Skyscape Capital Inc.

(A Capital Pool Corporation)

Unaudited Condensed Interim Financial statements

For the Three and Six Month Periods from the Date of Incorporation (January 9, 2018) to June 30, 2018

(In Canadian Dollars)

Notice of No Auditor Review of the Interim Financial Statements

The accompanying unaudited condensed interim financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established by the CPA Canada for a review of interim financial statements by an entity's auditor.

Skyscape Capital Inc.
Unaudited Condensed Interim Statement of Financial Position
(in Canadian dollars)

As at		June 30, 2018
Current assets		
Cash held in trust	$	**581,776**
Total current assets		**581,776**
Current Liabilities		
Accrued liabilities		**19,770**
Shareholders' equity		
Share Capital (note 3)		**651,354**
Contributed surplus		**101,363**
Accumulated deficit		**(190,711)**
Total Shareholders' equity		**562,006**
Total Liabilities and shareholders' equity	$	**581,776**

Approved on behalf of the Board

"Paul Pathak" — Director

"James Walker" — Director

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

Skyscape Capital Inc.
Unaudited Condensed Interim Statements of Loss and Comprehensive Loss
For the period from date of incorporation (January 9, 2018) to June 30, 2018
(in Canadian dollars)

		Six month period ended June 30, 2018	Three month period ended June 30, 2018
Expenses			
Professional fees (Note 5)	$	**85,983**	**26,229**
Listing fees		**29,809**	**1,959**
Share-based compensation		**74,919**	**-**
Total expenses		**190,711**	**28,188**
Net loss and comprehensive loss for the period	$	**(190,711)**	**(28,188)**
Net loss per share (Basic and diluted)	$	**(0.28)**	**(0.04)**
Weighted average number of shares outstanding (Basic and diluted)		**674,419**	**1,000,000**

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

Skyscape Capital Inc.
Unaudited Condensed Interim Statement of Changes in Shareholders' Equity
For the period from date of incorporation (January 9, 2018) to June 30, 2018
(in Canadian dollars)

	Number of shares	**Share capital**	**Contributed Surplus**	**Accumulated deficit**	**Total**
Balance at January 9, 2018	-	-	-	-	-
Initial public offering	1,000,000	$ 500,000	-	-	$ 500,000
Share subscription	1,000,000	250,000	-	-	250,000
Fair value of agent warrants	-	(26,444)	26,444	-	-
Stock-based compensation	-	-	74,919	-	74,919
Offering costs (cash)		(72,202)			(72,202)
Net loss for the period	-	-	-	(190,711)	(190,711)
Balance, June 30, 2018	**2,000,000**	**$ 651,354**	**101,363**	**(190,711)**	**$ 562,006**

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

Skyscape Capital Inc.
Unaudited Condensed Interim Statements of Cash Flows
For the period from date of incorporation (January 9, 2018) to June 30, 2018
(in Canadian dollars)

		Six month period ended June 30, 2018
Cash provided by (used in)		
Operating activities		
Net loss for the period	$	**(190,711)**
Stock-based compensation		**74,919**
Change in accrued liabilities		**19,770**
Cash Used in Operating Activities		**(96,022)**
Financing activities		
Initial public offering		**750,000**
Share issuance costs		**(72,202)**
Cash Provided by Financing Activities		**677,798**
Net change in cash		**581,776**
Cash beginning of period		**-**
Cash end of period	**$**	**581,776**

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

1. INCORPORATION AND NATURE OF OPERATIONS

Skyscape Capital Inc (the “Company”), was incorporated under the Ontario Business Corporations Act on January 9, 2018 and is classified as a Capital Pool corporation, as defined in the Policy 2.4 of the TSX Venture Exchange (the “Exchange”).

The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (“QT”). The Company has not commenced operations and has no assets other than cash held in trust. The Company’s continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and, in the case of a non-arm’s length transaction, of the majority of the minority shareholders.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to the lesser of 30% of the gross proceeds realized by the Company, in respect of the sale of its securities, or $210,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until completion of a QT by the Company, as defined under the policies of the Exchange. The Company is required to complete its QT on or before two years from the date the Company receives regulatory approval.

The head office and the registered head office of the Company is located at 320 Bay Street, Suite 1600, Toronto ON M5H 4A6.

On August 28, 2018 the Board of Directors approved the unaudited condensed interim financial statements for the period from the date of incorporation (January 9, 2018) to June 30, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These unaudited interim condensed financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 ‘Interim Financial Reporting’ (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These financial statements have been prepared on an accruals basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets, and financial liabilities. These financial statements are presented in Canadian dollars, which is the corporation’s functional and presentation currency.

3. SHARE CAPITAL

Authorized

Unlimited common shares

Issued	**#**	**$**
1,000,000 common shares (i)	1,000,000	$ 250,000
1,000,000 common shares (ii)	1,000,000	500,000
Cost of issuance-Cash		(72,202)
Cost of issuance-share based payment		(26,444)
Balance, June 30, 2018	2,000,000	$ 651,354

Escrowed Shares

(i) During the period ended June 30, 2018, the Company issued 1,000,000 common shares at $0.25 per share for total proceeds of $250,000. The 1,000,000 common shares issued will be held in escrow pursuant to the requirements of the Exchange.

All common shares granted to directors and officer prior to the Completion of the Qualifying Transaction must be deposited in escrow until the final Exchange bulletin is issued.

All common shares acquired in the secondary market prior to the Completion of the Qualifying Transaction by a Control Person (as such term is defined in the Manual), are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Company held by principals of the Resulting Issuer (as such term is defined in the Manual) will also be subject to escrow.

Initial Public Offering

(ii) On March 6, 2018, the Company completed its initial public offering (the “Offering”) of 1,000,000 common shares at a purchase price of $0.50 per common share for aggregate gross proceeds of $500,000.
Cannacord Genuity Corp. (the “Agent”) acted as the agent for the Offering. In connection with the Offering, the Company granted to the Agent 100,000 compensation warrants (the “Agent’s Warrants”). Each Agent’s Warrant is exercisable to acquire one common share at a price of $0.50 for a period of 24 months from the date the Company’s common shares were listed on the Exchange, exercisable at $0.50 per share. In connection with the Offering, the Agent also received a cash commission equal to 10% of the aggregate gross proceeds from the sale of the common shares. The Company also paid a corporate finance fee upon the closing of the Offering and reimbursed the Agent for legal fees and other reasonable expenses incurred pursuant to the Offering. The Corporation incurred cash issuance costs related to the IPO of $72,202.

Options

The Corporation has established a stock option plan for its directors, officers and consultants under which the Corporation may grant options from time to time to acquire a maximum of 10% of the issued and outstanding common shares. The exercise price of each option granted under the plan shall be determined by the Board of Directors.

3. SHARE CAPITAL (Continued)

Options may be granted for a maximum term of ten years from the date of the grant. They are non-transferable and expire within 90 days of termination of employment or holding office as director or officer of the Corporation and, in the case of death, expire one year thereafter.

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

	Number of Stock Options and warrants	Weighted Average Exercise Price ($)
January 9, 2018	-	-
Granted (i)	100,000	$0.50
Granted to directors and officers (ii)	200,000	$0.50
Balance, June 30, 2018	300,000	$0.50

i. On March 6, 2018, the Company granted 100,000 compensation warrants to the Agent, which are exercisable at an exercise price of $0.50 per share for a period of 24 months following the date that the common shares are listed on the Exchange. These warrants were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1.75%, expected volatility of 100% and an expected life of two years. The value attributed to these warrants was $26,444.

ii. On March 6, 2018, the Company granted 200,000 options to directors and officers, which are exercisable within five years from the date of grant at an exercise price of $0.50 per share. These options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1.97%, expected volatility of 100% and an expected life of five years. The value attributed to these options was $74,919.

The following table reflects the actual options and warrants issued and outstanding as of June 30, 2018:

Expiry Date	**Exercise Price**	**Weighted Average Remaining Contractual Life (years)**	**Number of Options Outstanding**	**Number of Options Vested (Exercisable)**
March 6, 2020	$0.50	1.68	100,000	100,000
March 6, 2023	$0.50	4.68	200,000	200,000
	$0.50	3.68	300,000	300,000

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Company’s objective when managing capital is to maintain its ability to continue as a going concern, in order to provide returns for the shareholders and benefits for other stakeholders. The Company includes equity, comprised of issued common shares and deficit, in the definition of capital.

The Company's primary objective, with respect to its capital management, is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange policy 2.4.

Risk Disclosures and Fair Values

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

5. RELATED PARTY TRANSACTIONS

During the period from incorporation (January 9, 2018) until June 30, 2018 the Company incurred legal fees of approximately $57,059 for services provided by a law firm whose partner is an officer of the Company. As at June 30, 2018, $19,770 is included in accrued liabilities for these services.

On March 6, 2018, the Company granted 200,000 options to directors and officers. The value attributed to these options was $74,919.