financial condition. Further, unusual supply disruptions, such as disruptions caused by natural disasters or pandemics, could cause suppliers and partners to invoke "force majeure" clauses in their agreements, causing shortages of material or the loss of certain services. In certain circumstances, success in offsetting higher material costs with price increases is largely influenced by competitive and economic conditions and could vary significantly. If unable to fully offset the effects of material availability and costs, financial results could be adversely affected. The Resulting Issuer consumes individual raw materials, the costs of which in certain instances reflect market prices impacted by other market forces. These prices are subject to worldwide supply and demand as well as other factors beyond our control. Although the Resulting Issuer may sometimes able to pass such price increases to our customers, significant variations in the cost of raw materials can affect our operating results from period to period.

The Resulting Issuer also relies on certain software that it licenses from third parties. There can be no assurance that these third-party licenses will continue to be available to the Resulting Issuer on commercially reasonable terms. The loss of, or inability to maintain, any of these licenses could result in delays or reductions in product and service deployment until equivalent software can be developed, identified, licensed and integrated, which could substantially and adversely affect the Resulting Issuer ‘s business, results of operations and financial condition.

Effectiveness and Efficiency of Advertising and Promotional Expenditures

The Resulting Issuer’s future growth and profitability will depend on the effectiveness and efficiency of advertising and promotional expenditures, including its ability to (i) create greater awareness of its products; (ii) determine the appropriate creative message and media mix for future advertising expenditures; and (iii) effectively manage advertising and promotional costs in order to maintain acceptable operating margins. There can be no assurance that advertising and promotional expenditures will result in revenues in the future or will generate awareness of the Resulting Issuer's technologies or services. In addition, no assurance can be given that the Resulting Issuer will be able to manage its advertising and promotional expenditures on a cost-effective basis.

Website Accessibility

Internet websites are visible by people everywhere, not just in jurisdictions where the activities described therein are considered legal. As a result, to the extent the Resulting Issuer sells services or products via web-based links targeting only jurisdictions in which such sales or services are compliant with state law, the Resulting Issuer may face legal action in other jurisdictions which are not the intended object of any of the Resulting Issuer's marketing efforts for engaging in any web-based activity that results in sales into such jurisdictions deemed illegal under applicable laws.

Third-party Intellectual Property Infringement

The software industry is characterized by the existence of a large number of patents and frequent claims and related litigation regarding patents and other intellectual property rights. Third parties have in the past asserted, and may in the future assert, that our platform, solutions, technology, methods or practices infringe, misappropriate or otherwise violate their intellectual property or other proprietary rights. Such claims may be made by our competitors seeking to obtain a competitive advantage or by other parties. Additionally, in recent years, non-practicing entities have begun purchasing intellectual property assets for the purpose of making claims of infringement and attempting to extract settlements from companies like the Resulting Issuer. The risk of claims may increase as the number of solutions that the Resulting Issuer offers and competitors in the market increases and overlaps occur. In addition, to the extent that the Resulting Issuer gains greater visibility and market exposure, the Resulting Issuer faces a higher risk of being the subject of intellectual property infringement claims.

Third-Party Dependence

The Company relies heavily on third parties to provide some of its services. If these third parties were unable or unwilling to provide these goods and services in the future due to COVID-19 or other events that cause an anomalous in supply or demand of such services, the Company would need to obtain such services from other providers if they are available. This could cause the Company to incur additional costs or cause material interruptions to its business until these services are replaced if possible.

Data Centre Disruption

Data centers are vulnerable to damage or interruption from human error, intentional bad acts, earthquakes, hurricanes, floods, fires, war, terrorist attacks, power losses, hardware failures, systems failures, telecommunications failures and similar events. Any of these events could result in lengthy interruptions in the Resulting Issuer's services. Changes in law or regulations applicable to data centers in various jurisdictions could also cause a disruption in service. Interruptions in the Resulting Issuer's services would reduce revenue, subjecting the Resulting Issuer to potential liability and adversely affecting the Resulting Issuer's ability to retain its customers or attract new customers. The performance, reliability and availability of the Resulting Issuer's platform is critical to its reputation and its ability to attract and retain merchants. Customers could share information about bad experiences on social media, which could result in damage to the Resulting Issuer's reputation and loss of future sales. The property and business interruption insurance coverage the Resulting Issuer carries may not be adequate to compensate it fully for losses that may occur.

Software Errors or Bugs

Software such as Resulting Issuer's often contains errors, defects, security vulnerabilities or software bugs that are difficult to detect and correct, particularly when first introduced or when new versions or enhancements are released. Despite internal testing, the Resulting Issuer's platform may contain serious errors or defects, security vulnerabilities or software bugs that it may be unable to successfully correct in a timely manner or at all, which could result in lost revenue, significant expenditures of capital, a delay or loss in market acceptance and damage to its reputation and brand, any of which could have an adverse effect on its business, financial condition and results of operations. Furthermore, the Resulting Issuer's platform is a multi-tenant cloud-based system that allows the Resulting Issuer's to deploy new versions and enhancements to all of its customers simultaneously. To the extent the Resulting Issuer deploys new versions or enhancements that contain errors, defects, security vulnerabilities or software bugs to all of its customers simultaneously, the consequences would be more severe than if such versions or enhancements were only deployed to a smaller number of its merchants.

Security Breaches

Software such as the Resulting Issuer's often contains errors, defects, security vulnerabilities or software bugs that are difficult to detect and correct, particularly when first introduced or when new versions or enhancements are released. Despite internal testing, the Resulting Issuer's platform may contain serious errors or defects, security vulnerabilities or software bugs that it may be unable to successfully correct in a timely manner or at all, which could result in lost revenue, significant expenditures of capital, a delay or loss in market acceptance and damage to its reputation and brand, any of which could have an adverse effect on its business, financial condition and results of operations. Furthermore, the Resulting Issuer's platform is a multi-tenant cloud-based system that allows the Resulting Issuer to deploy new versions and enhancements to all of its customers simultaneously. To the extent the Resulting Issuer deploys new versions or enhancements that contain errors, defects, security vulnerabilities or software bugs to all of its customers simultaneously, the consequences would be more severe than if such versions or enhancements were only deployed to a smaller number of our merchants.

International Business Risk

The Resulting Issuer's business is susceptible to risks associated with international sales and the use of its platform in various countries. The Resulting Issuer's international sales and the use of its platform in various countries subject the Resulting Issuer to risks that it does not generally face with respect to domestic sales within North America. These risks include, but are not limited to:

- Lack of familiarity and burdens and complexity involved with complying with multiple, conflicting and changing foreign laws, standards, regulatory requirements, tariffs, export controls and other barriers;

- Greater difficulty in enforcing contracts, including the Resulting Issuer's universal terms of service and other agreements;

- Difficulties in ensuring compliance with countries' multiple, conflicting and changing international trade, customs and sanctions laws;

- Data privacy laws which may require that merchant and customer data be stored and processed in a designated territory;

- Difficulties in managing systems integrators and technology partners;

- Differing technology standards;
- Potentially adverse tax consequences, including the complexities of foreign value added tax (or other tax) systems and restrictions on the repatriation of earnings;
- Uncertain political and economic climates;
- Currency exchange rates;
- Reduced or uncertain protection for intellectual property rights in some countries; and
- New and different sources of competition.

These factors may cause the Resulting Issuer's international costs of doing business to exceed its comparable domestic costs and may also require significant management attention and financial resources. Any negative impact from the Resulting Issuer's international business efforts could adversely affect its business, results of operations and financial condition.

Defects or Disruptions in Technology Platforms

Defects or disruptions in the technology platforms and network infrastructure the Resulting Issuer relies on could materially harm the Resulting Issuer's business and operating results. The Resulting Issuer's operations are dependent upon its ability to protect its computer equipment and stored information against damage that may be caused by fire, power loss, telecommunications failures, unauthorized intrusion, computer viruses and disabling devices, and other similar events. Although the Resulting Issuer has redundant and back-up systems for some of Resulting Issuer's solutions and services, these systems may be insufficient or may fail and result in a disruption of availability of the Company's solutions or services. Cloud Nine also relies on third-party Internet providers and developers, and such third parties and their technology platforms, services and operations may also be vulnerable to similar defects and disruptions, which could in turn affect the Company's operations. Any disruption to the Company's services could impair Cloud Nine's reputation and cause it to lose partners, customers or revenue, or face litigation, necessitate service or repair work that would involve substantial costs and distract management from operating the business. The Company may not be indemnified by third parties for any disruptions to our services that are outside of our direct control.

Privacy Laws

The Resulting Issuer is subject to federal, state, provincial and foreign laws regarding privacy and protection of data. Some jurisdictions have enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data. Any failure by the Resulting Issuer to comply with privacy related laws and regulations could result in proceedings against the Resulting Issuer by governmental authorities or others, which could harm the Resulting Issuer's business. In addition, the interpretation of data protection laws, and their application is unclear and in a state of flux. There is a risk that these laws may be interpreted and applied in conflicting ways from province to province, state to state, country to country or region to region, and in a manner that is not consistent with the Company's current data protection practices. Complying with these varying requirements could cause Cloud Nine to incur additional costs and change the Company's business practices. Further, any failure by the Company to adequately protect partner or consumer data could result in a loss of confidence in Cloud Nine's platform which could adversely affect its business.

Current and Future Competitors

The Resulting Issuer faces competition in various aspects of its business and it expects such competition to grow in the future. The Resulting Issuer has competitors with longer operating histories, larger customer bases, greater brand recognition, greater experience and more extensive commercial relationships in certain jurisdictions, and greater financial, technical, marketing and other resources than it does. As a result, its potential competitors may be able to develop products and services better received by merchants or may be able to respond more quickly and effectively than the Resulting Issuer can to new or changing opportunities, technologies, regulations or customer requirements. In addition, some of the Resulting Issuer's larger competitors may be able to leverage a larger installed customer base and distribution network to adopt more aggressive pricing policies and offer more attractive sales terms, which could cause the Resulting Issuer to lose potential sales or to sell its solutions at lower prices.

Competition may intensify as the Resulting Issuer's competitors enter into business combinations or alliances or raise additional capital, or as established companies in other market segments or geographic markets expand into its market segments or geographic markets. For instance, certain competitors could use strong or dominant positions in one or more markets to gain a competitive advantage against the Resulting Issuer in areas where it operates. Further, current and future competitors could choose to offer a different pricing model or to undercut prices in an effort to increase their market share. If the Resulting Issuer cannot compete successfully against current and future competitors, its business, results of operations and financial condition could be negatively impacted.

Use of Funds

The Resulting Issuer's management will have broad discretion to use its net proceeds from this offering, and subscribers will be relying on the judgment of the Resulting Issuer's management regarding the application of these proceeds. The Resulting Issuer's management might not apply its net proceeds of this offering in ways that increase the value of an investment. the Resulting Issuer's management might not be able to yield a significant return, if any, on any investment of these net proceeds. Subscribers will not have the opportunity to influence the Resulting Issuer's decisions on how to use its net proceeds from this offering.

Changes in Effective Tax Rates

With sales in various countries, the Resulting Issuer is subject to taxation in several jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The amount of taxes the Resulting Issuer pays in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents, which could have an adverse impact on our liquidity and results of operations.

In addition, the authorities in Canada and other jurisdictions could review the Resulting Issuer's tax returns and impose additional tax, interest and penalties, which could have an impact on the Resulting Issuer and its results of operations. The Resulting Issuer has previously participated in government programs with both the Canadian federal government and the Government of Ontario that provide investment tax credits based upon qualifying research and development expenditures. If Canadian taxation authorities successfully challenge such expenses or the correctness of such income tax credits claimed, the Resulting Issuer's historical operating results could be adversely affected. As a public company, the Resulting Issuer will no longer be eligible for refundable tax credits under the Canadian federal Scientific Research and Experimental Development Program, or SR&ED credits.

The Resulting Issuer's future effective tax rates could be subject to volatility or adversely affected by a number of factors, including:

- Changes in the valuation of our deferred tax assets and liabilities;
- Expected timing and amount of the release of any tax valuation allowances;
- Tax effects of stock-based compensation;
- Costs related to intercompany restructurings;
- Changes in tax laws, regulations or interpretations thereof; or
- Future earnings being lower than anticipated in countries where the Resulting Issuer has lower statutory tax rates and higher than anticipated earnings in countries where it has higher statutory tax rates.

If two or more affiliated companies are located in different countries, the tax laws or regulations of each country generally will require that transfer prices be the same as those between unrelated companies dealing at arms' length. While the Resulting Issuer believes that it operates in compliance with applicable transfer pricing laws and intend to continue to do so, its transfer pricing procedures are not binding on applicable tax authorities. If tax authorities in any of these countries were to successfully challenge the Resulting Issuer's transfer prices as not reflecting arm's length Amalgamations, they could require the Resulting Issuer to adjust our transfer prices and thereby reallocate its income to reflect these revised transfer prices, which could result in a higher tax liability to the Resulting Issuer.

Risks Related to the Resulting Issuer's Securities

Market for Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted market for the Resulting Issuer Shares will be subject to market trends generally, notwithstanding any potential success of the Resulting Issuer in creating revenues, cash flows or earnings. The value of the Resulting Issuer Shares will be affected by such volatility. An active public market for the Resulting Issuer Shares might not develop or be sustained after the completion of the Preliminary Prospectus. If an active public market for the Resulting Issuer Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline.

Price may not Represent Performance or Intrinsic Fair Value

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the Resulting Issuer, including the market in which it is traded, the strength of the economy generally, the availability of the attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Subordinate Voting Shares on the CSE in the future cannot be predicted.

Securities or Industry Analysts

The trading market for the Resulting Issuer Shares could be influenced by research and reports that industry and/or securities analysts may publish about the Resulting Issuer, its business, the market or its competitors. The Resulting Issuer does not have any control over these analysts and cannot assure that such analysts will cover the Company or provide favourable coverage. If any of the analysts who may cover the Resulting Issuer's business change their recommendation regarding the Resulting Issuer's stock adversely, or provide more favourable relative recommendations about its competitors, the stock price would likely decline. If any analysts who may cover the Resulting Issuer's business were to cease coverage or fail to regularly publish reports on the Resulting Issuer, it could lose visibility in the financial markets, which in turn could cause the stock price or trading volume to decline.

Resale of Shares

There can be no assurance that the publicly-traded market price of the Resulting Issuer Shares will be high enough to create a positive return for the existing investors. Further, there can be no assurance that the Resulting Issuer Shares will be sufficiently liquid so as to permit investors to sell their position in the Resulting Issuer without adversely affecting the stock price. In such an event, the probability of resale of the Resulting Issuer Shares would be diminished.

As well, the continued operation of the Resulting Issuer may be dependent upon its ability to procure additional financing in the short term and to generate operating revenues in the longer term. There can be no assurance that any such financing can be obtained or that revenues can be generated. If the Resulting Issuer is unable to obtain such additional financing or generate such revenues, investors may be unable to sell their Resulting Issuer Shares and any investment in the Resulting Issuer may be lost.

Price Volatility

The Resulting Issuer Shares do not currently trade on any exchange or stock market. Securities of technology companies have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. Other factors unrelated to the Company's performance that may affect the price of the Resulting Issuer Shares include the following: the extent of analytical coverage available to investors concerning the Resulting Issuer's business may be limited if investment banks with research capabilities do not follow the Resulting Issuer; lessening in trading volume and general market interest in the Resulting Issuer Shares may affect an investor's ability to trade significant numbers of shares; the size of the Resulting Issuer's public float may limit the ability of some institutions to invest in the Subordinate Voting Shares; and a substantial decline in the price of the Resulting Issuer Shares that persists for a significant period of time could cause the Resulting Issuer Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Resulting Issuer Shares at any given point in time may not accurately reflect the Resulting Issuer's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Resulting Issuer may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources. The fact that no market currently exists for the Resulting Issuer Shares may affect the pricing of the Resulting Issuer Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Resulting Issuer Shares. The market price of the Resulting Issuer Shares is affected by many other variables which are not directly related to Resulting Issuer's success and are, therefore, not within the Resulting Issuer's control. These include other developments that affect the market for all technology sector securities, the breadth of the public market for Resulting Issuer's Shares and the attractiveness of alternative investments.

The effect of these and other factors on the market price of the Resulting Issuer Shares is expected to make the price of the Resulting Issuer Shares volatile in the future, which may result in losses to investors.

Dilution

The Resulting Issuer will require additional funds for its planned activities. If the Resulting Issuer raises additional funding by issuing equity securities, which is highly likely, such financing could substantially dilute the interests of the Resulting Issuer’s shareholders. Sales of substantial amounts of shares, or the availability of securities for sale, could adversely affect the prevailing market prices for the Resulting Issuer’s shares. A decline in the market prices of the Resulting Issuer’s shares could impair the ability of the Resulting Issuer to raise additional capital through the sale of new common shares should the Resulting Issuer’s desire to do so.

Dividends

To date, the Resulting Issuer has not paid any dividends on its outstanding shares. Any decision to pay dividends on the shares of the Resulting Issuer will be made by its Board on the basis of its earnings, financial requirements and other conditions. There is no assurance that the Resulting Issuer will pay dividends on its shares in the near future or ever. The Resulting Issuer will likely require all its funds to further the development of its business.

CSE Listing

In the future, the Company may fail to meet the continued listing requirements to be listed on the CSE. If the CSE delists the Resulting Issuer Shares from trading on its exchange, the Resulting Issuer could face significant material adverse consequences, including: a limited availability of market quotations; a limited amount of news and analysts’ coverage for the Resulting Issuer; and a decreased ability to issue additional securities or obtain additional financing in the future.

17.2 – Additional Securityholder Risk

There is no risk that securityholders of the Resulting Issuer may become liable to make an additional contribution beyond the price of the security.

17.3 – Other Risks

The risk factors material to the Resulting Issuer that a reasonable investor would consider relevant to an investment in the common shares are described above and elsewhere in this Listing Statement.

18. PROMOTERS

Scryb is a promoter of the Resulting Issuer. Scryb has ownership and control of 60,000,000 common shares, representing 65.04% of the issued and outstanding Resulting Issuer Shares as of the date of this Listing Statement. Scryb also has ownership and control of 10,000,000 Warrants, representing 31.10% of outstanding warrants of the Resulting Issuer as of the date of this Listing Statement.

19. LEGAL PROCEEDINGS

19.1-19.2 – Legal Proceedings and Regulatory Actions

As of the date hereof, the Resulting Issuer is not a party to any legal proceedings or regulatory actions and is not currently contemplating any legal proceedings other than as described below. Management of the Resulting Issuer is currently not aware of any legal proceedings or regulatory actions contemplated against the Resulting Issuer, which are material to its business.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL AMALGAMATIONS

Other than otherwise disclosed in this Listing Statement, no proposed director or executive officer of the Resulting Issuer, or shareholder who is expected to beneficially own, or control or direct, directly or indirectly, more than 10% of the outstanding Common Shares, or any known associates or affiliates of such persons, has or has had any material interest, direct or indirect, in any Amalgamation or in any proposed Amalgamation that has materially affected or is reasonably expected to materially affect the Resulting Issuer.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

21.1 – Auditors

The Resulting Issuer's auditor is Jones & O'Connell LLP, Chartered Professional Accountants, at 43 Church Street, Suite 500, St. Catharines, Ontario L2R 7A7.

21.2 – Transfer Agent and Registrar

The Resulting Issuer's transfer agent and registrar is the TSX Trust Company, at 100 Adelaide Street West, Suite 301, Toronto, Ontario M5H 1S3.

22. MATERIAL CONTRACTS

22.1 – Material Contracts

The following are the only material contracts, other than those contracts entered into in the ordinary course of business, which the Resulting Issuer has entered into since the beginning of the last financial year before the date of this Listing Statement, or entered into prior to such date but which contract is still in effect:

- First Bridge Loan Agreement;
- Second Bridge Loan Agreement;
- Third Bridge Loan Agreement;
- Scryb Bridge Loan Agreement;
- Fourth Bridge Loan Agreement;
- Fifth Bridge Loan Agreement;
- Escrow Agreement dated, November 11 2022; and
- the Warrant Indenture.

Copies of the above material contracts, may be inspected during ordinary business hours at the Company's

Canadian head office, which is located at 65 International Boulevard, Suite 103, Etobicoke, Ontario M9W 6L9 and will be filed, as required, via SEDAR (available at www.sedar.com).

22.2 – Special Agreements

The Resulting Issuer is not a party to any co-tenancy, unitholders or limited partnership agreement.

23. INTEREST OF EXPERTS

23.1 – Names of Experts

Jones & O'Connell LLP prepared the auditor's reports for the Pima annual financial statements, attached hereto as Schedule "A". Jones & O'Connell LLP also prepared an interim review report on the June 30, 2022, interim financial statements, which have been attached hereto as Schedule "E".

Jones & O'Connell LLP have advised that they are independent with respect to the Resulting Issuer within the meaning of the CPA Code of Professional Conduct.

Jackson & Co., LLP prepared the auditor's reports for the Cybeats annual financial statements, attached hereto as Schedule "C". Jackson & Co., LLP also prepared an interim review report on the June 30, 2022, interim financial statements, which have been attached hereto as Schedule "F".

Jackson & Co., LLP have advised that they are independent with respect to the Resulting Issuer within the meaning of the CPA Code of Professional Conduct.

23.2 – Interest of Experts

No person or corporation whose profession or business gives authority to a statement made by the person or corporation and who is named as having prepared or certified a part of this Listing Statement or as having prepared or certified a report or valuation described or included in this Listing Statement holds any beneficial interest, direct or indirect, in any securities or property of the Resulting Issuer or a Related Person.

24. OTHER MATERIAL FACTS

There are no other material facts other than as disclosed herein that are necessary to be disclosed in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the common shares.

25. FINANCIAL STATEMENTS

Pima's audited annual financial statements for the fiscal year ended December 31, 2021 and 2020 are attached hereto as Schedule "A".

Cybeats' audited annual financial statements for the fiscal year ended December 31, 2021 and 2020 are attached hereto as Schedule "C".

Pima's unaudited interim financial statement for the period ended June 30, 2022 are attached hereto as Schedule "E".

Cybeats unaudited interim financial statement for the period ended June 30, 2022 are attached hereto as Schedule "F".

The Resulting Issuer's pro-forma consolidated financial statements of the Resulting Issuer are attached as Schedule "I".

26. ADDITIONAL INFORMATION

Additional information relating to the Pima is on SEDAR at www.sedar.com. Shareholders may contact the Resulting Issuer at 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2. (Telephone: (416) 361-2515) to request copies of the Resulting Issuer's financial statements and MD&A or a copy of this Listing Statement, or any of the Resulting Issuer's documents incorporated herein by reference.

SCHEDULE "A"
PIMA'S AUDITED ANNUAL FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021 AND 2020

See Attached.

Pima Zinc Corp.

Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

(Expressed in U.S. Dollars)

Jones & O'Connell LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

43 Church Street, Suite 500 + P.O. Box 1237 + St. Catharines, ON + L2R 7A7
phone 905.688.4842 fax 905.688.1746
www.jonesoconnell.ca

Independent Auditor's Report

To the Shareholders of Pima Zinc Corp

Opinion

We have audited the consolidated financial statements of **Pima Zinc Corp** ("the Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and December 31, 2020 and the consolidated statements of comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of **Pima Zinc Corp** as at December 31, 2021 and December 31, 2020 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits 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 Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the 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.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the company had a working capital deficiency of $307,639 (2020 - $186,626), had not yet achieved profitable operations, has accumulated losses of $5,713,057 (2020 - $5,592,044) and expects to incur future losses in the development of its business. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

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 International Financial Reporting Standards 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report

To the Shareholders of Pima Zinc Corp (Continued)

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

- Identity and assess the risks of material misstatement 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 a 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 Company'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 a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities with the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Wayne O'Connell.

Jones & O'Connell LLP

Jones & O'Connell LLP
Chartered Professional Accountants
Licensed Public Accountants
St. Catharines, Ontario
April 12, 2022

Jones & O'Connell LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

PIMA ZINC CORP.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in U.S. Dollars)

		December 31, 2021		December 31, 2020
ASSETS				
Current assets				
Cash	**$**	**10,600**	$	11,181
Total assets	**$**	**10,600**	$	11,181
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (note 5)	**$**	**318,239**	$	197,807
		318,239		197,807
Shareholders' equity				
Capital stock (note 6)		**3,867,771**		3,867,771
Reserve for share-based payments (note 8)		**332,000**		332,000
Reserve for warrants (note 9)		**1,205,647**		1,205,647
Accumulated deficit		**(5,805,475)**		(5,688,758)
Cumulative foreign translation gain		**92,418**		96,714
Total shareholders' equity		**(307,639)**		(186,626)
Total liabilities and shareholders' equity	**$**	**10,600**	$	11,181

Nature of operations and going concern (note 1)
Proposed transaction (note 14)

Approved on behalf of the Board:

(Signed) "Daniel Nauth", Director

(Signed) "David MacMillan", Director

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

PIMA ZINC CORP.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Expressed in U.S. Dollars)

	Year ended	
	December 31, 2021	December 31, 2020
OPERATING EXPENSES:		
Consulting fees (note 10)	$ **40,000**	$ 40,652
Exploration and evaluation expenditures (note 4)	**-**	3,777
Professional fees	**37,242**	21,377
General and administrative expenses	**656**	9,992
Investor relations, transfer agent and filing fees	**38,819**	7,416
	(116,717)	(83,214)
Gain on reversal of accounts payable and accrued liabilities	**-**	15,494
Other foreign exchange income	**-**	1,832
NET LOSS	$ **(116,717)**	$ (65,888)
OTHER COMPREHENSIVE LOSS		
Foreign exchange loss	**(4,296)**	(1,285)
NET COMPREHENSIVE LOSS	$ **(121,013)**	$ (67,173)
COMPREHENSIVE LOSS PER SHARE		
- BASIC AND DILUTED	$ **(0.10)**	$ (0.05)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING, BASIC AND DILUTED	**1,267,139**	1,267,139

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

PIMA ZINC CORP.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in U.S. Dollars)

	Common Stock		Shares to be Issued	Reserve for Warrants	Reserve for Share based payments	Cumulative Transa;ation Gain	Accumulated Deficit	Total Shareholders' Equity
	Shares*	**Amount**						
Balance, December 31, 2019	1,267,139	$ 3,867,771	$ -	$ 1,205,647	$ 332,000	$ 97,999	$ (5,622,870)	$ (119,453)
Comprehensive loss for the year	-	-	-	-	-	(1,285)	(65,888)	(67,173)
Balance, December 31, 2020	1,267,139	$ 3,867,771	$ -	$ 1,205,647	$ 332,000	$ 96,714	$ (5,688,758)	$ (186,626)
Comprehensive loss for the year	-	-	-	-	-	(4,296)	(116,717)	(121,013)
Balance, December 31, 2021	**1,267,139**	**$ 3,867,771**	**$ -**	**$ 1,205,647**	**$ 332,000**	**$ 92,418**	**$ (5,805,475)**	**$ (307,639)**

*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 consolidated financial statements

PIMA ZINC CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in U.S. Dollars)

		Year ended		
		December 31, 2021		December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	$	**(116,717)**	$	(65,888)
Adjustment to reconcile net loss to net cash used by operating activities:				
Gain on reversal of accounts payable and accrued liabilities		**-**		(15,494)
Changes in assets and liabilities:				
Accounts payable and accrued liabilities		**120,432**		66,988
Net cash used by operating activities		**3,715**		(14,394)
Effect of foreign exchange translation		**(4,296)**		(1,285)
Net decrease in cash and cash equivalents		**(581)**		(15,679)
Cash, beginning of year		**11,181**		26,860
Cash, end of year	$	**10,600**	$	11,181

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

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 December 31, 2021 the Company had working capital deficiency of $307,639 (December 31, 2020 – $186,626) and had not yet achieved profitable operations, had accumulated losses of $5,805,475 (December 31, 2020 - $5,688,758) 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 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

The Company's consolidated financial statements, including comparatives, have been prepared in accordance with and using accounting policies in full compliance with the International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2021.

These audited consolidated financial statements were authorized by the Board of Directors of the Company on April 12, 2022.

2. BASIS OF PREPARATION (continued)

2.2 Basis of presentation

The audited 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, as explained in the accounting policies set out in Note 3.

2.3 Basis of consolidation

These audited 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 audited 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Exploration and evaluation expenditures

All acquisition and exploration costs, net of incidental revenues, are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized into property, plant and equipment ("PPE"). On the commencement of commercial production, depletion of each mining property will be provided on a unit-of-production basis using estimated resources as the depletion base.

Ownership in mineral properties involves certain risks due to the difficulties in determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many mining interests. The Company has investigated the ownership of its mineral properties and, to the best of its knowledge, ownership of its interests are in good standing.

3.2 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of PPE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided at rates calculated to write-off the cost of PPE, less their estimated residual value, using the declining balance method or unit-of-production method over the useful life.

An item of PPE is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the statement of comprehensive income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Property, plant and equipment (continued)

The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for PPE and any changes arising from the assessment are applied by the Company prospectively.

Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of plant and equipment. Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

3.3 Decommissioning, restoration and similar liabilities ("Asset retirement obligation" or "ARO")

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of mineral properties and PPE, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an asset retirement obligation is recognized at its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding asset retirement obligation is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

3.4 Share-based payments

Share-based payment transactions
Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment.

Equity-settled transactions
The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the "vesting date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share option reserve.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Share-based payments (continued)

Equity-settled transactions (continued)

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect, if any, of outstanding options is reflected as additional dilution in the computation of earnings per share.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

Deferred income tax
Deferred income tax is provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Taxation (continued)

Deferred income tax (continued)

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

3.6 Income (loss) per share

The basic income (loss) per share is computed by dividing the net income (loss) by the weighted average number of common shares outstanding during the period. The diluted income (loss) per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The "treasury stock method" is used for the assumed proceeds upon the exercise of the options and warrants that are used to purchase common shares at the average market price during the year. During the year ended December 31, 2021, all the outstanding stock options and warrants were antidilutive.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either fair value either through profit or loss ("FVPL") or through other comprehensive income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statements of loss.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of loss. The Company does not measure any financial assets at FVOCI.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive income (loss). When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of loss and when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include trade and other payables, which are measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the statements of loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of loss.

3.9 Impairment of financial assets

The Company assesses at each date of the statement of financial position whether a financial asset is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to trade receivables, a provision for impairment is made and an impairment loss is recognized in profit and loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Impairment of non-financial assets

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (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.

3.11 Cash

Cash in the statement of financial position comprises cash at banks.

3.12 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

3.13 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to recoverability of trade and other receivables, valuation of deferred income tax amounts, impairment testing and the calculation of share-based payments. The most significant judgments relate to recognition of deferred tax assets and liabilities.

3.15 Foreign currency transactions

Functional and presentation currency
Items included in the consolidated financial statements of each of the entity are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company is the Canadian dollar ("CDN"). The consolidated financial statements are presented in U.S. Dollars which is the Company's presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

4. EXPLORATION AND EVALUATION EXPENDITURES

Pima Zinc Property

On August 9, 2018, the Company entered into a share purchase agreement to acquire all of the issued and outstanding shares of 1139432 B.C. Ltd., who controls a 100% interest in the Pima Zinc property located in southern Arizona, USA.

The Pima Zinc Property consists of 133 BLM unpatented lode mining claims with a total area of 2,506 acres and, subject to approval, 7 Arizona State Land Department Mineral Exploration permit applications for an additional 2,080 acres.

During the year ended December 31, 2019, the Company abandoned this property.

(Expressed in US dollars)

5. 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:

	December 31, 2021		December 31, 2020	
Trade payables	**$**	**203,040**	$	122,608
Accrued liabilities		**115,199**		75,199
	$	**318,239**	$	197,807

6. CAPITAL STOCK

Share Capital

Pima is authorized to issue an unlimited number of common shares. The issued and outstanding common shares at December 31, 2021 consist of the following:

	Number	Amount ($)
Balance at December 31, 2020 and 2021	**1,267,139**	**3,867,771**

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.

Warrants

The following table summarizes warrants that have been issued, exercised or have expired during the year ended December 31, 2021:

	Number	**Weighted-Average Exercise Price**
Balance at December 31, 2019 and 2020	**573,153**	**$1.65**
Expired	**(370,000)**	**$2.00**
Balance at December 31, 2021	**203,153**	**$1.00**

(Expressed in US dollars)

6. CAPITAL STOCK (continued)

***Warrants* (continued)**

Date of Grant	Warrants Granted	Exercise Price	Expiry Date
July 24, 2019	**203,153**	**$1.00**	July 24, 2022
	203,153		

The fair value of the warrants issued is determined using the Black-Scholes model for pricing options under the following assumptions:

Expected dividend yield	Nil
Risk free interest rate	1.80% to 1.83%
Expected volatility	198.81% - 202.96%
Expected life	2-3 years
Share price (CDN)	$1.00 - $2.00

Expected volatility is based on historical data.

7. 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 December 31, 2021 and 2020, there are no stock options outstanding.

8. RESERVE FOR SHARE-BASED PAYMENTS

	December 31, 2021	December 31, 2020
Balance at beginning of year	**$ 332,000**	$ 332,000
Balance at end of year	**$ 332,000**	$ 332,000

9. RESERVE FOR WARRANTS

	December 31, 2021	December 31, 2020
Balance at beginning of year	**$ 1,205,647**	$ 1,205,647
Balance at end of year	**$ 1,205,647**	$ 1,205,647

10. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

During the year ended December 31, 2021, $20,000 (2020 – $20,000) was charged for services by the Chief Executive Officer.

During the year ended December 31, 2021, $20,000 (2020 - $20,000) 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 December 31, 2021, $90,000 (2020 - $48,475) 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.

11. 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 year December 31, 2021. 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 December 31, 2021 totaled a deficiency $307,639 (December 31, 2020 – $186,626).

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.

12. 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 December 31, 2021 and 2020, 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, 2020 - $100).

Foreign Currency Risk
The Company's funds are predominantly kept in Canadian dollars, with a major Canadian financial institution. As at December 31, 2021 and 2020, 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 December 31, 2021, the Company had current assets of $10,600 (December 31, 2020 - $11,181) and current liabilities of $318,239 (December 31, 2020 - $197,807). 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 $307,639 (December 31, 2020 – $186,626).

(Expressed in US dollars)

13. INCOME TAXES

The following table reconciles the income tax provision from the expected amount based on statutory rates to the amount reported:

	2021	2020
Components of the income tax provision:		
Income taxes at statutory tax rates	**$ (32,000)**	$ (18,000)
Non-deductible expenses and other	**-**	-
Change in valuation allowance	**32,000**	18,000
Income tax expense	**$ -**	$ -

The Canadian statutory income tax rate of 26.5% (2020 – 26.5%) is comprised of the federal income tax rate at approximately 15.0% (2020 – 15.0%) and the provincial income tax rate of approximately 11.5% (2020 – 11.5%).

The primary differences which give rise to deferred income tax assets at December 31, 2021 and 2020 are as follows:

	2021	2021
Deferred income tax assets		
Non-capital losses carried forward	**$ 1,136,500**	$ 1,104,500
	1,136,500	1,104,500
Less: deferred tax asset not recognized	**(1,136,500)**	(1,104,500)
Net deferred income tax assets	**$ -**	$ -

As at December 31, 2021, the Company has available for carry forward non-capital losses of $3,801,000 (December 31, 2020 - $3,680,000) expiring through to 2041.

14. 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 "Proposed Transaction").

The completion of the Proposed Transaction contemplated by the LOI remains subject to the Company and Cybeats entering into a definitive agreement and approval of all regulatory and other approvals.

15. PRIOR YEAR CLASSIFICATION ERROR

During the year, management identified a classification error within shareholders' deficiency, whereby the cumulative translation gain related to the conversion of functional currency balances to presentation currency balances was netted against accumulated deficit. The correction of this classification error led to the following adjustments to the comparative figures presented as follows:

For the year ended December 31, 2020, increase opening cumulative foreign translation gain, and increase opening accumulated deficit by $97,999; increase foreign translation loss included within other comprehensive loss and decrease closing cumulative foreign translation gain by $1,285 and decrease foreign exchange loss included within net loss, net loss and closing accumulated deficit by $1,285.

SCHEDULE "B"
PIMA'S MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021 AND 2020

See Attached.

PIMA ZINC CORP.
Management's Discussion and Analysis
For the years ended December 31, 2021 and 2020

Management's discussion and analysis ("MD&A") is current to April 12, 2022 and is management's assessment of the operations and the financial results together with future prospects of Pima Zinc Corp. ("Pima" or the "Company"). This MD&A should be read in conjunction with our audited consolidated financial statements and related notes for the years ended December 31, 2021 and 2020 prepared in accordance with International Financial Reporting Standards. All figures are in U.S. dollars unless stated otherwise. This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to Pima's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward looking statements. The Company has adopted National Instrument 51-102F1 as the guideline in presenting the MD&A. Additional information relevant to Pima's activities, including Pima's Press Releases can be found on SEDAR at www.sedar.com.

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1. Description of Business

Pima Zinc Corp. 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. The Company was re-domiciled to the Cayman Islands in 2011. 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.

As at the date of this report, the Company currently has no mineral property. The Company is seeking a strategic transaction to enhance shareholder value.

The profitability and operating cash flow of the Company is affected by various factors, including the market price of zinc and other commodities, operating costs, political risk, interest rates, regulatory and environmental compliance, general and administrative costs, the level of exploration and development expenditures and other discretionary costs. While Pima seeks to manage the level of risk associated with its business, many of the factors affecting these risks are beyond the Company's control.

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.

As at the date of this report, the directors and officers of the Company were:

Albert Contardi	Chief Executive Officer, Director
David MacMillan	Director
Daniel Nauth	Director
Arvin Ramos	Chief Financial Officer

2. Overall Performance

For the year ended December 31, 2021, the Company's cash position decreased to $10,600 from $11,181 at December 31, 2020. This decrease is due to bank charges.

Results of Operations

Selected Financial Information

	Year ended December 31, 2021	Year Ended December 31, 2020
	$	$
Net loss	(116,717)	(65,888)
Net comprehensive loss	(121,013)	(67,173)
Loss per weighted average share – basic and fully diluted	(0.10)	(0.05)
Total Assets	10,600	11,181

Three months ended December 31, 2021 vs. December 31, 2020

The Company incurred a net comprehensive loss of $24,243 or $0.02 a share for the three-month period ended December 31, 2021, compared with a net comprehensive loss of $5,073 or $0.00 a share for the same period ended in 2020.

For the three-month period ended December 31, 2021, consulting fees were $10,000 compared to $10,000 in the same period in 2020. Consulting fees are made up of management fees.

Professional fees increased to $8,090 during the three-month period ended December 31, 2021, compared to $6,565 in the same period in 2020. The increase is attributable to higher legal fees due to the continuance to British Columbia and share consolidation.

For the three-month period ended December 31, 2021, general and administrative expenses were a gain of $15,001 compared to a gain of $3,611 in the same period in 2020.

Investor relations, transfer agent and filing fees during the three-month period ended December 31, 2021 were $16,705 compared to $4,426 in the same period in 2020.

Year ended December 31, 2021 vs. December 31, 2020

The Company incurred a net comprehensive loss of $121,013 or $0.10 a share for the year ended December 31, 2021, compared with a net comprehensive loss of $67,173 or $0.05 a share for the same period ended in 2020.

For the year ended December 31, 2021, consulting fees were $40,000 compared to $40,652 in the same period in 2020. Consulting fees are made up of management fees.

Professional fees increased to $37,242 during the year ended December 31, 2021, compared to $21,377 in the same period in 2020. The increase is attributable to higher legal fees due to the continuance to British Columbia and share consolidation.

For the year ended December 31, 2021, general and administrative expenses were $656 compared to $9,992 in the same period in 2020.

Investor relations, transfer agent and filing fees during the year ended December 31, 2021 were $38,819 compared to $7,416 in the same period in 2020.

3. Summary of Quarterly Results

Selected financial information for the eight quarters as follows:

	Dec 31, 2021 $	**Sept 30, 2021** $	**June 30, 2021** $	**March 31, 2021** $
Total revenue	-	-	-	-
Expenses	(19,794)	(26,258)	(47,482)	(23,183)
Net comprehensive loss	(24,243)	(26,105)	(47,482)	(23,183)
Loss per share – basic and diluted	$(0.02)	$(0.02)	$(0.04)	$(0.02)
	Dec 31, 2020 $	**Sept 30, 2020** $	**June 30, 2020** $	**March 31, 2020** $
Total revenue	-	-	-	-
Expenses	(3,788)	(15,390)	(25,461)	(21,249)
Net comprehensive loss	(5,073)	(15,390)	(25,461)	(21,249)
Loss per share– basic and diluted	$(0.00)	$(0.01)	$(0.02)	$(0.02)

Working Capital

As at December 31, 2021, the Company had a net working capital deficiency of $307,639 compared to a deficiency of $186,626 as at December 31, 2020.

A summary of the Company's cash position and changes in cash are provided below:

	December 31, 2021	Dec 31, 2020
Cash used in operating activities – net	**$ 3,715**	$ (14,394)
Effect of foreign exchange translation	**(4,296)**	(1,285)
Increase (decrease) in cash	**(581)**	(15,679)
Cash, beginning of period	**11,181**	26,860
Cash, end of period	**$ 10,600**	$ 11,181

Liquidity Outlook

Pima had cash of $10,600 available at December 31, 2021, a decrease of $581 from the balance at December 31, 2020 of $11,181. The decreased is due to general, administrative and operating activities.

The Company has a need for equity capital and financing for working capital and to explore future business opportunities. Because of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and/or to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations.

4. Related-party Transactions

During the year ended December 31, 2021, $20,000 (2020 – $20,000) was charged for services by the Chief Executive Officer.

During the year ended December 31, 2021, $20,000 (2020 - $20,000) 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 December 31, 2021, $90,000 (2020 - $48,475) 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.

Disclosure of Outstanding Share Data

As at the date of this report, the Company has the following issued and outstanding:

Common shares– issued and outstanding	1,267,139
Warrants	203,153

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Dividends

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

Assessment of Recoverability of Deferred Tax Assets

In preparing the financial statements, the Company is required to estimate its income tax obligations. This process involves estimating the actual tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. The Company assesses, based on all available evidence, the likelihood that the future income tax assets will be recovered from future taxable income and, to the extent that recovery cannot be considered "more likely than not," a valuation allowance is established. If the valuation allowance is changed in a period, an expense or benefit must be included within the tax provision on the income statement.

Estimate of Stock-Based Compensation and Associated Assumptions

The Company recorded stock-based compensation based on an estimate of the fair value on the grant date of stock options issued. This accounting required estimates of interest rate, life of options, stock price volatility and the application of the Black-Scholes option pricing model.

Assessment of Recoverability of Receivables

The carrying amount of accounts receivables, are considered representative of their respective values. The Company assesses the likelihood that these receivables will be recovered and, to the extent that recovery is considered doubtful a provision for doubtful accounts is recorded.

Critical Accounting Policies

Share-based payments

Share-based payment transactions
Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment.

Equity-settled transactions
The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the "vesting date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest.

The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share option reserve.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional dilution in the computation of earnings per share.

Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

Deferred income tax
Deferred income tax is provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.
Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive income.

Deferred income tax

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The “treasury stock method” is used for the assumed proceeds upon the exercise of the options and warrants that are used to purchase common shares at the average market price during the year. During the period ended December 31, 2021 and 2020, all the outstanding stock options and warrants were antidilutive.

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either fair value either through profit or loss (“FVPL”) or through other comprehensive income (“FVOCI”), and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statements of loss.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of loss. The Company does not measure any financial assets at FVOCI.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive income (loss). When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of loss and when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include trade and other payables, which are measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the statements of loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of loss.

Impairment of financial assets

The Company assesses at each date of the statement of financial position whether a financial asset is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to trade receivables, a provision for impairment is made and an impairment loss is recognized in profit and loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

Impairment of non-financial assets
At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (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.

Cash
Cash in the statement of financial position comprises cash at banks, in the Company’s lawyers trust account, and on hand.

Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Related party transactions
Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

Significant accounting judgments and estimates
The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to recoverability of trade and other receivables, valuation of deferred income tax amounts, impairment testing and the calculation of share-based payments. The most significant judgments relate to recognition of deferred tax assets and liabilities.

5. Financial Instruments and other Instruments

Fair Value of Financial Assets and Liabilities

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.

<u>Environmental and Permitting</u>
All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

<u>Acquisition</u>
The Company uses its best judgment to acquire mining properties for exploration and development in pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and development, or integrate such opportunity and their personnel with the Company. The Company cannot assure that it can complete any acquisition that it pursues or is currently pursuing, on favourable terms, or that any acquisition completed will ultimately benefit the Company.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospectus for mineral exploration in the future.

Financial Risk Factors

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and loans receivable. The Company has no significant concentration of credit risk arising from operations. Cash is held with reputable Canadian chartered banks which are closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash and loans receivable is minimal.

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 December 31, 2021, the Company had current assets of $10,600 (December 31, 2020 - $11,181) and current liabilities of $318,239 (December 31, 2020 - $197,807). 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 $307,639 (December 31, 2020 – $186,626).

Market Risks

a) **Interest Rate Risk**

The Company has cash balances and no variable interest-bearing debt. The Company has fixed rates on its debt changes in interest rates could result in fair value risk on the Company's fixed rate debt.

Internal Control over Financial Reporting

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

During the most recent year end there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Proposed Transactions

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 "Proposed Transaction").

The completion of the Proposed Transaction contemplated by the LOI remains subject to the

Company and Cybeats entering into a definitive agreement and approval of all regulatory and other approvals.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's President and Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at the end of the year covered by this management's discussion and analysis, management of the Company, with the participation of the President and Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the President and Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for the design and effectiveness of disclosure controls and procedures ("DC&P") and the design of international control over financial reporting ("ICFR") to provide reasonable assurance that material information related to the Company is made known to the Company's certifying officers. The Company's controls are based on the Committee of Sponsoring Organizations ("COSO") 2013 framework. The Company's CEO and the CFO have evaluated the design and effectiveness of the Company's DC&P as of December 31, 2021 and have concluded that these controls and procedures are effective in providing reasonable assurance that material information relating to the Company is made known to them by others within the Company. The CEO and CFO have also evaluated the design and effectiveness of the Company's ICFR as of December 31, 2021 and concluded that these controls and procedures are effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

During the current period there have been no changes in the Company's DC&P or ICFR that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

6. Cautionary Note Regarding Forward-Looking Statements

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, consents or authorizations required for its operations and activities; and health safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of Pima to fund the capital and operating expenses necessary to achieve the business objectives of Pima, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements. Statements in relation to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this press release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

7. Management's Responsibility for Financial Information

Management is responsible for all information contained in this report. The audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the audited consolidated financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Audit Committee has reviewed the audited consolidated financial statements with management. The Board of Directors has approved the audited consolidated financial statements on the recommendation of the Audit Committee.

SCHEDULE "C"
CYBEATS'S AUDITED ANNUAL FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021 AND 2020

See Attached.

CYBEATS TECHNOLOGIES INC.
CONDENSED ANNUAL AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in Canadian Dollars)

Dated March 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To The Shareholders of Cybeats Technologies Inc.

Opinion

We have audited the financial statements of Cybeats Technologies Inc. which comprise the statement of financial position as at December 31, 2021 and December 31, 2020, and the statements of operations and retained earnings and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Cybeats Technologies Inc. as at December 31, 2021 and December 31, 2020, and the results of its operations and its cash flows for the year 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 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 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company is experiencing, and has experienced, negative operating cash flows and has a working capital deficit of $897,872 as at December 31, 2021. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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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.

The engagement partner on the audit resulting in this independent auditor's report is Jeffrey Jackson.

Jackson & Co., LLP

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

Toronto, Ontario
March 31, 2022

Cybeats Technologies Inc.
CONDENSED ANNUAL STATEMENTS OF FINANCIAL POSITION
(Audited - Expressed in Canadian dollars)

As at		December 31, 2021		December 31, 2020
Assets				
Current assets				
Cash and cash equivalents	$	**12,073**	$	409,992
Accounts Receivable		**105,315**		274,095
Prepaid expenses		**34,449**		32,176
		151,837		716,263
Non-current assets				
Property, plant and equipment (note 5)		**5,945**		9,985
Total Assets	$	**157,782**	$	726,248
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	$	**32,117**	$	143,239
Due to Scryb Inc. (note 8)		**1,017,592**		-
		1,049,709		143,239
Long-Term Debt				
Government Loan (note 9)		**-**		40,000
		-		40,000
Total Liabilities		**1,049,709**		183,239
Shareholders' equity				
Share Capital (note 6)		**3,100,807**		3,092,807
Deficit		**(3,992,734)**		(2,549,798)
Total Shareholders' Equity		**(891,927)**		543,009
Total Liabilities and Shareholders' Equity	$	**157,782**	$	726,248

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

"Yoav Raiter"
CEO, Director

"Chris Hopkins"
CFO, Director

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

Cybeats Technologies Inc.
CONDENSED ANNUAL STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Audited - Expressed in Canadian dollars)

		2021		2020
Revenue				
Sales	**$**	**52,313**	$	2,292
Government Subsidies (note 9)		**105,315**		303,719
Innovation Assistance Program wage subsidy		**59,535**		58,709
Interest and other		**452**		6,361
		217,615		**371,081**
Expenses				
Advertising and promotion	**$**	**158,750**	$	3,529
Amortization		**4,461**		9,019
Insurance		**1,744**		6,912
Interest and bank charges		**2,288**		2,695
Meals and entertainment		**8,321**		1,709
Office and general		**31,921**		637
Operating costs		**115,031**		57,846
Product development		**57,844**		-
Professional fees		**165,922**		62,791
Subcontractor fees		**462,875**		226,475
Wages and salary		**651,394**		800,352
Net income (loss) and comprehensive loss for the period	**$**	**(1,442,936)**	$	(800,884)
Deficit, beginning of year		**(2,549,798)**		(1,748,914)
Deficit, end of year	**$**	**(3,992,734)**	$	(2,549,798)
Income (loss) per share				
Basic and diluted	**$**	**(0.16)**	$	(0.09)
Weighted average number of common shares outstanding, basic and diluted		**9,195,630**		9,128,817

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

Cybeats Technologies Inc.
CONDENSED ANNUAL STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Audited - Expressed in Canadian dollars)

	Capital Stock		Deficit	Total Equity
	Number of shares	Amount		
Balance - December 31, 2019 (note 10)	18,752,872	3,092,807	(1,748,913)	1,343,894
Total comprehensive loss	-	-	(800,885)	(800,885)
Balance - December 31, 2020	**18,752,872**	**3,092,807**	**(2,549,798)**	**543,009**
Balance - December 31, 2020	18,752,872	3,092,807	(2,549,798)	543,009
Issue of share capital (note 6)	80,000	8,000	-	8,000
Total comprehensive loss	-	-	(1,442,936)	(1,442,936)
Balance - December 31, 2021	**18,832,872**	**3,100,807**	**(3,992,734)**	**(891,927)**

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

Cybeats Technologies Inc.
CONDENSED ANNUAL STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Audited - Expressed in Canadian dollars)

		2021		2020
Cash flows from (used in) operating activities				
Net loss for the period	**$**	**(1,442,936)**	$	(800,884)
Items not affecting cash from operations:				
Amortization		**4,461**		9,019
Changes in non-cash working capital items:				
Amounts receivable		**168,780**		(252,171)
Prepaid expenses		**(2,273)**		-
Accounts payable and accrued liabilities		**(111,122)**		2,658
Net cash used in operating activities		**(1,383,090)**		(1,041,378)
Cash flows from (used in) investing activities				
Purchase of tangible assets		**(421)**		(15,650)
Net cash from (used in) investing activities		**(421)**		(15,650)
Cash flows from (used in) financing activities				
Repayment of Government loan		**(40,000)**		-
Advances from Scryb Inc. (note 8)		**1,017,592**		-
Capital contributed through share issuance (note 6)		**8,000**		699,360
Net cash from financing activities		**985,592**		699,360
Increase in cash for the year		**(397,919)**		(357,668)
Cash - beginning of period		**409,992**		767,660
Cash - end of period	**$**	**12,073**	$	409,992

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

1) Nature of Operations

Cybeats Technologies Inc. (“the Company”) was incorporated in Ontario on September 20, 2016 as 2537478 Ontario Ltd. Cybeats mission is to offer software product developers unparalleled cybersecurity from design phase throughout the commercial life cycle following a secure-by-design approach for software. Cybeats accomplishes this by its two products: (a) Cybeats SBOM (Software Bill of Materials) Studio and (b) Cybeats IoT RASP (Runtime Application Security Protection (RASP)) Solution. These two solutions offer a proactive approach to cybersecurity by improving software security through SBOM analysis of vulnerabilities and monitoring active software and IOT devices through continuous real-time assessment. The principal business address of the Company is 65 International Blvd, Suite 202, Etobicoke, Ontario M9W 6L9.

The Company’s ability to continue as a going concern is dependent upon the need to both manage expenditures and to raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows and has working capital deficit of $897,872 as at December 31, 2021 (December 31, 2020 working capital surplus - $573,024). The Company will continue to search for new or alternate sources of financing in order to continue development of its products. These material uncertainties cast significant doubt on the Company’s ability to continue as a going concern.

There can be no assurance that the Company will be able to continue to raise funds when required in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statement of financial position

2) Basis of Presentation

Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

Basis of Measurement

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

Functional and Presentation Currency

The 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 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) 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.

The Company did not incur other research and development costs in the period.

c) 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.

d) 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	Category	Measurement
Cash	FVTPL	Fair Value
Accounts Receivable	FVTPL	Fair Value
Accounts Payable and accrued liabilities	Other liabilities	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 and marketable securities 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 loan receivable is classified as financial assets measured at amortized cost.

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 at 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 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.

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 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 date (unobservable inputs).

Cash is measured at fair value using Level 1 inputs.

As at December 31, 2021, the fair value of the financial liabilities approximates the carrying value, due to the short-term nature of the instruments.

e) 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.

f) 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 declining balance basis at the following annual rates:

Office furniture and equipment	20%
Computer equipment	55%

g) 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.

h) 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 statements of financial position as a component of common shareholders' equity.

i) Cash

Cash consists of cash on hand, deposits in banks and funds held in short term deposits.

4) Significant Accounting Judgements and Estimates

The preparation of these financial statements in conformity with IFRS requires that management make estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the interim 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:

Useful life of intangible assets - Management has exercised their judgment in determining the useful life of its patents, patent applications 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 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 financial statements requires management to make judgments regarding the going concern of the Company. Management has determined the Company is a going concern.

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.

5) Property, Plant and Equipment

Property, plant and equipment as at December 31, 2021 consists of the following:

	Cost	Accum. Amort.	December 31, 2021 Net Book Value	December 31, 2020 Net Book Value
Furniture and fixtures	5,686	(3,066)	2,620	3,275
Computers	23,601	(20,276)	3,325	6,710
	29,287	**(23,342)**	**5,945**	**9,985**

6) Capital Stock

Common Shares

Authorized

(i) An unlimited number of Common Shares

(ii) An unlimited number of Class Seed Preferred Shares, issuable in series, of which an unlimited number are designated as Class Seed-1 Preferred Shares, an unlimited number are designated as Class Seed-2 Preferred Shares and an unlimited number are designated as Class Seed-3 Preferred Shares

Issued and Outstanding

		December 31, 2021	December 31, 2020
Common shares	9,208,817	$ 9,303	$ 1,303
Class Seed-1 Preferred Shares	359,832	36	36
Class Seed-2 Preferred Shares	3,267,002	543,660	543,660
Class Seed-3 Preferred Shares	5,997,221	2,547,808	2,547,808
Total Preferred Shares	9,624,055	3,091,504	3,091,504
Total Issued and Outstanding	**18,832,872**	**$ 3,100,807**	**$ 3,092,807**

On March 2, 2021, the Company issued 80,000 common shares at a price of $0.10 per common share to the founders of the Company for total proceeds of $8,000.

7) 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. The fair value of the Company's accounts payable and accrued liabilities approximates 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 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 December 31, 2021 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.

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 December 31, 2021 the Company held cash in banks of $12,073 (December 31, 2020 - $409,992) to settle current liabilities of $1,049,709 (December 31, 2020 -$143,239).

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.

8) Change of Ownership of the Company

On March 18, 2021 Scryb Inc. (formerly Relay Medical Corp.) announced that is had completed the acquisition of Cybeats Technologies Inc. pursuant to a previously announced Share Exchange Agreement ("**SEA**") dated March 3, 2021. As part of this transaction, Scryb Inc. acquired the Company's technologies, intellectual property and trade secrets, and the Company has become a wholly owned subsidiary of the Scryb Inc. In accordance with the terms of the SEA, Scryb Inc. has acquired all of the issued and outstanding shares of the Company for an aggregate purchase price of $7,180,000.

Prior to the completion of the acquisition of the Company by Scryb Inc. a cash distribution representing all of the cash on hand at the time was made to existing shareholders of the Company in the amount of $113,566. This cash distribution was repaid to the Company by Scryb Inc.

The Company incurred legal fees in the amount of $134,406 associated with the transaction. These legal fees have been recorded under "Professional fees" in the Statement of Loss and Comprehensive Loss and Deficit for the period ended December 31, 2021.

Subsequent to the change in ownership of the Company, Scryb Inc. advanced funds to the Company for working capital purposes. These advances are non-interest bearing and are due on demand.

9) Coronavirus Disease (COVID-19)

In early March 2020, the World Health Organization declared the COVID-19 outbreak to be a global pandemic. The current and expected impacts on global commerce are anticipated to be far-reaching. To date there has been significant stock market volatility, significant volatility in commodity and foreign exchange markets, restrictions on the conduct of business in many jurisdictions and the global movement of people and some goods have become restricted. There is significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts that it may have on demand and prices for the services the Company provides, on its suppliers, on its employees and on the markets in which the Company operates.

The Company qualified for the Federal Government's Canadian Emergency Business Account loan program ("CEBA"), receiving an interest free loan of $60,000. Under the terms of the CEBA loan program, 33.3% ($20,000) of the loan is forgivable if the remaining$40,000 is repaid on or before December 31, 2023. If the loaned funds are not repaid by December 31, 2023, the loan will be converted into a three-year installment loan bearing interest at 5% per annum, with the first payment due on or before January 31, 2024. The $20,000 forgivable portion of the CEBA loan was recorded in "Government subsidies" on the December 31, 2020 statement of loss and comprehensive loss and deficit. On January 19, 2021 the Company repaid the remaining $40,000 balance of the CEBA loan.

As of December 31, 2021, the Company has received $nil (December 31, 2020 - $9,625) under the Federal Government's Canadian Emergency Wage Subsidy Program ("CEWS"). Amounts pertaining to the CEWS program have been recorded in "Government subsidies" on the statement of loss and comprehensive loss and deficit.

In the current environment, assumptions about the Company's future revenue generating activities are subject to greater variability than normal, which could in the future significantly affect the valuation of the Company's assets and results from operations.

10) Comparative Figures

During the year the Company recorded an adjustment to their year ended December 31, 2018 financial statements that decreased capital stock and decreased the deficit by $193,644 to record share issuance costs incurred in 2018.

SCHEDULE "D"
CYBEATS'S MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021 AND 2020

See Attached.

CYBEATS TECHNOLOGIES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in Canadian Dollars)

Dated March 31, 2022

Management's Discussion and Analysis of Operations
For the year ended December 31, 2021

This Management's Discussion and Analysis ("MD&A) is prepared as of March 31, 2022 and has been prepared in accordance with International Financial Reporting Standards ("IFRS). All amounts are in Canadian dollars.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's directors follow recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

Caution Regarding Forward Looking Statements

This document contains forward-looking statements, such as statements regarding future sales opportunities in various global regions and financing initiatives that are based on current expectations of management. These statements involve uncertainties and risks, including the Company's ability to obtain and/or access additional financing with acceptable terms, and delays in anticipated product sales. Such forward-looking statements should be given careful consideration and undue reliance should not be placed on these statements.

The preparation of the MD&A may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Management bases estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. Management believes the accounting policies, outlined in the Significant Accounting Policies section of its consolidated financial statements, affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

Introduction

The following MD&A for the year ended December 31, 2021, has been prepared to help investors understand the financial performance of Cybeats Technologies Inc. ("the Company" or "Cybeats"), in the broader context of the Company's strategic direction, the risk and opportunities as understood by management, and the key metrics that are relevant to the Company's performance. The Audit Committee of the Board of Directors has reviewed this document and all other publicly reported financial information for integrity, usefulness, reliability and consistency.

All amounts are expressed in Canadian dollars (CAD) unless otherwise noted.

Additional information about Cybeats Technologies Inc., this document, and the related quarterly financial statements can be viewed on the Company's website at www.cybeats.com and are available on SEDAR at www.sedar.com.

The Company's Preferred and Common Shares are wholly owned by Scryb Inc. which is a publicly listed company on the CSE ("CSE"), the Frankfurt exchange and the OTCQB under the symbols SCYB, EIY and SCRF respectively.

Corporate Overview

Cybeats Corp delivers intelligent security applications for software supply chains and Internet of Things ("IoT") connected devices, detecting and eliminating cybersecurity threats starting from the design phase, through to product operation. Cybeats Corp empowers enterprises to efficiently oversee the vulnerabilities and threats to their software products and IoT devices. By doing so, Cybeats Corp plays a pivotal role in an organization's ability to proactively mitigate cybersecurity risks, as well as provide tools to monitor regulatory compliance, software licensing infringement and improve the software security development operations of the organization.

Cybeats Corp offers two product suites: (i) the software bill of materials studio ("SBOM Studio") and (b) the IoT runtime application security protection ("RASP") Solution. These two solutions offer a proactive approach to cybersecurity by improving software security through software bill of materials ("SBOM") analysis of vulnerabilities and monitoring active software and IoT devices through continuous real-time assessment. The products offer organizations and their software development teams unparalleled cybersecurity tools from the design phase throughout the commercial life cycle following a secure-by-design approach to software.

The SBOM Studio is a software management platform which assures enterprises their products are built with and remain secured, compliant and proactive to cybersecurity threats.

The IoT Security RASP Solution is an embedded security solution installed on-devices by IoT device manufacturers.

Background

Cybersecurity, also referred to as computer security or information technology security, is a field which derives from information technology that involves the protection of computer systems, including the prevention of unauthorized use, changes or access to electronic information.

Cybersecurity has become increasingly salient due to the global reliance on computer systems, the internet and wireless network standards such as Bluetooth and Wi-Fi, and due to the growth of 'smart' devices, smartphones, televisions, medical devices, surveillance cameras, connected vehicles and the various other devices that constitute the IoT. The number of IoT devices worldwide is expected to grow 300% from 2020-2025, to a total of 75 billion connected devices by 2025[1]. Each IoT device is connected to a network and is a vulnerable target for potential cyberattacks attempting to access the network or information stored on the device itself.

In 2016, Cybeats commenced operations and the building of an integrated cybersecurity platform designed to secure and protect IoT devices. The vision included a unique approach to eliminate device downtime due to cyber-attacks, while also allowing device manufacturers to develop and maintain secure and protected devices in a timely and cost-efficient manner.

Many traditional security solutions involve products that simply 'secure the perimeter', or provide defense solutions to the networks that devices are connected to. The problem arises when a network perimeter is breached, an infiltration and its reach can be unknown or lost within the network, whereby attackers can access or jump to other IoT devices or systems within the network. Modern solutions have therefore needed to offer on-device solutions which provide transparency and protection 'within the network', and more importantly, within each IoT device.

Cybeats Corp's customers install a micro-agent, which is a small piece of code, onto each device, typically in the manufacturing stages of the device. The micro-agent allows for continuous monitoring of the status updates of the IoT device, acting as a "heartbeat" or human nervous system, which communicates the status or 'posture' of each device to the security teams and device operators. Cybeats Corp's proprietary micro-agent include several competitive advantages, for example, having a very low resource (digital) footprint on each device in an effort to limit any impact on the normal operation of the device.

After roughly 5 years of building its IoT security platform, growing its operations and arriving at a growth stage that required additional capital to expand, Cybeats, and its micro-agent product, was acquired by Scryb in early 2021.

Results of Operations

Overview

Since acquisition, Scryb has added value from its platform to the Cybeats solution and scaled-up to address the growing market interest. Significant to this transaction, there has been increased global attention to SBOM and the need to track and monitor the supply chain of software, as mandated by the Whitehouse Executive Order (May 12, 2021). To capture this growing interest the Company has quickly expanded the development team to accelerate the commercialization of Cybeats and increased business development resources to support sales activities. Scryb has also used its assets in AI to support additional Cybeats product development, to help implement smart and predictive cybersecurity. In addition to expanding commercial capabilities, the Company has also engaged Bluetext, a leading digital marketing agency based out of Washington D.C., to increase the marketing capabilities of Cybeats. With an innovative product, key strategic advisors (noted below) and engagement with a leading marketing firm, Cybeats is well positioned to capture a growing market of IoT cybersecurity and software supply chain cybersecurity. To help accelerate growth, Scryb in the first quarter of the fiscal year 2022 signed a non-binding Letter of Intent to list Cybeats Technologies Inc. via an RTO transaction. This will allow Cybeats to access the public markets for the capital it will need to grow its business.

[1] https://www.statista.com/statistics/471264/iot-number-of-connected-devices-worldwide/

Cybeats has added five new strategic advisors; Inventor of the first commercial Firewall and Digital Software Bill of Materials, Chris Blask, two-time Presidential Appointee and cybersecurity thought leader, Chuck Brooks, former WhiteHat security corporate strategist, Setu Kulkarni, former Chief Security Architect of AT&T, Duncan Sparrell, and former U.S. Air Force and Space Force Chief Software Officer (CSO), Nicholas Chaillan. The Company has engaged in a scale-up of the platform solution to address the growing market interest. The Company has quickly expanded the development team to accelerate the commercialization of Cybeats and increased business development resources to support sales activities. Cybeats launched both products commercially in late 2021.

Commercial Engagements by Opportunity Segment

The Resulting Issuer will deploy the following framework for the commercial engagement pipeline and related opportunities:

(i) Trial Deployments at no cost:

Currently Cybeats has multiple trial deployments in a variety of industries that include:

- Multinational manufacturing firm
- Tech Company in software and services
- Global Technology Leader in 'Smart Buildings' and building security equipment
- Institutional fintech company
- Multinational infrastructure firm in energy management and industrial automation
- International safety certification and compliance company

(ii) Paid Software Evaluation Periods:

Cybeats is currently in various stages of discussion with potential customers in multiple industries to have a paid software evaluation period.

(iii) Commercial Licenses to Enterprise Product Suites:

The Resulting Issuer recently announced an enterprise license of its SBOM Studio product.

(iv) Large Commercial Engagements:

Marketing activities are designed to identify prospects with buying intent based on the response to certain calls-to-action in direct marketing programs. Qualified sales leads with purchase intent are routed to the business development team for one-on-one follow-up and opportunity identification.

(v) Partnership Programs:

Cybeats recently announced that it would be partnering with a large American cybersecurity company as part of its technology partnership alliance program.

(vi) Resellers:

The Resulting Issuer is pursuing partnerships and resellers that are trained and equipped to market and sell its products and services, or that have typically been focused on serving a single country where the Resulting Issuer does not have a direct sales force. In some instances, resellers will collaborate with the direct sales team on larger scale strategic opportunities in a joint selling model. In all instances that resellers are used to actively market and sell our products and services, the Resulting Issuer remains responsible for the delivery of our products to the customer and oversee establishing pricing. We recognize products and services sold through resellers will be sold at wholesale prices and will be recognized in revenue in a similar manner to those sold by the Company's direct sales channel.

Cybeats is currently in stage of commercially expanding and scaling up both product suites, and more information on each product suite is outlined below:

Cybeats SBOM Studio Overview

Software Supply Chain Security Overview and Customer Need

Today, software is rarely developed from the ground-up and is instead composed of third-party elements such as pre-built libraries and open-source components in order to shorten the development cycle. Use of open-source components has increased significantly in recent years with estimates that software typically contains up to 90% of open-source components. The greater reliance on external components, the greater risk of exposing companies and their customers to greater risk as these may have critical vulnerabilities that could be exploited/hacked. To combat this threat, the industry has moved towards improving the security posture of software by improving transparency through the software supply chain. This greater need for software transparency has pushed the government to enact regulations such as the Whitehouse Executive Order (May 12, 2021). The order's primary mandate is to enhance the integrity of software supply chains by requiring a Software Bill of Materials (SBOM) to all United States federal government suppliers.

An SBOM is a record of all the components that make up a software product. It is analogous to a nutritional facts/ingredients list found on everyday food products. It is noted that according to Gartner Inc., a global technological research and consulting firm, less than 5% of organizations currently enforce software supply chain security, which will rise to 40% by 2025. The adaptation of SBOMs will be a major part of this increase in software supply chain security and is expected to occur across a wide range of industries including automotive, critical infrastructure, financial software, medical software as a few examples. An organization that effectively monitors its SBOM's will produce more secure products and will be able to act quickly and effectively as vulnerabilities arise within their products once deployed. The current lack of security has been seen in the rise in software supply chain attacks that have created significant disruptions to both businesses and services. The high visibility of attacks has increased public pressure for producers of software to demonstrate that their products are secure.

The introduction of new regulations and the industry shift to enhanced security has created the need for organizations to effectively manage their SBOMs and then share them with downstream consumers of their products. Developing such systems to facilitate the execution of an SBOM management system can be time consuming in terms of money and time for any organization.

Software Supply Chain Security Market

Focuses on the development and consumption of software. Software developers rarely develop software from the ground-up and instead rely on third-party resources when developing software. This market will be led by the implementation and management of the core component of software supply chain security which is the SBOM. Key Drivers in the software supply chain security market include:

- Regulations mandating enhanced security for software such as Whitehouse Executive Order, which mandate the use of an SBOM for federal suppliers;
- Other regulations that bring more attention to the cybersecurity risks of critical assets;

- An increase in the number and the frequency of software supply chain hacks;
- Governments becoming increasingly involved in cybersecurity hacks, which has had the effect of increasing the complexity of the attacks;
- Increased connectivity and speed that comes with 5G increases cybersecurity risk; and
- Use of open-source code by software developers, which leads to greater software supply chain risk.

Cybercrimes pose immense risks to companies as they endanger corporate assets, intellectual property, customer relationships, brands and employees. Over the past decade there has been a significant increase in cybercrime, with global damages reaching $3.5 billion in 2019, approximately 3.3 times higher than the damages recorded in 2015, 7.2 times higher than the damages recorded in 2011 and 14.6 times higher than the damages recorded in 2007.

Cybeats SBOM Studio

The SBOM Studio was created to manage this rapidly growing need for software supply chain security. It is marketed to all software producers and consumers where supply chain transparency is essential to their business. SBOM Studio is offered as a SaaS, a self-hosted application and an on-premise application, depending on the requirements of the customer. The primary users include software developers, product security teams, and Chief Information Officers as well as their respective teams.

The SBOM Studio offers an effective and innovative solution to the software supply chain problem, which has four (4) main functionalities:

1. **SBOM Document Management and Repository** - Allows clients to store and manage the entities SBOMs while also providing an easy-to-use dashboard and search functionality.
2. **Vulnerability Risk Management** – Allows for effective vulnerability risk management, which uses a large data lake to identify and rank vulnerabilities that have been identified in the components of the software. Vulnerabilities are continuously updated so users can have up to date information on the security posture of their software during development and in the field.
3. **License Risk Management** – Monitors the software for licenses that are required for the software components included in the customer's software, which allows an entity to protect itself and reduce legal risk.
4. **SBOM Exchange** – allows customers to share and potentially redact SBOMs with suppliers or customers that require them. This is an essential piece in relation to the Whitehouse Executive Order and will continue to be a key part of providing software transparency along the software supply chain.

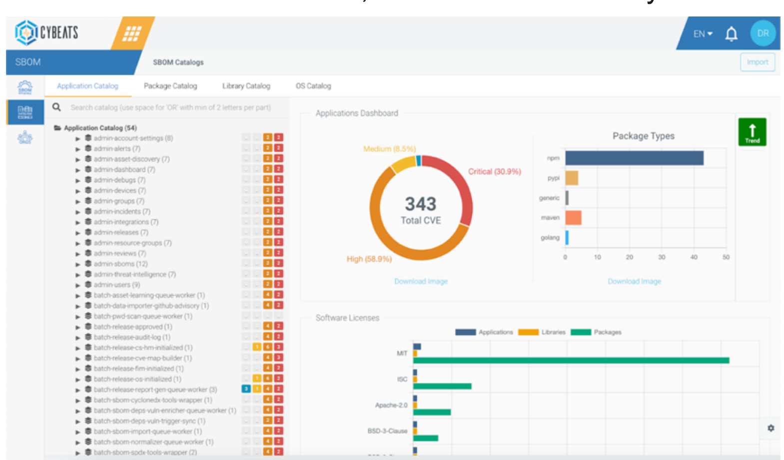

Figure 1 SBOM Studio Dashboard

The benefits of Cybeats SBOM Studio include:

- Data completeness of SBOMs as a result of an expanding data lake of vulnerabilities;
- Integration with the existing corporate infrastructure that streamlines and improves efficiency. SBOM Studio currently integrates with third-party solutions, such as “Jira”, which allows customers to utilize current solutions;
- Cost reduction because it allows for the reduction of time to look through code to find known vulnerabilities. For example, when Log4J was discovered, many large enterprises took thousands of hours to locate this vulnerability within their code, but Cybeats SBOM Studio could have found this vulnerability within minutes which adds to effective crisis management;
- A prioritization plan to reduce the vulnerability risk of the customers’ software by ranking the vulnerabilities and highlighting the changes that are easy to implement;
- A license risk management system that lists the licenses that the customer’s software uses that helps lower the legal risk; and
- SBOM sharing, which is needed for software transparency along the software supply chain.

Cybeats SBOM Studio is a solution that can be used by both software developers, such as Software-as-a-service companies and software consumers such as hospitals as both could require the functionality of the product. SBOM Studio can also be used across many industry verticals such as automotive & aerospace, medical devices, critical infrastructure, and IT & digital solutions. This large number of potential customers presents an enormous opportunity with a growing market need.

Cybeats SBOM Studio is currently in commercial stages with a few customers using a fully paid solution with many more in the proof-of-concept stage testing out the functionality of the product. The interest in the product continues to grow at a rapid pace due to customer needs and a changing regulatory environment. Cybeats SBOM Studio continues to expand its functionality to help maintain its competitive advantage. Cybeats will focus on expanding its product offering to address a broader market and continue expanding its integration with existing corporate solutions. Cybeats SBOM Studio is poised to capture an expanding market.

Competition

Companies that both develop and consume software look to both generate and manage SBOMs as a part of their cybersecurity solutions and to be compliant with the industry regulations and Executive Orders.

SBOM Generating Solutions

To be compliant with regulations companies will look for solutions to generate SBOMs from their software. There are currently open-source solutions along with paid solutions from third party vendors. These solutions focus on generating SBOMs but do not deal with how to manage or properly analyze SBOM. These companies do not directly compete against Cybeats SBOM Studio as Cybeats currently does not generate SBOMs but manages and analyzes them. Companies that offer generation solution are Whitesource, Finite State, Adolus and others. These solutions have no clear market leader as the market is still in its infancy, but these solutions can be used in tandem with Cybeats SBOM Studio.

SBOM Management Solutions

As companies generate SBOMs they will need a solution to properly manage and analyze them. These solutions will offer a repository for a place to store all company SBOMs. This repository will give the company a wholistic view of the company SBOMs and security. These solutions will be direct competitors with Cybeats SBOM Studio. Companies that manage and analyze SBOMs are Adolus, Ion Channel, Anchore and others. These solutions have no clear market leader as the market is still in its infancy.

Cybeats IoT RASP Solution Overview

IoT Market Overview and Customer Need

The world is becoming increasingly connected with the number of connected devices growing exponentially along with increased speed of communication with 5G connectivity. These connected devices have been targets for cybersecurity attacks as these devices are usually less secure than traditional digital assets of a company. The increased rate of attacks has been a problem for many industries, such as consumer electronics, medical devices and critical infrastructure to name a few. There has also been an increase in zero-day attacks, which exploit potentially serious software security weaknesses that the vendor or developer may be unaware of, that pose a high level of risk because they are not detected by conventional IoT solutions in the marketplace as these network-based solutions are unable to detect before it is too late. This explosive growth of IoT devices along with the increase in sophistication and frequency of cyberattacks has led to a large demand for new and innovative cybersecurity solutions for IoT devices.

The IoT RASP Solution was created to effectively manage these increased risks, attacks and to fill a void where existing solutions are deficient. The IoT solution uses a secure-by-design approach to IoT devices by offering an on-device micro-agent incorporated into the IOT device software, which differs from the conventional approach of monitoring the network communication of connected IOT devices.

IoT Cybersecurity Market

Focuses on devices connected to the internet. Connected IoT devices are growing in size and complexity as the International Data Corporation predicts that there will be over 55 billion connected devices by 2025 compared to 20 billion in 2020. Along with major growth in connected devices, there have been major changes in the regulatory environment. For example, the United States President, Joe Biden, outlined a cybersecurity policy making as a top priority and stated that it is essential that the federal government lead by example for all federal information systems to exceed the current standards and requirements set forth. Key drivers of this market include:

- The substantial increase in amount of connected IoT devices;
- Regulations mandating enhanced security for software & connected devices;
- Changing regulations that bring more attention to the cybersecurity risks of critical assets;
- Increase in amount and frequency of cybersecurity hacks;
- Governments being increasingly involved in cybersecurity hacks which increase the amount and complexity of the attacks; and
- Increased connectivity and speed that comes with 5G increases cybersecurity risk.

The IoT security market size was valued at roughly $8.4 billion in 2018 and is projected to reach nearly $74 billion by 2026, growing at a CAGR of 31.20% during that same period. The IoT security market trends include an increase in the number of ransomware attacks on various IoT devices.

Cybeats IoT RASP Solution

The Resulting Issuer's proprietary micro-agent (a small piece of code) is incorporated into a device to protect it from within during the development and production phase of the IOT device. The micro-agent is then activated when the IOT device is connected and allows for continuous monitoring of the status of the IOT device through a "heartbeat", which is used to communicate the security posture of the device. The proprietary micro-agent has a very low resource footprint so that it does not affect the normal operation of the device.

The IoT RASP solution (RASP) was created to provide the next generation of security for IOT devices by providing on-device protection. The IOT Solution is offered as a PaaS solution for IOT device designers, which includes a per device fee for continuous monitoring of deployed devices. The service is marketed to medium to large IoT device producers across a wide range of industries including consumer electronics, critical infrastructure, manufacturing equipment producers and medical device manufactures to name a few examples. It is primarily used by product security teams, development leads and Security Operations Center (SOC) teams.

The IoT Solution allows five main functionalities:

1. **Detecting Abnormalities** – The micro-agent learns the behaviour and normal operation of the device and detects any operation outside the norm of the device
2. **Quickly Terminates Malicious Processes** – Once a malicious process is detected using the Resulting Issuer's large data lake of malicious Ips, it terminates the attack and if need be, can quarantine the device to avoid attack spread. This allows for the device to have minimal downtime.
3. **Logs and Notifies Malicious Attempts -** The solution logs all attacks attempts and provides an audit log of the attack to notify the customer which allows the customer to accurately track attacks and resolutions.
4. **File Integrity Monitoring** - The micro-agent monitors the file integrity of the device which prevents zero-day, attacks which are missed by conventional network solutions.
5. **Integrates to Security Operations Center ("SOC")** - The solution integrates to a customer's existing SOC solution, which allows for efficient scaling throughout the customer's device fleet.

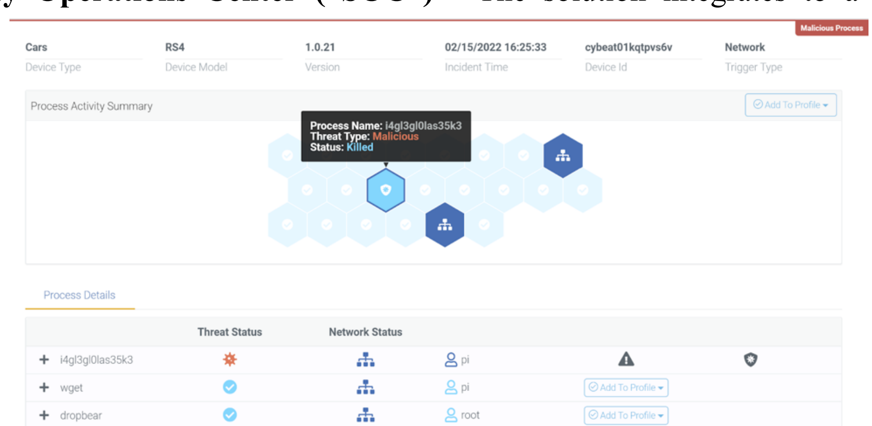

Figure 2 Attacks from Malicious IP neutralized

The benefits of the IoT RASP Solution include:

- Allows customers to reduce cost and risk of device penetration by having a single enterprise solution that scales across a customer's device fleet;
- Improves the brand equity and trust of a customer by providing visibility into device fleet management;
- Possible to generate additional revenue by offering enhanced security services to their users;
- Offers device context by being aware of the state of the device and can take appropriate action such as vehicle limping mode which is applicable to critical devices such as electric cars.
- Gathering forensic information about when and how an attack occurred and when it was neutralized to provide an audit trail of the attack

The Resulting Issuer's IoT Solution, RASP, is a solution that can be used by medium to large device manufacturers across multiple industry verticals, which includes medical devices, critical infrastructure and consumer electronics. The increasing number of vulnerable connected devices presents an enormous opportunity with a growing market need.

It is currently in commercial stages with a few customers in the stages of negotiation and proof of concept testing out the functionality of the product. The interest in the product continues to grow as a result of an increasing number of connected devices and a marked increase in 5G connectivity. The IoT RASP Solution continues to expand its functionality to help maintain its competitive advantage. The Resulting Issuer will focus on expanding its product offering to add additional machine learning capabilities for the micro-agent. IoT RASP Solution is poised to capture an expanding market.

Competition

Agentless Solutions

Traditionally IoT cybersecurity has been dominated by solutions that protect the network and not the individual device. These solutions prevent attacks by stopping the attack at the network level. Companies in this category would be indirect competitors as they are IoT cybersecurity solutions, but they do not directly compete against Cybeats IoT solution that is an agent-based solution. Companies that offer agentless solutions are more established brands such as Armis, SentinelOne and others. These solutions can be used in tandem with Cybeats IoT RASP solution.

Agent based Solutions

Agent based solutions is the next evolution in IoT cybersecurity. These solutions put an agent (small piece of software) on the individual device and protect the individual device from within. This agent then learns the normal behaviour of the device. This small piece of software is then used to detect anomalies on the device. These anomalies are they either determined to be malicious or not and if malicious they are eliminated. These solutions differ from network solutions as instead of detecting known attacks they detect anomalies of the device's normal operating system which make it easier to detect unknown attacks. There are very few agent based IoT solutions in the market with no clear market leaders as this market is still in its infancy. One of Cybeats main competitors in the agent-based solution is Firedome but not solution has been established as a clear market leader.

Funding

As a result of the Scryb Inc.'s acquisition of Cybeats in March 2021 Cybeats was reliant on Scryb Inc. for funding through cash infusions. Due to its soft commercial launch Q4 2022, Cybeats' sales have been relatively low of which were generated from small number of sales from IoT. Cybeats continues to grow at a rapid pace and will be continually reliant on Scryb Inc. until sufficient revenues are generated, or capital is raised in Cybeats itself. To help accelerate growth, Scryb in the first quarter of the fiscal year 2022 signed a non-binding Letter of Intent to list Cybeats Technologies Inc. via an RTO transaction. This will allow Cybeats to access the public markets for the capital it will need to grow its business.

Selected Annual Information

The following table sets forth selected financial information for Cybeats Technologies Inc. for the years ended December 31, 2021, and 2020. This information has been derived from the Company's financial statements for the years and should be read in conjunction with financial statement and the notes thereto.

	For the twelve months ended December 31, 2021	For the twelve months ended December 31, 2020
Income	217,615	371,081
Expenses	1,660,551	1,171,965
Loss for the year	1,442,936	800,884
Loss per share	0.16	0.09
Total assets	157,782	726,248
Total Liabilities	1,049,709	183,239
Working capital	(897,872)	573,024

The following table sets forth selected financial information for Cybeats Technologies Inc. for the years ended December 31, 2021, and 2020. This information has been derived from the Company's financial statements for the periods indicated and should be read in conjunction with audited financial statements and the notes thereto.

	Year Ended 31-Dec-21	Year Ended 31-Dec-20
Loss before non-operating income	$ (1,442,936)	$ (800,884)
Loss before income taxes	(1,442,936)	(800,884)
Loss per common share, basic and diluted	0.16	0.09
Net and comprehensive loss	(1,442,936)	(800,884)
Net Loss per Common Share, Basic and Diluted	0.16	0.09
Weighted average number of shares outstanding	9,195,630	9,128,817
Financial Position		
Total assets	157,782	726,248
Net working capital	(897,872)	573,024

For the year ended December 31, 2021 and 2020

The schedule below presents the year ended statement of earnings to highlight the non-recurring items. The earnings (loss) for the year ended December 31, 2021, was ($1,442,936).

	Twelve-months ended 2021	2020	Variance
Revenue			
Sales	$ 52,313	$ 2,292	$ 50,021
Government Subsidies (note 9)	105,315	303,719	(198,404)
Innovation Assistance Program wage subsidy	59,535	58,709	826
Interest and other	452	6,361	(5,909)
Total Revenues	**217,615**	**371,081**	**(153,466)**
Expenses			
Advertising and promotion	158,750	3,529	155,221
Amortization	4,461	9,019	(4,558)
Insurance	1,744	6,912	(5,168)
Interest and bank charges	2,288	2,695	(407)
Meals and entertainment	8,321	1,709	6,612
Office and general	31,921	637	31,284
Operating costs	115,031	57,846	57,185
Product development	57,844	-	57,844
Professional fees	165,922	62,791	103,131
Subcontractor fees	462,875	226,475	236,400
Wages and salary	651,394	800,352	(148,958)
Total Expenses	**1,660,551**	**1,171,965**	**488,586**
Net income (loss) and comprehensive loss for the period	**$ (1,442,936)**	**$ (800,884)**	**$ (642,052)**

- Sales revenue increased during the year as Cybeats expanded its commercial activities and launch both products commercially in late 2021.
- Government subsidies decreased partly due to a lack of CEWS available in the current fiscal year, coupled with research and development refunds (SR&ED credits) not available in the current year due to these rebates only available to private companies.
- Cybeats continues to receive the IAP wage subsidy.
- Interest and other decreased due to cash infusions given in smaller increments throughout the current year.
- Advertising and promotion increased as these related to raise awareness of the commercial activities for Cybeats throughout the year in conjunction with the launch of Cybeats two product offerings.
- Amortization expense decreased due to the utilization of many of Scryb Inc.'s assets during the current fiscal year.
- Insurance expense decreased due to the utilization of Scryb Inc.'s insurance which helped decrease the premiums.
- Interest and bank charges saw an increase in the current year, primarily due to higher bank service charges and losses on foreign exchange transactions.
- Office and general expenses increased significantly as the company experienced growth due to the hiring of additional employees.

- Operating costs increased as a result of the need to purchase computer hardware, software, and an increase in hosting costs.
- Product development costs increased due to the development of the SBOM Studio product offering in the current year.
- Professional fees increased due to higher legal fees associated with the acquisition earlier in the current year and development of commercial legal agreements.
- Subcontractor fees increased due to the expansion in the development of the software which required consulting work from various contractors.
- Wage and salary decreased due to the use of Scryb Inc.'s employees for various business functions of Cybeats.

Liquidity

The majority of financing of current operations is achieved by cash infusions from Scryb Inc. the parent company of Cybeats. The Company will be continually reliant on Scryb Inc. to fund the company until Cybeats will complete the planned restricted trade offering (RTO) and financing transaction.

Key Balance Sheet Information

	Period Ended Dec 31, 2021
Cash	12,073
Other current assets	139,764
Current liabilities	1,049,709
Working Capital	**(897,872)**

The Company is capitalized with approximately $12.1k in cash and a working capital amount of ($0.9m). The current liabilities are primarily composed of dues to Scryb Inc., the parent company of Cybeats. This balance will be used for operations of Cybeats Technologies Inc. The Company has a negative working capital balance and will be continually reliant on the cash infusions from Scryb Inc.

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.

The Company has a large amount owing to Scryb Inc. which is the parent company of Cybeats Technologies Inc. Scryb Inc. funds Cybeats through payment of their expenses or cash infusion.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements, other than previously disclosed, that has, or is reasonably likely to have, an impact on the current or future results of operations or the financial condition of our company.

Critical Accounting Policies 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 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:

<u>Useful life of intangible assets</u>
Management has exercised their judgment in determining the useful life of its patents, patent applications and software license. The estimate is based on the expected period of benefit of the patent and the expected life of the product in the marketplace.

(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:

<u>Evaluation of going concern</u>
The preparation of the financial statements requires management to make judgments regarding the going concern of the Company.

<u>Impairment of intangible assets</u>
Management has exercised their judgment in determining if the intangible assets are impaired. The judgment is based on management's ability to assess for indicators of impairment.

<u>Income taxes</u>
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.

<u>Control</u>
The Company uses judgement when assessing if the Company controls an investee, which includes the assessment of whether it holds power over the relevant activities, is exposed to variable returns and has the ability to use that power to affect those variable returns.

<u>Research vs. Development Stage</u>
The Company uses judgement when assessing if the Company has achieved development stage activities with its internally generated intangible assets.

Accounting standards and amendments issued but not yet adopted

Amendment to IFRS 3 – Business Combinations

On October 22, 2018, the IASB issued Definition of a Business (Amendments to IFRS 3: Business Combinations). The amendments to IFRS 3 are applicable for acquisitions occurring on or after January 1, 2020 and are adopted prospectively. These amendments to the implementation guidance of IFRS 3 clarify the definition of a business to assist entities to determine whether a transaction should be accounted for as a business combination or an asset acquisition. The amendments to IFRS 3 – Business Combinations may affect whether future acquisitions are accounted for as business combinations or asset acquisitions, along with the resulting allocation of the purchase price between the net identifiable assets acquired and goodwill. The Company does not expect any impact to the financial statements as a result of its adoption of the amendments to IFRS 3.

Risks and Uncertainties

Cybersecurity Risks

Security incidents could result in unauthorized access to, the loss of, or unauthorized disclosure of such information. Although the Resulting Issuer has security systems in place and what the Resulting Issuer deem sufficient security around the Resulting Issuer's systems to prevent unauthorized access, the Resulting Issuer must ensure that we continually enhance security and fraud protection within our websites and merchant platform, and if the Resulting Issuer is unable to do so the Resulting Issuer may become subject to liability for privacy breaches or consequences that result from any unanticipated incident. As a result of advances in computer capabilities, new discoveries in the field of cryptography or other developments, a compromise or breach of our security precautions may occur. The techniques used to obtain unauthorized, improper or illegal access to our systems, our data or the Resulting Issuer's customers' data and to sabotage our system are constantly evolving and may be difficult to detect quickly.

An information breach in the Resulting Issuer's systems and loss of confidential information such as credit card numbers and related information, or interruption in the operation of the Resulting Issuer's apps, could have a longer and more significant impact on our business operations than a software failure. A compromise in the Resulting Issuer's security system could severely harm the Resulting Issuer's business by the loss of the Resulting Issuer's customers' confidence in the Resulting Issuer and thus the loss of their business. The Resulting Issuer may be required to spend significant funds and other resources to protect against the threat of security breaches or to alleviate problems caused by these breaches. However, protection may not be available at a reasonable price, or at all. Any failure to adequately comply with necessary protective measures could result in fees, penalties and/or litigation. Concerns regarding the security of e-commerce and the privacy of users may also inhibit the growth of the Internet as a means of conducting commercial Amalgamations. This may result in a reduction in revenues and increase the Resulting Issuer's operating expenses, which would prevent the Resulting Issuer from achieving profitability. Security incidents could result in unauthorized access to, the loss of, or unauthorized disclosure of such information.

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Market and Economy Risks

Global Financial Conditions

Current global financial conditions have been subject to increased volatility and access to financial markets has been severely restricted. These factors may impact the ability of the Resulting Issuer to obtain equity or debt financing in the future and, if obtained, on terms favourable to the Resulting Issuer. If these increased levels of volatility and market turmoil continue, the Resulting Issuer's operations could be adversely impacted and the value and the price of the Resulting Issuer Shares could continue to be adversely affected.

Uncertainty and adverse changes in the economy

Adverse changes in the economy could negatively impact the Resulting Issuer's business. Future economic distress may result in a decrease in demand for the Resulting Issuer's products, which could have a material adverse impact on the Resulting Issuer's operating results and financial condition. Uncertainty and adverse changes in the economy could also increase costs associated with developing and publishing products, increase the cost and decrease the availability of sources of financing, and increase the Resulting Issuer's exposure to material losses from bad debts, any of which could have a material adverse impact on the financial condition and operating results of the Resulting Issuer.

Currency Fluctuations

Due to the Resulting Issuer's present operations in Canada, and its intention to continue future operations outside Canada, the Resulting Issuer is expected to be exposed to significant currency fluctuations. Recent events in the global financial markets have been coupled with increased volatility in the currency markets. All or substantially all of the Resulting Issuer's revenue will be earned in Canadian dollars, but a portion of its operating expenses may be incurred in foreign currencies. The Resulting Issuer does not have currency hedging arrangements in place and there is no expectation that the Resulting Issuer will put any currency hedging arrangements in place in the future. Fluctuations in the exchange rate between the Canadian dollar and foreign currencies may have a material adverse effect on the Resulting Issuer's business, financial position or results of operations.

COVID-19

The international outbreak of the illness COVID-19 (coronavirus) and efforts to contain it may have a significant effect on the global economy and financial markets in the future, including the demand for and prices of products. COVID-19 may also impact third parties' ability to meet their obligations to the Resulting Issuer and the Resulting Issuer's ability to meet its obligations to third parties or its customers. The full extent and impact of the COVID-19 pandemic is unknown and to date has included extreme volatility in financial markets, a slowdown in economic activity, and has raised the prospect of an extended global recession. As efforts are undertaken to slow the spread of the COVID-19 pandemic, the operation and development of business operations, including the Resulting Issuer's may be impacted.

There can be no assurance that legislative or regulatory changes will not occur, which may negatively impact the business of the Resulting Issuer. Any requirement that the Resulting Issuer cease operations, including in connection with efforts to slow the spread of the COVID-19 pandemic would have a material adverse effect on the business, operating results and financial performance of the Resulting Issuer.

COVID-19, or any other contagious disease or public health threat to the human population, could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could affect demand for the Resulting Issuer's products and negatively impact its operating results and financial performance. Global pandemics and other public health threats (like COVID-19), or a fear thereof, could adversely impact the Resulting Issuer's production operations, sales efforts, expansion projects, lead to labour shortages, and severely impact supply chain logistics including travel and shipping disruptions and shutdowns (including as a result of government regulation and prevention measures) affecting delivery of materials needed for Pima to operate and delivery of the Resulting Issuer's products to consumers. It is unknown whether and how the Resulting Issuer may be affected if such an occurrence persists for an extended period of time, but the Resulting Issuer anticipates that it would have a material adverse effect on its business, operating results and financial performance. In addition, the Resulting Issuer may also be required to incur additional expenses and/or delays relating to such events which could have a further negative impact on its business, operating results and financial performance.

General Regulatory and Legal Risks

Government Regulations

If the Resulting Issuer commences operations as currently proposed it will be subject to various regulations in the jurisdiction in which it chooses to operate. Additionally, Government approval, permits and certifications are currently required, and may in the future, be required for the Resulting Issuer's operations. If such approval is not obtained, the Resulting Issuer's business may be curtailed or prohibited until such approval is granted. Furthermore, failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions and may require the Resulting Issuer to compensate those suffering from loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Legislative or Regulatory Reform

The Resulting Issuer's operations will be subject to a variety of laws, regulations, guidelines, and policies relating to the manufacturing, import, export, management, storage, packaging, advertising, sale, transportation and disposal of cannabis, cannabis ancillary products, electronics, data, and nutraceuticals. Due to matters beyond the control of the Resulting Issuer, these laws, regulations, guidelines, and policies may cause adverse effects to its operations. Furthermore, there is the possibility that reforms, alterations, or introduction of new policies may suspend the legality of certain products which could have a material adverse effect on the Resulting Issuer's business, operating results and financial condition.

Regulatory Risks

The activities of the Resulting Issuer will be subject to regulation by governmental authorities. Achievement of the Resulting Issuer's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Resulting Issuer cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

The Resulting Issuer will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on the Resulting Issuer's operations. In addition, changes in regulations, changes in the enforcement thereof or other unanticipated events could require extensive changes to the Resulting Issuer's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

Litigation

The Resulting Issuer may be forced to litigate, enforce, or defend its intellectual property rights, protect its trade secrets, or determine the validity and scope of other parties' proprietary rights. Such litigation would be a drain on the financial and management resources of the Resulting Issuer which may affect the operations and business of the Resulting Issuer. Furthermore, because the content of most of the Resulting Issuer's intellectual property concerns cannabis and other activities that are not legal in some state jurisdictions, the Resulting Issuer may face additional difficulties in defending its intellectual property rights. The Resulting Issuer may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Resulting Issuer becomes involved be determined against the Resulting Issuer such a decision could adversely affect the Resulting Issuer's ability to continue operating and the market price for Company Shares and could use significant resources. Even if the Resulting Issuer is involved in litigation and wins, litigation can redirect significant company resources.

Conflicts of Interest

Because directors and officers of the Resulting Issuer are or may become directors or officers of other reporting companies or have significant shareholdings in other companies, the directors and officers of the Resulting Issuer may have a conflict of interest in conducting their duties. The Resulting Issuer and its directors and officers will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the directors of the Resulting Issuer, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases the Resulting Issuer will establish a special committee of independent directors to review a matter in which several directors, or officers, may have a conflict. In determining whether or not the Resulting Issuer will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Resulting Issuer, the degree of risk to which the Resulting Issuer may be exposed and its financial position at that time. Other than as indicated, the Resulting Issuer has no other procedures or mechanisms to deal with conflicts of interest.

Executive officers and directors may have rights to indemnification including directors' and officers' liability insurance that will survive consummation of their agreements.

Environmental Risks

Unknown Environmental Risks

There can be no assurance that the Resulting Issuer will not encounter hazardous conditions at the real estate used to operate its businesses, such as asbestos or lead, in excess of expectations, that may delay the development of its businesses. Upon encountering a hazardous condition, work at the facilities of the Resulting Issuer may be suspended. If the Resulting Issuer receives notice of a hazardous condition, it may be required to correct the condition prior to continuing construction. The presence of other hazardous conditions will likely delay construction and may require significant expenditure of the Resulting Issuer's resources to correct the condition. Such conditions could have a material impact on the business, operations and prospects of the Resulting Issuer.

Security Risks

Theft

The business premises of the Resulting Issuer's operating locations may be targeted to break-ins, robberies and other breaches in security. If there was a breach in security and the Resulting Issuer fell victim to a robbery or theft the loss of products and equipment could have a material adverse impact on the business, financial condition and results of operations of the Resulting Issuer. A security breach at one of the Resulting Issuer's facilities could expose the Resulting Issuer to additional liability and to potentially costly litigation, increase expenses relating to the resolution and future prevention of these breaches and may deter potential customers from choosing the Resulting Issuer's products.

Electronic Communication Security Risks

A significant potential vulnerability of electronic communications is the security of transmission of confidential information over public networks. Anyone who is able to circumvent the Resulting Issuer's security measures could misappropriate proprietary information or cause interruptions in its operations. The Resulting Issuer may be required to expend capital and other resources to protect against such security breaches or to alleviate problems caused by such breaches.

General Business Risks

Operational Risks

The Resulting Issuer will be affected by a number of operational risks and the Resulting Issuer may not be adequately insured for certain risks, including: labour disputes; catastrophic accidents; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; natural phenomena, such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Resulting Issuer's technologies, personal injury or death, environmental damage, adverse impacts on the Resulting Issuer's operation, costs, monetary losses, potential legal liability and adverse governmental action, any of which could have an adverse impact on the Resulting Issuer's future cash flows, earnings and financial condition.

Insurance and Uninsured Risks

The Resulting Issuer's business is subject to several risks and hazards including adverse environmental conditions, accidents, labour disputes and changes in the regulatory environment. To protect against certain risks the Resulting Issuer will continue to maintain insurance at a level to mitigate these risks including product liability insurance. However, in some cases the Resulting Issuer may not be able to cover these risks at economically feasible premiums resulting in potential liabilities, particularly for environmental pollution coverage. Losses from these events may cause the Resulting Issuer to incur significant costs that could have a material adverse effect upon its business.

Limited operating history

The Resulting Issuer has a limited operating history on which to base an evaluation of its respective business, financial performance and prospects. As such, the Resulting Issuer's business and prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stage of development. As the Resulting Issuer is in an early stage, its revenues may be materially affected by the decisions, including timing decisions, of a relatively consolidated customer base. In addition, it is also difficult to evaluate the viability of the Resulting Issuer's technology because the Resulting Issuer has had limited experience to address the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly companies in new and rapidly evolving markets. There can be no assurance that the Resulting Issuer will be successful in addressing these risks, and the failure to do so in any one area could have a material adverse effect on the Resulting Issuer's business prospects, financial condition and results of operations.

History of Losses

The Resulting Issuer on a consolidated basis has incurred losses to date as it is in the early stages of growth. The Resulting Issuer may not be able to achieve profitability soon and will continue to incur losses. Furthermore, the Resulting Issuer expects to continue to increase operating expenses as it implements initiatives to establish and grow the business.

The Resulting Issuer operates in new and evolving markets

The Resulting Issuer's services are sold in new and rapidly evolving markets. The IoT cybersecurity industry is in the early stages of its life cycle. Accordingly, the Resulting Issuer's business and future prospects may be difficult to evaluate. The Resulting Issuer cannot accurately predict the extent to which demand for its services or products or the IoT cybersecurity market in general will increase, or if at all. The challenges, risks and uncertainties frequently encountered by companies in rapidly evolving markets could impact the Resulting Issuer's ability to do the following:

- Generate sufficient revenue to maintain profitability;
- Acquire and maintain market share;
- Achieve or manage growth in operations;
- Develop and renew contracts;
- Attract and retain highly-qualified personnel; and
- Adapt to new or changing policies and spending priorities of governments and government agencies; and
- access additional capital when required and on reasonable terms.

If the Resulting Issuer fails to address these and other challenges, risks and uncertainties successfully, its business, results of operations and financial condition would be materially harmed.

Substantial Capital Requirements

Management of the Resulting Issuer anticipates that they may make substantial capital expenditures for the acquisition, exploration, development and production of its business in the future. They may have limited ability to raise the capital necessary to undertake or complete future development work. There can be no assurance that debt or equity financing will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Resulting Issuer. Moreover, future activities may require the Resulting Issuer to alter its capitalization significantly. The inability of the Resulting Issuer to access sufficient capital for its operations could have a material adverse effect on its financial condition, results of operations or prospects. In particular, failure to obtain such financing on a timely basis could cause the Resulting Issuer to forfeit its interest in certain business opportunities, miss certain acquisition opportunities and reduce or terminate operations.

Management of Growth

The Resulting Issuer may experience a period of significant growth in the number of personnel that will place a strain upon its management systems and resources. Its future will depend in part on the ability of its officers and other key employees to implement and improve financial and management controls, reporting systems and procedures on a timely basis and to expand, train, motivate and manage the workforce. The Resulting Issuer's current and planned personnel, systems, procedures and controls may be inadequate to support its future operations.

Growth and Consolidation in the Industry

Acquisitions or other consolidating Amalgamations could have adverse effects on the Resulting Issuer. The Resulting Issuer could lose strategic relationships if its partners are acquired by or enter into agreements with a competitor, causing the Resulting Issuer to lose access to distribution, content and other resources. The relationships between the Resulting Issuer and its strategic partners may deteriorate and cause an adverse effect on the business. The Resulting Issuer could lose customers if competitors or user of competing technology consolidate with the Resulting Issuer's current or potential customers. Furthermore, the Resulting Issuer's current competitors could become larger players in the market or new competitors could form from consolidations. Any of the foregoing events could put the Resulting Issuer at a competitive disadvantage, which could cause the Resulting Issuer to lose customers revenue, and market share. Consolidation in the industry could also force the Resulting Issuer to divert greater resources to meet new or additional competitive threats, which could harm the Resulting Issuer's operating results.

Risks Associated with Acquisitions

As part of the Resulting Issuer's overall business strategy, after the completion of the Amalgamation, the Resulting Issuer's may pursue select strategic acquisitions that would provide additional product or service offerings, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose it to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Resulting Issuer's existing business; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions; or (f) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Costs of being a Reporting Issuer

As a reporting issuer, the Resulting Issuer is subject to the reporting requirements and rules and regulations under applicable Canadian securities laws and rules of the CSE. Additional or new regulatory requirements may be adopted in the future, requiring compliance by the Resulting Issuer. The requirements of existing and potential future rules and regulations will increase the Resulting Issuer's legal, accounting and financial compliance costs, make some activities more difficult, time consuming or costly and may also place undue strain on its personnel, systems and resources, which could adversely affect its business and financial condition.

Once listed, the Resulting Issuer will be subject to reporting and other obligations under applicable Canadian securities laws including National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, which requires annual management assessment of the effectiveness of the Resulting Issuer's internal controls over financial reporting. Effective internal controls, including financial reporting and disclosure controls and procedures, are necessary for the Resulting Issuer to provide reliable financial reports, to effectively reduce the risk of fraud and to operate successfully as a public company. These reporting and other obligations place significant demands on the Resulting Issuer as well as on the Resulting Issuer's management, administrative, operational, and accounting resources. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Resulting Issuer's results of operations, or cause it to fail to meet its reporting obligations. If the Resulting Issuer or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Resulting Issuer's financial statements and materially adversely affect the trading price of the Resulting Issuer's Shares.

Difficulty to Forecast

The Resulting Issuer will in most cases rely on internal market research and forecast of sales combined with third-party forecasts of the IoT cybersecurity. However, given the early stage of the Resulting Issuer and the IoT cybersecurity industry, forecasts are subject to significant uncertainty. A failure in the demand for the Resulting Issuer's products because of competition, regulatory, and technological change may have a material adverse effect on the business.

Competition

The Resulting Issuer faces competition and new competitors will continue to emerge throughout the world. Future products offered by the Resulting Issuer's competitors may take a larger market share than anticipated, which could cause revenue generated from the Resulting Issuer's products and services to fall below expectations. It is expected that competition in these markets will intensify. If competitors of the Resulting Issuer develop and market more successful products or services, offer competitive products or services at lower price points, or if the Resulting Issuer does not produce consistently high-quality and well-received products and services, revenues, margins, and profitability of the Resulting Issuer will decline.

The Resulting Issuer's ability to compete effectively will depend on, among other things, the Resulting Issuer's pricing of services and equipment, quality of customer service, development of new and enhanced products and services in response to customer demands and changing technology, reach and quality of sales and distribution channels and capital resources. Competition could lead to a reduction in the rate at which the Resulting Issuer adds new customers, a decrease in the size of the Resulting Issuer's market share and a decline in its customers. Examples include but are not limited to competition from other companies in the same industry as the Resulting Issuer.

Intellectual Property

The Resulting Issuer relies primarily on trademarks, copyrights and trade secrets, as well as license agreements and other contractual provisions, to protect the Resulting Issuer's intellectual property and other proprietary rights. Existing legal standards relating to the validity, enforceability and scope of protection of intellectual property rights offer only limited protection, may not provide the Resulting Issuer with any competitive advantages, and may be challenged by third parties. Accordingly, despite its efforts, the Resulting Issuer may be unable to prevent third parties from infringing upon or misappropriating its intellectual property or otherwise gaining access to the Resulting Issuer's technology. Unauthorized third parties may try to copy or reverse engineer the Resulting Issuer's products or portions of its products or otherwise obtain and use the Resulting Issuer's intellectual property. Moreover, many of the Resulting Issuer's employees have access to the Resulting Issuer's trade secrets and other intellectual property. If one or more of these employees leave to work for one of the Resulting Issuer's competitors, then they may disseminate this proprietary information, which may as a result damage the Resulting Issuer's competitive position. If the Resulting Issuer fails to protect its intellectual property and other proprietary rights, then the Resulting Issuer's business, results of operations or financial condition could be materially harmed. From time to time, the Resulting Issuer may have to initiate lawsuits to protect its intellectual property and other proprietary rights. Pursuing these claims is time consuming and expensive and could adversely impact the Resulting Issuer's results of operations.

In addition, affirmatively defending the Resulting Issuer's intellectual property rights and investigating whether the Resulting Issuer's is pursuing a product or service development that may violate the rights of others may entail significant expense. Any of the Resulting Issuer's intellectual property rights may be challenged by others or invalidated through administrative processes or litigation. If the Resulting Issuer resorts to legal proceedings to enforce its intellectual property rights or to determine the validity and scope of the intellectual property or other proprietary rights of others, then the proceedings could result in significant expense to the Resulting Issuer and divert the attention and efforts of the Resulting Issuer's management and technical employees, even if the Resulting Issuer prevails.

The Resulting Issuer's Trade Secrets May Be Difficult to Protect

The Resulting Issuer's success depends upon the skills, knowledge, and experience of its scientific and technical personnel, its consultants and advisors, as well as its licensors and contractors. Because the Resulting Issuer operates in a highly competitive industry, the Resulting Issuer relies in part on trade secrets to protect its proprietary technology and processes. However, trade secrets are difficult to protect. The Resulting Issuer may enter into confidentiality or nondisclosure agreements with its corporate partners, employees, consultants, outside scientific collaborators, developers, and other advisors, which would require that the receiving party keep confidential and not disclose to third parties' confidential information developed by the receiving party or made known to the receiving party during the course of the receiving party's relationship with the Resulting Issuer. These agreements would also generally provide that inventions conceived by the receiving party in the course of rendering services to the Resulting Issuer will be the Resulting Issuer's exclusive property, and the Resulting Issuer enters into assignment agreements to perfect its rights. These confidentiality, inventions, and assignment agreements may be breached and may not effectively assign intellectual property rights to the Resulting Issuer. The Resulting Issuer's trade secrets also could be independently discovered by competitors, in which case the Resulting Issuer would not be able to prevent the use of such trade secrets by its competitors. The enforcement of a claim alleging that a party illegally obtained and was using its trade secrets could be difficult, expensive, and time consuming and the outcome would be unpredictable. In addition, courts outside the United States and Canada may be less willing to protect trade secrets. The failure to obtain or maintain meaningful trade secret protection could adversely affect the Resulting Issuer's competitive position.

Reliance on Management and Key Personnel

Due to the technical nature of the Resulting Issuer's business, the loss of important staff members represents a risk. The Resulting Issuer aims to maintain a good standing with all high level and critical employees, contractors and consultants. The success of the Resulting Issuer will depend on the ability, judgement, discretion and expertise of its personnel. Any loss of services by key individuals could have a material adverse effect on the Resulting Issuer's business. There can be no assurance that any of the Resulting Issuer's consultants will remain with the Resulting Issuer or that, in the future, they will not organize competitive businesses or accept opportunities with companies competitive with the Resulting Issuer.

Fraudulent or Illegal Activity by Employees, Contractors and Consultants

The Resulting Issuer is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Resulting Issuer that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and state healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It may not always be possible for the Resulting Issuer to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Resulting Issuer to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Resulting Issuer from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Resulting Issuer, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Resulting Issuer's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Resulting Issuer's operations, any of which could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

Product Viability

If the products the Resulting Issuer sells are not perceived to have the effects intended by the end user, its business may suffer. Many of the Resulting Issuer's products contain innovative technologies. There is little long-term data with respect to overall security coverage of the product. As a result, the Resulting Issuer's products could not have the security coverage or intended effect that the customer wanted. This may have a material adverse impact on the sales of the Resulting Issuer.

Product Liability

The Resulting Issuer will be distributing products that will be a security asset for their clients, and thus will face a risk associated with product liability claims, regulatory action and litigation if the products are alleged to cause injury or loss. Product liability claims may include, among others, inadequate warnings for potential security breaches. Maintaining product liability insurance on acceptable terms may not be economically feasible to provide adequate coverage for all potential risks. Regulatory or liability action against the Resulting Issuer could have a material adverse effect on the business.

Constraints on Marketing Products

The development of the Resulting Issuer's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies. If the Resulting Issuer is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Resulting Issuer's sales and results of operations could be adversely affected.

Availability of Key Suppliers

The Resulting Issuer reliant upon certain key suppliers and partners for products, components or services and no assurances can be given that we will not experience delays or other difficulties in obtaining the same, as a result of trade disputes or other matters. Although the Resulting Issuer believes there are alternative suppliers for most key requirements, if current suppliers and partners are unable to provide the necessary products, components or services or otherwise fail to timely deliver products, components or services in the quantities or manners required, any resulting delays in the manufacture or distribution of existing products, or the provision of services, could have a material adverse effect on our results of operations and financial condition. Further, unusual supply disruptions, such as disruptions caused by natural disasters or pandemics, could cause suppliers and partners to invoke "force majeure" clauses in their agreements, causing shortages of material or the loss of certain services. In certain circumstances, success in offsetting higher material costs with price increases is largely influenced by competitive and economic conditions and could vary significantly. If unable to fully offset the effects of material availability and costs, financial results could be adversely affected. The Resulting Issuer consumes individual raw materials, the costs of which in certain instances reflect market prices impacted by other market forces. These prices are subject to worldwide supply and demand as well as other factors beyond our control. Although the Resulting Issuer may sometimes able to pass such price increases to our customers, significant variations in the cost of raw materials can affect our operating results from period to period.

The Resulting Issuer also relies on certain software that it licenses from third parties. There can be no assurance that these third-party licenses will continue to be available to the Resulting Issuer on commercially reasonable terms. The loss of, or inability to maintain, any of these licenses could result in delays or reductions in product and service deployment until equivalent software can be developed, identified, licensed and integrated, which could substantially and adversely affect the Resulting Issuer 's business, results of operations and financial condition.

Effectiveness and Efficiency of Advertising and Promotional Expenditures

The Resulting Issuer’s future growth and profitability will depend on the effectiveness and efficiency of advertising and promotional expenditures, including its ability to (i) create greater awareness of its products; (ii) determine the appropriate creative message and media mix for future advertising expenditures; and (iii) effectively manage advertising and promotional costs in order to maintain acceptable operating margins. There can be no assurance that advertising and promotional expenditures will result in revenues in the future or will generate awareness of the Resulting Issuer’s technologies or services. In addition, no assurance can be given that the Resulting Issuer will be able to manage its advertising and promotional expenditures on a cost-effective basis.

Website Accessibility

Internet websites are visible by people everywhere, not just in jurisdictions where the activities described therein are considered legal. As a result, to the extent the Resulting Issuer sells services or products via web-based links targeting only jurisdictions in which such sales or services are compliant with state law, the Resulting Issuer may face legal action in other jurisdictions which are not the intended object of any of the Resulting Issuer’s marketing efforts for engaging in any web-based activity that results in sales into such jurisdictions deemed illegal under applicable laws.

Third-party Intellectual Property Infringement

The software industry is characterized by the existence of a large number of patents and frequent claims and related litigation regarding patents and other intellectual property rights. Third parties have in the past asserted, and may in the future assert, that our platform, solutions, technology, methods or practices infringe, misappropriate or otherwise violate their intellectual property or other proprietary rights. Such claims may be made by our competitors seeking to obtain a competitive advantage or by other parties. Additionally, in recent years, non-practicing entities have begun purchasing intellectual property assets for the purpose of making claims of infringement and attempting to extract settlements from companies like the Resulting Issuer. The risk of claims may increase as the number of solutions that the Resulting Issuer offers and competitors in the market increases and overlaps occur. In addition, to the extent that the Resulting Issuer gains greater visibility and market exposure, the Resulting Issuer faces a higher risk of being the subject of intellectual property infringement claims. The Company currently holds no patents on its IoT product as it has trade secrets which is the industry norm to not disclose critical details to hackers. Cybeats has no patents on SBOM, but plans to file in the near term.

Third-Party Dependence

The Company relies heavily on third parties to provide some of its services. If these third parties were unable or unwilling to provide these goods and services in the future due to COVID-19 or other events that cause an anomalous in supply or demand of such services, the Company would need to obtain such services from other providers if they are available. This could cause the Company to incur additional costs or cause material interruptions to its business until these services are replaced if possible.

Data Centre Disruption

Data centers are vulnerable to damage or interruption from human error, intentional bad acts, earthquakes, hurricanes, floods, fires, war, terrorist attacks, power losses, hardware failures, systems failures, telecommunications failures and similar events. Any of these events could result in lengthy interruptions in the Resulting Issuer's services. Changes in law or regulations applicable to data centers in various jurisdictions could also cause a disruption in service. Interruptions in the Resulting Issuer's services would reduce revenue, subjecting the Resulting Issuer to potential liability and adversely affecting the Resulting Issuer's ability to retain its customers or attract new customers. The performance, reliability and availability of the Resulting Issuer's platform is critical to its reputation and its ability to attract and retain merchants. Customers could share information about bad experiences on social media, which could result in damage to the Resulting Issuer's reputation and loss of future sales. The property and business interruption insurance coverage the Resulting Issuer carries may not be adequate to compensate it fully for losses that may occur.

Software Errors or Bugs

Software such as Resulting Issuer's often contains errors, defects, security vulnerabilities or software bugs that are difficult to detect and correct, particularly when first introduced or when new versions or enhancements are released. Despite internal testing, the Resulting Issuer's platform may contain serious errors or defects, security vulnerabilities or software bugs that it may be unable to successfully correct in a timely manner or at all, which could result in lost revenue, significant expenditures of capital, a delay or loss in market acceptance and damage to its reputation and brand, any of which could have an adverse effect on its business, financial condition and results of operations. Furthermore, the Resulting Issuer's platform is a multi-tenant cloud-based system that allows the Resulting Issuer's to deploy new versions and enhancements to all of its customers simultaneously. To the extent the Resulting Issuer deploys new versions or enhancements that contain errors, defects, security vulnerabilities or software bugs to all of its customers simultaneously, the consequences would be more severe than if such versions or enhancements were only deployed to a smaller number of its merchants.

Security Breaches

Software such as the Resulting Issuer's often contains errors, defects, security vulnerabilities or software bugs that are difficult to detect and correct, particularly when first introduced or when new versions or enhancements are released. Despite internal testing, the Resulting Issuer's platform may contain serious errors or defects, security vulnerabilities or software bugs that it may be unable to successfully correct in a timely manner or at all, which could result in lost revenue, significant expenditures of capital, a delay or loss in market acceptance and damage to its reputation and brand, any of which could have an adverse effect on its business, financial condition and results of operations. Furthermore, the Resulting Issuer's platform is a multi-tenant cloud-based system that allows the Resulting Issuer to deploy new versions and enhancements to all of its customers simultaneously. To the extent the Resulting Issuer deploys new versions or enhancements that contain errors, defects, security vulnerabilities or software bugs to all of its customers simultaneously, the consequences would be more severe than if such versions or enhancements were only deployed to a smaller number of our merchants.

International Business Risk

The Resulting Issuer's business is susceptible to risks associated with international sales and the use of its platform in various countries. The Resulting Issuer's international sales and the use of its platform in various countries subject the Resulting Issuer to risks that it does not generally face with respect to domestic sales within North America. These risks include, but are not limited to:

- Lack of familiarity and burdens and complexity involved with complying with multiple, conflicting and changing foreign laws, standards, regulatory requirements, tariffs, export controls and other barriers;
- Greater difficulty in enforcing contracts, including the Resulting Issuer's universal terms of service and other agreements;
- Difficulties in ensuring compliance with countries' multiple, conflicting and changing international trade, customs and sanctions laws;
- Data privacy laws which may require that merchant and customer data be stored and processed in a designated territory;
- Difficulties in managing systems integrators and technology partners;
- Differing technology standards;
- Potentially adverse tax consequences, including the complexities of foreign value added tax (or other tax) systems and restrictions on the repatriation of earnings;
- Uncertain political and economic climates;
- Currency exchange rates;
- Reduced or uncertain protection for intellectual property rights in some countries; and
- New and different sources of competition.

These factors may cause the Resulting Issuer's international costs of doing business to exceed its comparable domestic costs and may also require significant management attention and financial resources. Any negative impact from the Resulting Issuer's international business efforts could adversely affect its business, results of operations and financial condition.

Defects or Disruptions in Technology Platforms

Defects or disruptions in the technology platforms and network infrastructure the Resulting Issuer relies on could materially harm the Resulting Issuer's business and operating results. The Resulting Issuer's operations are dependent upon its ability to protect its computer equipment and stored information against damage that may be caused by fire, power loss, telecommunications failures, unauthorized intrusion, computer viruses and disabling devices, and other similar events. Although the Resulting Issuer has redundant and back-up systems for some of Resulting Issuer's solutions and services, these systems may be insufficient or may fail and result in a disruption of availability of the Company's solutions or services. Cloud Nine also relies on third-party Internet providers and developers, and such third parties and their technology platforms, services and operations may also be vulnerable to similar defects and disruptions, which could in turn affect the Company's operations. Any disruption to the Company's services could impair Cloud Nine's reputation and cause it to lose partners, customers or revenue, or face litigation, necessitate service or repair work that would involve substantial costs and distract management from operating the business. The Company may not be indemnified by third parties for any disruptions to our services that are outside of our direct control.

Privacy Laws

The Resulting Issuer is subject to federal, state, provincial and foreign laws regarding privacy and protection of data. Some jurisdictions have enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data. Any failure by the Resulting Issuer to comply with privacy related laws and regulations could result in proceedings against the Resulting Issuer by governmental authorities or others, which could harm the Resulting Issuer's business. In addition, the interpretation of data protection laws, and their application is unclear and in a state of flux. There is a risk that these laws may be interpreted and applied in conflicting ways from province to province, state to state, country to country or region to region, and in a manner that is not consistent with the Company's current data protection practices. Complying with these varying requirements could cause Cloud Nine to incur additional costs and change the Company's business practices. Further, any failure by the Company to adequately protect partner or consumer data could result in a loss of confidence in Cloud Nine's platform which could adversely affect its business.

Current and Future Competitors

The Resulting Issuer faces competition in various aspects of its business and it expects such competition to grow in the future. The Resulting Issuer has competitors with longer operating histories, larger customer bases, greater brand recognition, greater experience and more extensive commercial relationships in certain jurisdictions, and greater financial, technical, marketing and other resources than it does. As a result, its potential competitors may be able to develop products and services better received by merchants or may be able to respond more quickly and effectively than the Resulting Issuer can to new or changing opportunities, technologies, regulations or customer requirements. In addition, some of the Resulting Issuer's larger competitors may be able to leverage a larger installed customer base and distribution network to adopt more aggressive pricing policies and offer more attractive sales terms, which could cause the Resulting Issuer to lose potential sales or to sell its solutions at lower prices.

Competition may intensify as the Resulting Issuer's competitors enter into business combinations or alliances or raise additional capital, or as established companies in other market segments or geographic markets expand into its market segments or geographic markets. For instance, certain competitors could use strong or dominant positions in one or more markets to gain a competitive advantage against the Resulting Issuer in areas where it operates. Further, current and future competitors could choose to offer a different pricing model or to undercut prices in an effort to increase their market share. If the Resulting Issuer cannot compete successfully against current and future competitors, its business, results of operations and financial condition could be negatively impacted.

Changes in Effective Tax Rates

With sales in various countries, the Resulting Issuer is subject to taxation in several jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The amount of taxes the Resulting Issuer pays in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents, which could have an adverse impact on our liquidity and results of operations.

In addition, the authorities in Canada and other jurisdictions could review the Resulting Issuer's tax returns and impose additional tax, interest and penalties, which could have an impact on the Resulting Issuer and its results of operations. The Resulting Issuer has previously participated in government programs with both the Canadian federal government and the Government of Ontario that provide investment tax credits based upon qualifying research and development expenditures. If Canadian taxation authorities successfully challenge such expenses or the correctness of such income tax credits claimed, the Resulting Issuer's historical operating results could be adversely affected. As a public company, the Resulting Issuer will no longer be eligible for refundable tax credits under the Canadian federal Scientific Research and Experimental Development Program, or SR&ED credits.

The Resulting Issuer's future effective tax rates could be subject to volatility or adversely affected by a number of factors, including:

- Changes in the valuation of our deferred tax assets and liabilities;
- Expected timing and amount of the release of any tax valuation allowances;
- Tax effects of stock-based compensation;
- Costs related to intercompany restructurings;
- Changes in tax laws, regulations or interpretations thereof; or
- Future earnings being lower than anticipated in countries where the Resulting Issuer has lower statutory tax rates and higher than anticipated earnings in countries where it has higher statutory tax rates.

If two or more affiliated companies are located in different countries, the tax laws or regulations of each country generally will require that transfer prices be the same as those between unrelated companies dealing at arms' length. While the Resulting Issuer believes that it operates in compliance with applicable transfer pricing laws and intend to continue to do so, its transfer pricing procedures are not binding on applicable tax authorities. If tax authorities in any of these countries were to successfully challenge the Resulting Issuer's transfer prices as not reflecting arm's length Amalgamations, they could require the Resulting Issuer to adjust our transfer prices and thereby reallocate its income to reflect these revised transfer prices, which could result in a higher tax liability to the Resulting Issuer.

Risks Related to the Resulting Issuer’s Securities

Market for Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted market for the Resulting Issuer Shares will be subject to market trends generally, notwithstanding any potential success of the Resulting Issuer in creating revenues, cash flows or earnings. The value of the Resulting Issuer Shares will be affected by such volatility. An active public market for the Resulting Issuer Shares might not develop or be sustained after the completion of the Preliminary Prospectus. If an active public market for the Resulting Issuer Shares does not develop, the liquidity of a shareholder’s investment may be limited and the share price may decline.

Price may not Represent Performance or Intrinsic Fair Value

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the Resulting Issuer, including the market in which it is traded, the strength of the economy generally, the availability of the attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Subordinate Voting Shares on the CSE in the future cannot be predicted.

Securities or Industry Analysts

The trading market for the Resulting Issuer Shares could be influenced by research and reports that industry and/or securities analysts may publish about the Resulting Issuer, its business, the market or its competitors. The Resulting Issuer does not have any control over these analysts and cannot assure that such analysts will cover the Company or provide favourable coverage. If any of the analysts who may cover the Resulting Issuer’s business change their recommendation regarding the Resulting Issuer’s stock adversely, or provide more favourable relative recommendations about its competitors, the stock price would likely decline. If any analysts who may cover the Resulting Issuer’s business were to cease coverage or fail to regularly publish reports on the Resulting Issuer, it could lose visibility in the financial markets, which in turn could cause the stock price or trading volume to decline.

Resale of Shares

There can be no assurance that the publicly-traded market price of the Resulting Issuer Shares will be high enough to create a positive return for the existing investors. Further, there can be no assurance that the Resulting Issuer Shares will be sufficiently liquid so as to permit investors to sell their position in the Resulting Issuer without adversely affecting the stock price. In such an event, the probability of resale of the Resulting Issuer Shares would be diminished.

As well, the continued operation of the Resulting Issuer may be dependent upon its ability to procure additional financing in the short term and to generate operating revenues in the longer term. There can be no assurance that any such financing can be obtained or that revenues can be generated. If the Resulting Issuer is unable to obtain such additional financing or generate such revenues, investors may be unable to sell their Resulting Issuer Shares and any investment in the Resulting Issuer may be lost.

Price Volatility

The Resulting Issuer Shares do not currently trade on any exchange or stock market. Securities of technology companies have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. Other factors unrelated to the Company's performance that may affect the price of the Resulting Issuer Shares include the following: the extent of analytical coverage available to investors concerning the Resulting Issuer's business may be limited if investment banks with research capabilities do not follow the Resulting Issuer; lessening in trading volume and general market interest in the Resulting Issuer Shares may affect an investor's ability to trade significant numbers of shares; the size of the Resulting Issuer's public float may limit the ability of some institutions to invest in the Subordinate Voting Shares; and a substantial decline in the price of the Resulting Issuer Shares that persists for a significant period of time could cause the Resulting Issuer Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Resulting Issuer Shares at any given point in time may not accurately reflect the Resulting Issuer's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Resulting Issuer may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources. The fact that no market currently exists for the Resulting Issuer Shares may affect the pricing of the Resulting Issuer Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Resulting Issuer Shares. The market price of the Resulting Issuer Shares is affected by many other variables which are not directly related to Resulting Issuer's success and are, therefore, not within the Resulting Issuer's control. These include other developments that affect the market for all technology sector securities, the breadth of the public market for Resulting Issuer's Shares and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Resulting Issuer Shares is expected to make the price of the Resulting Issuer Shares volatile in the future, which may result in losses to investors.

Dilution

The Resulting Issuer will require additional funds for its planned activities. If the Resulting Issuer raises additional funding by issuing equity securities, which is highly likely, such financing could substantially dilute the interests of the Resulting Issuer's shareholders. Sales of substantial amounts of shares, or the availability of securities for sale, could adversely affect the prevailing market prices for the Resulting Issuer's shares. A decline in the market prices of the Resulting Issuer's shares could impair the ability of the Resulting Issuer to raise additional capital through the sale of new common shares should the Resulting Issuer's desire to do so.

Dividends

To date, the Resulting Issuer has not paid any dividends on its outstanding shares. Any decision to pay dividends on the shares of the Resulting Issuer will be made by its Board on the basis of its earnings, financial requirements and other conditions. There is no assurance that the Resulting Issuer will pay dividends on its shares in the near future or ever. The Resulting Issuer will likely require all its funds to further the development of its business.

CSE Listing

In the future, the Company may fail to meet the continued listing requirements to be listed on the CSE. If the CSE delists the Resulting Issuer Shares from trading on its exchange, the Resulting Issuer could face significant material adverse consequences, including: a limited availability of market quotations; a limited amount of news and analysts' coverage for the Resulting Issuer; and a decreased ability to issue additional securities or obtain additional financing in the future.

International Conflict

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global energy and financial markets. Russia's recent invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on commodity prices and global economies more broadly. Volatility in commodity prices may adversely affect our business, financial condition and results of operations. Reductions in commodity prices may affect oil and natural gas activity levels and therefore adversely affect the demand for, or price of, our services.

The extent and duration of the current Russian-Ukrainian conflict and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks identified herein. The situation is rapidly changing and unforeseeable impacts, including on our shareholders and counterparties on which we rely and transact with, may materialize and may have an adverse effect on our business, results of operation and financial condition.

Disclosure Controls and Procedures & Internal Controls over Financial Reporting

In accordance with the Canadian Securities Administrators National Instrument 52-109 ("NI 52-109"), Certification of Disclosure in Issuers' Annual and Interim Filings, the Company has filed certificates signed by the Chief Executive Officer and the Chief Financial Officer that, among other things, report on the design and effectiveness of disclosure controls and procedures and the design and effectiveness of internal controls over financial reporting.

The Company continues to review and document its disclosure controls and procedures and internal controls over financial reporting and may, from time to time, make changes aimed at enhancing their effectiveness and to ensure that its systems evolve with the business. There were no changes in the Company's internal controls over financial reporting during the period ended December 31, 2021, that have materially affected, or are reasonably likely to materially affect, its disclosure controls and procedures and internal controls over financial reporting.

Share Data
As at December 31, 2021, there were 9,208,817 common shares issued and outstanding, 9,624,055 Class Seed Preference shares issued and outstanding.

As at March 31, 2022, there were 9,208,817 common shares issued and outstanding, 9,624,055 Class Seed Preference shares issued and outstanding.

"Yoav Raiter"
Chief Executive Officer
March 31, 2022

SCHEDULE "E"
PIMA UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUME 30, 2022

See Attached.

Pima Zinc Corp.

Condensed Interim Consolidated Financial Statements

For the three and six months ended June 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
August 22, 2022

PIMA ZINC CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in U.S. Dollars)

(Unaudited)

		June 30, 2022		December 31, 2021
ASSETS				
Current assets				
Cash	**$**	**10,378**	$	10,600
Total assets	**$**	**10,378**	$	10,600
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (note 3)	**$**	**217,030**	$	318,239
		217,030		318,239
Shareholders' equity				
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		**(5,931,419)**		(5,805,475)
Cumulative foreign translation gain		**91,877**		92,418
Total shareholders' equity		**(206,652)**		(307,639)
Total liabilities and shareholders' equity	**$**	**10,378**	$	10,600

Nature of operations and going concern (note 1)
Proposed transaction (note 11)
Subsequent event (note 12)

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			Six months ended		
		June 30, 2022		June 30, 2021		**June 30, 2022**		June 30, 2021
OPERATING EXPENSES:								
Consulting fees (note 8)	$	**10,000**	$	10,000	$	**20,000**	$	20,000
Professional fees		**56,732**		13,303		**79,474**		19,753
General and administrative expenses		**2,755**		11,653		**2,787**		13,655
Investor relations, transfer agent and filing fees		**19,898**		12,695		**23,683**		17,551
NET LOSS	$	**(89,385)**		(47,651)	$	**(125,944)**	$	(70,959)
OTHER COMPREHENSIVE LOSS								
Foreign exchange gain (loss)		**(359)**		169		**(541)**		294
NET COMPREHENSIVE LOSS	$	**(89,744)**		(47,482)	$	**(126,485)**	$	(70,665)
COMPREHENSIVE LOSS PER SHARE								
- BASIC AND DILUTED	$	**(0.01)**	$	(0.04)	$	**(0.02)**	$	(0.06)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING, BASIC AND DILUTED		**12,228,677**		1,267,139		**6,778,189**		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 Translation 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	-	-	-	-	294	(70,959)	(70,665)
Balance, June 30, 2021	1,267,139	$ 3,867,771	$ $ 1,205,647	$ 332,000	$ 97,008	$ (5,759,717)	$ (257,291)
Comprehensive loss for the period	-	-	-	-	(4,590)	(45,758)	(50,348)
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	-	-	-	-	(541)	(125,944)	(126,485)
Balance, June 30, 2022	**15,517,139**	**$ 4,079,980**	**$ $ 1,220,910**	**$ 332,000**	**$ 91,877**	**$ (5,931,419)**	**$ (206,652)**

*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.

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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)

	Six months ended	
	June 30, 2022	June 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ **(125,944)**	$ (70,959)
Changes in assets and liabilities:		
Accounts payable and accrued liabilities	**126,263**	70,612
Cash provided (used) by operating activities	**319**	(347)
Effect of foreign exchange translation	**(541)**	294
Increase (decrease) in cash	**(222)**	(53)
Cash, beginning of period	**10,600**	11,181
Cash, end of period	$ **10,378**	$ 11,128
Supplementary Information		
Shares and warrants issued for settlement of debt	$ **227,472**	$ **-**

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

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 June 30, 2022, the Company had working capital deficiency of $206,652 (December 31, 2021 – $307,639) and had not yet achieved profitable operations, had accumulated losses of $5,931,419 (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 six months ended June 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 August 22, 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, 2635212 Ontario Inc., (acquired May 26, 2022), 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.

(Expressed in US dollars)

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:

	June 30, 2022	December 31, 2021
Trade payables	**$ 170,653**	$ 203,040
Accrued liabilities	**46,377**	115,199
	$ 217,030	$ 318,239

4. CAPITAL STOCK

Share Capital

Pima is authorized to issue an unlimited number of common shares. The issued and outstanding common shares at June 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)
Balance at June 30, 2022	**15,517,139**	**4,079,980**

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.

(Expressed in US dollars)

4. CAPITAL STOCK (continued)

Warrants

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

	Number	Weighted-Average Exercise Price
Balance at December 31, 2020	**573,153**	**$1.65**
Expired	**(370,000)**	**$2.00**
Balance at December 31, 2021	**203,153**	**$1.00**
Issued	**7,125,000**	**0.50**
Balance at June 30, 2022	**7,328,153**	**$0.51**

Date of Grant	Warrants Granted	Exercise Price	Expiry Date
July 24, 2019	203,153	$1.00	July 24, 2022
April 21, 2022	7,125,000	$0.50	April 21, 2024
	7,328,153		

The fair value of the warrants issued during the period ended June 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 June 30, 2022 and 2021, there are no stock options outstanding.

6. RESERVE FOR SHARE-BASED PAYMENTS

	June 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

(Expressed in US dollars)

7. RESERVE FOR WARRANTS

	June 30, 2022	December 31, 2021
Balance at beginning of period/year	**$ 1,205,647**	$ 1,205,647
Issued – April 21, 2022	**15,263**	-
Balance at end of period/year	**$ 1,220,910**	$ 1,205,647

8. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

During the six months ended June 30, 2022, $10,000 (2021 – $10,000) was charged for services by the Chief Executive Officer.

During the six months ended June 30, 2022, $10,000 (2021 – $10,000) 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 June 30, 2022, $36,407 (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 June 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 June 30, 2022 totaled a deficiency $206,652 (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 June 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 June 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 June 30, 2022, the Company had current assets of $10,378 (December 31, 2021 - $10,600) and current liabilities of $217,030 (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 $206,652 (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") with Scryb, Inc., 2635212 Ontario Inc. ("Pima 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.

11. PROPOSED TRANSACTION (continued)

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." or such other similar name as the parties may agree (the "Name Change");
- Pima Subco shall complete a non-brokered private placement financing (the "Financing") by September 30, 2022 of up to: (i) a minimum of 14,000,000 units (each, a "PP Unit") in the capital of Pima Subco at a price of CDN$0.50 (the "Issue Price") per PP Unit for minimum gross proceeds of CDN$7,000,000, each PP Unit is comprised of one common share in the capital of Pima Subco (each, a " Pima Subco Share") and one Pima Subco Share purchase warrant (each, a "PP Warrant"); (ii) a minimum of 14,000,000 subscription receipts (the "Subscription Receipts") in the capital of Pima Subco at a price of CDN$0.50 per Subscription Receipt for minimum of gross proceeds of CDN$7,000,000, each Subscription Receipt entitles the holder thereof to receive, without payment of additional consideration, one PP Unit upon satisfaction of the escrow release condition; and (iii) any combination of (i) and (ii) which equals a minimum of CDN$7,000,000.;
- Pima Subco, a subsidiary of the Company formed solely for the purpose of facilitating the Proposed Transaction, will merge with and into Cybeats, pursuant to which, among other things, all outstanding Pima Subco Shares all securities convertible into Pima 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.

12. SUBSEQUENT EVENT

On July 19, 2022, 203,153 warrants expired, unexercised.

SCHEDULE "F"
CYBEATS UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2022

See Attached.

CYBEATS TECHNOLOGIES INC.
CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022 AND 2021
(Expressed in Canadian Dollars)

Dated August 29, 2022

INDEX

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

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Toronto, Ontario M9A 1B1
TEL : 416-626-0111

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Director(s) of Cybeats Technologies Inc.,

We have reviewed the statement of financial position of Cybeats Technologies Inc. as at June 30, 2022 and December 31, 2021 and the statements of loss and comprehensive loss and deficit and cash flows for the three and six months ended June 30, 2022 and June 30, 2021, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Practitioner's Responsibility
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Material Uncertainty Related to Going Concerns
We draw attention to Note 1 in the financial statements, which indicates that the Company is experiencing, and has experienced, negative operating cash flows. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Cybeats Technologies Inc. as at June 30, 2022 and December 31, 2021 and the statements of loss and comprehensive loss and deficit and cash flows for the three and six months then ended June 30, 2022 and June 30, 2021 in accordance with International Financial Reporting Standards.

The engagement partner on the review resulting in this independent practitioner's review engagement report is Jeffrey Jackson.

Jackson & Co., LLP

Jackson & Co, LLP
Chartered Professional Accountants
Licensed Public Accountant

Toronto, Ontario
August 18, 2022

CYBEATS

Cybeats Technologies Inc.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian dollars)

As at		June 30, 2022		December 31, 2021
Assets				
Current Assets				
Cash and cash equivalents	$	**46,119**	$	12,073
Accounts receivable		**139,380**		105,315
Prepaid expenses		**37,774**		34,449
HST Receivable		**132,515**		28,904
Due from related parties (note 8)		**41,410**		-
		397,198		180,741
Non-current Assets				
Property, plant and equipment (note 5)		**19,581**		5,945
Right-of-use asset (note 6)		**235,121**		-
Total Assets	$	**651,900**	$	186,686
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	$	**106,981**	$	61,021
Current portion of lease payable (note 6)		**98,268**		-
Due to Pima Zinc (note 8)		**1,625,000**		-
Due to Scryb Inc. (note 8)		**-**		1,017,592
		1,830,249		1,078,613
Long-Term Debt				
Due to Scryb Inc. (note 8)		**2,047,943**		-
Lease payable (note 6)		**142,100**		-
		2,190,043		-
Total Liabilities		**4,020,292**		1,078,613
Shareholders' equity				
Share capital (note 6)		**3,100,807**		3,100,807
Deficit		**(6,469,199)**		(3,992,734)
Total Shareholders' Equity		**(3,368,392)**		(891,927)
Total Liabilities and Shareholders' Equity	$	**651,900**	$	186,686

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

"Yoav Raiter"
CEO, Director

"Chris Hopkins"
CFO, Director

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

CYBEATS

Cybeats Technologies Inc.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022 AND 2021
(Unaudited - Expressed in Canadian dollars)

	Three months ended		Six months ended	
	Jun 30, 2022	Jun 30, 2021	**Jun 30, 2022**	Jun 30, 2021
Revenue				
Sales	**$ 16,419**	$ 57,855	**$ 22,676**	$ 58,387
Government subsidies	**-**	274,117	**-**	333,652
Interest and other	**2,086**	-	**-**	-
	18,505	331,972	**22,676**	392,039
Expenses				
Advertising and promotion	**$ 56,842**	$ 10,813	**$ 329,844**	$ 11,233
Computer expenses	**43,848**	5,579	**63,093**	7,004
Depreciation	**31,288**	-	**51,821**	-
Foreign currency loss	**5,608**	-	**12,193**	-
Insurance	**461**	-	**1,045**	1,160
Interest and bank charges	**5,017**	486	**5,981**	1,209
Meals and entertainment	**12,619**	460	**14,153**	460
Miscellaneous	**-**	26,354	**-**	144,921
Office and general	**3,701**	22,674	**12,782**	25,638
Professional fees	**49,766**	85,307	**69,782**	92,042
Rent	**-**	8,800	**6,600**	13,200
Repairs and maintenance	**7,397**	1,725	**11,525**	1,725
Sales Commissions	**6,065**	-	**6,065**	-
Subcontractor fees	**270,069**	63,203	**576,722**	86,078
System maintenance	**127,417**	-	**197,775**	-
Travel expense	**59,267**	-	**62,625**	-
Wages and salary	**699,702**	131,637	**1,077,135**	476,603
Net income (loss) and comprehensive loss for the period	**$ (1,360,562)**	$ (25,066)	**$ (2,476,465)**	$ (469,234)
Deficit, beginning of period	**(5,108,637)**	(3,187,965)	**(3,992,734)**	(2,743,797)
Deficit, end of period	**$ (6,469,199)**	**$ (3,213,031)**	**$ (6,469,199)**	$ (3,213,031)
Income (loss) per share				
Basic and diluted	**$ (0.15)**	$ (0.00)	**$ (0.27)**	$ (0.05)
Weighted average number of common shares outstanding, basic and diluted	**9,208,817**	9,154,884	**9,208,817**	9,154,884

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

CYBEATS

Cybeats Technologies Inc.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021
(Unaudited - Expressed in Canadian dollars)

	Capital Stock		Deficit	Total Equity
	Number of shares	Amount		
Balance - December 31, 2020	18,752,872	3,092,807	(2,549,798)	543,009
Issue of share capital (note 7)	80,000	8,000	-	8,000
Total comprehensive loss	-	-	(1,442,936)	(1,442,936)
Balance - December 31, 2021	18,832,872	3,100,807	(3,992,734)	(891,927)
Balance - December 31, 2021	18,832,872	3,100,807	(3,992,734)	(891,927)
Total comprehensive loss	-	-	(2,476,465)	(2,476,465)
Balance - June 30, 2022	**18,832,872**	**3,100,807**	**(6,469,199)**	**(3,368,392)**

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

CYBEATS

Cybeats Technologies Inc.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021
(Unaudited - Expressed in Canadian dollars)

	June 30, 2022	June 30, 2021
Cash flows from (used in) operating activities		
Net loss and comprehensive loss for the period	$ (2,476,465)	$ (469,234)
Items not affecting cash from operations:		
Depreciation	51,821	-
Changes in non-cash working capital items:		
Amounts receivable	(34,065)	(44,635)
Prepaid expenses	(3,325)	(25,592)
HST receivable	(103,611)	(9,053)
Right-of-use asset	(283,679)	-
Accounts payable and accrued liabilities	45,960	8,256
Lease payable	240,368	-
Net cash used in operating activities	(2,562,996)	(540,258)
Cash flows from (used in) investing activities		
Purchase of property, plant and equipment	(16,899)	-
Net cash from (used in) investing activities	(16,899)	-
Cash flows from (used in) financing activities		
Advances to Related Parties	(41,410)	-
Advances from Pima Zinc	1,625,000	-
Advances from Scryb Inc.	1,030,351	257,833
Net cash from financing activities	2,613,941	257,833
Increase in cash for the year	34,046	(282,425)
Cash - beginning of period	12,073	409,991
Cash - end of period	$ 46,119	$ 127,566

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

1) Nature of Operations

Cybeats Technologies Inc. ("Cybeats" or "the Company") was incorporated in Ontario on September 20, 2016 as 2537478 Ontario Ltd. Cybeats mission is to offer software product developers unparalleled cybersecurity from design phase throughout the commercial life cycle following a secure-by-design approach for software. Cybeats accomplishes this by its two products: (a) Cybeats SBOM (Software Bill of Materials) Studio and (b) Cybeats IoT RASP (Runtime Application Security Protection (RASP)) Solution. These two solutions offer a proactive approach to cybersecurity by improving software security through SBOM analysis of vulnerabilities and monitoring active software and IOT devices through continuous real-time assessment. The principal business address of the Company is 65 International Blvd, Suite 202, Etobicoke, Ontario M9W 6L9.

The Company's ability to continue as a going concern is dependent upon the need to both manage expenditures and to raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows and has working capital deficit of $1,433,051 as at June 30, 2022 (December 31, 2021 working capital deficit - $897,872). The Company will continue to search for new or alternate sources of financing in order to continue development of its products. These material uncertainties cast significant doubt on the Company's ability to continue as a going concern.

There can be no assurance that the Company will be able to continue to raise funds when required in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statement of financial position

2) Basis of Presentation

Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis of Measurement

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

Functional and Presentation Currency

The 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 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) 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.

The Company did not incur other research and development costs in the period.

c) 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.

d) 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	Category	Measurement
Cash	FVTPL	Fair Value
Accounts Receivable	FVTPL	Fair Value
Accounts Payable and accrued liabilities	Other liabilities	Amortized Cost
Lease Payable	Other liabilities	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 and marketable securities 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 loan receivable is classified as financial assets measured at amortized cost.

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 at 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 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.

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 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 date (unobservable inputs).

Cash is measured at fair value using Level 1 inputs.

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

e) 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.

f) 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 declining balance basis at the following annual rates:

Office furniture and equipment	20%
Computer equipment	55%

g) 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.

h) 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 statements of financial position as a component of common shareholders' equity.

i) Cash

Cash consists of cash on hand, deposits in banks and funds held in short term deposits.

j) 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 Judgements and Estimates

The preparation of these financial statements in conformity with IFRS requires that management make estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the interim 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:

Useful life of intangible assets - Management has exercised their judgment in determining the useful life of its patents, patent applications 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 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 financial statements requires management to make judgments regarding the going concern of the Company. Management has determined the Company is a going concern.

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.

5) Property, Plant and Equipment

Property, plant and equipment as at June 30, 2022 consists of the following:

	Cost	Accum. Amort.	June 30, 2022 Net Book Value	December 31, 2021 Net Book Value
Furniture and fixtures	8,394	(3,463)	4,931	2,620
Computers	37,792	(23,142)	14,650	3,325
	46,186	**(26,605)**	**19,581**	**5,945**

6) Right-of-use Asset

Right-of-use assets consist of the lease for the Company's office and laboratory and are amortized over a period of 34 months.

	June 30, 2022	December 31, 2021
Opening Balance	**-**	**-**
Additions	283,679	-
Depreciation	(48,558)	-
Ending Balance	**235,121**	**-**

7) Lease Payable

Lease payable at June 30, 2022 of $240,368 (December 31, 2021 - $nil) is comprised of the following leases:

i) On January 7, 2022 the Company signed a property lease for a term of commencing on January 1, 2022 and expiring on October 31, 2024. During the six month period ended June 30, 2022 the Company made total payments of $38,623 of which $3,035 consisted of interest. The lease payable balance as at June 30, 2022 is $181,685 (December 31, 2021 - $nil) of which $74,347 (December 31, 2021 - $nil) is current.

ii) On March 1, 2022 the Company signed a property lease for a term commencing on March 1, 2022 and expiring on October 31, 2024. During the six month period ended June 30, 2022 the Company made total payments of $8,343 of which $620 consisted of interest. The lease payable balance as of June 30, 2022 is $58,583 (December 31, 2021 - $nil) of which $23,921 (December 31, 2021 - $nil) is current.

8) Share Capital

Common Shares

Authorized

(i) An unlimited number of Common Shares

(ii) An unlimited number of Class Seed Preferred Shares, issuable in series, of which an unlimited number are designated as Class Seed-1 Preferred Shares, an unlimited number are designated as Class Seed-2 Preferred Shares and an unlimited number are designated as Class Seed-3 Preferred Shares

Issued and Outstanding

			June 30, 2022		March 31, 2022
Common shares	9,208,817	$	9,303	$	9,303
Class Seed-1 Preferred Shares	359,832		36		36
Class Seed-2 Preferred Shares	3,267,002		543,660		543,660
Class Seed-3 Preferred Shares	5,997,221		2,547,808		2,547,808
Total Preferred Shares	9,624,055		3,091,504		3,091,504
Total Issued and Outstanding	**18,832,872**	**$**	**3,100,807**	**$**	**3,100,807**

On March 2, 2021, the Company issued 80,000 common shares at a price of $0.10 per common share to the founders of the Company for total proceeds of $8,000.

9) 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. The fair value of the Company’s accounts payable and accrued liabilities approximates 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 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 June 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.

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 June 30, 2022 the Company held cash in banks of $46,119 (December 31, 2021 - $12,073) to settle current liabilities of $1,830,249 (December 31, 2021 - $1,830,249).

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.

10) Change of Ownership of the Company

On March 18, 2021 Scryb Inc. (formerly Relay Medical Corp.) announced that is had completed the acquisition of Cybeats Technologies Inc. pursuant to a previously announced Share Exchange Agreement ("**SEA**") dated March 3, 2021. As part of this transaction, Scryb Inc. acquired the Company's technologies, intellectual property and trade secrets, and the Company has become a wholly owned subsidiary of the Scryb Inc. In accordance with the terms of the SEA, Scryb Inc. has acquired all of the issued and outstanding shares of the Company for an aggregate purchase price of $7,180,000.

Prior to the completion of the acquisition of the Company by Scryb Inc. a cash distribution representing all of the cash on hand at the time was made to existing shareholders of the Company in the amount of $113,566. This cash distribution was repaid to the Company by Scryb Inc.

The Company incurred legal fees in the amount of $134,406 associated with the transaction. These legal fees have been recorded under “Professional fees” in the Statement of Loss and Comprehensive Loss and Deficit for the period ended December 31, 2021.

Subsequent to the change in ownership of the Company, Scryb Inc. advanced funds to the Company for working capital purposes. These advances are non-interest bearing and are due on demand.

11) Coronavirus Disease (COVID-19)

In early March 2020, the World Health Organization declared the COVID-19 outbreak to be a global pandemic. The current and expected impacts on global commerce are anticipated to be far-reaching. To date there has been significant stock market volatility, significant volatility in commodity and foreign exchange markets, restrictions on the conduct of business in many jurisdictions and the global movement of people and some goods have become restricted. There is significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts that it may have on demand and prices for the services the Company provides, on its suppliers, on its employees and on the markets in which the Company operates.

The Company qualified for the Federal Government’s Canadian Emergency Business Account loan program ("CEBA"), receiving an interest free loan of $60,000. Under the terms of the CEBA loan program, 33.3% ($20,000) of the loan is forgivable if the remaining$40,000 is repaid on or before December 31, 2023. If the loaned funds are not repaid by December 31, 2023, the loan will be converted into a three-year installment loan bearing interest at 5% per annum, with the first payment due on or before January 31, 2024. The $20,000 forgivable portion of the CEBA loan was recorded in "Government subsidies" on the December 31, 2020 statement of loss and comprehensive loss and deficit. On January 19, 2021 the Company repaid the remaining $40,000 balance of the CEBA loan.

As of December 31, 2021, the Company has received $nil (December 31, 2020 - $9,625) under the Federal Government’s Canadian Emergency Wage Subsidy Program ("CEWS"). Amounts pertaining to the CEWS program have been recorded in "Government subsidies" on the statement of loss and comprehensive loss and deficit.

In the current environment, assumptions about the Company’s future revenue generating activities are subject to greater variability than normal, which could in the future significantly affect the valuation of the Company’s assets and results from operations.

SCHEDULE "G"
PIMA'S MANAGEMENT DISCUSSION AND ANALYSIS FOR THE PERIOD ENDED JUNE 30, 2022

See Attached.

Pima Zinc Corp.

Management's Discussion and Analysis
For the period June 30, 2022 and 2021

Management's discussion and analysis ("MD&A") is current to August 22, 2022 and is management's assessment of the operations and the financial results together with future prospects of Pima Zinc Corp. ("Pima" or the "Company"). This MD&A should be read in conjunction with our unaudited condensed interim consolidated financial statements and related notes for the three and six months ended June 30, 2022 and 2021 prepared in accordance with International Financial Reporting Standards. All figures are in U.S. dollars unless stated otherwise. This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to Pima's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward looking statements. The Company has adopted National Instrument 51-102F1 as the guideline in presenting the MD&A. Additional information relevant to Pima's activities, including Pima's Press Releases can be found on SEDAR at www.sedar.com.

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1. Description of Business

Pima Zinc Corp. 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. The Company was re-domiciled to the Cayman Islands in 2011. 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.

As at the date of this report, the Company currently has no mineral property. The Company is seeking a strategic transaction to enhance shareholder value.

The profitability and operating cash flow of the Company is affected by various factors, including the market price of zinc and other commodities, operating costs, political risk, interest rates, regulatory and environmental compliance, general and administrative costs, the level of exploration and development expenditures and other discretionary costs. While Pima seeks to manage the level of risk associated with its business, many of the factors affecting these risks are beyond the Company's control.

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.

As at the date of this report, the directors and officers of the Company were:

Albert Contardi	Chief Executive Officer, Director
David MacMillan	Director
Daniel Nauth	Director
Arvin Ramos	Chief Financial Officer

2. Overall Performance

For the period ended June 30, 2022, the Company's cash position decreased to $10,600 from $11,181 at December 31, 2021. This decrease is due to bank charges.

Results of Operations

Selected Financial Information

	Six months ended June 30, 2022	Year ended December 31, 2021	Year Ended December 31, 2020
	$	$	$
Net loss	(125,944)	(116,717)	(65,888)
Net comprehensive loss	(126,485)	(121,013)	(67,173)
Loss per weighted average share – basic and fully diluted	(0.02)	(0.10)	(0.05)
Total Assets	10,378	10,600	11,181

Three months ended June 30, 2022 vs. June 30, 2021

The Company incurred a net comprehensive loss of $89,744 or $0.01 a share for the three-month period ended June 30, 2022, compared with a net comprehensive loss of $47,482 or $0.04 a share for the same period ended in 2021.

For the three-month period ended June 30, 2022, consulting fees were $10,000 compared to $10,000 in the same period in 2021. Consulting fees are made up of management fees.

Professional fees increased to $56,732 during the three-month period ended June 30, 2022, compared to $13,303 in the same period in 2021. The increase is attributable to higher legal fees.

For the three-month period ended June 30, 2022, general and administrative expenses were $2,755 compared to $11,653 in the same period in 2021.

Investor relations, transfer agent and filing fees during the three-month period ended June 30, 2022 were $19,898 compared to $12,695 in the same period in 2021.

Six months ended June 30, 2022 vs. June 30, 2021

The Company incurred a net comprehensive loss of $126,485 or $0.02 a share for the six-month period ended June 30, 2022, compared with a net comprehensive loss of $70,665 or $0.06 a share for the same period ended in 2021.

For the six-month period ended June 30, 2022, consulting fees were $20,000 compared to $20,000 in the same period in 2021. Consulting fees are made up of management fees.

Professional fees increased to $79,474 during the six-month period ended June 30, 2022, compared to $19,753 in the same period in 2021. The increase is attributable to higher legal fees.

For the six-month period ended June 30, 2022, general and administrative expenses were $2,787 compared to $13,655 in the same period in 2021.

Investor relations, transfer agent and filing fees during the six-month period ended June 30, 2022 were $23,683 compared to $17,551 in the same period in 2021.

3. Summary of Quarterly Results

Selected financial information for the eight quarters as follows:

	June 30, 2022 $	**March 31, 2022** $	**Dec 31, 2021** $	**Sept 30, 2021** $
Total revenue	-	-	-	-
Expenses	(89,385)	(36,559)	(19,794)	(26,258)
Net comprehensive loss	(89,744)	(36,741)	(24,243)	(26,105)
Loss per share – basic and diluted	$(0.01)	$(0.01)	$(0.02)	$(0.02)

	June 30, 2021 $	**March 31, 2021** $	**Dec 31, 2020** $	**Sept 30, 2020** $
Total revenue	-	-	-	-
Expenses	(47,482)	(21,746)	(3,788)	(15,390)
Net comprehensive loss	(47,482)	(21,351)	(5,073)	(15,390)
Loss per share– basic and diluted	$(0.04)	$(0.02)	$(0.00)	$(0.01)

Working Capital

As at June 30, 2022, the Company had a net working capital deficiency of $206,652 compared to a deficiency of $307,639 as at December 31, 2021.

A summary of the Company's cash position and changes in cash are provided below:

	June 30, 2022	June 30, 2021
Cash provided (used) in operating activities – net	**$ 319**	$ (347)
Effect of foreign exchange translation	**(541)**	294
Decrease in cash	**(222)**	(53)
Cash, beginning of period	**10,600**	11,181
Cash, end of period	**$ 10,378**	$ 11,128

Liquidity and Capital Resources

Pima had cash of $1010,378 available at June 30, 2022, a decrease of $222 from the balance at December 31, 2021 of $10,600. The increase is due to general, administrative and operating activities.

On April 21, 2022, the Company settled an aggregate of $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 $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 $0.50 for a period of two years from the date of issuance.

The Company has a need for equity capital and financing for working capital and to explore future business opportunities. Because of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and/or to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations.

4. Related-party Transactions

During the six months ended June 30, 2022, $10,000 (2021 – $10,000) was charged for services by the Chief Executive Officer.

During the six months ended June 30, 2022, $10,000 (2021 – $10,000) 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 June 30, 2022, $22,203 (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.

Disclosure of Outstanding Share Data

As at the date of this report, the Company has the following issued and outstanding:

Common shares– issued and outstanding	15,517,139
Warrants	7,125,000

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Dividends

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

Assessment of Recoverability of Deferred Tax Assets

In preparing the financial statements, the Company is required to estimate its income tax obligations. This process involves estimating the actual tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. The Company assesses, based on all available evidence, the likelihood that the future income tax assets will be recovered from future taxable income and, to the extent that recovery cannot be considered "more likely than not," a valuation allowance is established. If the valuation allowance is changed in a period, an expense or benefit must be included within the tax provision on the income statement.

Estimate of Stock-Based Compensation and Associated Assumptions

The Company recorded stock-based compensation based on an estimate of the fair value on the grant date of stock options issued. This accounting required estimates of interest rate, life of options, stock price volatility and the application of the Black-Scholes option pricing model.

Assessment of Recoverability of Receivables

The carrying amount of accounts receivables, are considered representative of their respective values. The Company assesses the likelihood that these receivables will be recovered and, to the extent that recovery is considered doubtful a provision for doubtful accounts is recorded.

Critical Accounting Policies

Share-based payments

Share-based payment transactions
Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (“equity-settled transactions”).

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment.

Equity-settled transactions
The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the "vesting date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest.

The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share option reserve.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional dilution in the computation of earnings per share.

Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

Deferred income tax
Deferred income tax is provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

• where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

• in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

• where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

• in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.
Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive income.

Deferred income tax

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The “treasury stock method” is used for the assumed proceeds upon the exercise of the options and warrants that are used to purchase common shares at the average market price during the year. During the period ended June 30, 2022 and 2021, all the outstanding stock options and warrants were antidilutive.

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either fair value either through profit or loss (“FVPL”) or through other comprehensive income (“FVOCI”), and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statements of loss.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of loss. The Company does not measure any financial assets at FVOCI.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive income (loss). When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of loss and when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include trade and other payables, which are measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the statements of loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of loss.

Impairment of financial assets

The Company assesses at each date of the statement of financial position whether a financial asset is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to trade receivables, a provision for impairment is made and an impairment loss is recognized in profit and loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

Impairment of non-financial assets
At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (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.

Cash
Cash in the statement of financial position comprises cash at banks, in the Company's lawyers trust account, and on hand.

Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Related party transactions
Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there

is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

Significant accounting judgments and estimates
The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to recoverability of trade and other receivables, valuation of deferred income tax amounts, impairment testing and the calculation of share-based payments. The most significant judgments relate to recognition of deferred tax assets and liabilities.

5. Financial Instruments and other Instruments

Fair Value of Financial Assets and Liabilities

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.

<u>Environmental and Permitting</u>
All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

<u>Acquisition</u>
The Company uses its best judgment to acquire mining properties for exploration and development in pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and development, or integrate such opportunity and their personnel with the Company. The Company cannot assure that it can complete any acquisition that it pursues or is currently pursuing, on favourable terms, or that any acquisition completed will ultimately benefit the Company.

<u>Competition</u>
The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospectus for mineral exploration in the future.

Financial Risk Factors

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and loans receivable. The Company has no significant concentration of credit risk arising from operations. Cash is held with reputable Canadian chartered banks which are closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash and loans receivable is minimal.

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 June 30, 2022, the Company had current assets of $10,378 (December 31, 2021 - $10,600) and current liabilities of $217,030 (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 $206,652 (December 31, 2021 – $307,639).

Market Risks

(i) Interest Rate Risk

The Company has cash balances and no variable interest-bearing debt. The Company has fixed rates on its debt changes in interest rates could result in fair value risk on the Company's fixed rate debt.

Internal Control over Financial Reporting

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

During the most recent year end there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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") with Scryb, Inc., 2635212 Ontario Inc. ("Pima 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.

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." or such other similar name as the parties may agree (the "Name Change");
- Pima Subco shall complete a non-brokered private placement financing (the "Financing") by September 30, 2022 of up to: (i) a minimum of 14,000,000 units (each, a "PP Unit") in the capital of Pima Subco at a price of CDN$0.50 (the "Issue Price") per PP Unit for minimum gross proceeds of CDN$7,000,000, each PP Unit is

comprised of one common share in the capital of Pima Subco (each, a " Pima Subco Share") and one Pima Subco Share purchase warrant (each, a "PP Warrant"); (ii) a minimum of 14,000,000 subscription receipts (the "Subscription Receipts") in the capital of Pima Subco at a price of CDN$0.50 per Subscription Receipt for minimum of gross proceeds of CDN$7,000,000, each Subscription Receipt entitles the holder thereof to receive, without payment of additional consideration, one PP Unit upon satisfaction of the escrow release condition; and (iii) any combination of (i) and (ii) which equals a minimum of CDN$7,000,000.;

- Pima Subco, a subsidiary of the Company formed solely for the purpose of facilitating the Proposed Transaction, will merge with and into Cybeats, pursuant to which, among other things, all outstanding Pima Subco Shares all securities convertible into Pima Subco Shares shall be exchanged for replacement securities of the resulting issuer, one-for-one basis, exercisable in accordance with their terms; and
- the board of directors and management of the resulting issuer will be replaced with nominees of Cybeats as detailed below.

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.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's President and Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at the end of the year covered by this management's discussion and analysis, management of the Company, with the participation of the President and Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the President and Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for the design and effectiveness of disclosure controls and procedures ("DC&P") and the design of international control over financial reporting ("ICFR") to provide reasonable assurance that material information related to the Company is made known to the Company's certifying officers. The Company's controls are based on the Committee of Sponsoring Organizations ("COSO") 2013 framework. The Company's CEO and the CFO have evaluated the design and effectiveness of the Company's DC&P as of June 30, 2022 and have concluded that these controls and procedures are effective in providing reasonable assurance that material information relating to the Company is made known to them by others within the Company. The CEO and CFO have also evaluated the design and effectiveness of the Company's ICFR as of June 30, 2022 and concluded that these controls and procedures are effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

During the current period there have been no changes in the Company's DC&P or ICFR that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

6. Cautionary Note Regarding Forward-Looking Statements

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, consents or authorizations required for its operations and activities; and health safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of Pima to fund the capital and operating expenses necessary to achieve the business objectives of Pima, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements. Statements in relation to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this press release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

7. Management's Responsibility for Financial Information

Management is responsible for all information contained in this report. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the unaudited condensed interim consolidated financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Audit Committee has reviewed the unaudited condensed interim consolidated financial statements with management. The Board of Directors has approved the unaudited consolidated interim financial statements on the recommendation of the Audit Committee.

SCHEDULE "H"

CYBEATS MANAGEMENT DISCUSSION AND ANALYSIS FOR THE PERIOD ENDED JUNE 30, 2022

See Attached.

CYBEATS TECHNOLOGIES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022
(Expressed in Canadian Dollars)

Dated August 29, 2022

Management's Discussion and Analysis of Operations
For the quarter ended June 30, 2022

This Management's Discussion and Analysis ("MD&A) is prepared as of August 29, 2022 and has been prepared in accordance with International Financial Reporting Standards ("IFRS). All amounts are in Canadian dollars.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's directors follow recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

Caution Regarding Forward Looking Statements

This document contains forward-looking statements, such as statements regarding future sales opportunities in various global regions and financing initiatives that are based on current expectations of management. These statements involve uncertainties and risks, including the Company's ability to obtain and/or access additional financing with acceptable terms, and delays in anticipated product sales. Such forward-looking statements should be given careful consideration and undue reliance should not be placed on these statements.

The preparation of the MD&A may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Management bases estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. Management believes the accounting policies, outlined in the Significant Accounting Policies section of its consolidated financial statements, affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

Introduction

The following MD&A for the period ended June 30, 2022, has been prepared to help investors understand the financial performance of Cybeats Technologies Inc. ("the Company" or "Cybeats"), in the broader context of the Company's strategic direction, the risk and opportunities as understood by management, and the key metrics that are relevant to the Company's performance. The Audit Committee of the Board of Directors has reviewed this document and all other publicly reported financial information for integrity, usefulness, reliability and consistency.

All amounts are expressed in Canadian dollars (CAD) unless otherwise noted.

Additional information about Cybeats Technologies Inc., this document, and the related quarterly financial statements can be viewed on the Company's website at www.cybeats.com and are available on SEDAR at www.sedar.com.

The Company's Preferred and Common Shares are wholly owned by Scryb which is a publicly listed company on the CSE ("CSE"), the Frankfurt exchange and the OTCQB under the symbols SCYB, EIY and SCRF respectively.

Corporate Overview

Cybeats Corp delivers intelligent security applications for software supply chains and Internet of Things ("IoT") connected devices, detecting and eliminating cybersecurity threats starting from the design phase, through to product operation. Cybeats Corp empowers enterprises to efficiently oversee the vulnerabilities and threats to their software products and IoT devices. By doing so, Cybeats Corp plays a pivotal role in an organization's ability to proactively mitigate cybersecurity risks, as well as provide tools to monitor regulatory compliance, software licensing infringement and improve the software security development operations of the organization.

Cybeats Corp offers two product suites: (i) the software bill of materials studio ("SBOM Studio") and (b) the IoT runtime application security protection ("RASP") Solution. These two solutions offer a proactive approach to cybersecurity by improving software security through software bill of materials ("SBOM") analysis of vulnerabilities and monitoring active software and IoT devices through continuous real-time assessment. The products offer organizations and their software development teams unparalleled cybersecurity tools from the design phase throughout the commercial life cycle following a secure-by-design approach to software.

The SBOM Studio is a software management platform which assures enterprises their products are built with and remain secured, compliant and proactive to cybersecurity threats.

The IoT Security RASP Solution is an embedded security solution installed on-devices by IoT device manufacturers.

Background

Cybersecurity, also referred to as computer security or information technology security, is a field which derives from information technology that involves the protection of computer systems, including the prevention of unauthorized use, changes or access to electronic information.

Cybersecurity has become increasingly salient due to the global reliance on computer systems, the internet and wireless network standards such as Bluetooth and Wi-Fi, and due to the growth of 'smart' devices, smartphones, televisions, medical devices, surveillance cameras, connected vehicles and the various other devices that constitute the IoT. The number of IoT devices worldwide is expected to grow 300% from 2020-2025, to a total of 75 billion connected devices by 2025[1]. Each IoT device is connected to a network and is a vulnerable target for potential cyberattacks attempting to access the network or information stored on the device itself.

In 2016, Cybeats commenced operations and the building of an integrated cybersecurity platform designed to secure and protect IoT devices. The vision included a unique approach to eliminate device downtime due to cyber-attacks, while also allowing device manufacturers to develop and maintain secure and protected devices in a timely and cost-efficient manner.

Many traditional security solutions involve products that simply 'secure the perimeter', or provide defense solutions to the networks that devices are connected to. The problem arises when a network perimeter is breached, an infiltration and its reach can be unknown or lost within the network, whereby attackers can access or jump to other IoT devices or systems within the network. Modern solutions have therefore needed to offer on-device solutions which provide transparency and protection 'within the network', and more importantly, within each IoT device.

Cybeats Corp's customers install a micro-agent, which is a small piece of code, onto each device, typically in the manufacturing stages of the device. The micro-agent allows for continuous monitoring of the status updates of the IoT device, acting as a "heartbeat" or human nervous system, which communicates the status or 'posture' of each device to the security teams and device operators. Cybeats Corp's proprietary micro-agent include several competitive advantages, for example, having a very low resource (digital) footprint on each device in an effort to limit any impact on the normal operation of the device.

After roughly 5 years of building its IoT security platform, growing its operations and arriving at a growth stage that required additional capital to expand, Cybeats, and its micro-agent product, was acquired by Scryb in early 2021.

Results of Operations

Overview

Since acquisition, Scryb has added value from its platform to the Cybeats solution and scaled-up to address the growing market interest. Significant to this transaction, there has been increased global attention to SBOM and the need to track and monitor the supply chain of software, as mandated by the Whitehouse Executive Order (May 12, 2021). To capture this growing interest the Company has quickly expanded the development team to accelerate the commercialization of Cybeats and increased business development resources to support sales activities. Scryb has also used its assets in AI to support additional Cybeats product development, to help implement smart and predictive cybersecurity. In addition to expanding commercial capabilities, the Company has also engaged Bluetext, a leading digital marketing agency based out of Washington D.C., to increase the marketing capabilities of Cybeats. With an innovative product, key strategic advisors (noted below) and engagement with a leading marketing firm, Cybeats is well positioned to capture a growing market of IoT cybersecurity and software supply chain cybersecurity. To help accelerate growth, Scryb in the first quarter of the fiscal year 2022 signed a non-binding Letter of Intent to list Cybeats Technologies Inc. via an RTO transaction. This will allow Cybeats to access the public markets for the capital it will need to grow its business.

[1] https://www.statista.com/statistics/471264/iot-number-of-connected-devices-worldwide/

Cybeats has added five new strategic advisors; Inventor of the first commercial Firewall and Digital Software Bill of Materials, Chris Blask, two-time Presidential Appointee and cybersecurity thought leader, Chuck Brooks, former WhiteHat security corporate strategist, Setu Kulkarni, former Chief Security Architect of AT&T, Duncan Sparrell, and former U.S. Air Force and Space Force Chief Software Officer (CSO), Nicholas Chaillan. The Company has engaged in a scale-up of the platform solution to address the growing market interest. The Company has quickly expanded the development team to accelerate the commercialization of Cybeats and increased business development resources to support sales activities. Cybeats launched both products commercially in late 2021.

Commercial Engagements by Opportunity Segment

The Resulting Issuer will deploy the following framework for the commercial engagement pipeline and related opportunities:

(i) Trial Deployments at no cost:

Currently Cybeats has multiple trial deployments in a variety of industries that include:

- Multinational manufacturing firm
- Tech Company in software and services
- Global Technology Leader in ‘Smart Buildings’ and building security equipment
- Institutional fintech company
- Multinational infrastructure firm in energy management and industrial automation
- International safety certification and compliance company

(ii) Paid Software Evaluation Periods:

Cybeats is currently in various stages of discussion with potential customers in multiple industries to have a paid software evaluation period.

(iii) Commercial Licenses to Enterprise Product Suites:

The Resulting Issuer recently announced an enterprise license of its SBOM Studio product.

(iv) Large Commercial Engagements:

Marketing activities are designed to identify prospects with buying intent based on the response to certain calls-to-action in direct marketing programs. Qualified sales leads with purchase intent are routed to the business development team for one-on-one follow-up and opportunity identification.

(v) Partnership Programs:

Cybeats recently announced that it would be partnering with a large American cybersecurity company as part of its technology partnership alliance program.

(vi) Resellers:

The Resulting Issuer is pursuing partnerships and resellers that are trained and equipped to market and sell its products and services, or that have typically been focused on serving a single country where the Resulting Issuer does not have a direct sales force. In some instances, resellers will collaborate with the direct sales team on larger scale strategic opportunities in a joint selling model. In all instances that resellers are used to actively market and sell our products and services, the Resulting Issuer remains responsible for the delivery of our products to the customer and oversee establishing pricing. We recognize products and services sold through resellers will be sold at wholesale prices and will be recognized in revenue in a similar manner to those sold by the Company's direct sales channel.

Cybeats is currently in stage of commercially expanding and scaling up both product suites, and more information on each product suite is outlined below:

Cybeats SBOM Studio Overview

Software Supply Chain Security Overview and Customer Need

Today, software is rarely developed from the ground-up and is instead composed of third-party elements such as pre-built libraries and open-source components in order to shorten the development cycle. Use of open-source components has increased significantly in recent years with estimates that software typically contains up to 90% of open-source components. The greater reliance on external components, the greater risk of exposing companies and their customers to greater risk as these may have critical vulnerabilities that could be exploited/hacked. To combat this threat, the industry has moved towards improving the security posture of software by improving transparency through the software supply chain. This greater need for software transparency has pushed the government to enact regulations such as the Whitehouse Executive Order (May 12, 2021). The order's primary mandate is to enhance the integrity of software supply chains by requiring a Software Bill of Materials (SBOM) to all United States federal government suppliers.

An SBOM is a record of all the components that make up a software product. It is analogous to a nutritional facts/ingredients list found on everyday food products. It is noted that according to Gartner Inc., a global technological research and consulting firm, less than 5% of organizations currently enforce software supply chain security, which will rise to 40% by 2025. The adaptation of SBOMs will be a major part of this increase in software supply chain security and is expected to occur across a wide range of industries including automotive, critical infrastructure, financial software, medical software as a few examples. An organization that effectively monitors its SBOM's will produce more secure products and will be able to act quickly and effectively as vulnerabilities arise within their products once deployed. The current lack of security has been seen in the rise in software supply chain attacks that have created significant disruptions to both businesses and services. The high visibility of attacks has increased public pressure for producers of software to demonstrate that their products are secure.

The introduction of new regulations and the industry shift to enhanced security has created the need for organizations to effectively manage their SBOMs and then share them with downstream consumers of their products. Developing such systems to facilitate the execution of an SBOM management system can be time consuming in terms of money and time for any organization.

Software Supply Chain Security Market

Focuses on the development and consumption of software. Software developers rarely develop software from the ground-up and instead rely on third-party resources when developing software. This market will be led by the implementation and management of the core component of software supply chain security which is the SBOM. Key Drivers in the software supply chain security market include:

- Regulations mandating enhanced security for software such as Whitehouse Executive Order, which mandate the use of an SBOM for federal suppliers;
- Other regulations that bring more attention to the cybersecurity risks of critical assets;
- An increase in the number and the frequency of software supply chain hacks;

- Governments becoming increasingly involved in cybersecurity hacks, which has had the effect of increasing the complexity of the attacks;
- Increased connectivity and speed that comes with 5G increases cybersecurity risk; and
- Use of open-source code by software developers, which leads to greater software supply chain risk.

Cybercrimes pose immense risks to companies as they endanger corporate assets, intellectual property, customer relationships, brands and employees. Over the past decade there has been a significant increase in cybercrime, with global damages reaching $3.5 billion in 2019, approximately 3.3 times higher than the damages recorded in 2015, 7.2 times higher than the damages recorded in 2011 and 14.6 times higher than the damages recorded in 2007.

Cybeats SBOM Studio

The SBOM Studio was created to manage this rapidly growing need for software supply chain security. It is marketed to all software producers and consumers where supply chain transparency is essential to their business. SBOM Studio is offered as a SaaS, a self-hosted application and an on-premise application, depending on the requirements of the customer. The primary users include software developers, product security teams, and Chief Information Officers as well as their respective teams.

The SBOM Studio offers an effective and innovative solution to the software supply chain problem, which has four (4) main functionalities:

1. **SBOM Document Management and Repository** - Allows clients to store and manage the entities SBOMs while also providing an easy-to-use dashboard and search functionality.
2. **Vulnerability Risk Management** – Allows for effective vulnerability risk management, which uses a large data lake to identify and rank vulnerabilities that have been identified in the components of the software. Vulnerabilities are continuously updated so users can have up to date information on the security posture of their software during development and in the field.
3. **License Risk Management** – Monitors the software for licenses that are required for the software components included in the customer's software, which allows an entity to protect itself and reduce legal risk.
4. **SBOM Exchange** – allows customers to share and potentially redact SBOMs with suppliers or customers that require them. This is an essential piece in relation to the Whitehouse Executive Order and will continue to be a key part of providing software transparency along the software supply chain.

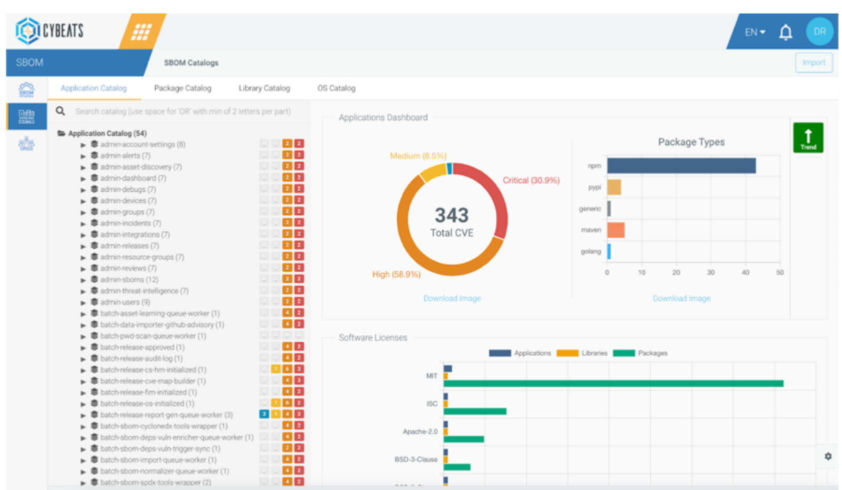

Figure 1 SBOM Studio Dashboard

The benefits of Cybeats SBOM Studio include:

- Data completeness of SBOMs as a result of an expanding data lake of vulnerabilities;
- Integration with the existing corporate infrastructure that streamlines and improves efficiency. SBOM Studio currently integrates with third-party solutions, such as "Jira", which allows customers to utilize current solutions;
- Cost reduction because it allows for the reduction of time to look through code to find known vulnerabilities. For example, when Log4J was discovered, many large enterprises took thousands of hours to locate this vulnerability within their code, but Cybeats SBOM Studio could have found this vulnerability within minutes which adds to effective crisis management;
- A prioritization plan to reduce the vulnerability risk of the customers' software by ranking the vulnerabilities and highlighting the changes that are easy to implement;
- A license risk management system that lists the licenses that the customer's software uses that helps lower the legal risk; and
- SBOM sharing, which is needed for software transparency along the software supply chain.

Cybeats SBOM Studio is a solution that can be used by both software developers, such as Software-as-a-service companies and software consumers such as hospitals as both could require the functionality of the product. SBOM Studio can also be used across many industry verticals such as automotive & aerospace, medical devices, critical infrastructure, and IT & digital solutions. This large number of potential customers presents an enormous opportunity with a growing market need.

Cybeats SBOM Studio is currently in commercial stages with a few customers using a fully paid solution with many more in the proof-of-concept stage testing out the functionality of the product. The interest in the product continues to grow at a rapid pace due to customer needs and a changing regulatory environment. Cybeats SBOM Studio continues to expand its functionality to help maintain its competitive advantage. Cybeats will focus on expanding its product offering to address a broader market and continue expanding its integration with existing corporate solutions. Cybeats SBOM Studio is poised to capture an expanding market.

Competition

Companies that both develop and consume software look to both generate and manage SBOMs as a part of their cybersecurity solutions and to be compliant with the industry regulations and Executive Orders.

SBOM Generating Solutions

To be compliant with regulations companies will look for solutions to generate SBOMs from their software. There are currently open-source solutions along with paid solutions from third party vendors. These solutions focus on generating SBOMs but do not deal with how to manage or properly analyze SBOM. These companies do not directly compete against Cybeats SBOM Studio as Cybeats currently does not generate SBOMs but manages and analyzes them. Companies that offer generation solution are Whitesource, Finite State, Adolus and others. These solutions have no clear market leader as the market is still in its infancy, but these solutions can be used in tandem with Cybeats SBOM Studio.

SBOM Management Solutions

As companies generate SBOMs they will need a solution to properly manage and analyze them. These solutions will offer a repository for a place to store all company SBOMs. This repository will give the company a wholistic view of the company SBOMs and security. These solutions will be direct competitors with Cybeats SBOM Studio. Companies that manage and analyze SBOMs are Adolus, Ion Channel, Anchore and others. These solutions have no clear market leader as the market is still in its infancy.

Cybeats IoT RASP Solution Overview

IoT Market Overview and Customer Need

The world is becoming increasingly connected with the number of connected devices growing exponentially along with increased speed of communication with 5G connectivity. These connected devices have been targets for cybersecurity attacks as these devices are usually less secure than traditional digital assets of a company. The increased rate of attacks has been a problem for many industries, such as consumer electronics, medical devices and critical infrastructure to name a few. There has also been an increase in zero-day attacks, which exploit potentially serious software security weaknesses that the vendor or developer may be unaware of, that pose a high level of risk because they are not detected by conventional IoT solutions in the marketplace as these network-based solutions are unable to detect before it is too late. This explosive growth of IoT devices along with the increase in sophistication and frequency of cyberattacks has led to a large demand for new and innovative cybersecurity solutions for IoT devices.

The IoT RASP Solution was created to effectively manage these increased risks, attacks and to fill a void where existing solutions are deficient. The IoT solution uses a secure-by-design approach to IoT devices by offering an on-device micro-agent incorporated into the IOT device software, which differs from the conventional approach of monitoring the network communication of connected IOT devices.

IoT Cybersecurity Market

Focuses on devices connected to the internet. Connected IoT devices are growing in size and complexity as the International Data Corporation predicts that there will be over 55 billion connected devices by 2025 compared to 20 billion in 2020. Along with major growth in connected devices, there have been major changes in the regulatory environment. For example, the United States President, Joe Biden, outlined a cybersecurity policy making as a top priority and stated that it is essential that the federal government lead by example for all federal information systems to exceed the current standards and requirements set forth. Key drivers of this market include:

- The substantial increase in amount of connected IoT devices;
- Regulations mandating enhanced security for software & connected devices;
- Changing regulations that bring more attention to the cybersecurity risks of critical assets;
- Increase in amount and frequency of cybersecurity hacks;
- Governments being increasingly involved in cybersecurity hacks which increase the amount and complexity of the attacks; and
- Increased connectivity and speed that comes with 5G increases cybersecurity risk.

The IoT security market size was valued at roughly $8.4 billion in 2018 and is projected to reach nearly $74 billion by 2026, growing at a CAGR of 31.20% during that same period. The IoT security market trends include an increase in the number of ransomware attacks on various IoT devices.

Cybeats IoT RASP Solution

The Resulting Issuer's proprietary micro-agent (a small piece of code) is incorporated into a device to protect it from within during the development and production phase of the IOT device. The micro-agent is then activated when the IOT device is connected and allows for continuous monitoring of the status of the IOT device through a "heartbeat", which is used to communicate the security posture of the device. The proprietary micro-agent has a very low resource footprint so that it does not affect the normal operation of the device.

The IoT RASP solution (RASP) was created to provide the next generation of security for IOT devices by providing on-device protection. The IOT Solution is offered as a PaaS solution for IOT device designers, which includes a per device fee for continuous monitoring of deployed devices. The service is marketed to medium to large IoT device producers across a wide range of industries including consumer electronics, critical infrastructure, manufacturing equipment producers and medical device manufactures to name a few examples. It is primarily used by product security teams, development leads and Security Operations Center (SOC) teams.

The IoT Solution allows five main functionalities:

1. **Detecting Abnormalities** – The micro-agent learns the behaviour and normal operation of the device and detects any operation outside the norm of the device
2. **Quickly Terminates Malicious Processes** – Once a malicious process is detected using the Resulting Issuer's large data lake of malicious Ips, it terminates the attack and if need be, can quarantine the device to avoid attack spread. This allows for the device to have minimal downtime.
3. **Logs and Notifies Malicious Attempts -** The solution logs all attacks attempts and provides an audit log of the attack to notify the customer which allows the customer to accurately track attacks and resolutions.
4. **File Integrity Monitoring** - The micro-agent monitors the file integrity of the device which prevents zero-day, attacks which are missed by conventional network solutions.
5. **Integrates to Security Operations Center ("SOC")** - The solution integrates to a customer's existing SOC solution, which allows for efficient scaling throughout the customer's device fleet.

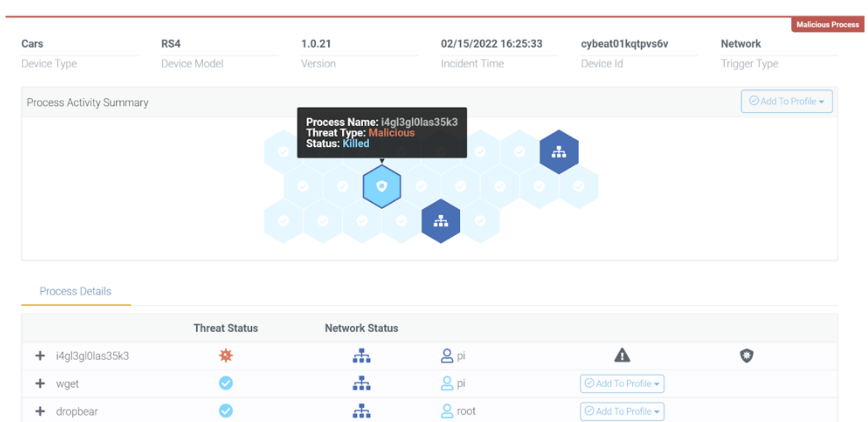

Figure 2 Attacks from Malicious IP neutralized

The benefits of the IoT RASP Solution include:

- Allows customers to reduce cost and risk of device penetration by having a single enterprise solution that scales across a customer's device fleet;
- Improves the brand equity and trust of a customer by providing visibility into device fleet management;
- Possible to generate additional revenue by offering enhanced security services to their users;
- Offers device context by being aware of the state of the device and can take appropriate action such as vehicle limping mode which is applicable to critical devices such as electric cars.
- Gathering forensic information about when and how an attack occurred and when it was neutralized to provide an audit trail of the attack

The Resulting Issuer's IoT Solution, RASP, is a solution that can be used by medium to large device manufacturers across multiple industry verticals, which includes medical devices, critical infrastructure and consumer electronics. The increasing number of vulnerable connected devices presents an enormous opportunity with a growing market need.

It is currently in commercial stages with a few customers in the stages of negotiation and proof of concept testing out the functionality of the product. The interest in the product continues to grow as a result of an increasing number of connected devices and a marked increase in 5G connectivity. The IoT RASP Solution continues to expand its functionality to help maintain its competitive advantage. The Resulting Issuer will focus on expanding its product offering to add additional machine learning capabilities for the micro-agent. IoT RASP Solution is poised to capture an expanding market.

Competition

Agentless Solutions

Traditionally IoT cybersecurity has been dominated by solutions that protect the network and not the individual device. These solutions prevent attacks by stopping the attack at the network level. Companies in this category would be indirect competitors as they are IoT cybersecurity solutions, but they do not directly compete against Cybeats IoT solution that is an agent-based solution. Companies that offer agentless solutions are more established brands such as Armis, SentinelOne and others. These solutions can be used in tandem with Cybeats IoT RASP solution.

Agent based Solutions

Agent based solutions is the next evolution in IoT cybersecurity. These solutions put an agent (small piece of software) on the individual device and protect the individual device from within. This agent then learns the normal behaviour of the device. This small piece of software is then used to detect anomalies on the device. These anomalies are they either determined to be malicious or not and if malicious they are eliminated. These solutions differ from network solutions as instead of detecting known attacks they detect anomalies of the device's normal operating system which make it easier to detect unknown attacks. There are very few agent based IoT solutions in the market with no clear market leaders as this market is still in its infancy. One of Cybeats main competitors in the agent-based solution is Firedome but not solution has been established as a clear market leader.

Funding

As a result of the Scryb Inc.'s acquisition of Cybeats in March 2021 Cybeats was reliant on Scryb Inc. for funding through cash infusions. Due to its soft commercial launch Q4 2021, Cybeats' sales have been relatively low of which were generated from small number of sales from IoT. Cybeats continues to grow at a rapid pace and will be continually reliant on Scryb Inc. until sufficient revenues are generated, or capital is raised in Cybeats itself. To help accelerate growth, Scryb in the first quarter of the fiscal year 2022 signed a non-binding Letter of Intent to list Cybeats Technologies Inc. via an RTO transaction. This will allow Cybeats to access the public markets for the capital it will need to grow its business.

Selected Annual Information

The following table sets forth selected financial information for Cybeats Technologies Inc. for the years ended December 31, 2021, and 2020. This information has been derived from the Company's financial statements for the years and should be read in conjunction with financial statement and the notes thereto.

	For the twelve months ended December 31, 2021	For the twelve months ended December 31, 2020
Income	217,615	371,081
Expenses	1,660,551	1,171,965
Loss for the year	1,442,936	800,884
Loss per share	0.16	0.09
Total assets	157,782	726,248
Total Liabilities	1,049,709	183,239
Working capital	(897,872)	573,024

The following table sets forth selected financial information for Cybeats Technologies Inc. for the years ended December 31, 2021, and 2020. This information has been derived from the Company's financial statements for the periods indicated and should be read in conjunction with audited financial statements and the notes thereto.

	Year Ended 31-Dec-21	Year Ended 31-Dec-20
Loss before non-operating income	$ (1,442,936)	$ (800,884)
Loss before income taxes	(1,442,936)	(800,884)
Loss per common share, basic and diluted	0.16	0.09
Net and comprehensive loss	(1,442,936)	(800,884)
Net Loss per Common Share, Basic and Diluted	0.16	0.09
Weighted average number of shares outstanding	9,195,630	9,128,817
Financial Position		
Total assets	157,782	726,248
Net working capital	(897,872)	573,024

For the quarter ended June 30, 2022 and 2021

The schedule below presents the quarter ended statement of earnings to highlight the non-recurring items. The earnings (loss) for the quarter ended June 30, 2022, was ($1,360,562).

	Three-months ended		
	Jun 30, 2022	**Jun 30, 2021**	**Variance**
Revenue			
Sales	$ 16,419	$ 57,855	$ (41,436)
Government subsidies	-	274,117	(274,117)
Interest and other	2,086	-	2,086
Total Revenues	**18,505**	**331,972**	**(313,467)**
Expenses			
Advertising and promotion	56,842	10,813	46,029
Computer expenses	43,848	5,579	38,269
Depreciation	31,288	-	31,288
Foreign currency loss	5,608	-	5,608
Insurance	461	-	461
Interest and bank charges	5,017	486	4,531
Meals and entertainment	12,619	460	12,159
Miscellaneous	-	26,354	(26,354)
Office and general	3,701	22,674	(18,973)
Professional fees	49,766	85,307	(35,541)
Rent	-	8,800	(8,800)
Repairs and maintenance	7,397	1,725	5,672
Sales Commissions	6,065	-	6,065
Subcontractor fees	270,069	63,203	206,867
System maintenance	127,417	-	127,417
Travel expense	59,267	-	59,267
Wages and salary	699,702	131,637	568,065
Total Expenses	**1,379,068**	**357,039**	**1,022,030**
Net income (loss) and comprehensive loss for the period	**$ (1,360,562)**	**$ (25,066)**	**$ (1,335,496)**

- Sales revenue declined for the three months ended June 30, 2022 as Cybeats is starting to expand its commercial activities but has not fully launched.
- Government subsidies are nil due to a lack of CEWS available in the current period, coupled with research and development refunds (SR&ED credits) not available as these rebates are only available to private companies.
- Advertising and promotion increased as these related to raise awareness of the commercial activities for Cybeats in conjunction with the launch of Cybeats two product offerings.
- Computer expenses increased as a result of the need to purchase computer hardware, software, and an increase in hosting costs.
- Depreciation expense decreased due to the utilization of many of Scryb Inc.'s assets during the current quarter, coupled with the new facility marked as right of use.
- Insurance expense decreased due to the utilization of Scryb Inc.'s insurance which helped decrease the premiums.

- Interest and bank charges saw an increase in the current year, primarily comprising of finance charges relating to the right of use asset.
- Meals and entertainment expenses increased as the company increased its employee headcount for various business functions.
- Office and general expenses were lower as the company had fewer general office purchases as compared to the same period last year.
- Professional fees decreased due to high legal fees associated with the acquisition in the prior fiscal year and development of commercial legal agreements.
- Rent expense rose slightly as compared to the prior year due to a new location for operations.
- Repairs and maintenance expenses rose due to costs associated with the setup of the new location for operations.
- Sales commissions include bonuses paid out to sales staff upon the successful closing of client deals.
- Subcontractor fees increased due to the expansion in the development of the software which required consulting work from various contractors.
- System maintenance fees are incurred as the general repair and up keep of the software deployed require frequent updating, this also includes troubleshooting and preventative maintenance.
- Travel expenses include costs for employee travel to various conferences and seminars, these costs assist in increasing brand awareness of the commercial activities for Cybeats.
- Wages and salary increased due to the use of Scryb Inc.'s employees for various business functions of Cybeats.

For the six-months ended June 30, 2022 and 2021

The schedule below presents the six-months period ended statement of earnings to highlight the non-recurring items. The earnings (loss) for the six-months ended June 30, 2022, was ($2,479,465).

	Six-months ended		
	Jun 30, 2022	**Jun 30, 2021**	**Variance**
Revenue			
Sales	$ 22,676	$ 58,387	$ (35,711)
Government Subsidies (note 9)	-	333,652	(333,652)
Total Revenues	**22,676**	**392,039**	**(369,363)**
Expenses			
Advertising and promotion	329,844	11,233	318,611
Computer expenses	63,093	7,004	56,088
Depreciation	51,821	-	51,821
Foreign currency loss	12,193	-	12,193
Insurance	1,045	1,160	(115)
Interest and bank charges	5,981	1,209	4,772
Meals and entertainment	14,153	460	13,693
Miscellaneous	-	144,921	(144,921)
Office and general	12,782	25,638	(12,856)
Professional fees	69,782	92,042	(22,260)
Rent	6,600	13,200	(6,600)
Repairs and maintenance	11,525	1,725	9,800
Sales Commissions	6,065	-	6,065
Subcontractor fees	576,722	86,078	490,644
System maintenance	197,775	-	197,775
Travel expense	62,625	-	62,625
Wages and salary	1,077,135	476,603	600,532
Total Expenses	**2,499,141**	**861,274**	**1,637,868**
Net income (loss) and comprehensive loss for the period	**$ (2,476,465)**	**$ (469,234)**	**$ (2,007,232)**

- Sales revenue increased during the first three months of 2022 as Cybeats expanded its commercial activities.
- Government subsidies are nil due to a lack of CEWS available in the current period, coupled with research and development refunds (SR&ED credits) not available as these rebates are only available to private companies.
- Advertising and promotion increased as these related to raise awareness of the commercial activities for Cybeats in conjunction with the launch of Cybeats two product offerings.
- Computer expenses increased as a result of the need to purchase computer hardware, software, and an increase in hosting costs.
- Depreciation expense decreased due to the utilization of many of Scryb Inc.'s assets during the current quarter, coupled with the new facility marked as right of use.
- Insurance expense decreased due to the utilization of Scryb Inc.'s insurance which helped decrease the premiums.
- Interest and bank charges saw an increase in the current year, primarily comprising of finance charges relating to the right of use asset.

- Meals and entertainment expenses increased as the company increased its employee headcount for various business functions.
- Office and general expenses were higher as the company had more general office purchases as compared to the same period last year.
- Professional fees decreased due to high legal fees associated with the acquisition in the prior fiscal year and development of commercial legal agreements.
- Rent expense rose slightly as compared to the prior year due to a new location for operations.
- Repairs and maintenance expenses rose due to costs associated with the setup of the new location for operations.
- Sales commissions include bonuses paid out to sales staff upon the successful closing of client deals.
- Subcontractor fees increased due to the expansion in the development of the software which required consulting work from various contractors.
- System maintenance fees are incurred as the general repair and up keep of the software deployed require frequent updating, this also includes troubleshooting and preventative maintenance.
- Travel expenses include costs for employee travel to various conferences and seminars, these costs assist in increasing brand awareness of the commercial activities for Cybeats.
- Wages and salary increased due to the use of Scryb Inc.'s employees for various business functions of Cybeats.

Summary of Quarterly Results

The following table is a summary of selected unaudited financial information for the eight most recent fiscal quarters.

Quarter ended	Income	Net income (loss)	Net income (loss) per share
June 30, 2022	18,505	(1,360,562)	(0.15)
March 31, 2022	6,252	(1,115,903)	(0.12)
December 31, 2021	57,646	(427,073)	(0.05)
September 30, 2021	(232,072)	(546,632)	(0.06)
June 30, 2021	331,972	(25,065)	-
March 31, 2021	60,067	(444,168)	(0.05)
December 31, 2020	295,399	45,382	-
September 30, 2020	59,629	165,829	(0.02)
June 30, 2020	11,432	355,650	(0.04)

The loss in the recent quarter was primarily due to wages and subcontractor fees coupled with higher advertising and promotion expenditures. The Company hasn't received funding from government subsidies and related programs as it has in the prior year.

Liquidity

The majority of financing of current operations is achieved by cash infusions from Scryb Inc. the parent company of Cybeats. The Company will be continually reliant on Scryb Inc. to fund the company until Cybeats will complete the planned restricted trade offering (RTO) and financing transaction.

Key Balance Sheet Information

	Period Ended Jun 30, 2022
Cash	46,119
Other current assets	351,079
Current liabilities	1,830,249
Working Capital	**(1,433,051)**

The Company is capitalized with approximately $46k in cash and a working capital amount of ($1.4m). The current liabilities are primarily composed of dues to Scryb Inc., the parent company of Cybeats. This balance will be used for operations of Cybeats Technologies Inc. The Company has a negative working capital balance and will be continually reliant on the cash infusions from Scryb Inc.

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.

The Company has a large amount owing to Scryb Inc. which is the parent company of Cybeats Technologies Inc. Scryb Inc. funds Cybeats through payment of their expenses or cash infusion.

Off-Balance Sheet Arrangements
The Company has not entered into any off-balance sheet arrangements, other than previously disclosed, that has, or is reasonably likely to have, an impact on the current or future results of operations or the financial condition of our company.

Critical Accounting Policies 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 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:

Useful life of intangible assets

Management has exercised their judgment in determining the useful life of its patents, patent applications and software license. The estimate is based on the expected period of benefit of the patent and the expected life of the product in the marketplace.

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:

Evaluation of going concern

The preparation of the financial statements requires management to make judgments regarding the going concern of the Company.

Impairment of intangible assets

Management has exercised their judgment in determining if the intangible assets are impaired. The judgment is based on management's ability to assess for indicators of impairment.

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.

Control

The Company uses judgement when assessing if the Company controls an investee, which includes the assessment of whether it holds power over the relevant activities, is exposed to variable returns and has the ability to use that power to affect those variable returns.

Research vs. Development Stage

The Company uses judgement when assessing if the Company has achieved development stage activities with its internally generated intangible assets.

Accounting standards and amendments issued but not yet adopted

Amendment to IFRS 3 – Business Combinations

On October 22, 2018, the IASB issued Definition of a Business (Amendments to IFRS 3: Business Combinations). The amendments to IFRS 3 are applicable for acquisitions occurring on or after January 1, 2020 and are adopted prospectively. These amendments to the implementation guidance of IFRS 3 clarify the definition of a business to assist entities to determine whether a transaction should be accounted for as a business combination or an asset acquisition. The amendments to IFRS 3 – Business Combinations may affect whether future acquisitions are accounted for as business combinations or asset acquisitions, along with the resulting allocation of the purchase price between the net identifiable assets acquired and goodwill. The Company does not expect any impact to the financial statements as a result of its adoption of the amendments to IFRS 3.

Risks and Uncertainties

Cybersecurity Risks

Security incidents could result in unauthorized access to, the loss of, or unauthorized disclosure of such information. Although the Resulting Issuer has security systems in place and what the Resulting Issuer deem sufficient security around the Resulting Issuer's systems to prevent unauthorized access, the Resulting Issuer must ensure that we continually enhance security and fraud protection within our websites and merchant platform, and if the Resulting Issuer is unable to do so the Resulting Issuer may become subject to liability for privacy breaches or consequences that result from any unanticipated incident. As a result of advances in computer capabilities, new discoveries in the field of cryptography or other developments, a compromise or breach of our security precautions may occur. The techniques used to obtain unauthorized, improper or illegal access to our systems, our data or the Resulting Issuer's customers' data and to sabotage our system are constantly evolving and may be difficult to detect quickly.

An information breach in the Resulting Issuer's systems and loss of confidential information such as credit card numbers and related information, or interruption in the operation of the Resulting Issuer's apps, could have a longer and more significant impact on our business operations than a software failure. A compromise in the Resulting Issuer's security system could severely harm the Resulting Issuer's business by the loss of the Resulting Issuer's customers' confidence in the Resulting Issuer and thus the loss of their business. The Resulting Issuer may be required to spend significant funds and other resources to protect against the threat of security breaches or to alleviate problems caused by these breaches. However, protection may not be available at a reasonable price, or at all. Any failure to adequately comply with necessary protective measures could result in fees, penalties and/or litigation. Concerns regarding the security of e-commerce and the privacy of users may also inhibit the growth of the Internet as a means of conducting commercial Amalgamations. This may result in a reduction in revenues and increase the Resulting Issuer's operating expenses, which would prevent the Resulting Issuer from achieving profitability. Security incidents could result in unauthorized access to, the loss of, or unauthorized disclosure of such information.

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Market and Economy Risks

Global Financial Conditions

Current global financial conditions have been subject to increased volatility and access to financial markets has been severely restricted. These factors may impact the ability of the Resulting Issuer to obtain equity or debt financing in the future and, if obtained, on terms favourable to the Resulting Issuer. If these increased levels of volatility and market turmoil continue, the Resulting Issuer's operations could be adversely impacted and the value and the price of the Resulting Issuer Shares could continue to be adversely affected.

Uncertainty and adverse changes in the economy

Adverse changes in the economy could negatively impact the Resulting Issuer's business. Future economic distress may result in a decrease in demand for the Resulting Issuer's products, which could have a material adverse impact on the Resulting Issuer's operating results and financial condition. Uncertainty and adverse changes in the economy could also increase costs associated with developing and publishing products, increase the cost and decrease the availability of sources of financing, and increase the Resulting Issuer's exposure to material losses from bad debts, any of which could have a material adverse impact on the financial condition and operating results of the Resulting Issuer.

Currency Fluctuations

Due to the Resulting Issuer's present operations in Canada, and its intention to continue future operations outside Canada, the Resulting Issuer is expected to be exposed to significant currency fluctuations. Recent events in the global financial markets have been coupled with increased volatility in the currency markets. All or substantially all of the Resulting Issuer's revenue will be earned in Canadian dollars, but a portion of its operating expenses may be incurred in foreign currencies. The Resulting Issuer does not have currency hedging arrangements in place and there is no expectation that the Resulting Issuer will put any currency hedging arrangements in place in the future. Fluctuations in the exchange rate between the Canadian dollar and foreign currencies may have a material adverse effect on the Resulting Issuer's business, financial position or results of operations.

COVID-19

The international outbreak of the illness COVID-19 (coronavirus) and efforts to contain it may have a significant effect on the global economy and financial markets in the future, including the demand for and prices of products. COVID-19 may also impact third parties' ability to meet their obligations to the Resulting Issuer and the Resulting Issuer's ability to meet its obligations to third parties or its customers. The full extent and impact of the COVID-19 pandemic is unknown and to date has included extreme volatility in financial markets, a slowdown in economic activity, and has raised the prospect of an extended global recession. As efforts are undertaken to slow the spread of the COVID-19 pandemic, the operation and development of business operations, including the Resulting Issuer's may be impacted.

There can be no assurance that legislative or regulatory changes will not occur, which may negatively impact the business of the Resulting Issuer. Any requirement that the Resulting Issuer cease operations, including in connection with efforts to slow the spread of the COVID-19 pandemic would have a material adverse effect on the business, operating results and financial performance of the Resulting Issuer.

COVID-19, or any other contagious disease or public health threat to the human population, could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could affect demand for the Resulting Issuer's products and negatively impact its operating results and financial performance. Global pandemics and other public health threats (like COVID-19), or a fear thereof, could adversely impact the Resulting Issuer's production operations, sales efforts, expansion projects, lead to labour shortages, and severely impact supply chain logistics including travel and shipping disruptions and shutdowns (including as a result of government regulation and prevention measures) affecting delivery of materials needed for Pima to operate and delivery of the Resulting Issuer's products to consumers. It is unknown whether and how the Resulting Issuer may be affected if such an occurrence persists for an extended period of time, but the Resulting Issuer anticipates that it would have a material adverse effect on its business, operating results and financial performance. In addition, the Resulting Issuer may also be required to incur additional expenses and/or delays relating to such events which could have a further negative impact on its business, operating results and financial performance.

General Regulatory and Legal Risks

Government Regulations

If the Resulting Issuer commences operations as currently proposed it will be subject to various regulations in the jurisdiction in which it chooses to operate. Additionally, Government approval, permits and certifications are currently required, and may in the future, be required for the Resulting Issuer's operations. If such approval is not obtained, the Resulting Issuer's business may be curtailed or prohibited until such approval is granted. Furthermore, failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions and may require the Resulting Issuer to compensate those suffering from loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Legislative or Regulatory Reform

The Resulting Issuer's operations will be subject to a variety of laws, regulations, guidelines, and policies relating to the manufacturing, import, export, management, storage, packaging, advertising, sale, transportation and disposal of cannabis, cannabis ancillary products, electronics, data, and nutraceuticals. Due to matters beyond the control of the Resulting Issuer, these laws, regulations, guidelines, and policies may cause adverse effects to its operations. Furthermore, there is the possibility that reforms, alterations, or introduction of new policies may suspend the legality of certain products which could have a material adverse effect on the Resulting Issuer's business, operating results and financial condition.

Regulatory Risks

The activities of the Resulting Issuer will be subject to regulation by governmental authorities. Achievement of the Resulting Issuer's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Resulting Issuer cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

The Resulting Issuer will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on the Resulting Issuer's operations. In addition, changes in regulations, changes in the enforcement thereof or other unanticipated events could require extensive changes to the Resulting Issuer's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

Litigation

The Resulting Issuer may be forced to litigate, enforce, or defend its intellectual property rights, protect its trade secrets, or determine the validity and scope of other parties' proprietary rights. Such litigation would be a drain on the financial and management resources of the Resulting Issuer which may affect the operations and business of the Resulting Issuer. Furthermore, because the content of most of the Resulting Issuer's intellectual property concerns cannabis and other activities that are not legal in some state jurisdictions, the Resulting Issuer may face additional difficulties in defending its intellectual property rights. The Resulting Issuer may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Resulting Issuer becomes involved be determined against the Resulting Issuer such a decision could adversely affect the Resulting Issuer's ability to continue operating and the market price for Company Shares and could use significant resources. Even if the Resulting Issuer is involved in litigation and wins, litigation can redirect significant company resources.

Conflicts of Interest

Because directors and officers of the Resulting Issuer are or may become directors or officers of other reporting companies or have significant shareholdings in other companies, the directors and officers of the Resulting Issuer may have a conflict of interest in conducting their duties. The Resulting Issuer and its directors and officers will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the directors of the Resulting Issuer, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases the Resulting Issuer will establish a special committee of independent directors to review a matter in which several directors, or officers, may have a conflict. In determining whether or not the Resulting Issuer will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Resulting Issuer, the degree of risk to which the Resulting Issuer may be exposed and its financial position at that time. Other than as indicated, the Resulting Issuer has no other procedures or mechanisms to deal with conflicts of interest.

Executive officers and directors may have rights to indemnification including directors' and officers' liability insurance that will survive consummation of their agreements.

Environmental Risks

Unknown Environmental Risks

There can be no assurance that the Resulting Issuer will not encounter hazardous conditions at the real estate used to operate its businesses, such as asbestos or lead, in excess of expectations, that may delay the development of its businesses. Upon encountering a hazardous condition, work at the facilities of the Resulting Issuer may be suspended. If the Resulting Issuer receives notice of a hazardous condition, it may be required to correct the condition prior to continuing construction. The presence of other hazardous conditions will likely delay construction and may require significant expenditure of the Resulting Issuer's resources to correct the condition. Such conditions could have a material impact on the business, operations and prospects of the Resulting Issuer.

Security Risks

Theft

The business premises of the Resulting Issuer's operating locations may be targeted to break-ins, robberies and other breaches in security. If there was a breach in security and the Resulting Issuer fell victim to a robbery or theft the loss of products and equipment could have a material adverse impact on the business, financial condition and results of operations of the Resulting Issuer. A security breach at one of the Resulting Issuer's facilities could expose the Resulting Issuer to additional liability and to potentially costly litigation, increase expenses relating to the resolution and future prevention of these breaches and may deter potential customers from choosing the Resulting Issuer's products.

Electronic Communication Security Risks

A significant potential vulnerability of electronic communications is the security of transmission of confidential information over public networks. Anyone who is able to circumvent the Resulting Issuer's security measures could misappropriate proprietary information or cause interruptions in its operations. The Resulting Issuer may be required to expend capital and other resources to protect against such security breaches or to alleviate problems caused by such breaches.

General Business Risks

Operational Risks

The Resulting Issuer will be affected by a number of operational risks and the Resulting Issuer may not be adequately insured for certain risks, including: labour disputes; catastrophic accidents; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; natural phenomena, such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Resulting Issuer's technologies, personal injury or death, environmental damage, adverse impacts on the Resulting Issuer's operation, costs, monetary losses, potential legal liability and adverse governmental action, any of which could have an adverse impact on the Resulting Issuer's future cash flows, earnings and financial condition.

Insurance and Uninsured Risks

The Resulting Issuer's business is subject to several risks and hazards including adverse environmental conditions, accidents, labour disputes and changes in the regulatory environment. To protect against certain risks the Resulting Issuer will continue to maintain insurance at a level to mitigate these risks including product liability insurance. However, in some cases the Resulting Issuer may not be able to cover these risks at economically feasible premiums resulting in potential liabilities, particularly for environmental pollution coverage. Losses from these events may cause the Resulting Issuer to incur significant costs that could have a material adverse effect upon its business.

Limited operating history

The Resulting Issuer has a limited operating history on which to base an evaluation of its respective business, financial performance and prospects. As such, the Resulting Issuer's business and prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stage of development. As the Resulting Issuer is in an early stage, its revenues may be materially affected by the decisions, including timing decisions, of a relatively consolidated customer base. In addition, it is also difficult to evaluate the viability of the Resulting Issuer's technology because the Resulting Issuer has had limited experience to address the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly companies in new and rapidly evolving markets. There can be no assurance that the Resulting Issuer will be successful in addressing these risks, and the failure to do so in any one area could have a material adverse effect on the Resulting Issuer's business prospects, financial condition and results of operations.

History of Losses

The Resulting Issuer on a consolidated basis has incurred losses to date as it is in the early stages of growth. The Resulting Issuer may not be able to achieve profitability soon and will continue to incur losses. Furthermore, the Resulting Issuer expects to continue to increase operating expenses as it implements initiatives to establish and grow the business.

The Resulting Issuer operates in new and evolving markets

The Resulting Issuer's services are sold in new and rapidly evolving markets. The IoT cybersecurity industry is in the early stages of its life cycle. Accordingly, the Resulting Issuer's business and future prospects may be difficult to evaluate. The Resulting Issuer cannot accurately predict the extent to which demand for its services or products or the IoT cybersecurity market in general will increase, or if at all. The challenges, risks and uncertainties frequently encountered by companies in rapidly evolving markets could impact the Resulting Issuer's ability to do the following:

- Generate sufficient revenue to maintain profitability;
- Acquire and maintain market share;
- Achieve or manage growth in operations;
- Develop and renew contracts;
- Attract and retain highly-qualified personnel; and
- Adapt to new or changing policies and spending priorities of governments and government agencies; and

- access additional capital when required and on reasonable terms.

If the Resulting Issuer fails to address these and other challenges, risks and uncertainties successfully, its business, results of operations and financial condition would be materially harmed.

Substantial Capital Requirements

Management of the Resulting Issuer anticipates that they may make substantial capital expenditures for the acquisition, exploration, development and production of its business in the future. They may have limited ability to raise the capital necessary to undertake or complete future development work. There can be no assurance that debt or equity financing will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Resulting Issuer. Moreover, future activities may require the Resulting Issuer to alter its capitalization significantly. The inability of the Resulting Issuer to access sufficient capital for its operations could have a material adverse effect on its financial condition, results of operations or prospects. In particular, failure to obtain such financing on a timely basis could cause the Resulting Issuer to forfeit its interest in certain business opportunities, miss certain acquisition opportunities and reduce or terminate operations.

Management of Growth

The Resulting Issuer may experience a period of significant growth in the number of personnel that will place a strain upon its management systems and resources. Its future will depend in part on the ability of its officers and other key employees to implement and improve financial and management controls, reporting systems and procedures on a timely basis and to expand, train, motivate and manage the workforce. The Resulting Issuer's current and planned personnel, systems, procedures and controls may be inadequate to support its future operations.

Growth and Consolidation in the Industry

Acquisitions or other consolidating Amalgamations could have adverse effects on the Resulting Issuer. The Resulting Issuer could lose strategic relationships if its partners are acquired by or enter into agreements with a competitor, causing the Resulting Issuer to lose access to distribution, content and other resources. The relationships between the Resulting Issuer and its strategic partners may deteriorate and cause an adverse effect on the business. The Resulting Issuer could lose customers if competitors or user of competing technology consolidate with the Resulting Issuer's current or potential customers. Furthermore, the Resulting Issuer's current competitors could become larger players in the market or new competitors could form from consolidations. Any of the foregoing events could put the Resulting Issuer at a competitive disadvantage, which could cause the Resulting Issuer to lose customers revenue, and market share. Consolidation in the industry could also force the Resulting Issuer to divert greater resources to meet new or additional competitive threats, which could harm the Resulting Issuer's operating results.

Risks Associated with Acquisitions

As part of the Resulting Issuer's overall business strategy, after the completion of the Amalgamation, the Resulting Issuer's may pursue select strategic acquisitions that would provide additional product or service offerings, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose it to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Resulting

Issuer's existing business; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions; or (f) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Costs of being a Reporting Issuer

As a reporting issuer, the Resulting Issuer is subject to the reporting requirements and rules and regulations under applicable Canadian securities laws and rules of the CSE. Additional or new regulatory requirements may be adopted in the future, requiring compliance by the Resulting Issuer. The requirements of existing and potential future rules and regulations will increase the Resulting Issuer's legal, accounting and financial compliance costs, make some activities more difficult, time consuming or costly and may also place undue strain on its personnel, systems and resources, which could adversely affect its business and financial condition.

Once listed, the Resulting Issuer will be subject to reporting and other obligations under applicable Canadian securities laws including National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, which requires annual management assessment of the effectiveness of the Resulting Issuer's internal controls over financial reporting. Effective internal controls, including financial reporting and disclosure controls and procedures, are necessary for the Resulting Issuer to provide reliable financial reports, to effectively reduce the risk of fraud and to operate successfully as a public company. These reporting and other obligations place significant demands on the Resulting Issuer as well as on the Resulting Issuer's management, administrative, operational, and accounting resources. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Resulting Issuer's results of operations, or cause it to fail to meet its reporting obligations. If the Resulting Issuer or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Resulting Issuer's financial statements and materially adversely affect the trading price of the Resulting Issuer's Shares.

Difficulty to Forecast

The Resulting Issuer will in most cases rely on internal market research and forecast of sales combined with third-party forecasts of the IoT cybersecurity. However, given the early stage of the Resulting Issuer and the IoT cybersecurity industry, forecasts are subject to significant uncertainty. A failure in the demand for the Resulting Issuer's products because of competition, regulatory, and technological change may have a material adverse effect on the business.

Competition

The Resulting Issuer faces competition and new competitors will continue to emerge throughout the world. Future products offered by the Resulting Issuer's competitors may take a larger market share than anticipated, which could cause revenue generated from the Resulting Issuer's products and services to fall below expectations. It is expected that competition in these markets will intensify. If competitors of the Resulting Issuer develop and market more successful products or services, offer competitive products or services at lower price points, or if the Resulting Issuer does not produce consistently high-quality and well-received products and services, revenues, margins, and profitability of the Resulting Issuer will decline.

The Resulting Issuer's ability to compete effectively will depend on, among other things, the Resulting Issuer's pricing of services and equipment, quality of customer service, development of new and enhanced products and services in response to customer demands and changing technology, reach and quality of sales and distribution channels and capital resources.

Competition could lead to a reduction in the rate at which the Resulting Issuer adds new customers, a decrease in the size of the Resulting Issuer's market share and a decline in its customers. Examples include but are not limited to competition from other companies in the same industry as the Resulting Issuer.

Intellectual Property

The Resulting Issuer relies primarily on trademarks, copyrights and trade secrets, as well as license agreements and other contractual provisions, to protect the Resulting Issuer's intellectual property and other proprietary rights. Existing legal standards relating to the validity, enforceability and scope of protection of intellectual property rights offer only limited protection, may not provide the Resulting Issuer with any competitive advantages, and may be challenged by third parties. Accordingly, despite its efforts, the Resulting Issuer may be unable to prevent third parties from infringing upon or misappropriating its intellectual property or otherwise gaining access to the Resulting Issuer's technology. Unauthorized third parties may try to copy or reverse engineer the Resulting Issuer's products or portions of its products or otherwise obtain and use the Resulting Issuer's intellectual property. Moreover, many of the Resulting Issuer's employees have access to the Resulting Issuer's trade secrets and other intellectual property. If one or more of these employees leave to work for one of the Resulting Issuer's competitors, then they may disseminate this proprietary information, which may as a result damage the Resulting Issuer's competitive position. If the Resulting Issuer fails to protect its intellectual property and other proprietary rights, then the Resulting Issuer's business, results of operations or financial condition could be materially harmed. From time to time, the Resulting Issuer may have to initiate lawsuits to protect its intellectual property and other proprietary rights. Pursuing these claims is time consuming and expensive and could adversely impact the Resulting Issuer's results of operations.

In addition, affirmatively defending the Resulting Issuer's intellectual property rights and investigating whether the Resulting Issuer's is pursuing a product or service development that may violate the rights of others may entail significant expense. Any of the Resulting Issuer's intellectual property rights may be challenged by others or invalidated through administrative processes or litigation. If the Resulting Issuer resorts to legal proceedings to enforce its intellectual property rights or to determine the validity and scope of the intellectual property or other proprietary rights of others, then the proceedings could result in significant expense to the Resulting Issuer and divert the attention and efforts of the Resulting Issuer's management and technical employees, even if the Resulting Issuer prevails.

The Resulting Issuer's Trade Secrets May Be Difficult to Protect

The Resulting Issuer's success depends upon the skills, knowledge, and experience of its scientific and technical personnel, its consultants and advisors, as well as its licensors and contractors. Because the Resulting Issuer operates in a highly competitive industry, the Resulting Issuer relies in part on trade secrets to protect its proprietary technology and processes. However, trade secrets are difficult to protect. The Resulting Issuer may enter into confidentiality or nondisclosure agreements with its corporate partners, employees, consultants, outside scientific collaborators, developers, and other advisors, which would require that the receiving party keep confidential and not disclose to third parties' confidential information developed by the receiving party or made known to the receiving party during the course of the receiving party's relationship with the Resulting Issuer. These agreements would also generally provide that inventions conceived by the receiving party in the course of rendering services to the Resulting Issuer will be the Resulting Issuer's exclusive property, and the Resulting Issuer enters into assignment agreements to perfect its rights. These confidentiality, inventions, and assignment agreements may be breached and may not effectively assign intellectual property rights to the Resulting Issuer. The Resulting Issuer's trade secrets also could be independently discovered by competitors, in which case the Resulting Issuer would not be able to prevent the use of such trade secrets by its competitors. The enforcement of a claim alleging that a party illegally obtained and was using its trade secrets could be difficult, expensive, and time consuming and the outcome would be unpredictable. In addition, courts outside the United States and Canada may be less willing to protect trade secrets. The failure to obtain or maintain meaningful trade secret protection could adversely affect the Resulting Issuer's competitive position.

Reliance on Management and Key Personnel

Due to the technical nature of the Resulting Issuer's business, the loss of important staff members represents a risk. The Resulting Issuer aims to maintain a good standing with all high level and critical employees, contractors and consultants. The success of the Resulting Issuer will depend on the ability, judgement, discretion and expertise of its personnel. Any loss of services by key individuals could have a material adverse effect on the Resulting Issuer's business. There can be no assurance that any of the Resulting Issuer's consultants will remain with the Resulting Issuer or that, in the future, they will not organize competitive businesses or accept opportunities with companies competitive with the Resulting Issuer.

Fraudulent or Illegal Activity by Employees, Contractors and Consultants

The Resulting Issuer is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Resulting Issuer that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and state healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It may not always be possible for the Resulting Issuer to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Resulting Issuer to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Resulting Issuer from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Resulting Issuer, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Resulting Issuer's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Resulting Issuer's operations, any of which could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

Product Viability

If the products the Resulting Issuer sells are not perceived to have the effects intended by the end user, its business may suffer. Many of the Resulting Issuer's products contain innovative technologies. There is little long-term data with respect to overall security coverage of the product. As a result, the Resulting Issuer's products could not have the security coverage or intended effect that the customer wanted. This may have a material adverse impact on the sales of the Resulting Issuer.

Product Liability

The Resulting Issuer will be distributing products that will be a security asset for their clients, and thus will face a risk associated with product liability claims, regulatory action and litigation if the products are alleged to cause injury or loss. Product liability claims may include, among others, inadequate warnings for potential security breaches. Maintaining product liability insurance on acceptable terms may not be economically feasible to provide adequate coverage for all potential risks. Regulatory or liability action against the Resulting Issuer could have a material adverse effect on the business.

Constraints on Marketing Products

The development of the Resulting Issuer’s business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies. If the Resulting Issuer is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Resulting Issuer’s sales and results of operations could be adversely affected.

Availability of Key Suppliers

The Resulting Issuer reliant upon certain key suppliers and partners for products, components or services and no assurances can be given that we will not experience delays or other difficulties in obtaining the same, as a result of trade disputes or other matters. Although the Resulting Issuer believes there are alternative suppliers for most key requirements, if current suppliers and partners are unable to provide the necessary products, components or services or otherwise fail to timely deliver products, components or services in the quantities or manners required, any resulting delays in the manufacture or distribution of existing products, or the provision of services, could have a material adverse effect on our results of operations and financial condition. Further, unusual supply disruptions, such as disruptions caused by natural disasters or pandemics, could cause suppliers and partners to invoke "force majeure" clauses in their agreements, causing shortages of material or the loss of certain services. In certain circumstances, success in offsetting higher material costs with price increases is largely influenced by competitive and economic conditions and could vary significantly. If unable to fully offset the effects of material availability and costs, financial results could be adversely affected. The Resulting Issuer consumes individual raw materials, the costs of which in certain instances reflect market prices impacted by other market forces. These prices are subject to worldwide supply and demand as well as other factors beyond our control. Although the Resulting Issuer may sometimes able to pass such price increases to our customers, significant variations in the cost of raw materials can affect our operating results from period to period.

The Resulting Issuer also relies on certain software that it licenses from third parties. There can be no assurance that these third-party licenses will continue to be available to the Resulting Issuer on commercially reasonable terms. The loss of, or inability to maintain, any of these licenses could result in delays or reductions in product and service deployment until equivalent software can be developed, identified, licensed and integrated, which could substantially and adversely affect the Resulting Issuer 's business, results of operations and financial condition.

Effectiveness and Efficiency of Advertising and Promotional Expenditures

The Resulting Issuer's future growth and profitability will depend on the effectiveness and efficiency of advertising and promotional expenditures, including its ability to (i) create greater awareness of its products; (ii) determine the appropriate creative message and media mix for future advertising expenditures; and (iii) effectively manage advertising and promotional costs in order to maintain acceptable operating margins. There can be no assurance that advertising and promotional expenditures will result in revenues in the future or will generate awareness of the Resulting Issuer's technologies or services. In addition, no assurance can be given that the Resulting Issuer will be able to manage its advertising and promotional expenditures on a cost-effective basis.

Website Accessibility

Internet websites are visible by people everywhere, not just in jurisdictions where the activities described therein are considered legal. As a result, to the extent the Resulting Issuer sells services or products via web-based links targeting only jurisdictions in which such sales or services are compliant with state law, the Resulting Issuer may face legal action in other jurisdictions which are not the intended object of any of the Resulting Issuer's marketing efforts for engaging in any web-based activity that results in sales into such jurisdictions deemed illegal under applicable laws.

Third-party Intellectual Property Infringement

The software industry is characterized by the existence of a large number of patents and frequent claims and related litigation regarding patents and other intellectual property rights. Third parties have in the past asserted, and may in the future assert, that our platform, solutions, technology, methods or practices infringe, misappropriate or otherwise violate their intellectual property or other proprietary rights. Such claims may be made by our competitors seeking to obtain a competitive advantage or by other parties. Additionally, in recent years, non-practicing entities have begun purchasing intellectual property assets for the purpose of making claims of infringement and attempting to extract settlements from companies like the Resulting Issuer. The risk of claims may increase as the number of solutions that the Resulting Issuer offers and competitors in the market increases and overlaps occur. In addition, to the extent that the Resulting Issuer gains greater visibility and market exposure, the Resulting Issuer faces a higher risk of being the subject of intellectual property infringement claims. The Company currently holds no patents on its IoT product as it has trade secrets which is the industry norm to not disclose critical details to hackers. Cybeats has no patents on SBOM, but plans to file in the near term.

Third-Party Dependence

The Company relies heavily on third parties to provide some of its services. If these third parties were unable or unwilling to provide these goods and services in the future due to COVID-19 or other events that cause an anomalous in supply or demand of such services, the Company would need to obtain such services from other providers if they are available. This could cause the Company to incur additional costs or cause material interruptions to its business until these services are replaced if possible.

Data Centre Disruption

Data centers are vulnerable to damage or interruption from human error, intentional bad acts, earthquakes, hurricanes, floods, fires, war, terrorist attacks, power losses, hardware failures, systems failures, telecommunications failures and similar events. Any of these events could result in lengthy interruptions in the Resulting Issuer's services. Changes in law or regulations applicable to data centers in various jurisdictions could also cause a disruption in service. Interruptions in the Resulting Issuer's services would reduce revenue, subjecting the Resulting Issuer to potential liability and adversely affecting the Resulting Issuer's ability to retain its customers or attract new customers. The performance, reliability and availability of the Resulting Issuer's platform is critical to its reputation and its ability to attract and retain merchants. Customers could share information about bad experiences on social media, which could result in damage to the Resulting Issuer's reputation and loss of future sales. The property and business interruption insurance coverage the Resulting Issuer carries may not be adequate to compensate it fully for losses that may occur.

Software Errors or Bugs

Software such as Resulting Issuer's often contains errors, defects, security vulnerabilities or software bugs that are difficult to detect and correct, particularly when first introduced or when new versions or enhancements are released. Despite internal testing, the Resulting Issuer's platform may contain serious errors or defects, security vulnerabilities or software bugs that it may be unable to successfully correct in a timely manner or at all, which could result in lost revenue, significant expenditures of capital, a delay or loss in market acceptance and damage to its reputation and brand, any of which could have an adverse effect on its business, financial condition and results of operations. Furthermore, the Resulting Issuer's platform is a multi-tenant cloud-based system that allows the Resulting Issuer's to deploy new versions and enhancements to all of its customers simultaneously. To the extent the Resulting Issuer deploys new versions or enhancements that contain errors, defects, security vulnerabilities or software bugs to all of its customers simultaneously, the consequences would be more severe than if such versions or enhancements were only deployed to a smaller number of its merchants.

Security Breaches

Software such as the Resulting Issuer's often contains errors, defects, security vulnerabilities or software bugs that are difficult to detect and correct, particularly when first introduced or when new versions or enhancements are released. Despite internal testing, the Resulting Issuer's platform may contain serious errors or defects, security vulnerabilities or software bugs that it may be unable to successfully correct in a timely manner or at all, which could result in lost revenue, significant expenditures of capital, a delay or loss in market acceptance and damage to its reputation and brand, any of which could have an adverse effect on its business, financial condition and results of operations. Furthermore, the Resulting Issuer's platform is a multi-tenant cloud-based system that allows the Resulting Issuer to deploy new versions and enhancements to all of its customers simultaneously. To the extent the Resulting Issuer deploys new versions or enhancements that contain errors, defects, security vulnerabilities or software bugs to all of its customers simultaneously, the consequences would be more severe than if such versions or enhancements were only deployed to a smaller number of our merchants.

International Business Risk

The Resulting Issuer's business is susceptible to risks associated with international sales and the use of its platform in various countries. The Resulting Issuer's international sales and the use of its platform in various countries subject the Resulting Issuer to risks that it does not generally face with respect to domestic sales within North America. These risks include, but are not limited to:

- Lack of familiarity and burdens and complexity involved with complying with multiple, conflicting and changing foreign laws, standards, regulatory requirements, tariffs, export controls and other barriers;
- Greater difficulty in enforcing contracts, including the Resulting Issuer's universal terms of service and other agreements;
- Difficulties in ensuring compliance with countries' multiple, conflicting and changing international trade, customs and sanctions laws;
- Data privacy laws which may require that merchant and customer data be stored and processed in a designated territory;
- Difficulties in managing systems integrators and technology partners;
- Differing technology standards;
- Potentially adverse tax consequences, including the complexities of foreign value added tax (or other tax) systems and restrictions on the repatriation of earnings;
- Uncertain political and economic climates;
- Currency exchange rates;
- Reduced or uncertain protection for intellectual property rights in some countries; and
- New and different sources of competition.

These factors may cause the Resulting Issuer's international costs of doing business to exceed its comparable domestic costs and may also require significant management attention and financial resources. Any negative impact from the Resulting Issuer's international business efforts could adversely affect its business, results of operations and financial condition.

Defects or Disruptions in Technology Platforms

Defects or disruptions in the technology platforms and network infrastructure the Resulting Issuer relies on could materially harm the Resulting Issuer's business and operating results. The Resulting Issuer's operations are dependent upon its ability to protect its computer equipment and stored information against damage that may be caused by fire, power loss, telecommunications failures, unauthorized intrusion, computer viruses and disabling devices, and other similar events. Although the Resulting Issuer has redundant and back-up systems for some of Resulting Issuer's solutions and services, these systems may be insufficient or may fail and result in a disruption of availability of the Company's solutions or services. Cloud Nine also relies on third-party Internet providers and developers, and such third parties and their technology platforms, services and operations may also be vulnerable to similar defects and disruptions, which could in turn affect the Company's operations. Any disruption to the Company's services could impair Cloud Nine's reputation and cause it to lose partners, customers or revenue, or face litigation, necessitate service or repair work that would involve substantial costs and distract management from operating the business. The Company may not be indemnified by third parties for any disruptions to our services that are outside of our direct control.

Privacy Laws

The Resulting Issuer is subject to federal, state, provincial and foreign laws regarding privacy and protection of data. Some jurisdictions have enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data. Any failure by the Resulting Issuer to comply with privacy related laws and regulations could result in proceedings against the Resulting Issuer by governmental authorities or others, which could harm the Resulting Issuer's business. In addition, the interpretation of data protection laws, and their application is unclear and in a state of flux. There is a risk that these laws may be interpreted and applied in conflicting ways from province to province, state to state, country to country or region to region, and in a manner that is not consistent with the Company's current data protection practices. Complying with these varying requirements could cause Cloud Nine to incur additional costs and change the Company's business practices. Further, any failure by the Company to adequately protect partner or consumer data could result in a loss of confidence in Cloud Nine's platform which could adversely affect its business.

Current and Future Competitors

The Resulting Issuer faces competition in various aspects of its business and it expects such competition to grow in the future. The Resulting Issuer has competitors with longer operating histories, larger customer bases, greater brand recognition, greater experience and more extensive commercial relationships in certain jurisdictions, and greater financial, technical, marketing and other resources than it does. As a result, its potential competitors may be able to develop products and services better received by merchants or may be able to respond more quickly and effectively than the Resulting Issuer can to new or changing opportunities, technologies, regulations or customer requirements. In addition, some of the Resulting Issuer's larger competitors may be able to leverage a larger installed customer base and distribution network to adopt more aggressive pricing policies and offer more attractive sales terms, which could cause the Resulting Issuer to lose potential sales or to sell its solutions at lower prices.

Competition may intensify as the Resulting Issuer's competitors enter into business combinations or alliances or raise additional capital, or as established companies in other market segments or geographic markets expand into its market segments or geographic markets. For instance, certain competitors could use strong or dominant positions in one or more markets to gain a competitive advantage against the Resulting Issuer in areas where it operates. Further, current and future competitors could choose to offer a different pricing model or to undercut prices in an effort to increase their market share. If the Resulting Issuer cannot compete successfully against current and future competitors, its business, results of operations and financial condition could be negatively impacted.

Changes in Effective Tax Rates

With sales in various countries, the Resulting Issuer is subject to taxation in several jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The amount of taxes the Resulting Issuer pays in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents, which could have an adverse impact on our liquidity and results of operations.

In addition, the authorities in Canada and other jurisdictions could review the Resulting Issuer's tax returns and impose additional tax, interest and penalties, which could have an impact on the Resulting Issuer and its results of operations. The Resulting Issuer has previously participated in government programs with both the Canadian federal government and the Government of Ontario that provide investment tax credits based upon qualifying research and development expenditures. If Canadian taxation authorities successfully challenge such expenses or the correctness of such income tax credits claimed, the Resulting Issuer's historical operating results could be adversely affected. As a public company, the Resulting Issuer will no longer be eligible for refundable tax credits under the Canadian federal Scientific Research and Experimental Development Program, or SR&ED credits.

The Resulting Issuer's future effective tax rates could be subject to volatility or adversely affected by a number of factors, including:

- Changes in the valuation of our deferred tax assets and liabilities;
- Expected timing and amount of the release of any tax valuation allowances;
- Tax effects of stock-based compensation;
- Costs related to intercompany restructurings;
- Changes in tax laws, regulations or interpretations thereof; or
- Future earnings being lower than anticipated in countries where the Resulting Issuer has lower statutory tax rates and higher than anticipated earnings in countries where it has higher statutory tax rates.

If two or more affiliated companies are located in different countries, the tax laws or regulations of each country generally will require that transfer prices be the same as those between unrelated companies dealing at arms' length. While the Resulting Issuer believes that it operates in compliance with applicable transfer pricing laws and intend to continue to do so, its transfer pricing procedures are not binding on applicable tax authorities. If tax authorities in any of these countries were to successfully challenge the Resulting Issuer's transfer prices as not reflecting arm's length Amalgamations, they could require the Resulting Issuer to adjust our transfer prices and thereby reallocate its income to reflect these revised transfer prices, which could result in a higher tax liability to the Resulting Issuer.

Risks Related to the Resulting Issuer's Securities

Market for Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted market for the Resulting Issuer Shares will be subject to market trends generally, notwithstanding any potential success of the Resulting Issuer in creating revenues, cash flows or earnings. The value of the Resulting Issuer Shares will be affected by such volatility. An active public market for the Resulting Issuer Shares might not develop or be sustained after the completion of the Preliminary Prospectus. If an active public market for the Resulting Issuer Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline.

Price may not Represent Performance or Intrinsic Fair Value

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the Resulting Issuer, including the market in which it is traded, the strength of the economy generally, the availability of the attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Subordinate Voting Shares on the CSE in the future cannot be predicted.

Securities or Industry Analysts

The trading market for the Resulting Issuer Shares could be influenced by research and reports that industry and/or securities analysts may publish about the Resulting Issuer, its business, the market or its competitors. The Resulting Issuer does not have any control over these analysts and cannot assure that such analysts will cover the Company or provide favourable coverage. If any of the analysts who may cover the Resulting Issuer's business change their recommendation regarding the Resulting Issuer's stock adversely, or provide more favourable relative recommendations about its competitors, the stock price would likely decline. If any analysts who may cover the Resulting Issuer's business were to cease coverage or fail to regularly publish reports on the Resulting Issuer, it could lose visibility in the financial markets, which in turn could cause the stock price or trading volume to decline.

Resale of Shares

There can be no assurance that the publicly-traded market price of the Resulting Issuer Shares will be high enough to create a positive return for the existing investors. Further, there can be no assurance that the Resulting Issuer Shares will be sufficiently liquid so as to permit investors to sell their position in the Resulting Issuer without adversely affecting the stock price. In such an event, the probability of resale of the Resulting Issuer Shares would be diminished.

As well, the continued operation of the Resulting Issuer may be dependent upon its ability to procure additional financing in the short term and to generate operating revenues in the longer term. There can be no assurance that any such financing can be obtained or that revenues can be generated. If the Resulting Issuer is unable to obtain such additional financing or generate such revenues, investors may be unable to sell their Resulting Issuer Shares and any investment in the Resulting Issuer may be lost.

Price Volatility

The Resulting Issuer Shares do not currently trade on any exchange or stock market. Securities of technology companies have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. Other factors unrelated to the Company's performance that may affect the price of the Resulting Issuer Shares include the following: the extent of analytical coverage available to investors concerning the Resulting Issuer's business may be limited if investment banks with research capabilities do not follow the Resulting Issuer; lessening in trading volume and general market interest in the Resulting Issuer Shares may affect an investor's ability to trade significant numbers of shares; the size of the Resulting Issuer's public float may limit the ability of some institutions to invest in the Subordinate Voting Shares; and a substantial decline in the price of the Resulting Issuer Shares that persists for a significant period of time could cause the Resulting Issuer Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Resulting Issuer Shares at any given point in time may not accurately reflect the Resulting Issuer's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Resulting Issuer may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources. The fact that no market currently exists for the Resulting Issuer Shares may affect the pricing of the Resulting Issuer Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Resulting Issuer Shares. The market price of the Resulting Issuer Shares is affected by many other variables which are not directly related to Resulting Issuer's success and are, therefore, not within the Resulting Issuer's control. These include other developments that affect the market for all technology sector securities, the breadth of the public market for Resulting Issuer's Shares and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Resulting Issuer Shares is expected to make the price of the Resulting Issuer Shares volatile in the future, which may result in losses to investors.

Dilution

The Resulting Issuer will require additional funds for its planned activities. If the Resulting Issuer raises additional funding by issuing equity securities, which is highly likely, such financing could substantially dilute the interests of the Resulting Issuer's shareholders. Sales of substantial amounts of shares, or the availability of securities for sale, could adversely affect the prevailing market prices for the Resulting Issuer's shares. A decline in the market prices of the Resulting Issuer's shares could impair the ability of the Resulting Issuer to raise additional capital through the sale of new common shares should the Resulting Issuer's desire to do so.

Dividends

To date, the Resulting Issuer has not paid any dividends on its outstanding shares. Any decision to pay dividends on the shares of the Resulting Issuer will be made by its Board on the basis of its earnings, financial requirements and other conditions. There is no assurance that the Resulting Issuer will pay dividends on its shares in the near future or ever. The Resulting Issuer will likely require all its funds to further the development of its business.

CSE Listing

In the future, the Company may fail to meet the continued listing requirements to be listed on the CSE. If the CSE delists the Resulting Issuer Shares from trading on its exchange, the Resulting Issuer could face significant material adverse consequences, including: a limited availability of market quotations; a limited amount of news and analysts' coverage for the Resulting Issuer; and a decreased ability to issue additional securities or obtain additional financing in the future.

International Conflict

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global energy and financial markets. Russia's recent invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on commodity prices and global economies more broadly. Volatility in commodity prices may adversely affect our business, financial condition and results of operations. Reductions in commodity prices may affect oil and natural gas activity levels and therefore adversely affect the demand for, or price of, our services.

The extent and duration of the current Russian-Ukrainian conflict and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks identified herein. The situation is rapidly changing and unforeseeable impacts, including on our shareholders and counterparties on which we rely and transact with, may materialize and may have an adverse effect on our business, results of operation and financial condition.

Disclosure Controls and Procedures & Internal Controls over Financial Reporting

In accordance with the Canadian Securities Administrators National Instrument 52-109 ("NI 52-109"), Certification of Disclosure in Issuers' Annual and Interim Filings, the Company has filed certificates signed by the Chief Executive Officer and the Chief Financial Officer that, among other things, report on the design and effectiveness of disclosure controls and procedures and the design and effectiveness of internal controls over financial reporting.

The Company continues to review and document its disclosure controls and procedures and internal controls over financial reporting and may, from time to time, make changes aimed at enhancing their effectiveness and to ensure that its systems evolve with the business. There were no changes in the Company's internal controls over financial reporting during the period ended June 30, 2022, that have materially affected, or are reasonably likely to materially affect, its disclosure controls and procedures and internal controls over financial reporting.

Share Data

As at June 30, 2022, there were 9,208,817 common shares issued and outstanding, 9,624,055 Class Seed Preference shares issued and outstanding.

As at August 29, 2022, there were 9,208,817 common shares issued and outstanding, 9,624,055 Class Seed Preference shares issued and outstanding.

"Yoav Raiter"
Chief Executive Officer
August 29, 2022

SCHEDULE "I"
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF CYBEATS TECHNOLOGIES CORP

See Attached.

Cybeats Technologies Inc.
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

November 04, 2022

Cybeats Technologies Inc.
Proforma Consolidated Statement of Financial Position
As at June 30, 2022
(Unaudited)

	Pima	Cybeats	Adjustments	Ref	Pro forma
	2022-06-30	**2022-06-30**			
Assets					
Current assets					
Cash and Cash equivalents	$ 13,372	$ 46,119	$ 6,742,400	(b)(c)(d)	$ 6,801,891
Accounts receivable	$ -	$ 139,380	$ -		139,380
Prepaid expenses	$ -	$ 37,774	$ -		37,774
HST Receivable	$ -	$ 132,515	$ -		132,515
Due from related parties	$ -	$ 41,410	$ -		41,410
	13,372	$ 397,198	6,742,400		7,152,970
Long term assets					
Property Plant and equipment	-	19,581	-		19,581
Intangible assets	-	235,121	-		235,121
	$ 13,372	**$ 651,900**	**$ 6,742,400**		**$ 7,407,672**
Liabilities					
Accounts payable and accrued liabilities	$ 279,632	106,981	$ -		$ 386,613
Current portion of lease payable	$ -	98,268	$ -		$ 98,268
Due to Pima	$ -	1,625,000	$ (1,625,000)	(d)	$ -
	279,632	1,830,249	(1,625,000)		484,881
Due to Scryb		2,047,943			$ 2,047,943
Long-term debt					
Lease Payable	-	142,100			142,100
	279,632	**4,020,292**	**-**		4,299,924
Shareholders' equity					
Capital stock	5,256,850	3,100,807	4,841,593	(a) (b) (c)	13,199,250
Reserve for share based payments	427,765	-	-		427,765
Reserve for warrants	1,573,081	-	-		1,573,081
Cumulitative foreign translation gain	118,379	-	-		118,379
Deficit	(7,642,337)	(6,469,199)	1,900,807	(a)(b)	(12,210,729)
	(266,261)	(3,368,392)	6,742,400		3,107,747
	$ 13,372	**$ 651,900**	**$ 6,742,400**		**$ 7,407,672**
Common shares O/S					
#	15,517,139	9,208,817	76,734,800	(a) (c) (b)	92,251,939

Cybeats Technologies Inc.
Proforma Consolidated Statement of operations and comprehensive Loss
For the three months ended June 30, 2022
(Unaudited)

	Pima	Cybeats	Adjustments	Pro forma
	2022-06-30	**2022-06-30**		
Revenues				
Sales	$ -	$ 16,419	$ -	$ 16,419
Innovation Assistance Program wage subsidy	$ -	$ 2,086	$ -	$ 2,086
	$ -	$ 18,505	**$ -**	**$ 18,505**
Expenses				
Advertising and promotion	$ -	$ 56,842	$ -	$ 56,842
Computer expenses	$ -	$ 43,848	$ -	$ 43,848
Depreciation	$ -	$ 31,288	$ -	$ 31,288
Foreign currency loss	$ 458	$ 5,608		$ 6,066
General and administrative expenses	$ 3,516	$ -	$ -	$ 3,516
Insurance	$ -	$ 461	$ -	$ 461
Interest and Bank charges	$ -	$ 5,017	$ -	$ 5,017
Investor relations, transfer agent and filing fees	$ 25,396	$ -	$ -	$ 25,396
Meals and entertainment	$ -	$ 12,619	$ -	$ 12,619
Office and general	$ -	$ 3,701	$ -	$ 3,701
Professional fees	$ 72,407	$ 49,766	$ -	$ 122,173
Repairs and maintenance	$ -	$ 7,397	$ -	$ 7,397
Sales Commissions	$ -	$ 6,065		$ 6,065
Subcontractor fees (Consulting Fees)	$ 12,763	$ 270,069	$ -	$ 282,832
System maintenance	$ -	$ 127,417	$ -	$ 127,417
Travel expenses	$ -	$ 59,267	$ -	$ 59,267
Wage and salary	$ -	$ 699,702	$ -	$ 699,702
	114,540	1,379,067	-	1,493,607
Net Loss and Comprehensive Loss	**$ (114,540)**	**(1,360,562)**	**$ -**	**$ (1,475,102)**

1. **Basis of Presentation**

Statement of Compliance
The accompanying unaudited pro forma consolidated financial statements of Pima Zinc Corp. ("Pima") have been prepared by management after giving effect to the proposed acquisition of Cybeats Technologies Inc. ("Cybeats") by Pima through a reverse takeover transaction, and the proposed related equity financings.

Functional and Presentation Currency
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.

Pro forma Assumptions

a) **Pima acquires Cybeats**
Under the terms of the acquisition, Pima will acquire 100% of the issued and outstanding common shares of Cybeats in exchange for 60,000,000 common shares in the capital of Pima valued at $0.02 per share, totaling $1,200,000. This is accounted for as an RTO asset acquisition for accounting purposes and these costs are expensed as transaction costs.

b) **RTO Consolidation**
The transaction is accounted for as an RTO where Cybeats is determined to be the acquirer of Pima with a purchase price to be allocated to Pima's net assets. This is accounted for as an RTO asset acquisition for accounting purposes and the excess of the purchase price is expensed as transaction costs.

Purchase price allocation	
Cash	13,372
Accounts payable	-279,632
Debts Assumed	-266,261
Share Issuance Cost	1,466,261
Total Purchase Price	1,200,000

c) **Financing**
Pima/Cybeats will complete a private placement of 16,734,800 units at a price of $0.50 per unit for gross proceeds of $8,367,400. Each unit consists of one common share of the Company and one common share purchase warrant.

d) **Bridge Loan Repayment**
Pima/Cybeats will complete the repayment of the First Bridge Loan Agreement, Second Bridge Loan Agreement and the Third Bridge Loan Agreement for a total of $1,400,000.

2. **Capital**

The following table reconciles share capital of Cybeats and Pima to the resultant issuer;

	Cybeats		Pima	
	#	$	#	$
Opening	**9,208,817**	**3,100,807**	**15,517,139**	**5,256,850**
PP				
Pima reduction in stated capital				
Pima aquires Cybeats	-	-	60,000,000	1,200,000
Financing @ $0.50		-	16,734,800	8,367,400
Closing	**9,208,817**	**3,100,807**	**92,251,939**	**14,824,250**

3. **Discussions and Assumptions**

The closing of the transaction is subject to a number of conditions, including but not limited to regulatory and shareholders' approval.

The unaudited pro forma consolidated statement of financial position as at June 30, 2022 have been prepared incorporating the assumptions and adjustments described in this document.

The acquisition of Cybeats by Pima has been accounted for in accordance with IFRS 2, Share Based Payments. The transaction is considered to be a reverse takeover of Pima by Cybeats. A reverse takeover transaction involving a non-public operating entity and a non-operating public company is in substance a share-based payment transaction, rather than a business combination. The transaction is equivalent to the issuance of equity instruments (share, stock options and warrants) by Cybeats for the net assets and the eventual public listing status of the non-operating company, Pima. The fair value of the shares issued was determined based on the fair value of the common shares of Cybeats. The unaudited pro forma consolidated statement of financial position as at June 30, 2022 has been derived from the following financial statements: (i) the unaudited statements of financial position of Cybeats as at June 30, 2022; (ii) the unaudited statement of financial position of Pima as at June 30, 2022; The unaudited pro forma consolidated statement of financial position has been prepared by management and, in the opinion of management, includes all adjustments necessary for fair presentation. No adjustments have been made to reflect additional costs or cost savings that could result from the combination of operations of Cybeats and Pima, as management does not anticipate any material costs or cost savings as a result of the transactions. The unaudited pro forma consolidated statement of financial position has been prepared for illustration purposes only and may not be indicative of the combined results or financial position had the transaction been in effect at the date and for the time period indicated.

CERTIFICATE OF
CYBEATS TECHNOLOGIES CORP.
(FORMERLY PIMA ZINC CORP.)

Pursuant to a resolution duly passed by its Board, Cybeats Technologies Corp. (formerly Pima Zinc Corp.), hereby applies for the listing of the above-mentioned securities on CSE. The foregoing contains full, true and plain disclosure of all material information relating to Cybeats Technologies Corp. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, this 4th day of November, 2022.

"Yoav Raiter"	*"Josh Bald"*
President & Chief Executive Officer	Chief Financial Officer
"Justin Leger"	*"Medhanie Tekeste"*
Director	Director

SCHEDULE "J"
CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Name

There shall be a committee of the board of directors (the "**Board**") of Cybeats Technologies Corp. (the "**Company**") known as the Audit Committee (the "**Committee**").

Purpose

The Committee has been established to assist the Board in fulfilling its oversight responsibilities and fiduciary obligations. The primary functions and areas of responsibility of the Committee are to:

- review, report and provide recommendations to the Board on the annual and interim consolidated financial statements and related Management's Discussion and Analysis ("**MD&A**");

- identify and monitor the management of the principal risks that could impact the financial reporting of the Company;

- make recommendations to the Board regarding the appointment, terms of engagement and compensation of the external auditor;

- monitor the integrity of the Company's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;

- oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;

- resolve disagreements between management and the external auditor regarding financial reporting;

- receive the report of the external auditors, who must report directly to the Committee; and

- provide an avenue of communication among the Company's external auditors, management, and the Board.

Composition and Qualifications

All Committee members shall meet all applicable requirements prescribed under the Canada Business Corporations Act, as well as any requirements or guidelines prescribed from time to time under applicable securities legislation, including National Instrument 52-110 as amended, restated or superseded. The Committee shall be comprised of not less than three directors as determined from time to time by the Board. Each member shall be a director and a majority of the members shall be independent directors who are free from any direct or indirect relationship that would, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment. While it is not necessary for members to have a comprehensive knowledge of generally accepted accounting principles and standards, all members of the Committee shall be "financially literate" so as to be able to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the issues raised by the Company's financial statements. A director who is not financially literate may be appointed to the Committee by the Board provided that such director becomes financially literate within a reasonable period following his or her appointment, and provided that the Board has determined that such appointment will not materially adversely affect the ability of the Committee to act independently.

Committee members shall be appointed by the Board. The Board shall designate the Chair of the Committee. If a Chair is not designated or present at any meeting, the members of the Committee may designate a Chair by majority vote. The Chair shall have responsibility for ensuring that the Committee fulfills its mandate and duties effectively.

Each member of the Committee shall continue to be a member until a successor is appointed, unless the member resigns, is removed or ceases to be a director. The Board may fill a vacancy at any time.

Meetings

The Committee shall meet at least four times annually, or more frequently as circumstances dictate, and at least once in each fiscal quarter. A notification for each of the meetings shall be disseminated to Committee members two days prior to each meeting. A majority of the members of the Committee shall constitute a quorum for meetings.

An agenda shall be prepared by the Chair of the Committee as far in advance of each meeting as reasonably practicable. Minutes of all meetings of the Committee shall be prepared as soon as possible following the meeting and submitted for approval at or prior to the next following meeting.

The Committee should meet privately at least once per year with management of the Company, the Company's external auditors, and as a committee to discuss any matters that the Committee or any of these groups believe should be discussed.

Specific Responsibilities and Duties

Specific responsibilities and duties of the Committee shall include, without limitation, the following:

General Review Procedures

1. Review and reassess the adequacy of this Charter at least annually and submit any proposed amendments to the Board for approval.

2. Review the Company's annual audited financial statements, related MD&A, and other documents prior to filing or distribution of such documents or issuing a press release in respect of the financial statements and MD&A. Review should include discussion with management and external auditors of significant issues regarding accounting principles, practices, and significant management estimates and judgments.

3. Annually, in consultation with management and external auditors, consider the integrity of the Company's financial reporting processes and controls. Discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures. Review significant findings prepared by the external auditors and the internal auditing department together with management's responses.

4. Review the effectiveness of the overall process for identifying the principal risks affecting financial reporting and provide the Committee's views to the Board of Directors.

5. Review with financial management and the external auditors the Company's quarterly financial results, related MD&A and other documents prior to the filing or distribution of

such documents or issuing a press release in respect of the financial statements and MD&A. Discuss any significant changes to the Company's accounting principles. The Chair of the Committee may represent the entire Committee for purposes of this review.

External Auditors

6. The external auditors are ultimately accountable to the Committee, as representatives of the shareholders. The external auditors must report directly to the Committee, who shall review the independence and performance of the auditors and annually recommend to the Board the appointment of the external auditors or approve any discharge of auditors when circumstances warrant. The Committee shall approve the compensation of the external auditors.

7. The Committee must approve all non-audit and non-tax services to be provided to the Company or its subsidiary entities, unless such non-audit and non-tax services are reasonably expected to constitute not more than twenty (20) percent of the total fees paid by the Company to the external auditor during the particular fiscal year.

8. On an annual basis, the Committee should review and discuss with the external auditors all significant relationships they have with the Company that could impair the auditors' independence.

9. Review the external auditors' audit plan and discuss and approve the audit scope, staffing, locations, reliance upon management, and general audit approach.

10. Prior to releasing the year-end earnings, discuss the results of the audit with the external auditors. Discuss any matters that are required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants.

11. Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in the Company's financial reporting.

Legal Compliance

12. On at least an annual basis, review with the Company's counsel any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies.

Other Miscellaneous Responsibilities

13. Annually assess the effectiveness of the Committee against its Mandate and report the results of the assessment to the Board.

14. Prepare and disclose a summary of the Mandate to shareholders.

15. Perform any other activities consistent with this Mandate, the Company's by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

Authority

The Committee shall have the authority to:

- delegate approval-granting authority to pre-approve non-audit services by the external auditor to one or more of its members;
- engage independent counsel and other advisors as it determines necessary to carry out its duties;
- set and pay the compensation for any advisors employed by the Committee;
- communicate directly with the external auditors;

Reporting

The Committee shall report its deliberations and discussions regularly to the Board and shall submit to the Board the minutes of its meetings.

Resources

The Committee shall have full and unrestricted access to all of the Company's books, records, facilities and personnel as well as the Company's external auditors and shall have the authority, in its sole discretion, to conduct any investigation appropriate to fulfilling its responsibilities. The Committee shall further have the authority to retain, at the Company's expense, such special legal, accounting or other consultants or experts as it deems necessary in the performance of its duties and to request any officer or employee of the Company or the Company's external counsel or auditors to attend a meeting of the Committee.

Limitation on the Oversight Role of the Committee

Nothing in this Charter is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject.

Each member of the Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Company from whom he or she receives information, and the accuracy of the information provided to the Company by such persons or organizations.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles and applicable rules and regulations, each of which is the responsibility of management and the Company's external auditors.

SCHEDULE "K"
REVENUE PERFORMANCE MILESTONES

See Attached.

GROSS REVENUE PERFORMANCE MILESTONES

This Schedule C, and its terms, is incorporated by reference and deemed to form part of this Agreement dated as of the Effective Date.

	Performance Milestones	**Timeline**	**Issuer Shares Calculation**	**Aggregate Performance Consideration**
1	Cybeats' sales generate gross revenues equal to or in excess of $1,000,000 (the "**First Performance Milestone**").	Within 18 months of the Closing Date.	15-day volume weighted average trading price of the Issuer Shares on the Exchange ending the day prior to the day the First Performance Milestone was achieved.	$1,720,000 upon achievement of 100% of the First Performance Milestone.
2	Cybeats' sales generate gross revenues equal to or in excess of $4,500,000 (the "**Second Performance Milestone**").	Within 30 months of the Closing Date.	15-day volume weighted average trading price of the Issuer Shares on the Exchange ending the day prior to the day the Second Performance Milestone was achieved.	$3,000,000 of Issuer Shares upon achievement of 100% of the Second Performance Milestone, with a linear calculation on the number of Issuer Shares equal to $3,000,000 starting at 81% achievement of the Second Performance Milestone and payable as follows: (i) the number of Issuer Shares equal to $0 issued to Cybeats Shareholders in the event less than 81% of the Second Performance Milestone is achieved; (ii) the number of Issuer Shares equal to

				(P2-81%)/19% x $3,000,000, where "**P2**" means the percentage of the Second Performance Milestone actually achieved; and (iii) the number of Issuer Shares equal to $3,000,000 issued to Cybeats Shareholders in the event 100% or more of the Second Performance Milestone is achieved.
3	Cybeats' sales generate gross revenues in excess of $9,000,000 (the "**Third Performance Milestone**" and together with the First Performance Milestone and the Second Performance Milestone, the "**Performance Milestones**").	Within 42 months of the Closing Date.	15-day volume weighted average trading price of the Issuer Shares on the Exchange ending the day prior to the day the Third Performance Milestone was achieved.	$2,000,000 of Issuer Shares upon achievement of 100% of the Third Performance Milestone, with a linear calculation on the Issuer Shares equal to $2,000,000 starting at 81% achievement of the Third Performance Milestone and payable as follows: (i) the number of Issuer Shares equal to $0 issued to Cybeats Shareholders in the event less than 81% of the Third Performance Milestone is achieved; (ii) the number of Issuer Shares equal to (P3-81%)/19% x $2,000,000, where "**P3**" means the percentage of the Third Performance Milestone actually achieved; and (iii) the number of Issuer Shares equal

				to $2,000,000 issued to Cybeats Shareholders in the event 100% or more of the Third Performance Milestone is achieved.

Release Timing of Issuer Shares comprising the Aggregate Performance Consideration	**Percentage of total Issuer Shares comprising the Aggregate Performance Consideration to be released**
3 months from Performance Milestone being achieved	20% of Issuer Shares received in connection with applicable Performance Milestone
6 months from Performance Milestone being achieved	20% of Issuer Shares received in connection with applicable Performance Milestone
9 months from Performance Milestone being achieved	20% of Issuer Shares received in connection with applicable Performance Milestone
12 from Performance Milestone being achieved	20% of Issuer Shares received in connection with applicable Performance Milestone
15 months from Performance Milestone being achieved	20% of Issuer Shares received in connection with applicable Performance Milestone

1. Notwithstanding the immediately foregoing, the Issuer may, at its sole discretion, offer to pay to all, but not less than all, of the Cybeats Shareholders up to 25% of the Aggregate Performance Consideration for any or all Performance Milestones by way of cash and the remaining 75% of the Aggregate Performance Consideration being satisfied by the issuance of Issuer Shares to Cybeats Shareholders in accordance with this Schedule C. Such offer shall be made to each Cybeats Shareholder once it has been determined that the relevant Performance Milestone has been achieved within the applicable Performance Milestone time period as set forth above (each, a "**Performance Milestone Period**"), and each Cybeats Shareholder will then have 5 business days to either accept or decline such cash component. If the cash component is accepted, the Issuer shall have 90 days to allow for the completion of the required cash payment to such Cybeats Shareholder.

2. Such number of additional Issuer Shares comprising the Aggregate Performance Consideration shall be subject to the Performance Milestone Escrow Agreement, the Voting Trust Agreement and any additional restrictions that may be imposed by the Exchange, from time to time, and pursuant to Applicable Law.

3. In calculating achievement of the Performance Milestones, Cybeats' gross revenues shall be calculated in accordance with IFRS and/or generally accepted accounting principles. The Issuer shall allow review by the Cybeats Shareholders of any documents and supporting materials pertaining to the calculation of gross revenues during normal business hours at the reasonable request of the Cybeats Shareholders.

4. The Issuer acknowledges and agrees that it shall not take any action for the purpose of reducing the sales and gross revenues of Cybeats in order for it to achieve the Performance Milestones.

5. The Issuer covenants and agrees that, prior to the expiration of each Performance Milestone Period, the business of Cybeats shall be conducted in all material respects with the intent of maximizing the sales and revenues of Cybeats during each Performance Milestone Period and of enabling the Cybeats Shareholders to receive the full amounts of the Aggregate Performance Consideration. The Issuer shall not take or fail to take any action solely intended to impair the achievement of the Performance Milestones during the applicable Performance Milestone Periods.

6. Each Cybeats Shareholder hereby confirms, agrees and acknowledges that such Cybeats Shareholder is entitled to the Aggregate Performance Consideration set forth opposite such Cybeats Shareholder name on the flow of funds and waterfall illustration attached hereto as Exhibit 1 to Schedule C, which assumes the maximum eligible Aggregate Performance Consideration is achieved. Each Cybeats Shareholder hereby confirms, agrees and acknowledges that the Aggregate Performance Consideration set forth opposite such Cybeats Shareholder on Exhibit 1 to Schedule C is subject to proportional adjustment based on actual Aggregate Performance Consideration received (and any adjustments thereto).

7. Notwithstanding any other provision in this Agreement, including in this Schedule C, in the event that a sale or change of control of Cybeats for a price per share resulting in a valuation of at least $45,000,000 is consummated at any time prior to the expiration of the Third Performance Milestone, being 42 months from the Closing Date, the full amount of all Performance Milestones (other than those Performance Milestone Periods that have already passed and of which such applicable Performance Milestone within that Performance Milestone Period was not achieved or has already been paid) shall become immediately due and payable on or before the consummation of the applicable sale or change of control of Cybeats in immediately available funds or through the issuance of Issuer Shares, as applicable.

CERTIFICATE OF THE RESULTING ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Cybeats Technologies Corp. (formerly Pima Zinc Corp.) hereby applies for the listing of the above-mentioned securities on CSE. The foregoing contains full, true and plain disclosure of all material information relating to Cybeats Technologies Corp. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, this 21st day of November, 2022.

"Yoav Raiter"	*"Josh Bald"*
Yoav Raiter	Josh Bald
Chief Executive Officer	Chief Financial Officer

On behalf of the Board of Directors

"Justin Leger"	*"Greg Falck"*
Justin Leger	Greg Falck
Director	Director

CERTIFICATE OF THE PROMOTER

The foregoing contains full, true and plain disclosure of all material information relating to the Company. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, this 21st day of November, 2022.

SCRYB INC.

"Clark Kent"

Clark Kent
President