Interim Condensed Financial Statements
(Unaudited)

Ortho Regenerative Technologies Inc.

October 31, 2021
Third quarter, fiscal year 2022

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, the statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited interim financial statements of the Corporation have been prepared by management and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review or an audit of these interim financial statements

Ortho Regenerative Technologies Inc.

Interim Condensed Statements of Financial Position

(Unaudited)

In thousands of Canadian dollars except for share and per share amount

As at	*Notes*	October 31, 2021	January 31, 2021 *[Restated – note 2]*
ASSETS			
Current			
Cash		**210**	2,379
Sales tax and other receivables		**30**	60
Investment tax credits receivable		**217**	143
Prepaid expenses and deposits		**86**	258
Total current assets		**543**	2,840
Equipment	4	**79**	73
Intangible assets	5	**340**	364
Total assets		**962**	3,277
LIABILITIES AND SHAREHOLDERS' DEFICIT			
Current			
Accounts payable and accrued liabilities	6	**609**	291
Accrued interest on debentures		**133**	172
Government grants		**20**	-
Convertible debentures	8	**-**	1,848
Total current liabilities		**762**	2,311
Government grants		**13**	-
Long-term loan	7	**40**	40
Convertible debentures	8	**2,326**	628
Embedded derivative	8	**1,860**	-
Non-convertible debentures	9	**2,280**	2,099
Total liabilities		**7,281**	5,078
SHAREHOLDERS' DEFICIT			
Common shares	10	**7,891**	7,706
Warrants	10	**1,989**	2,080
Equity component of convertible debentures		**-**	469
Contributed surplus		**1,876**	1,605
Deficit		**(18,075)**	(13,661)
Total shareholders' deficit		**(6,319)**	(1,801)
Total liabilities and shareholders' deficit		**962**	3,277

Going Concern Uncertainty (Note 1); Commitments *(Note 19); Subsequent Event (Note 20).*

These unaudited interim condensed financial statements were approved and authorized for issuance by the Board of Directors on December 21, 2021.

"/s/ "Claude LeDuc" ", Director *"/s/ "Michael Atkin" "*, Director

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

Ortho Regenerative Technologies Inc.

Interim Condensed Statements of Loss and Comprehensive Loss
(Unaudited)

In thousands of Canadian dollars except for share and per share amount
For the three months and nine months ended October 31,

	Notes	Three months ended,		Nine months ended,	
		October 31, 2021	October 31, 2020	**October 31, 2021**	October 31, 2020
Expenses					
Research and development	12	**591**	191	**1,134**	751
General and administrative	13	**357**	342	**1,162**	1,035
Share-based compensation	10	**43**	101	**170**	170
Financing expense, net	14	**266**	179	**937**	548
Fair Value adjustment of embedded derivative	8	**666**	-	**666**	-
Total Expenses		**1,923**	813	**4,069**	2,504
Net loss and comprehensive loss		**1,923**	813	**4,069**	2,504
Loss per share					
Weighted average number of common shares outstanding		**34,855,186**	31,025,327	**34,881,608**	26,852,952
Basic and diluted loss per common share		**0.06**	0.03	**0.12**	0.09

Going concern uncertainty (Note 1)

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

Ortho Regenerative Technologies Inc.

Interim Condensed Statement of Changes in Shareholders’ Deficit

(Unaudited)

In thousands of Canadian dollars, except for share and per share amount

For the nine months ended October 31,

	Notes	**Number of common shares**	**Share capital**	**Warrants**	**Equity component of convertible debenture**	**Contributed surplus**	**Deficit**	**Total**
Balance as at January 31, 2020		24,752,424	5,418	732	385	955	(9,889)	(2,399)
Units issued		8,163,812	1,803	809	-	-	-	2,612
Unit issue costs		-	(131)	(57)	-	-	-	(188)
Share-based compensation	10	-	-	-	-	170	-	170
Exercicse of stock options		215,000	100	-	-	(77)	-	23
Issuance of convertible debentures		-	-	124	135	-	-	259
Finder's warrants		-	-	30				30
Expired warrants		-	-	(318)	-	318	-	-
Consulting fees		-	-	140	-	-	-	140
Net loss for the period		-	-	-	-	-	(2,504)	(2,504)
Balance as at October 31, 2020		33,131,236	7,190	1,460	520	1,366	(12,393)	(1,857)
Balance as at January 31, 2021		**34,567,600**	**7,706**	**2,080**	**469**	**1,605**	**(13,661)**	**(1,801)**
Common share issued	10	**129,201**	**56**	**-**	**-**	**-**	**-**	**56**
Share-based compensation	10	**-**	**-**	**-**	**-**	**170**	**-**	**170**
Exercise of warrants	10	**100,000**	**73**	**(10)**	**-**	**-**	**-**	**63**
Expired warrants	10	**-**	**-**	**(101)**	**-**	**101**	**-**	**-**
Warrants extension adjustment	10	**-**	**-**	**20**	**-**	**-**	**-**	**20**
Conversion of convertible debentures	8	**173,013**	**56**	**-**	**(9)**	**-**	**-**	**47**
Extension of convertible debentures	8	**-**	**-**	**-**	**(460)**	**-**	**(345)**	**(805)**
Net loss for the period		**-**	**-**	**-**	**-**	**-**	**(4,069)**	**(4,069)**
Balance as at October 31, 2021		**34,969,814**	**7,891**	**1,989**	**-**	**1,876**	**(18,075)**	**(6,319)**

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

Ortho Regenerative Technologies Inc.

Interim Condensed Statement of Cash Flows
(Unaudited)

In thousands of Canadian dollars
For the nine months ended October 31,

	Notes	2021	2020
Operating activities:			
Net loss from operations		**(4,069)**	(2,504)
Add items not affecting cash:			
Share-based compensation	10	**170**	170
Shares issued as a supplier payment		**57**	-
Consulting fees paid by issuance of equity instruments		**-**	228
Consulting fees paid by issuance of convertible debenture		**-**	395
Depreciation and Amortization		**51**	70
Amortization – finance charges		**34**	44
Loss on convertible debenture revaluation		**26**	-
Unrealized (gain) loss on foreign exchange		**19**	(2)
Warrants extension adjustment	10	**20**	-
Payment of interest on debentures		**-**	(194)
Interest on debentures		**406**	515
Loss due to Fair Value adjustment of embedded derivative		**666**	-
Government grant amortization		**(44)**	-
Net change in non-cash operating working capital:	11	**421**	(714)
Cash used in operating activities		**(2,243)**	(1,992)
Investing activities:			
Acquisition of equipment		**(33)**	(2)
Cash used in investing activities		**(33)**	(2)
Financing activities:			
Proceeds from government grant		**75**	-
Repayment of short-term debt		**-**	(193)
Proceeds from short-term debt		**-**	40
Proceeds from exercised options		**-**	22
Proceeds from exercised warrants	10	**60**	-
Proceeds from issuance of units		**-**	2,395
Payment of debt issue cost		**-**	(3)
Payment of unit issue cost		**(1)**	(97)
Issuance of convertible debenture units		**-**	355
Payment of lease obligation		**-**	(18)
Cash provided by financing activities		**134**	2,501
Cash, beginning of period		**2,379**	302
Increase (decrease) in cash		**(2,142)**	507
Effect of foreign exchange on cash		**(27)**	-
Cash, end of period		**210**	809

See Note 11 for Supplemental Cash Flow Information

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

1. Presentation of Financial Statements

Description of the Business and Going Concern Uncertainty

Ortho Regenerative Technologies Inc. ("the Corporation", or "Ortho") was incorporated under the Canada Business Corporations Act on February 5, 2015. The Corporation's head office, principal address and registered office is located at 16667 Hymus Blvd., Kirkland, Quebec, Canada. Since October 10, 2017, the Corporation's shares have been listed on the Canadian Securities Exchange ("CSE"), under the symbol "ORTH". During the year ended January 31, 2021, the Corporation started trading on the United States OTCQB market under the symbol "ORTIF".

The Corporation is an emerging Orthopaedic and Sports Medicine biologics company dedicated to the development of novel therapeutic soft tissue repair technologies to dramatically improve the success rate of orthopaedic and sports medicine surgeries. The Corporation's proprietary biopolymer has been specifically designed to increase the healing rates of occupational and sports related injuries to tendons, ligaments, meniscus, and cartilage. The biopolymer – autologous PRP combination implant, can be directly placed into the site of injuries by surgeons during routine operative procedures without significantly extending the duration of surgeries and without further interventions. Considering the significant bioactivity and residency of our proprietary biopolymer – PRP implants, Ortho RTi continues to assess its potential for therapeutic uses outside of the soft tissue repair market.

These unaudited interim condensed financial statements have been prepared on the going concern basis, which presumes the Corporation will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In its assessment to determine if the going concern assumption is appropriate, management considers all data available regarding the future for at least, without limiting to, the next twelve months.

The Corporation has yet to generate revenue and has relied upon the issuance of debt and equity instruments to fund its operations. During the nine months period ended October 31, 2021, the Corporation incurred a net loss of $4,069 and used cash in operations of $2,243. As at October 31, 2021 the Corporation had a deficit of $18,075 and a working capital deficit of $219.

The ability of the Corporation to fulfill its obligations and finance its future activities depends on its ability to raise capital and on the continuous support of its creditors. The Corporation believes its efforts to raise sufficient funds to support its activities will be successful, however, there is no assurance that funds will continue to be raised on acceptable terms. This indicates the existence of a material uncertainty that may cast a significant doubt about the ability of the Corporation to continue as a going concern without obtaining additional financial resources.

Failure to obtain such additional financing could result in delay or indefinite postponement of the Corporation's strategic goals. These unaudited interim condensed financial statements do not include any adjustments to the amounts and classification of assets and liabilities that would be necessary should the Corporation be unable to continue as a going concern. Such adjustments could be material.

These unaudited interim condensed financial statements were approved and authorized for issuance by the Board of Directors on December 21, 2021.

2. Summary of Significant Accounting Policies

Basis of measurement

These unaudited interim condensed financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial assets and financial liabilities to fair value.

Comparative figures restated

The comparative figures of the statement of financial position were restated to reflect a correction to the current portion of the convertible debentures as at January 31, 2021, by reclassifying an amount of $1,848 from long-term liabilities to current liabilities.

Functional and presentation currency

These unaudited interim condensed financial statements are presented in Canadian dollars, which is also the functional currency of the Corporation.

In thousands of Canadian dollars except for share and per share amounts

Transactions denominated in foreign currencies are initially recorded in the functional currency of the related entity using the exchange rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rates. Any resulting exchange difference is recognized in the statement of loss and comprehensive loss. Non-monetary assets and liabilities denominated in foreign currencies and measured at historical cost are translated using historical exchange rates, and those measured at fair value are translated using the exchange rate in effect at the date the fair value is determined. Expenses are translated using the average exchange rates for the period or the exchange rate at the date of the transaction for significant items.

	October 31, 2021	January 31, 2021
End of period exchange rate – USD	**1.2384**	1.2780
Period average exchange rate – USD	**1.2484**	1.3401

Statement of Compliance

These unaudited annual financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These financial statements have been prepared in accordance with those IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective or issued as at the time of preparing these audited annual financial statements. The policies set out below have been consistently applied to all the periods presented.

The preparation of the Corporation's unaudited annual financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

3. Use of Estimates and Judgment

The preparation of the unaudited interim condensed financial statements requires management to undertake several judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from these judgements and estimates. These estimates and judgements are based on management's best knowledge of the events or circumstances and actions the Corporation may take in the future. The estimates are reviewed on an ongoing basis. Information about the significant judgements, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed in Note 3 of the Corporation's 2021 annual financial statements and are still applicable for the three and nine months ended October 31, 2021.

4. Equipment

	Cost	**Accumulated depreciation**	**Carrying Value**
Balance as at January 31, 2021	238	(165)	73
Additions	33	(27)	6
Balance as at October 31, 2021	**271**	**(192)**	**79**

5. Intangible Asset

	Cost	**Accumulated amortization**	**Carrying Value**
Balance as at January 31, 2021	485	(121)	364
Additions	-	(24)	(24)
Balance as at October 31, 2021	**485**	**(145)**	**340**

6. Accounts Payable and Accrued Liabilities

Balance as at	**October 31, 2021**	January 31, 2021
Trade accounts payable	**589**	241
Accrued liabilities	**20**	50
	609	**291**

In thousands of Canadian dollars except for share and per share amounts

7. Long-Term Loans

	Interest Rate	Maturity	October 31, 2021	January 31, 2021
Canada Emergency Business Account	Interest-free	December 31, 2022	**40**	40

On April 29, 2020, the Corporation received a government loan under the Canada Emergency Response Benefit ("CERB"), part of Canada's COVID-19 economic response plan. The loan bears no interest and has a maturity date of December 31, 2022. Upon repayment of the loan at or prior to its maturity on December 31, 2022, the Corporation would receive a grant of $10 to reduce the balance repayable.

8. Convertible Debentures

a) Host instrument

	Nine months ended October 31, 2021	Year ended January 31, 2021
Opening balance	**2,476**	1,670
Additions	**-**	758
Conversion of note payable and long-term loan	**-**	302
Fair value allocated to warrants	**-**	(124)
Fair value of conversion option allocated to equity	**-**	(135)
Accretion expense	**284**	331
Conversion of long-term loan	**(45)**	(326)
Remeasurement resulting from extension of maturities	**(389)**	-
Total	**2,326**	**2,476**
Short term portion	**-**	1,848
Long term portion	**2,326**	628
Total	**2,326**	2,476

On April 21, 2020, the Corporation completed a non-brokered private placement for $1,060 worth of unsecured convertible debentures at a price of $1 (one thousand) per debenture, on same terms as the unsecured convertible debentures issued on October 8, 2019, and December 30, 2019 for $1,644 and 500 respectively. The debentures bear interest at a rate of 10% per annum with a term of 2 years. The debentures are convertible at a price per Class A common shares of $0.30, in whole or in part, at the option of the holder at any time prior to the close of business on the last business day immediately preceding the maturity date. Each debenture unit consisted of one $1 ($ one thousand) principal amount unsecured convertible debenture and 2,000 share purchase warrants, each exercisable into one common share of the Corporation at $0.50 per share two years from issuance.

In the event that the average VWAP over any twenty (20) consecutive trading days is greater or equal to $1.00, the Corporation may give notice to the warrant holder that it must exercise its remaining warrants within a period of 30 days from the date of receipt of the notice, failing which the warrants will automatically expire. The "average VWAP" is the average of the volume weighted average market prices of the Corporation's Class "A" Shares on a single day. Long-term loans of $302 as at January 31, 2020 were converted as part of the closing of April 21, 2020 ($914 of loans payable were converted into convertible debenture units issued on October 8, 2019).

At creation, the Corporation valued the debt component of the debentures by calculating the present value of the principal and interest payments, discounted at a rate of 27.5%, being management's best estimate of the rate that a non-convertible debenture with similar terms would bear as at April 21, 2020. The equity component consists of the warrants and the conversion option. The values attributed to each were based on the relative fair value approach. On initial recognition, the liability components were $801, the warrants were $124 and the conversion options were $135.

In connection with the issuance of convertible debenture units, 27,067 compensation warrants were issued. Each compensation warrant is exercisable into one common share of the Corporation at $0.50 per share 18 months from issuance.

On July 19, 2021, the Corporation amended its convertible debentures and related warrants agreements (the "Amendment"). Under the terms of the Amendment, the maturity date of all outstanding convertible debentures and related unexercised warrants was extended to May 1, 2023 and certain of the conversion features were clarified.

In thousands of Canadian dollars except for share and per share amounts

The Amendment was accounted for as an extinguishment of all outstanding debentures as the change in the fair value before and after the Amendment exceeded 10% of the carrying amount of the debentures. Accordingly, the Corporation recorded a loss on extinguishment of the debentures in the amount of $26 in the second quarter of fiscal year 2022.

At that date of the Amendment, the Corporation derecognized the carrying amount of the outstanding convertible debentures of $2,651 and a new liability totaling $2,262 was recorded by using the discounted cash flows method assuming an effective interest determined on the estimated rate for a loan with similar terms from comparable companies, but without a conversion feature. The difference between both amounts was recorded as decrease of deficit $389. Resulting from the clarification of the conversion option features, the Corporation determined that the conversion option was now considered as an embedded derivative to be classified as a liability instrument. Therefore, the Corporation derecognized the $460 carrying amount of the conversion option initially classified as an equity component and recorded the fair value of $1,194 as a liability. The difference between both amounts was recorded as an increase of deficit of $734. The Corporation utilized a Monte Carlo simulation model to determine the fair value of the conversion option.

Accretion charges, included in financing expense on the statement of loss and comprehensive loss, attributable to the debentures for the nine months ended October 31, 2021 was $285 ($152 for the nine months ended October 31, 2020). In addition, $212 of accrued interest expense was recorded, for a total of $91 included as Interest payable on debentures in the statement of financial position.

Finally, during the nine months ended October 31, 2021, debentures with a value of $45 ($326 for the year ended January 31, 2021) were converted into common shares of the Corporation.

The following table shows the nominal value of the convertible debentures with their maturity date:

		Amounts outstanding as at	
Maturity Date	**Initial Amount**	**October 31, 2021**	January 31, 2021
May 1, 2023	3,204	2,783	2,833
Total	3,204	2,783	2,833
Short-term		-	2,079
Long-term		**2,783**	754
Total		**2,783**	2,833

b) Embedded Derivative

	Nine months ended October 31, 2021	Year ended January 31, 2021
Opening balance – July 19, 2021	**1,194**	-
Fair Value adjustment	**666**	-
Total	**1,860**	**-**

For the three and nine-month periods ended October 31, 2021, the Corporation recorded a loss on revaluation of the embedded derivative's fair value of $666 resulting from an increase in the Corporation's share price going from $0,30 to $0,41 per share as of October 31, 2021.

9. Non-convertible Debentures

	Nine months ended October 31, 2021	Year ended January 31, 2021
Opening balance	**2,099**	-
Additions	**-**	3,000
Fair value of warrants allocated to equity	**-**	(728)
Transaction costs	**-**	(209)
Accretion expense	**181**	36
Total	**2,280**	2,099

In thousands of Canadian dollars except for share and per share amounts

On November 30, 2020, the Corporation issued 3,000 secured non-convertible debenture units (the "Debenture Units") at a purchase price of $1 per Debenture Unit for gross proceeds of $3,000, of which an amount of $55 was in exchange of consultants' remuneration. These units are secured by a $4,000 hypothec against the universality of the Corporation's present and future assets. Each Unit consist of one 10% secured non-convertible debenture of the Corporation in the principal amount of $1 (each, a "Debenture") and 500 Class "A" share purchase warrants (each, a "Warrant") both maturing November 30, 2023 (the "Maturity Date"). Each Warrant entitles the holder thereof to purchase one Class "A" Share of the Corporation (each, a "Share") at an exercise price of $0.75 until the Maturity Date.

The Corporation valued the debt component of the non-convertible debentures by calculating the present value of the principal and interest payments, discounted at a rate of 25%, being management's best estimate of the rate that a non-convertible debenture without warrant coverage would bear as at November 30, 2020. On initial recognition, the liability components were $2,272, and the warrants were $728. In connection with the transaction, 170,850 broker's warrants were issued. Transaction costs of $209 were netted against the liability and will be amortized using the effective interest method over the period of the loan. A further $67 in transaction costs, related to the warrants, were capitalized to share issue costs.

Accretion expense included in financing expense on the statement of loss and comprehensive loss, attributable to the debentures for the nine months ended October 31, 2021 was $182 (nil for the nine months ended October 31, 2020). In addition, the debentures accrued interest of $75, included in financing expense on the statement of loss and accrued interest on the statement of financial position.

The following table shows the nominal value of the non-convertible debentures with their maturity date:

		Amounts outstanding as at	
Maturity Date	**Initial Amount**	**October 31, 2021**	January 31, 2021
November 30, 2023	**3,000**	**3,000**	3,000
Total	**3,000**	**3,000**	3,000
Short-term		**-**	-
Long-term		**3,000**	3,000
Total		**3,000**	3,000

10. Share Capital and other equity instruments

(a) Share capital

The Authorized Share Capital is composed of

i. Unlimited number of Class "A" common shares, with no par value
ii. Unlimited number of Class "AA" preferred shares, non-voting, non-cumulative dividends at the discretion of the directors, no par value
iii. Unlimited number of Class "B" preferred shares, redeemable, non-voting, non-cumulative dividends of 1%, no par value

Class "A" common shares	**#**	**$**
Balance as at January 31, 2021	34,567,600	7,706
Common shares issued	129,201	56
Share issue costs	-	-
Stock options exercised	-	-
Warrants exercised	100,000	73
Conversion of debentures into common shares	173,013	56
Balance as at October 31, 2021	**34,969,814**	**7,891**

In thousands of Canadian dollars except for share and per share amounts

(b) Share based compensation

The Corporation implemented an incentive stock option plan for directors, officers, employees and consultants to participate in the growth and development of the Corporation by providing such persons with the opportunity, through stock options, to purchase common shares of the Corporation. The stock option plan provides that the aggregate number of shares reserved for issuance, set aside and made available for issuance may not exceed 10% of the number of issued shares at the time the options are to be granted. The maximum number of options which may be granted to any one beneficiary shall not exceed 5% of the issued shares, calculated at the date the option is granted.

The stock option plan is administered by the Board of Directors of the Corporation and it has full and final authority with respect to the granting of all options thereunder. The exercise price of any options granted under the stock option plan shall be determined by the Board of Directors, subject to any applicable regulations or policies. The term and vesting of any options granted under the stock option plan shall be determined by the Board of Directors at the time of grant, and vary from one grant to another, however, subject to earlier termination in the event of dismissal for cause, termination other than for cause or in the event of death, the term of any options granted under the stock option plan may not exceed 8 years.

Options granted under the stock option plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession to a qualified successor. In the event of death of an option holder, options granted under the stock option plan expire upon the earlier of the normal expiry date of the options or one year from the date of death of the option holder.

Subject to certain exceptions, if an employee, director, officer, consultant ceases to hold office or provide consulting services, options granted to such a holder under the stock option plan will expire 90 days after the holder ceases to hold office or such earlier date as the Board of Directors may decide at the date the options were granted. Notwithstanding the foregoing, in the event of a termination for cause of an option holder, all unexercised options held by such option holder shall immediately expire.

For the nine months ended October 31, 2021 and 2020, the Corporation recorded compensation expense of $170 and $170, respectively, with corresponding credits to contributed surplus related to the issuance of stock options. The weighted average fair value of the options granted during the nine months ended October 31, 2021, estimated by using the Black-Scholes option pricing model, was $0.38 (year ended January 31, 2021 – $0.41).

The following table presents the common shares issuable on exercise of the share-based payment transaction granted during the current period:

	Nine months ended October 31, 2021		**Year ended January 31, 2021**	
	Number of Shares	**Weighted Average Exercise Price**	**Number of Shares**	**Weighted Average Exercise Price**
Options outstanding, beginning of year	**2,746,000**	**$0.47**	2,125,000	$0.39
Granted during the period	**350,000**	**$0.41**	881,000	$0.54
Options forfeited	-	-	-	-
Options cancelled/expired	**(150,000)**	**$0.47**	(45,000)	$0.10
Options exercised	-	-	(215,000)	$0.10
Options outstanding, end of period	**2,946,000**	**$0.47**	2,746,000	$0.47

All share-based payments will be settled in equity. The Corporation has no legal or contractual obligation to repurchase or settle the options in cash.

In thousands of Canadian dollars except for share and per share amounts

The following options were outstanding as at October 31, 2021:

Outstanding	Exercisable	Exercise price	Remaining contractual life (years)
75,000	75,000	$0.60	7.25
1,015,000	940,000	$0.50	1.50
950,000	800,000	$0.36	3.94
100,000	75,000	$0.30	3.88
65,000	16,250	$0.58	7.16
245,000	183,750	$0.37	3.98
220,000	55,000	$0.72	7.26
126,000	63,000	$0.71	7.38
150,000	37,500	$0.47	7.65
2,946,000	**2,245,500**		

The fair values of the options were estimated using the Black-Scholes option pricing model, with the following assumptions:

Exercise price	**$0.30 - $0.72**
Risk-free rate	**0.35% - 2.28%**
Volatility factor (i)	**74.72% - 118%**
Expected life (years)	**5.0 - 8.0**

(i) Volatility was determined using the historical share price of comparable companies as the Corporation has insufficient historical data.

(c) Warrants

The following tables present the common shares issuable on exercise of full warrants issued during the current period:

	Number of Shares	Weighted Average Exercise Price
Balance as at January 31, 2021	19,348,948	$0.54
Granted during the period	-	-
Expired during the period	(926,000)	0.70
Exercised during the period	(100,000)	0.60
Balance as at October 31, 2021	**18,322,948**	**0.52**

As at October 31, 2021, the Corporation had outstanding warrants as follows:

Number of warrants	Exercise price	Fair value of warrants	Remaining contractual life
1,670,850	$0.75	$0.49	2.33 years
16,652,098	$0.50	$0.02 - $0.17	0.19 – 2.08 years
18,322,948			

On July 19, 2021, the Corporation amended the terms of the warrants previously issued upon issuance of the convertible debentures. Under the terms of the amendment, the maturity date was extended to May 1, 2023, to match the maturity date of the convertible debentures. The Corporation also extended to January 31, 2022 the maturity of warrants expiring October 31, 2021. No impact resulted from the warrants extended to May 1, 2023, while a $20 revaluation loss resulted from the warrants extended to January 31, 2022.

In thousands of Canadian dollars except for share and per share amounts

11. Supplemental Cash Flow Information

	Nine months ended,	
	October 31, 2021	October 31, 2020
Net change in non-cash operating working capital items		
Sales tax receivable and prepaid expenses	**31**	(423)
Deposits	**173**	-
Investment tax credits receivable	**(74)**	128
Accounts payable and accrued liabilities	**291**	(419)
Total	**421**	(714)
Non-cash transactions		
Settlement of long-term loans by issuance of convertible debentures	**-**	**302**

12. Research and Development Expenses

	Three months ended,		Nine months ended,	
	October 31, 2021	October 31, 2020	**October 31, 2021**	October 31, 2020
Development costs	**630**	175	**1,187**	721
Patent costs	**22**	12	**51**	43
Depreciation – equipment	**10**	10	**27**	31
Amortization – intangible assets	**8**	8	**24**	24
	670	205	**1,289**	819
Investment tax credit	**(60)**	(14)	**(111)**	(68)
Government grants (i)	**(19)**	-	**(44)**	
Total	**591**	191	**1,134**	751

(i) Government grants are recognized as a reduction of the expenses on a systematic basis over the period in which the related development costs are incurred. During the first quarter, the Company received a grant of $75, of which $44 was recognized in the income statement as a reduction of the related R&D expenses for the nine months ended October 31, 2021 and $31 remain in the balance sheet as government grants as of October 31, 2021.

13. General and Administrative Expenses

	Three months ended,		Nine months ended,	
	October 31, 2021	October 31, 2020	**October 31, 2021**	October 31, 2020
Consulting fees (i)	**245**	86	**575**	617
Professional and IR fees	**35**	181	**378**	275
Office and administrative	**77**	70	**209**	128
Depreciation – right of use asset	**-**	5	**-**	15
Total	**357**	342	**1,162**	1,035

(i) Consulting fees include fees paid to management in lieu of salary, $267 of which were converted into convertible debenture units on April 21, 2020.

In thousands of Canadian dollars except for share and per share amounts

14. Financing Expense, Net

	Three months ended,		Nine months ended,	
	October 31, 2021	October 31, 2020	**October 31, 2021**	October 31, 2020
Interest expense	**13**	(3)	**34**	14
Interest on short-term loans	**-**	28	**-**	117
Interest on debentures	**148**	81	**437**	218
Effective interest on debentures	**116**	80	**407**	208
Interest on leases	**-**	1	**-**	3
Loss on debentures extinguishment	**-**	-	**26**	-
Fair value adjustment - warrant extension	**-**	-	**20**	-
(Gain) Loss on foreign exchange	**(11)**	(8)	**13**	(12)
Total	**266**	179	**937**	548

15. Income Taxes

As at October 31, 2021, the Corporation had accumulated non-capital losses for income tax purposes, which are available to be applied against future taxable income.

	Federal $	**Provincial $**
2036	663	657
2037	1,242	1,261
2038	865	607
2039	1,273	1,312
2040	1,311	1,391
2041	2,349	2,385
	7,703	**7,613**

As at October 31, 2021, the Corporation had investment tax credits totalling $383, which are available to reduce income taxes for future years. The Corporation has not recognized the above tax benefits and will recognize them when future profits are probable the respective jurisdictions.

16. Financial Instruments

For the nine months ended October 31, 2021, the convertible debentures conversion options were revaluated and reclassified from equity to liabilities. For the year ended January 31, 2021, the Corporation had no financial instruments carried at fair value through profit and loss (“FVTPL”) or at fair value through other comprehensive income(“FVTOCI”).

As at October 31, 2021:	**FVTPL**	**Amortized cost**
Financial asset:		
Cash	**-**	**210**
Financial liabilities:	**-**	**609**
Accounts payable and accrued liabilities	**-**	**133**
Interest payable on debentures	**-**	**40**
Long-term loans	**-**	**2,326**
Convertible debentures	**-**	**2,280**
Non-convertible debentures	**-**	**609**
Conversion option classified as an embedded derivative	**1,860**	**-**

In thousands of Canadian dollars except for share and per share amounts

As at January 31, 2021:	**Amortized cost**
Financial asset:	
Cash	2,379
Financial liabilities:	
Accounts payable and accrued liabilities	291
Interest payable on debenture	172
Long-term loan	40
Convertible debentures	2,476
Non-convertible debentures	2,099

The Corporation categorizes its financial assets and liabilities measured at fair value into one of three different levels depending on the observation of the inputs used in the measurement. The three levels are defined as follows:

Level 1: Fair value is based on unadjusted quoted prices for identical assets or liabilities in active markets;
Level 2: Fair value is based on inputs other than quoted prices included within Level 1 that are not observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3: Fair value is based on valuation techniques that require one or more significant unobservable inputs.

The fair value of a financial instrument is approximated by the consideration that would be agreed to in an arm's length transaction between willing parties and through appropriate valuation methods, but considerable judgement is required for the Corporation to determine the value. The actual amount that could be realized in a current market exchange could be different than the estimated value. The fair values of financial instruments included in current assets and current liabilities approximate their carrying values due to their short-term nature.

17. Financial Risk Factors

The Corporation's activities expose it to financial risks: market risk, more specifically cash flow and fair value interest rate risk, and liquidity risk. The Corporation's overall risk management program focuses on the unpredictability of the financial market and seeks to minimize potential adverse effects on its financial performance. The Corporation does not use derivative financial instruments to hedge these risks.

(a) Credit risk

Credit risk arises from cash deposited with a financial institution. The Corporation reduces this risk by dealing with creditworthy financial institutions.

(b) Market risk

(i) Cash flow and fair value interest rate risk

The Corporation is exposed to fair value interest rate risk due to its short-term debt and convertible debenture negotiated at a fixed rate.

(ii) Currency risk

The Corporation has cash and accounts payable and accrued liabilities denominated in USD, EUR and JPY. The Corporation does not hold financial derivatives to manage fluctuation in these risks.

The following presents the accounts that are exposed to foreign exchange volatility, as at:

	October 31, 2021		January 31, 2021	
	Foreign Currency	**CAD equivalent**	Foreign Currency	CAD equivalent
Cash – USD	**133**	**165**	810	1,035
Accounts payable and accrued liabilities – USD	**359**	**444**	51	65
Accounts payable and accrued liabilities – EUR	-	-	1	1

A plus or minus 5% variation in exchange rate, all else being held equal, would result in a foreign exchange gain or loss of $30.

In thousands of Canadian dollars except for share and per share amounts

(c) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The following are the contractual maturities of financial liabilities

As at October 31, 2021	***Carrying value*** **$**	***Contractual cash flows*** **$**	***Less than 12 months*** **$**	***Greater than 12 months*** **$**
Financial liabilities				
Accounts payable and accrued liabilities	**609**	**609**	**609**	**-**
Interest payable on debentures	**133**	**133**	**133**	**-**
Government loan	**40**	**-**	**-**	**40**
Convertible debenture	**2,326**	**2,783**	**-**	**2,783**
Non-convertible debenture	**2,280**	**3,000**	**-**	**3,000**
Total	**5,388**	**6,525**	**742**	**5,823**

As at January 31, 2021:	***Carrying value*** **$**	***Contractual cash flows*** **$**	***Less than 12 months*** **$**	***Greater than 12 months*** **$**
Financial liabilities				
Accounts payable and accrued liabilities	291	291	291	-
Investment tax credit loan	172	172	172	-
Long-term loans	40	-	-	40
Convertible debenture	2,476	2,833	2,079	754
Non-convertible debenture	2,099	3,000	-	3,000
Total	5,078	6,296	2,542	3,794

(d) Capital risk 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's definition of capital includes equity, comprised of issued common shares, warrants and contributed surplus. The Corporation's primary objective with respect to its capital management is to ensure that it has enough financial resources to meet its financial obligations. To secure the additional capital necessary to carry out these plans, the Corporation will attempt to raise additional funds through the issuance of equity or by securing strategic partners. The Corporation is not subject to any externally imposed capital requirements.

In thousands of Canadian dollars except for share and per share amounts

18. Related Party Transactions

The following table presents the related party transactions presented in the statement of loss:

	Three months ended		Nine months ended	
	October 31, 2021	October 31, 2020	**October 31, 2021**	October 31, 2020
Transactions with key management and members of the Board of Directors:				
Share-based compensation to key management and directors	**26**	115	**99**	175
Consulting fees charged by key management and directors	**146**	55	**420**	363
Interest earned on debentures by key management and directors	**56**	47	**185**	1124
Interest earned on debentures by Manitex, a shareholder of the Corporation:	**48**	49	**168**	146
Consulting fees and rental expense charged by Valeo Pharma Inc.	**1**	24	**42**	95
R&D expenses incurred with École Polytechnique, a partner of Polyvalor	**110**	57	**316**	204

The following table presents the related party transactions presented in the statement of financial position as at:

	October 31, 2021 **$**	January 31, 2021 $
Accounts payable and accrued liabilities due to key management and directors	**-**	62
Accounts payable and accrued liabilities due to École Polytechnique, a partner of Polyvalor	**-**	74
Accounts payable and accrued liabilities due to Valeo Pharma Inc.	**-**	25
Debentures due to key management and directors	**965**	1,018
Conversion option of key management and directors classified as an embedded derivative	**589**	-
Accrued interest on debenture due to key management and directors	**47**	50
Convertible debenture due to Manitex, a shareholder of the Corporation	**807**	861
Accrued interest on debenture due to Manitex, a shareholder of the Corporation	**11**	29

All other related parties' transactions are disclosed in the respective notes in these financial statements.

19. Commitments

In June 2015, the Corporation entered into collaborative research agreement with École Polytechnique which stipulated that when the Corporation's products are commercialized, it must make non-refundable payments to Polyvalor, a shareholder of the Corporation, equal to 1.5% of net sales. On September 21, 2021, the Corporation extended its ongoing Collaborative Research Agreement with Ecole Polytechnique until May 2022.

20. Subsequent Event

On December 13, 2021, the Company issued 1,075 Note Units at a price of $975 per Note Unit for total gross proceeds of $1.048 million. Each Note Unit consisted of one (1) unsecured convertible note of the Company in the principal amount of $1,000 (each a "Note") and 1,000 Class "A" share purchase warrants (each a "Warrant"). The Notes bear interest at a rate of 10% per annum from the date of issue, payable in cash, semi-annually in arrears and will mature (the "Maturity Date") on the earlier of (i) 12 months following the closing date of the Private Placement, or (ii) 20 days following the closing of a capital raise in the form of an equity or debt financing of at least $5 Million (the "Capital Raise"). Any unpaid interest payments will accrue and be added to the principal amount of the Notes. Should the Company complete a Capital Raise prior to the Maturity Date, the holder of a Note will have the option, but not the obligation, to convert the outstanding value of the Note and any accrued and unpaid Interest thereon, into the equity securities and/or debt instrument to be issued pursuant to the Capital Raise, at the same terms and conditions. Each Warrant will entitle the holder thereof to purchase one Class A Share (each, a "Share") at an exercise price of $0.50 at any time up to 24 months following December 13, 2021. The Notes and the Warrants are subject to a statutory hold period. The Company has paid $21 in commissions and issued 21,700 finders' warrants in connection with the Capital Raise.