

# **Gemina Laboratories Ltd.**

Condensed Interim Consolidated Financial Statements  
(in Canadian dollars)

**For the nine months ended October 31, 2021 and  
period from incorporation on May 6, 2020 to October 31, 2020**

# Gemina Laboratories Ltd.

## Condensed Interim Consolidated Statements of Financial Position

(Unaudited - in Canadian dollars)

	Note	October 31, 2021	January 31, 2021
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		2,201,336	881,948
Restricted cash	7	-	1,536,375
Receivables	9,10	303,069	3,937
Net investment in sublease	4	14,335	16,099
Prepaid expenses		36,749	7,875
		2,555,489	2,446,234
Net investment in sublease	4	-	10,159
Deposits		5,516	24,766
Property and equipment	5	29,244	-
Right-of-use asset	4	24,180	45,941
<b>Total assets</b>		<b>2,614,429</b>	<b>2,527,100</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	6,9	525,477	121,478
Lease liability	4	53,187	60,525
Subscription receipts liability	7	-	2,147,536
		578,664	2,329,539
Lease liability	4	-	37,600
<b>Total liabilities</b>		<b>578,664</b>	<b>2,367,139</b>
<b>Shareholders' equity</b>			
Share capital	8	5,522,177	994,114
Reserves	8	775,036	-
Accumulated deficit		(4,261,448)	(834,153)
<b>Total shareholders' equity</b>		<b>2,035,765</b>	<b>159,961</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,614,429</b>	<b>2,527,100</b>

Nature and continuance of operations (Note 1)

Subsequent event (Note 15)

Approved on behalf of the Board on December 24, 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)

		Three months ended October 31, 2021	Three months ended October 31, 2020	Nine months ended October 31, 2021	Period from incorporation on May 6, 2020 to October 31, 2020
	Note				
		\$			
<b>Revenues</b>					
Subscriptions		413	-	5,443	-
<b>Operating expenses</b>					
Research and development	10	(804,699)	(127,644)	(2,054,374)	(180,317)
General and administrative	11	(715,073)	(37,410)	(1,378,364)	(37,410)
<b>Loss and comprehensive loss</b>		(1,519,359)	(165,054)	(3,427,295)	(217,727)
<b>Basic and diluted loss per share</b>		(\$0.03)	(\$0.00)	(\$0.08)	(\$0.01)
<b>Weighted average number of shares</b>					
Basic and diluted		50,654,104	33,333,333	45,173,031	33,333,333

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

**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
		\$	\$	\$	\$
<b>Balance, May 6, 2020</b>	-	-	-	-	-
Issuance of shares upon incorporation	33,333,333	1	-	-	1
Loss for the period		-	-	(217,727)	(217,727)
<b>Balance, October 31, 2020</b>	33,333,333	1	-	(217,727)	(217,726)
<b>Balance, January 31, 2021</b>	38,472,835	994,114	-	(834,153)	159,961
Private placements	8,031,700	2,316,642	100,793	-	2,417,435
Warrants exercised	666,667	100,000	-	-	100,000
Share issuance costs		(208,115)	87,991	-	(120,124)
Conversion of subscription receipts to common shares	7,765,124	2,319,536	-	-	2,319,536
Stock-based compensation	-	-	586,252	-	586,252
Loss for the period	-	-	-	(3,427,295)	(3,427,295)
<b>Balance, October 31, 2021</b>	54,936,326	5,522,177	775,036	(4,261,448)	2,035,765

*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)

	Nine months ended October 31, 2021	Period from incorporation on May 6, 2020 to October 31, 2020
	\$	\$
<b>Cash flow from operating activities:</b>		
Net loss for the period	(3,427,295)	(217,727)
Items not involving cash:		
Depreciation of right-of-use asset and equipment	31,845	4,836
Stock-based compensation	586,252	-
Sublease expense	-	31,417
Accretion on lease liability	4,702	1,594
Interest income on net investment in sublease	(1,577)	(532)
Changes in non-cash working capital items:		
Receivables	(298,382)	-
Prepaid expenses	(28,874)	-
Accounts payable and accrued liabilities	498,483	187,832
Net cash provided by (used in) operating activities	(2,634,846)	7,420
<b>Cash flows from investing activities:</b>		
Acquisition of equipment	(20,078)	-
Sublease payments received	12,750	-
Net cash used in investing activities	(7,328)	-
<b>Cash flows from financing activities:</b>		
Proceeds from incorporation share	-	1
Private placements	2,417,435	-
Proceeds from subscription receipts	172,000	-
Share issuance costs	(120,124)	-
Release of restricted cash	1,536,375	-
Lease payments	(44,124)	-
Net cash provided by financing activities	3,961,562	1

*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)

Change in cash during the period	1,319,388	7,421
Cash, beginning of period	881,948	-
Cash, end of period	2,201,336	7,421

Supplemental cash flow information	Nine months ended October 31, 2021	Period from incorporation on May 6, 2020 to October 31, 2020
	\$	\$
Lease deposit paid by EcoMine Technologies Corporation ("EcoMine")	-	5,516
Lease payments paid by EcoMine	-	11,031
Sublease payments received by EcoMine	-	3,000
Deposit transferred to leasehold improvements	19,250	-
Warrants exercised for no consideration in lieu of debt settlement	100,000	-
Warrants issued as finder's fees	87,991	-
Lease payments in accounts payable	5,516	-
Sublease payments in receivables	750	-

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

# Gemina Laboratories Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

**Nine Months Ended October 31, 2021**

---

### **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 condensed interim consolidated 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 October 31, 2021, the Company had working capital of \$1,976,825 (January 31, 2021 – \$116,695), had not yet achieved profitable operations and had accumulated a deficit of \$4,261,448 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.

# **Gemina Laboratories Ltd.**

## **Notes to Condensed Interim Consolidated Financial Statements**

(Unaudited - in Canadian dollars)

**Nine Months Ended October 31, 2021**

---

### **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 Standard Board ("IASB") and their interpretations issued by the IFRS Interpretations Committee.

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 December 24, 2021.

#### **Principles of consolidation**

These condensed interim consolidated 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.



# Gemina Laboratories Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

**Nine Months Ended October 31, 2021**

---

### 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 includes 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.

# Gemina Laboratories Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

**Nine Months Ended October 31, 2021**

---

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	\$	<u>12,358</u>

The transaction 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)
Transaction expense	\$	<u>329,438</u>

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 October 31, 2021 is as follows:

	<b>October 31, 2021</b>
	\$
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	(21,761)
Balance, October 31, 2021	<u>24,180</u>

## Gemina Laboratories Ltd.

### Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

**Nine Months Ended October 31, 2021**

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

	<b>October 31, 2021</b>
	<b>\$</b>
Balance, May 6, 2020	-
Additions	121,954
Lease payments	(27,579)
Accretion	3,750
Balance, January 31, 2021	98,125
Lease payments	(49,640)
Accretion	4,702
Balance, October 31, 2021	53,187
Less: Current portion	(53,187)
Non-current portion	-

Future minimum lease payments are as follows:

	<b>October 31, 2021</b>
	<b>\$</b>
Less than 1 year	55,156
1 to 5 years	-
More than 5 years	-
Total	55,156

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

	<b>October 31, 2021</b>
	<b>\$</b>
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	(13,500)
Interest income	1,577
Balance, October 31, 2021	14,335
Less: Current portion	(14,335)
Non-current portion	-

# Gemina Laboratories Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

**Nine Months Ended October 31, 2021**

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 Property and equipment

Computer equipment	
	\$
Cost:	
Balance, May 6, 2020 and January 31, 2021	-
Additions	9,803
Balance, October 31, 2021	9,803
Accumulated depreciation:	
Balance, May 6, 2020 and January 31, 2021	-
Additions	3,156
Balance, October 31, 2021	3,156
Net book value, October 31, 2021	6,647
Laboratory equipment	
	\$
Cost:	
Balance, May 6, 2020 and January 31, 2021	-
Additions	10,275
Balance, October 31, 2021	10,275
Accumulated depreciation:	
Balance, May 6, 2020 and January 31, 2021	-
Additions	1,428
Balance, October 31, 2021	1,428
Net book value, October 31, 2021	8,847
Leasehold improvements	
	\$
Cost:	
Balance, May 6, 2020 and January 31, 2021	-
Additions	19,250
Balance, October 31, 2021	19,250
Accumulated depreciation:	
Balance, May 6, 2020 and January 31, 2021	-
Additions	5,500
Balance, October 31, 2021	5,500
Net book value, October 31, 2021	13,750
Net property and equipment, October 31, 2021	29,244

# Gemina Laboratories Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

Nine Months Ended October 31, 2021

### 6 Accounts payable and accrued liabilities

	October 31, 2021	January 31, 2021
	\$	\$
Accounts payable (Note 9)	519,227	89,729
Accrued liabilities (Note 9)	6,250	31,749
	525,477	121,478

### 7 Subscription receipts 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 7,431,794 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 April 30, 2021 in respect of 573,334 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.

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 and 3,882,562 warrants.

As a result of this conversion, the subscription receipts liability of \$2,319,536 was derecognized from current liabilities and the resulting units were recognized in shareholders' equity (Note 8).

### 8 Share capital and reserves

#### Share capital

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

As at October 31, 2021, 33,996,415 of the Company's issued common shares were held in escrow and restricted from trading (January 31, 2021 – nil). These trading restrictions expire as follows:

February 10, 2022	5,666,069
August 10, 2022	5,666,069
February 10, 2023	5,666,069
August 10, 2023	5,666,069
February 10, 2024	5,666,069
August 10, 2024	5,666,070
	<u>33,996,415</u>

#### Transactions during the nine month period ended October 31, 2021

On October 22, 2021, the Company completed a private placement through issuance of 4,031,700 units at \$0.55 per unit for gross proceeds of \$2,217,435. Each unit is comprised of one common share of the Company and one share purchase warrant exercisable at \$0.80 per common share

# Gemina Laboratories Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

**Nine Months Ended October 31, 2021**

---

until October 22, 2023. In connection with the private placement, the Company incurred share issuance costs of \$120,124 and issued 291,136 finder's warrants exercisable at \$0.55 per common share until October 22, 2023. The finder's warrants were valued at \$87,991 using the Black-Scholes pricing model with the following inputs: estimated life of 2 years, risk-free rate of 0.87%, volatility of 124% and nil forecasted dividend yield.

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.

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.

### Transactions during the period from incorporation on May 6, 2020 to October 31, 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 nine month period ended October 31, 2021:

	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>
		<b>\$</b>
Balance, May 6, 2020	-	
Issued	3,333,334	0.15
Balance, January 31, 2021	3,333,334	0.15
Issued	10,189,548	0.40
Exercised	(666,667)	0.15
Balance, October 31, 2021	12,856,215	0.35

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.

## Gemina Laboratories Ltd.

### Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

Nine Months Ended October 31, 2021

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

Number of Warrants	Exercise Price	Expiry Date
2,666,667	\$0.15	December 31, 2022*
4,000,000	\$0.15	March 5, 2023
3,882,562	\$0.45	July 16, 2024
2,015,850	\$0.80	October 22, 2023**
291,136	\$0.55	October 22, 2023**
12,856,215		

\* 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.

\*\* 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 \$2.00 for 10 consecutive trading days.

#### 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	3,850,000	0.34
Balance, October 31, 2021	3,850,000	0.34

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

Exercise Price	Number Outstanding	Number Exercisable	Expiry Date
\$			
0.30	2,500,000	1,550,000	February 19, 2031
0.30	250,000	250,000	April 1, 2024
0.45	700,000	-	September 10, 2026
0.45	200,000	100,000	September 10, 2026

# Gemina Laboratories Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

**Nine Months Ended October 31, 2021**

0.45	200,000	100,000	September 14, 2026
	3,850,000	2,000,000	

On February 19, 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 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. During the nine months ended October 31, 2021, \$467,714 was recognized as stock-based compensation expense.

On April 1, 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 as stock-based compensation expense during the nine months ended October 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.

September 10, 2021, the Company granted 700,000 options to officer and employees with an exercise price of \$0.45 per common share for a period of 5 years. The options were valued at \$263,897 using the Black-Scholes pricing model with the following assumptions: estimated life of 5 years, risk-free rate of 0.83%, volatility of 124%, and nil forecasted dividend yield. During the nine months ended October 31, 2021, \$22,530 was recognized as stock-based compensation expense.

On September 10, 2021, the Company granted 200,000 options to a director with an exercise price of \$0.45 per common share for a period of 5 years. The options were valued at \$75,400 using the Black-Scholes pricing model with the following assumptions: estimated life of 5 years, risk-free rate of 0.83%, volatility of 124%, and nil forecasted dividend yield. During the nine months ended October 31, 2021, \$45,645 was recognized as stock-based compensation expense.

On September 14, 2021, the Company granted 200,000 options to a director with an exercise price of \$0.45 per common share for a period of 5 years. The options were valued at \$75,385 using the Black-Scholes pricing model with the following assumptions: estimated life of 5 years, risk-free rate of 0.79%, volatility of 124%, and nil forecasted dividend yield. During the nine months ended October 31, 2021, \$45,013 was recognized as stock-based compensation expense.

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

## 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.

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

- Paid or accrued contractor fees of \$111,875 (2020 - \$nil) to a company controlled by the Chief Executive Officer ("CEO") and director of the Company.
- Paid or accrued professional fees of \$22,979 (2020 - \$nil) to a company controlled by the Chief Financial Officer ("CFO") of the Company and recognized stock-based compensation of \$32,787 (2020 - \$nil) in relation to stock options granted to the CFO.



# Gemina Laboratories Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

**Nine Months Ended October 31, 2021**

- Paid or accrued salaries and benefits of \$126,508 (2020 - \$15,014) to the Chief Technology Officer ("CTO") and director of the Company and recognized stock-based compensation of \$4,828 (2020 - \$nil) in relation to stock options granted to the CTO and director.
- Recognized stock-based compensation of \$90,658 (2020 - \$nil) in relation to stock options granted to directors of the Company.

As at October 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 October 31, 2021, \$nil (January 31, 2021 - \$6,095) was included in accounts payable owing to the company controlled by the CFO of the Company in relation to professional fees.

As at October 31, 2021, \$4,128 (January 31, 2021 - \$nil) was included in accounts payable owing to CTO and director of the Company in relation to reimbursement of expenses.

As at October 31, 2021, \$20,646 (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 October 31, 2021	Three months ended October 31, 2020	Nine months ended October 31, 2021	Period from incorporation on May 6, 2020 to October 31, 2020
	\$	\$	\$	\$
Contractor fees (Note 9)	406,136	112,171	1,082,626	114,833
Materials and supplies	88,183	(15,645)	282,540	34,366
Salaries and benefits (Note 9)	272,428	31,118	474,625	31,118
Stock-based compensation (Note 8)	37,952	-	246,120	-
	804,699	127,644	2,085,911	180,317
Grant funding (net of program fees)	-	-	(31,537)	-
	804,699	127,644	2,054,374	180,317

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 was scheduled to be completed 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 nine month period ended October 31, 2021, the Company recognized the remaining \$34,348, which was recorded as a receivable at October 31, 2021 (January 31, 2021 - \$3,937).

# Gemina Laboratories Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

**Nine Months Ended October 31, 2021**

### 11 General and administrative

	Three months ended October 31, 2021	Three months ended October 31, 2020	Nine months ended October 31, 2021	Period from incorporation on May 6, 2020 to October 31, 2020
	\$			
Contractors	423,317	-	593,027	-
Depreciation of equipment (Note 5)	3,458	-	10,084	-
Interest expense, net (Note 4)	434	1,063	217	1,063
Office and miscellaneous	49,227	94	97,058	94
Professional fees (Note 9)	111,121	-	316,085	-
Sublease expense (Note 4)	-	31,417	-	31,417
Stock-based compensation (Note 8)	120,263	-	340,132	-
Depreciation of right-of-use asset (Note 4)	7,253	-	21,761	4,836
	715,073	37,410	1,378,364	37,410

### 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

# Gemina Laboratories Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

**Nine Months Ended October 31, 2021**

---

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:

	<b>Maturity less than one year</b>	<b>Maturity greater than one year</b>
	<b>\$</b>	<b>\$</b>
Accounts payable and accrued liabilities	525,477	-
Lease liability	53,187	-
Total	578,664	-

### 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.

# **Gemina Laboratories Ltd.**

## **Notes to Condensed Interim Consolidated Financial Statements**

(Unaudited - in Canadian dollars)

**Nine Months Ended October 31, 2021**

---

### **14 Capital management**

The Company considers its shareholders' equity as capital. As at October 31, 2021, the Company's capital totaled \$2,035,765. 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**

On November 17, 2021, the Company granted 100,000 options to a consultant of the Company. The options have an exercise price of \$0.39 per common share for a period of 5 years.