Gemina Laboratories Ltd.

Condensed Interim Consolidated Financial Statements
(in Canadian dollars)

For the six months ended July 31, 2021 and
period from incorporation on May 6, 2020 to July 31, 2020

Gemina Laboratories Ltd.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited - in Canadian dollars)

	Note	July 31, 2021	January 31, 2021
		$	$
ASSETS			
Current assets			
Cash		1,433,139	881,948
Restricted cash	7	-	1,536,375
Receivables	9,10	112,916	3,937
Net investment in sublease	4	16,921	16,099
Prepaid expenses		-	7,875
		1,562,976	2,446,234
Net investment in sublease	4	1,487	10,159
Deposits		5,516	24,766
Equipment	5	30,622	-
Right-of-use asset	4	31,433	45,941
Total assets		1,632,034	2,527,100
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	6,9	363,971	121,478
Lease liability	4	62,987	60,525
Subscription receipts liability	7	-	2,147,536
		426,958	2,329,539
Lease liability	4	5,478	37,600
Total liabilities		432,436	2,367,139
Shareholders' equity			
Share capital	8	3,513,650	994,114
Reserves	8	428,037	-
Accumulated deficit		(2,742,089)	(834,153)
Total shareholders' equity		1,199,598	159,961
Total liabilities and shareholders' equity		1,632,034	2,527,100

Nature and continuance of operations (Note 1)
Subsequent event (Note 15)

Approved on behalf of the Board on September 29, 2021:

"John Davies"
Director

"James Tansey"
Director

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

Gemina Laboratories Ltd.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited - in Canadian dollars)

	Note	Three months ended July 31, 2021	Period from incorporation on May 6, 2020 to July 31, 2020	Six months ended July 31, 2021	Period from incorporation on May 6, 2020 to July 31, 2020
		$	$	$	$
Revenues					
Subscriptions		5,030	-	5,030	-
Operating expenses					
Research and development	10	567,505	52,673	1,249,675	52,673
General and administrative	11	200,410	-	663,291	-
		767,915	52,673	1,912,966	52,673
Loss and comprehensive loss		(762,885)	(52,673)	(1,907,936)	(52,673)
Basic and diluted loss per share		($0.02)	($0.00)	($0.05)	($0.00)
Weighted average number of shares					
Basic and diluted		43,738,888	33,333,333	42,387,072	33,333,333

Gemina Laboratories Ltd.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Unaudited - in Canadian dollars)

	Number of shares	Share capital	Reserves	Accumulated deficit	Shareholders' equity
		$	$	$	$
Balance, May 6, 2020	-	-	-	-	-
Issuance of shares upon incorporation	33,333,333	1	-	-	1
Loss for the period	-	-	-	(52,673)	(52,673)
Balance, July 31, 2020	33,333,333	1	-	(52,673)	(52,672)
Balance, January 31, 2021	38,472,835	994,114	-	(834,153)	159,961
Private placement	4,000,000	200,000	-	-	200,000
Conversion of subscription receipts to common shares	7,765,124	2,319,536	-	-	2,319,536
Stock-based compensation	-	-	428,037	-	428,037
Loss for the period	-	-	-	(1,907,936)	(1,907,936)
Balance, July 31, 2021	50,237,959	3,513,650	428,037	(2,742,089)	1,199,598

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

Gemina Laboratories Ltd.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited - in Canadian dollars)

	Six months ended July 31, 2021	Period from incorporation on May 6, 2020 to July 31, 2020
	$	$
Cash flows from operating activities:		
Net loss for the period	(1,907,936)	(52,673)
Items not involving cash:		
Depreciation of right-of-use asset and equipment	21,134	-
Stock-based compensation	428,037	-
Accretion on lease liability	3,434	-
Interest income on net investment in sublease	(1,150)	-
Changes in non-cash working capital items:		
Receivables	(124,776)	-
Prepaid expenses	7,875	-
Accounts payable and accrued liabilities	236,976	52,660
Net cash used in operating activities	(1,336,406)	(13)
Cash flows from investing activities:		
Acquisition of equipment	(17,998)	-
Sublease income	8,250	-
Net cash used in investing activities	(9,748)	-
Cash flows from financing activities:		
Proceeds from incorporation share	-	1
Private placement	200,000	-
Proceeds from subscription receipts	172,000	-
Release of restricted cash	1,536,375	-
Lease payments	(11,030)	-
Net cash provided by financing activities	1,897,345	1
Change in cash during the period	551,191	(12)
Cash, beginning of period	881,948	-
Cash (bank indebtedness), end of period	1,433,139	(12)

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

Gemina Laboratories Ltd.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited - in Canadian dollars)

Supplemental cash flow information	**Six months ended July 31, 2021**	**Period from incorporation on May 6, 2020 to July 31, 2020**
	$	**$**
Lease payments paid by EcoMine Technologies Corporation ("EcoMine")	16,547	-
Lease payments in accounts payable	5,516	-
Deposit transferred to leasehold improvements	19,250	-

1 Nature and continuance of operations

Gemina Laboratories Ltd. (the “Company” or “Gemina”) is a biotechnology Company that currently operates in the *In Vitro* Diagnostics (“**IVD**”) market under the name “Gemina Labs.” The Company was incorporated under the laws of British Columbia on October 10, 2017. The Company's head office is located at 3800 Westbrook Mall, Suite 142, Vancouver, British Columbia, and its registered and records is located at 10th floor, 595 Howe Street, Vancouver, British Columbia.

On January 31, 2021, the Company completed the acquisition of all of the issued and outstanding securities in the capital of Ecoscreen Solutions Inc. (“Ecoscreen”), a private company incorporated on May 6, 2020 under the laws of British Columbia, in exchange for the issuance of an aggregate of 36,666,667 common shares in the capital of the Company to the shareholders of Ecoscreen pursuant to the Amalgamation Agreement dated January 18, 2021 (collectively, the “Transaction”). The Transaction constitutes a reverse takeover (“RTO”) of the Company by Ecoscreen (Note 3). These financial statements reflect the assets, liabilities and operations of Ecoscreen since its incorporation and of the Company from January 31, 2021.

On December 29, 2020, Ecoscreen subdivided its issued and outstanding common shares on a 1 to 100,000 basis (“Share Split”). Prior to the closing on the Transaction, on January 29, 2021, the Company consolidated its issued and outstanding shares on a 3 to 1 basis (“Share Consolidation”). All share and per share information within these condensed interim consolidated financial statements reflect the Share Split and Share Consolidation.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The ability of the Company to continue as a going concern is dependent on its ability to generate future cash flows from operations and obtain additional financing. As at July 31, 2021, the Company had working capital of $1,136,018 (January 31, 2021 – $116,695), had not yet achieved profitable operations and had accumulated a deficit of $2,742,089 since its inception. These conditions indicate the existence of a material uncertainty that may cast significant doubt regarding the Company’s ability to continue as a going concern.

These condensed interim consolidated financial statements do not give effect to any adjustments, which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed interim consolidated financial statements. These adjustments could be material.

2 Significant accounting policies

Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* and do not include all of the information required for full annual financial statements by International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretation Committee (“IFRIC”).

These condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the period from incorporation on May 6, 2020 to January 31, 2021, which includes the information necessary or useful to understanding the Company's business and financial statement presentation. In particular, except for the new accounting policy disclosed below, the Company's significant accounting policies are presented in Note 2 of the audited consolidated financial statements for the period from incorporation on May 6, 2020 to January 31, 2021, and have been consistently applied in the preparation of these condensed interim consolidated financial statements.

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The condensed interim consolidated financial statements are presented in Canadian dollars which is the Company’s functional currency.

These condensed interim consolidated financial statements were approved by the Board of Directors for issue on September 29, 2021.

Principles of consolidation

These financial statements include the accounts of the Company and its wholly-owned legal subsidiary, Ecoscreen.

A subsidiary is an entity controlled by the Company and is included in the financial statements from the date that control commences until the date that control ceases. The accounting policies of a subsidiary are changed where necessary to align them with the policies adopted by the Company.

Intercompany balances and transactions, and unrealized gains and losses arising from intercompany transactions, are eliminated in preparing these condensed interim consolidated financial statements.

Critical accounting estimates and judgments

The preparation of financial statements in compliance with IFRS requires the Company’s management to make certain estimates and assumptions that they consider reasonable and realistic. Despite regular reviews of these estimates and assumptions, based in particular on past achievements or anticipations, facts and circumstances may lead to changes in these estimates and assumptions which could impact the reported amount of the Company’s assets, liabilities, income and expenses. Actual results may differ from those estimates.

(Unaudited - in Canadian dollars)

Significant judgements

Reverse takeover - Judgement is required when assessing the value of the consideration transferred and the net identifiable assets acquired and liabilities assumed in connection with the reverse takeover (Note 3).

Coronavirus ("COVID-19") - In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its future potential effect on the Company's business or ability to raise funds.

Significant estimates

Stock-based compensation - The Company generally utilizes the Black-Scholes option pricing model to determine the fair values of the stock-based payments and warrants issued in unit offerings. The Company uses significant estimate in the evaluation of the input variables in the Black-Scholes calculation which includes: risk free interest rate, expected stock price volatility, expected life and expected dividend yield.

New accounting policies adopted

Equipment

Equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of equipment include the acquisition costs and any direct costs to bring the asset into productive use at its intended location.

Depreciation of equipment is calculated using the straight-line method over their estimated useful lives as follows:

Computer equipment	2 years
Laboratory equipment	3 years
Leasehold improvements	Term of lease

3 Reverse takeover

On January 31, 2021, the Company issued 37,395,834 common shares in exchange for all of the issued and outstanding common shares of Ecoscreen (the "Transaction"). Following the Transaction, the Company had 38,472,835 issued and outstanding common shares at January 31, 2021, comprising of 1,077,001 common shares held by original Gemina shareholders and 37,395,834 common shares held by Ecoscreen shareholders. As Ecoscreen shareholders owned 97.20% of the issued and outstanding shares of the Company, Ecoscreen obtained control of the Company.

The Transaction has been accounted for as a reverse takeover whereby Ecoscreen, the legal subsidiary, has been treated as the accounting parent company, and Gemina, the legal parent, has been treated as the accounting subsidiary in these condensed interim consolidated financial statements. As Ecoscreen was deemed to be the acquirer for accounting purposes, its assets, liabilities, and operations since incorporation were included in these condensed interim consolidated financial statements at their historical carrying values.

(Unaudited - in Canadian dollars)

Since the Company was a dormant shell company, the Company did not meet the definition of a business under *IFRS 3, Business Combinations*, and the Transaction was accounted for as the purchase of net assets by Ecoscreen. The net purchase price was determined as an equity settled share-based payment under *IFRS 2, Share-based Payment*, at the fair value of the equity instruments of the Company retained by the shareholders of the Company, based on the fair value of the Company's common shares on the date of the closing of the Transaction.

The fair value of consideration paid plus transaction costs, net of the net assets acquired, has been recognized as listing expense in the statement of loss and comprehensive loss. These financial statements reflect the assets, liabilities and operations of Ecoscreen since its incorporation and of the Company from January 31, 2021.

The identifiable net assets of the Company acquired in exchange for all of the issued and outstanding common shares of Ecoscreen is comprised of the following:

Cash	$	33,164
Accounts payable and accrued liabilities		(20,806)
Net assets	$	12,358

The listing expense was calculated as follows:

Consideration (1,077,001 common shares)	$	323,100
Transaction costs		18,696
Total consideration		341,796
Net assets		(12,358)
Listing expense	$	329,438

The fair value of the 1,077,001 common shares issued to the shareholders of the Company was based on subscription receipts at $0.30 per common share (Note 7).

4 Leases

Right-of-use asset and lease liability

The Company has entered into a lease agreement with EcoMine, the majority shareholder of the Company, with respect to its office premise in Vancouver, British Columbia. The lease commenced on September 1, 2020, with monthly lease payments of $5,516 until August 31, 2022.

A continuity of the carrying amount of the right-of-use asset for the period ended July 31, 2021 is as follows:

	July 31, 2021
	$
Balance, May 6, 2020	-
Additions	121,954
Portion subleased	(63,923)
Net additions	58,031
Depreciation	(12,090)
Balance, January 31, 2021	45,941
Depreciation	(14,508)
Balance, July 31, 2021	31,433

(Unaudited - in Canadian dollars)

A reconciliation of the carrying amount of the lease liability for the period ended July 31, 2021 is as follows:

	July 31, 2021
	$
Balance, May 6, 2020	-
Additions	121,954
Lease payments	(27,579)
Accretion	3,750
Balance, January 31, 2021	98,125
Lease payments	(33,094)
Accretion	3,434
Balance, July 31, 2021	68,465
Less: Current portion	62,987
Non-current portion	5,478

Future minimum lease payments are as follows:

	July 31, 2021
	$
Less than 1 year	60,672
1 to 5 years	11,031
More than 5 years	-
Total	71,703

Short-term leases are leases with a lease term of 12 months or less. As at July 31, 2021, the Company did not have any short-term leases.

As at July 31, 2021, the Company did not have any leases of low-value assets.

Net investment in sublease

The Company entered into a sublease agreement with a third party with respect to its office premise in Vancouver, British Columbia. The lease commenced on September 1, 2020, with monthly lease payments of $1,500 until August 31, 2022.

A reconciliation of the carrying amount of the net investment in sublease is as follows:

	$
Balance, May 6, 2020	-
Additions	32,506
Sublease income received	(7,500)
Interest income	1,252
Balance, January 31, 2021	26,258
Sublease income received	(9,000)
Interest income	1,150
Balance, July 31, 2021	18,408
Less: Current portion	16,921
Non-current portion	1,487

(Unaudited - in Canadian dollars)

The right-of-use asset, corresponding lease liability, and net investment in sublease were initially measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate of 8% per annum.

5 Equipment

Computer equipment	
	$
Cost:	
Balance, May 6, 2020 and January 31, 2021	-
Additions	7,723
Balance, July 31, 2021	7,723
Accumulated depreciation:	
Balance, May 6, 2020 and January 31, 2021	-
Additions	1,931
Balance, July 31, 2021	1,931
Net book value, July 31, 2021	5,792

Laboratory equipment	
	$
Cost:	
Balance, May 6, 2020 and January 31, 2021	-
Additions	10,275
Balance, July 31, 2021	10,275
Accumulated depreciation:	
Balance, May 6, 2020 and January 31, 2021	-
Additions	570
Balance, July 31, 2021	570
Net book value, July 31, 2021	9,705

Leasehold improvements	
	$
Cost:	
Balance, May 6, 2020 and January 31, 2021	-
Additions	19,250
Balance, July 31, 2021	19,250
Accumulated depreciation:	
Balance, May 6, 2020 and January 31, 2021	-
Additions	4,125
Balance, July 31, 2021	4,125
Net book value, July 31, 2021	15,125
Net equipment, July 31, 2021	30,622

(Unaudited - in Canadian dollars)

6 Accounts payable and accrued liabilities

	July 31, 2021	January 31, 2021
	$	$
Accounts payable (Note 9)	363,971	89,729
Accrued liabilities (Note 9)	-	31,749
	363,971	121,478

7 Subscription receipt liability

On November 20, 2020, Ecoscreen completed the first tranche of a non-brokered private placement through issuance of 333,333 subscription receipts at $0.30 each for gross proceeds of $100,000.

Effective January 29, 2021, Ecoscreen completed the second tranche of a non-brokered private placement through issuance of 7,431,791 subscription receipts at $0.30 each for gross proceeds of $2,229,538, with $172,000 of the gross proceeds being received during the period ended July 31, 2021 in respect of 573,333 subscription receipts. Of the total gross proceeds, $109,038 relates to a settlement of amounts owing to EcoMine. In connection with the issuance of subscription receipts, the Company incurred costs amounting to $10,002. The costs were capitalized against the subscription receipt liability.

Accordingly, at January 31, 2021, the gross proceeds from the subscription receipts were recognized as a liability and 75% of the gross proceeds, or $1,536,375, was recognized as restricted cash in the statement of financial position, along with 75% of the gross proceeds of $172,000 received during the period ended July 31, 2021.

On July 16, 2021, the Company satisfied the listing conditions on the Canadian Securities Exchange, triggering the conversion of the subscription receipts into units for no additional consideration and the release of restricted cash. Each unit consisted of one common share and one-half of one share purchase warrant, resulting in the issuance of 7,765,124 common shares and 3,882,562 warrants. Each whole share purchase warrant is exercisable at $0.45 per common share until July 16, 2024.

As a result of this conversion, the subscription receipts liability of $2,147,536 as at January 31, 2021 and gross proceeds of $172,000 from subscription receipts received during the period ended July 31, 2021 were reclassified from current liabilities to share capital (Note 8).

8 Share capital and reserves

Share capital

The Company is authorized to issue an unlimited number of common shares without par value.

<u>Transactions during the six month period ended July 31, 2021</u>

On March 5, 2021, the Company completed a non-brokered private placement through issuance of 4,000,000 units at $0.05 per unit for gross proceeds of $200,000. Each unit is comprised of one common share of the Company and one share purchase warrant exercisable at $0.15 per common share until March 5, 2023. No value was attributed to the share purchase warrants.

On July 16, 2021, the Company satisfied the listing conditions on the Canadian Securities Exchange, triggering the conversion of the subscription receipts into units for no additional consideration. Each unit consisted of one common share and one-half of one share purchase warrant, resulting in the issuance of 7,765,124 common shares valued at $2,319,536 and 3,882,562 warrants valued at $Nil (Note 7). Each whole share purchase warrant is exercisable at $0.45 per common share until July 16, 2024.

(Unaudited - in Canadian dollars)

Transactions during the period from incorporation on May 6, 2020 to July 30, 2020

On the date of incorporation on May 6, 2020, the Company issued 33,333,333 common shares for $1.

Warrants

The following is a summary of changes in share purchase warrants during the six month period ended July 31, 2021:

	Number of Warrants	Weighted Average Exercise Price
		$
Balance, May 6, 2020	-	-
Issued	3,333,334	0.15
Balance, January 31, 2021	3,333,334	0.15
Issued	7,882,562	0.30
Balance, July 31, 2021	11,215,896	0.25

On December 31, 2020, the Company closed a non-brokered private placement through issuance of 3,333,334 units at a price of $0.15 per unit for gross proceeds of $500,000. Each unit is comprised of one common share of the Company and one share purchase warrant exercisable at $0.15 per common share until December 31, 2022. In connection with the private placement, the Company incurred share issuance costs of $3,987. No value was attributed to the share purchase warrants.

As at July 31, 2021, the following share purchase warrants were outstanding:

Number of Warrants	Weighted Average Exercise Price	Expiry Date
3,333,334	$0.15	December 31, 2022*
4,000,000	$0.15	March 5, 2023
3,882,562	$0.45	July 16, 2024*
11,215,896		

*The share purchase warrants are subject to an acceleration clause that allows the Company to accelerate the expiry date of the share purchase warrants in the event that the volume weighted average trading price of the common shares on the Canadian Securities Exchange exceeds $1.00 for 10 consecutive trading days.

(Unaudited - in Canadian dollars)

Stock options

The Company's stock option plan provides for the issuance of stock options to its officers, directors, employees, and consultants for up to 10% of the issued and outstanding common shares. The exercise price of each stock option is based on the market price of the Company's shares at the date of grant. The stock options can be granted for a maximum term of 10 years and vest as determined by the Board of Directors.

A summary of stock options activities is as follows:

	Number of Options	Weighted Average Exercise Price
		$
Balance, May 6, 2020 and January 31, 2021	-	-
Granted	2,750,000	0.30
Balance, July 31, 2021	2,750,000	0.30

In February 2021, the Company granted 2,500,000 options to consultants and officer with an exercise price of $0.30 per common share for a period of 10 years. The options were valued at $568,940, of which $422,687 was recognized during the six month period ended July 31, 2021, using the Black-Scholes pricing model with the following assumptions: estimated life of 10 years, risk-free rate of 1.51%, volatility of 124%, and nil forecasted dividend yield.

In April 2021, the Company granted 250,000 options to a consultant with an exercise price of $0.30 per common share for a period of 3 years. The options were valued at $5,350 and recognized during the six month period ended July 31, 2021, using the Black-Scholes pricing model with the following assumptions: estimated life of 3 years, risk-free rate of 0.48%, volatility of 124%, and nil forecasted dividend yield.

The stock price volatility is calculated based on the historical volatility of similar development stage companies traded on the Canadian Stock Exchange.

A summary of the stock options outstanding and exercisable at July 31, 2021 is as follows:

Exercise Price	Number Outstanding	Number Exercisable	Expiry Date
$			
0.30	2,500,000	1,408,333	February 19, 2031
0.30	250,000	250,000	April 1, 2024
	2,750,000	1,658,333	

9 Related party transactions

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

(Unaudited - in Canadian dollars)

During the six month period ended July 31, 2021, the Company entered into the following transactions with related parties:

- Paid or accrued contractor fees of $38,125 to a company controlled by the Chief Executive Officer ("CEO") and director of the Company.
- Paid or accrued professional fees of $22,979 to a company controlled by the Chief Financial Officer ("CFO") of the Company and recognized stock-based compensation of $24,814 in relation to stock options granted to the CFO.
- Paid or accrued salaries and benefits of $48,401 to the Chief Technology Officer and director of the Company.

As at July 31, 2021, $Nil (January 31, 2021 - $6,749) was included in accrued liabilities owing to CEO and director of the Company in relation to reimbursement of expenses.

As at July 31, 2021, $Nil (January 31, 2021 - $6,095) was included in accounts payable owing to the company controlled by the CFO of the Company and $19,687 (January 31, 2021 - $Nil) was included in accounts payable owing to the company controlled by the CEO of the Company, both in relation to professional fees.

As at July 31, 2021, $17,876 (January 31, 2021 - $Nil) was included in accounts receivable due from EcoMine, a majority shareholder of the Company.

10 Research and development

	Three months ended July 31, 2021	Period from incorporation on May 6, 2020 to July 31, 2020	Six months ended July 31, 2021	Period from incorporation on May 6, 2020 to July 31, 2020
	$	$	$	$
Contractors (Note 9)	355,613	2,662	676,490	2,662
Materials and supplies	55,797	50,011	194,357	50,011
Salaries and benefits (Note 9)	118,953	-	205,008	-
Stock-based compensation (Note 8)	37,142	-	208,168	-
	567,505	52,673	1,284,023	52,673
Grant funding	-	-	(34,348)	-
	567,505	52,673	1,249,675	52,573

On August 10, 2020, as amended on November 24, 2020, the Company entered into a development agreement with Canada's Digital Technology Supercluster ("CDTS") to develop a pathogen screening platform utilizing the Company's proprietary biosensors and a digital risk assurance platform. The project is scheduled to complete on November 30, 2021 and under the agreement, the Company committed to certain deliverables at an estimated cost of $349,667, with the Company responsible for $171,966 and CDTS to reimburse for the remaining $177,701. From the period of incorporation on May 6, 2020 to January 31, 2021, the Company recognized $143,353 of grant funding related to this project and for the six month period ended July 31, 2021, the Company recognized the remaining $34,348, all of which was recorded as a receivable at July 31, 2021 (January 31, 2021 - $3,937).

(Unaudited - in Canadian dollars)

11 General and administrative

	Three months ended July 31, 2021	Period from incorporation on May 6, 2020 to July 31, 2020	Six months ended July 31, 2021	Period from incorporation on May 6, 2020 to July 31, 2020
	$			
Contractors	87,710	-	169,710	-
Depreciation of equipment (Note 5)	5,661	-	6,626	-
Interest expense (Note 4)	1,569	-	3,434	-
Office and miscellaneous	30,392	-	55,681	-
Professional fees (Note 9)	20,904	-	204,964	-
Stock-based compensation (Note 8)	56,519	-	219,869	-
Depreciation of right-of-use asset (Note 4)	7,254	-	14,508	-
	210,009	-	674,792	-
Other income (Note 4)	(9,599)	-	(11,501)	-
	200,410	-	663,291	-

12 Segmented information

The Company operates within a single operating segment, being the research, development and commercialization of in-vitro diagnostics. This is the Company's only reportable segment and is consistent with the internal reporting provided to the chief operating decision-maker. The Company operates in a single geographic area, being Canada, and all of the Company's assets are located in Canada.

13 Financial instruments and financial risk management

Fair value

Financial instrument disclosures establish a fair value hierarchy that requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The Company primarily applies the market approach for recurring fair value measurements. This section describes three input levels that may be used to measure fair value:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide information on an ongoing basis. The Company does not have any financial instruments in this category.

Level 2 – quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The carrying values of cash, receivables, accounts payable and accrued liabilities, approximate their fair values due to their short-term maturity. The carrying values of net investment in sublease and lease liability approximate their fair values due to being discounted with a rate of interest that approximates market rates. The carrying value of deposit on leased premise approximates its fair value as the deposit is expected to be returned to the Company at the end of lease term on August 31, 2022.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or valuation of its financial instruments.

a) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has no financial instruments in foreign currency.

b) Interest rate risk

The Company has cash balances and no interest-bearing debt. The interest rate risk on cash is not considered significant.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet cash flow requirements associated with financial instruments. As indicated in Note 1, a material uncertainty exists that may cast significant doubt regarding the Company's ability to continue as a going concern.

The Company continues to manage its liquidity risk by monitoring its cash flows regularly, comparing actual results with budgets and future cash requirements.

The following table summarizes the relative maturities of the financial liabilities of the Company:

	Maturity less than one year	**Maturity greater than one year**
	$	**$**
Accounts payable and accrued liabilities	363,971	-
Lease liability	60,672	11,031
Total	424,643	11,031

Credit risk

Credit risk arises from cash deposited in banks and financial institutions. The Company has established guidelines relative to diversification, credit ratings and maturities that maintain safety and liquidity. These guidelines are periodically reviewed by the Company's Board of Directors and modified to reflect changes in market conditions.

The Company limits its exposure to credit risk, with respect to cash, by placing them with high quality credit financial institutions.

14 Capital management

The Company considers its shareholders' equity as capital. As at July 31, 2021, the Company's capital totaled $1,199,598. The Company manages its capital structure in order to ensure sufficient resources are available to meet day-to-day operation requirements, further develop its technology and continue as a going concern.

In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets. The Company is not subject to any externally imposed capital requirements.

15 Subsequent event

In September 2021, the Company granted 1,100,000 stock options to directors and employees. The stock options are exercisable at $0.45 per common share for five years. Of the total stock options:

- 700,000 stock options vest over three years, with one-third of the total stock options vesting every 12 months from date of grant; and
- 400,000 stock options vest over one year, with one-half of the total stock options vested on date of grant.