

Cross Border Capital I Inc.

(A Capital Pool Corporation)

Unaudited Condensed Interim Financial Statements

**For the three and nine-month periods ended September 30, 2021
and for the period from the date of incorporation (June 30, 2020)
to December 31, 2020**

(In Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW

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

Cross Border Capital I Inc.Statement of Financial Position
(Expressed in Canadian Dollars)

	As at September 30, 2021	As at December 31, 2020
Assets		
Cash held in trust	\$ 234,235	\$ 268,764
	\$ 234,235	\$ 268,764
Liabilities		
Accounts payable and accrued liabilities (Note 5)	\$ 11,157	\$ 12,889
Shareholders' Equity		
Share Capital, net of issuance costs (Note 3)	325,190	325,190
Contributed surplus	56,565	56,565
Deficit	(158,677)	(125,880)
	\$ 223,078	\$ 255,875
	\$ 234,235	\$ 268,764

Approved by the Board

Director (Signed)_____
Director (Signed)*The accompanying notes are an integral part of these financial statements.*

Cross Border Capital I Inc.Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	For the three-month period ended September 30, 2021	For the period from the date of incorporation, June 30, 2020, to December 31, 2020
Expenses		
Professional fees	\$ 9,563	\$ 65,459
Stock-based compensation	-	40,918
Filing fees	973	19,595
Foreign exchange (gain)	-	(92)
Net loss and comprehensive loss for the period	10,535	125,880
Net loss per share - basic and diluted	\$ (0.00)	\$ (0.86)
Weighted average shares outstanding - basic and diluted	5,000,000	146,739

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

Cross Border Capital I Inc.

Statement of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	For the nine-month period ended September 30, 2021	For the period from the date of incorporation, June 30, 2020, to December 31, 2020
Expenses		
Professional fees	\$ 21,847	\$ 65,459
Stock-based compensation	-	40,918
Filing fees	10,951	19,595
Foreign exchange (gain)	-	(92)
Net loss and comprehensive loss for the period	32,797	125,880
Net loss per share - basic and diluted	\$ (0.01)	\$ (0.86)
Weighted average shares outstanding - basic and diluted	5,000,000	146,739

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

Cross Border Capital I Inc.Statement of Changes in Cash Flows
(Expressed in Canadian Dollars)

	For the nine-month period ended June, 2021	For the period from the date of incorporation, June 30, 2020, to December 31, 2020
Cash provided by (used in)		
Operating activities		
Net loss for the period	\$ (32,797)	\$ (125,880)
Stock-based compensation	-	40,918
Change in accounts payable and accrued liabilities	(1,732)	12,889
Cash used in operating activities	(34,529)	(72,073)
Financing activities		
Share subscription - Seed Offering	-	100,000
Initial public offering, net of offering costs	-	240,837
Cash provided by financing activities	-	340,837
Net change in cash	(34,529)	268,764
Opening cash position	268,764	-
Cash, end of period	\$ 234,235	\$ 268,764

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

Cross Border Capital I Inc.Statement of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Note	Number of Shares	Share Capital	Contributed Surplus	Deficit	Shareholders' Equity
Balance, June 30, 2020		-	\$ -	\$ -	\$ -	\$ -
Share subscriptions, net	3	5,000,000	325,190	15,647	-	340,837
Share-based compensation	5	-	-	40,918	-	40,918
Net loss for the period		-	-	-	(125,880)	(125,880)
Balance, December 31, 2020		5,000,000	\$ 325,190	\$ 56,565	\$ (125,880)	\$ 255,875
Share subscriptions, net		-	-	-	-	-
Share-based compensation		-	-	-	-	-
Net loss for the period		-	-	-	(32,797)	(32,797)
Balance, September 30, 2021		5,000,000	\$ 325,190	\$ 56,565	\$ (158,677)	\$ 223,078

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

1. INCORPORATION AND NATURE OF BUSINESS

Cross Border Capital I Inc. (the "Corporation") was incorporated under the Business Corporations Act (Ontario) on June 30, 2020 and is a capital pool company ("CPC") as defined in TSX Venture Exchange (the "Exchange") Policy 2.4. The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Corporation has not commenced commercial operations and has no assets other than cash held in trust. Given the nature of the activities, no separate segmented information is reported. The Corporation's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to the lesser of 30% of the gross proceeds realized by the Corporation 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 Corporation as defined under the policies of the Exchange. The Corporation is required to complete its QT on or before two years from the date the Corporation receives regulatory approval.

The head office and the registered head office of the Corporation is located at 100 King Street West, Suite 1600, 1 First Canadian Place, Toronto, Ontario, Canada, M5X 1G5.

On November [], 2021, the Board of Directors approved the financial statements for the period ended September 30, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance and compliance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Estimates

The preparation of financial statements in conformity with IFRS accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates used in the financial statements.

Basis of Presentation

The financial statements are presented in Canadian dollars ("CAD"), which is the Corporation's functional and presentation currency. The financial statements are prepared on a historical cost basis except for certain financial instruments classified as fair value through profit or loss ("FVPTL"), which are stated at their fair value. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic and Diluted Loss Per Share

Basic loss per share is computed by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period. Common shares escrowed pursuant to the requirements of the Exchange are excluded from the number of outstanding common shares.

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted.

Share-based Compensation

Equity-settled share-based payments for directors, officers, employees, and consultants are measured at fair value at the date of grant and recorded as compensation expense in the financial statements. Share options are measured at the fair value of each tranche on the grant date and are recognized in their respective vesting period using the Corporation's expected forfeiture rate. Any consideration paid by directors, officers, employees and consultants on exercise of equity-settled share-based payments is credited to share capital. Shares are issued from treasury upon the exercise of equity-settled share-based instruments.

Financial Instruments

Recognition

The Corporation recognizes financial assets and financial liabilities on the date the Corporation becomes a party to the contractual provisions of the instruments.

Classification

The Corporation classifies its financial assets and financial liabilities in the following measurement categories: (i) those to be measured subsequently at fair value (either through other comprehensive loss or through profit or loss, and (ii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive loss.

The Corporation reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Corporation has implemented the following classifications:

Cash held in trust is classified as assets at fair value and any period change in fair value is recorded in profit or loss.

Accounts payable and accrued liabilities are classified as other financial liabilities and measured at amortized cost using the effective interest rate method.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in case of a financial asset or financial liability not at fair value through profit or

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments or principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive loss (irrevocable election at the time of recognition).

Additional fair value measurement disclosure includes classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements which are as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts. Cash held in trust is a level 1 financial instrument measured at fair value on the statement of financial position.

Income Taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income. Current income tax assets and liabilities 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 end of the reporting period. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the intention is to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date 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 and deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to be recovered or settled. Deferred tax assets are recognized to the extent that realization of such benefits is probable.

3. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

Issued and Outstanding Common Shares

Seed Offering – 2,000,000 common shares	2,000,000	\$100,000
IPO – 3,000,000 common shares, net	3,000,000	225,190
Balance, September 30, 2021	5,000,000	\$325,190

Escrowed Shares

During the period ended December 31, 2020, the Corporation issued 2,000,000 common shares at \$0.05 per share for gross proceeds of \$100,000 (the “Seed Offering”).

All common shares of the Corporation acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be subject to escrow. 2,000,000 shares have been escrowed at December 31, 2020.

All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a Qualifying Transaction, must also be deposited in escrow until the final exchange bulletin is issued.

Filing of prospectus and Initial Public Offering (“IPO”)

On December 22, 2020, the Corporation issued 3,000,000 common shares at \$0.10 per share for aggregate gross proceeds of \$300,000 pursuant to a prospectus dated October 29, 2020. The Corporation entered into an agreement with Haywood Securities Inc. (the “Agent”) to raise the gross proceeds of \$300,000 in connection with the Corporation’s IPO. The Corporation paid a commission of 10% of gross proceeds to the Agent amounting to \$30,000 and a corporate finance fee of \$12,500. In addition, the Agent was granted non-transferable warrants to purchase up to 10% of the Common Shares sold in connection with the Offering at a price of \$0.10 per common share, exercisable for a period of twenty-four (24) months from the date of the listing of the Common Shares on the Exchange, see Broker Stock Warrants below, which were valued at \$15,647. The Corporation reimbursed the Agent for legal fees and other reasonable expenses incurred pursuant to the Offering, in respect of the Offering the Corporation incurred costs of \$16,663, in combination with the above costs a total issuance cost of \$74,810.

Options

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

Options (continued)

Options may be granted for a maximum term of ten years from the date of the grant. They are non-transferable and are exercisable as determined by the Directors when the option is granted. Options expire within 90 days of termination of employment or holding office as director or officer of the Corporation and, in the case of death, expire within a maximum period of one year after such death, subject to the expiry date of the option.

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

On December 22, 2020, the Corporation entered into stock option agreements, granting stock options to officers and directors to collectively acquire 460,000 of the outstanding common shares of the Corporation, at an exercise price of \$0.10 per share and expiring December 22, 2030.

Share-based compensation expense recognized for the period ended December 31, 2020 was \$40,918.

The Corporation recognizes compensation expense for share option grants based on the fair value at the date of grant using the Black-Scholes option pricing model. The following assumptions were used to determine the fair value of share option grants.

Valuation assumptions:

Expected volatility	100.00%
Expected term (days)	3,655
Risk-free interest rate	0.60%
Share price	\$ 0.10

Volatility was estimated by considering comparable industry share price volatility. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

The shares granted have an exercise price of \$0.10 and were all immediately vested and exercisable. There were no other changes in share options during the period ended December 31, 2020.

All options granted during the year expire 10 years from their grant date. The weighted average grant-date fair value of options granted during the period ended December 31, 2020 was \$0.089.

Broker Stock Warrants

Broker stock warrants were issued in conjunction with the IPO. Each warrant entitles its holder to purchase one common share. The Corporation accounts for common stock warrants based on the fair market value of the instrument using the Black-Scholes option pricing model utilizing certain weighted average assumptions such as expected stock price volatility, term of the options and warrants, risk-free interest rates, and expected dividend yield at the grant date.

Total warrants issued were 300,000 at a fair market value of \$0.089 per share totaling \$15,647 as reported in share capital and the corresponding amount in contributed surplus.

Broker Stock Warrants (continued)

The following assumptions were used to determine the fair value of common stock warrant grants.

Valuation assumptions:

Expected volatility	100.00%
Expected term (days)	730
Risk-free interest rate	1.60%
Share price	\$ 0.10

Volatility was estimated by considering comparable industry share price volatility. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. On December 22, 2020, the Corporation granted non-transferable warrants to purchase up to 10% of the Common Shares sold in connection with the Offering at an exercise price of \$0.10 per common share, exercisable for a period of twenty-four (24) months from the date of the listing of the Common Shares on the Exchange, being December 22, 2020.

For the period ended September 30, 2021, no warrants were exercised.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

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

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

The proceeds raised from the issuance of 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 Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the Exchange policy 2.4.

Risk Disclosures and Fair Values

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

5. RELATED PARTY TRANSACTIONS

There was no remuneration paid to key management personnel during the period ended September 30, 2021. During the six-month period ended September 30, 2021 the Corporation incurred costs of \$3,840 in legal costs with a law firm related to one of the Corporation's directors. Included in accounts payable as at September 30, 2021 is 1,033 owing to the law firm.

6. INCOME TAXES

A reconciliation of combined federal and provincial corporate income taxes of statutory rates of 27% and the Corporation's effective income tax expense is as follows:

	September 30, 2021
Cumulative net loss as at September 30, 2021	\$ 158,677
Expected income tax recovery	(42,843)
Deferred tax assets not recognized	42,843
Income taxes recovery	\$ -

As at September 30, 2021, the Corporation has non-capital losses for income tax purposes of approximately \$42,843 which can be carried forward to be applied against future taxable income. These losses expire to the extent unutilized against future taxable income in 2041.

The Corporation has not recorded deferred tax assets related to these unused carry forward losses as it is not probable that future taxable profits will be available against which these can be deducted.

7. SUBSEQUENT EVENTS

There are no subsequent events.