

Gemina Laboratories Ltd.

Condensed Interim Consolidated Financial Statements
(in Canadian dollars)

**For the three and nine months ended October 31, 2022 and
2021**

Gemina Laboratories Ltd.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited - in Canadian dollars)

	Note	October 31, 2022	January 31, 2022
		\$	\$
ASSETS			
Current assets			
Cash		584,840	1,156,388
Receivables	3,8	882,590	177,879
Net investment in sublease	4	-	10,159
Prepaid and deferred expenses and deposits		112,273	34,885
		1,579,703	1,379,311
Property and equipment	5	56,024	15,040
Right-of-use assets	4	250,827	25,791
Prepaid expenses and deposits		11,081	-
Total assets		1,897,635	1,420,142
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	6,8	607,655	429,839
Lease liabilities	4	41,373	40,651
		649,028	470,490
Lease liabilities	4	209,392	5,427
Total liabilities		858,420	475,917
Shareholders' equity			
Share capital	7	7,483,034	5,622,177
Reserves	7	3,148,217	891,114
Accumulated deficit		(9,592,036)	(5,569,066)
Total shareholders' equity		1,039,215	944,225
Total liabilities and shareholders' equity		1,897,635	1,420,142

Nature and continuance of operations (Note 1)

Subsequent events (Note 14)

Approved on behalf of the Board on December 29th, 2022:

"John Davies"
Director

"Martin Cronin"
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 October 31, 2022	Three months ended October 31, 2021	Nine months ended October 31, 2022	Nine months ended October 31, 2021
Revenues		\$	\$	\$	\$
Subscriptions		-	413	-	5,443
Operating expenses					
Research and development (net of government assistance)	9	(691,794)	(804,699)	(2,837,333)	(2,054,374)
General and administrative	10	(559,784)	(715,073)	(1,185,637)	(1,378,364)
Loss and comprehensive loss		(1,251,578)	(1,519,359)	(4,022,970)	(3,427,295)
Basic and diluted loss per share		(\$0.02)	(\$0.03)	(\$0.07)	(\$0.08)
Weighted average number of shares					
Basic and diluted		62,780,420	50,654,104	58,773,234	45,173,031

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
		\$	\$	\$	\$
Balance, January 31, 2021	38,472,835	994,114	100,793	(834,153)	159,961
Private placements	8,031,700	2,316,642	-	-	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
Share-based compensation	-	-	586,252	-	586,252
Loss for the period	-	-	-	(3,427,295)	(3,427,295)
Balance, October 31, 2021	54,936,326	5,522,177	775,036	(4,261,448)	2,035,765
Warrants exercised	666,666	100,000	-	-	100,000
Share-based compensation	-	-	116,078	-	116,078
Loss for the period	-	-	-	(1,307,618)	(1,307,618)
Balance, January 31, 2022	55,602,992	5,622,177	891,114	(5,569,066)	944,225
Private placement	1,536,200	532,786	388,934	-	921,720
Prospectus Supplement Offering	5,626,735	1,925,499	1,450,542	-	3,376,041
Warrants exercised	1,333,334	200,000	-	-	200,000
Broker warrants issued	-	-	205,362	-	205,362
Share-based compensation	-	-	212,265	-	212,265
Share issuance costs	-	(797,428)	-	-	(797,428)
Loss for the period	-	-	-	(4,022,970)	(4,022,970)
Balance, October 31, 2022	64,099,261	7,483,034	3,148,217	(9,592,036)	1,039,215

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, 2022	Nine months ended October 31, 2021
	\$	\$
Cash flow from operating activities:		
Loss for the period	(4,022,970)	(3,427,295)
Items not involving cash:		
Depreciation of right-of-use assets and property and equipment	35,993	31,845
Share-based compensation	212,265	586,252
Accretion on lease liabilities	3,816	4,702
Interest income on net investment in sublease	(341)	(1,577)
Changes in non-cash working capital items:		
Receivables	(522,961)	(298,382)
Prepaid and deferred expenses and deposits	(88,469)	(28,874)
Accounts payable and accrued liabilities	177,816	498,483
Net cash used in operating activities	(4,179,851)	(2,634,846)
Cash flows from investing activities:		
Acquisition of equipment	(54,475)	(20,078)
Sublease payments received	3,750	12,750
Net cash provided by (used in) investing activities	(50,725)	(7,328)
Cash flows from financing activities:		
Proceeds from private placements	921,720	2,417,435
Proceeds from subscription receipts	-	172,000
Proceeds from prospectus offering	3,376,041	-
Proceeds from warrant exercise	-	-
Share issuance costs	(592,066)	(120,124)
Release of restricted cash	-	1,536,375
Lease payments	(46,667)	(44,124)
Net cash provided by financing activities	3,659,028	3,961,562
Change in cash during the period	(571,548)	1,319,388
Cash, beginning of period	1,156,388	881,948
Cash, end of period	584,840	2,201,336

Supplemental cash flow information

	\$	\$
Sublease payments in receivables	6,750	750
Lease payments in accounts payable	-	5,516
Deposit transferred to leasehold improvements	-	19,250
Warrants exercised for no consideration in lieu of debt settlement	-	100,000
Receivable from exercise of warrants	200,000	-
Warrants issued as finders fees	205,362	87,991
Lease of laboratory space	247,538	-

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, 2022

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") and human wellness monitoring 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 Unit 302 – 3600 Gilmore Way, Burnaby, British Columbia, and its registered and records is located at 10th floor, 595 Howe Street, Vancouver, British Columbia. The Company is traded on the Canadian Securities Exchange under the symbol GLAB.

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, 2022, the Company had working capital of \$930,675 (January 31, 2022 – \$908,821), had not yet achieved profitable operations and had accumulated a deficit of \$9,592,036 since its inception and will require additional funding to maintain its operations. 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 Standard 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 year ended January 31, 2022, which includes the information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the accounting policies applied in these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended January 31, 2022. The Company's interim results are not necessarily indicative of its results for a full year.

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.

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Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

Nine months ended October 31, 2022

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

These interim condensed consolidated financial statements were approved by the Board of Directors for issue on December 29th, 2022.

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned legal subsidiaries, Ecoscreen Solutions Inc and Gemina Laboratories (UK) Limited.

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 consolidated financial statements.

Foreign currency translation

Monetary assets and liabilities denominated in currencies other than Canadian dollars are translated into Canadian dollars at the rate of exchange in effect at the date of statement of financial position. Non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated using the exchange rates at the date of the transactions. Foreign exchange gains or losses resulting from the translation are recognized in the consolidated statements of loss and comprehensive loss for the period.

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.

Significant judgements

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

Share-based compensation - The Company generally utilizes the Black-Scholes option pricing model to determine the fair values of the share-based payments and warrants issued in unit offerings. The Company uses significant estimate in the evaluation of the input variables in the

Gemina Laboratories Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

Nine months ended October 31, 2022

Black-Scholes calculation which includes: risk free interest rate, expected stock price volatility, expected life and expected dividend yield.

3 Receivables

	October 31, 2022	January 31, 2022
	\$	\$
Other receivables	206,799	11,506
Due from related parties (Note 8)	40,658	23,271
Scientific Research and Experimental Development Refundable Tax Credits ("SR&ED")	350,015	-
GST receivable	285,118	143,102
	882,590	177,879

4 Leases

Right-of-use assets and lease liabilities

The Company was party to 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 and ended August 31, 2022.

The Company has entered into a lease agreement with Thermo Fisher Financial Services Inc., with respect to laboratory equipment. The lease commenced on September 1, 2021, with monthly lease payments of \$307 until August 1, 2024.

The Company has entered into a sublease agreement with Anodyne Chemistries Inc, a related party (see Note 8), with respect to its laboratory in Burnaby, British Columbia. The lease commenced on October 1, 2022, with monthly lease payments of \$4,956 until September 30, 2024, \$5,116 from October 1, 2024 to September 30, 2026 and \$5,277 from October 1, 2026 to September 30, 2027.

A continuity of the carrying amount of the right-of-use assets is as follows:

	Office premises	Lab Equipment	Laboratory	Total
	\$	\$	\$	\$
Balance, January 31, 2021	45,941	-	-	45,941
Additions	-	9,671	-	9,671
Depreciation	(29,015)	(806)	-	(29,821)
Balance, January 31, 2022	16,926	8,865	-	25,791
Additions	-	-	247,538	247,538
Depreciation	(16,926)	(1,451)	(4,125)	(22,502)
Balance, October 31, 2022	-	7,414	243,413	250,827

Gemina Laboratories Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

Nine months ended October 31, 2022

A reconciliation of the carrying amount of the lease liabilities is as follows:

	Office premises	Lab equipment	Laboratory	Total
	\$	\$	\$	\$
Balance, January 31, 2021	98,125	-	-	98,125
Additions	-	9,671	-	9,671
Lease payments	(66,187)	(1,537)	-	(67,724)
Accretion	5,662	344	-	6,006
Balance, January 31, 2022	37,600	8,478	-	46,078
Additions	-	-	247,538	247,538
Lease payments	(38,609)	(2,767)	(5,291)	(46,667)
Accretion	1,009	505	2,302	3,816
Balance, October 31, 2022	-	6,216	244,549	250,765
Less: Current portion	-	(3,263)	(38,110)	(41,373)
Non-current portion	-	2,953	206,439	209,392

Future minimum lease payments are as follows:

	October 31, 2022
	\$
Less than 1 year	67,181
1 to 5 years	259,458
More than 5 years	-
Total	326,639

Short-term leases are leases with a lease term of 12 months or less. As at October 31, 2022, and 2021, the Company did not have any short-term leases. As at October 31, 2022, and 2021, the Company did not have any leases of low-value assets.

Net investment in sublease

The Company had 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 and it expired August 31, 2022.

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

	\$
Balance, January 31, 2021	26,258
Sublease income	(18,000)
Interest income	1,901
Balance, January 31, 2022	10,159
Sublease income	(10,500)
Interest income	341
Balance, October 31, 2022	-

Gemina Laboratories Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

Nine months ended October 31, 2022

The office premises in Vancouver and lab equipment right-of-use assets, corresponding lease liabilities, 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.

The Burnaby laboratory right-of-use asset and corresponding lease liability was initially measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate of 11.16% per annum.

5 Property and equipment

	Computer equipment	Laboratory equipment	Furniture and fixtures	Leasehold improvements	Total
	\$	\$	\$	\$	\$
Cost:					
Balance, January 31, 2021	-	-	-	-	-
Additions	9,803	-	-	19,250	29,053
Balance, January 31, 2022	9,803	-	-	19,250	29,053
Additions	-	52,906	1,569	-	54,475
Balance, October 31, 2022	9,803	52,906	1,569	19,250	83,528
Accumulated depreciation:					
Balance, January 31, 2021	-	-	-	-	-
Additions	4,388	-	-	9,625	14,013
Balance, January 31, 2022	4,388	-	-	9,625	14,013
Additions	3,670	-	196	9,625	13,491
Balance, October 31, 2022	8,058	-	196	19,250	27,504
Net book value:					
January 31, 2022	5,415	-	-	9,625	15,040
October 31, 2022	1,745	52,906	1,373	-	56,024

6 Accounts payable and accrued liabilities

	October 31, 2022	January 31, 2022
	\$	\$
Accounts payable	347,065	386,839
Accrued liabilities	96,843	43,000
Due to related parties (Note 8)	163,747	-
	607,655	429,839

7 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, 2022, 22,664,277 (January 31, 2022 – 33,996,415) of the Company's issued common shares were held in escrow and will be released from escrow according to the following schedule:

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Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

Nine months ended October 31, 2022

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>22,664,277</u>

Transactions during the period ended October 31, 2022

During the nine-month period ended October 31, 2022, the Company closed two equity offerings: a brokered, prospectus supplement offering on June 30, 2022 ("Prospectus Offering"), and a non-brokered private placement on July 11, 2022 ("Private Placement Offering"). The terms of both offerings were identical.

Under the Prospectus Offering, the Company issued 5,626,735 Units at \$0.60 per Unit for gross proceeds \$3,376,041 and under the Private Placement Offering the Company issued 1,536,200 Units at \$0.60 per Unit for gross proceeds of \$921,720.

Each Unit consisted of one common share and one warrant to purchase a common share at \$0.80 with a term of 5 years from the date of closing, subject to acceleration in certain circumstances. The acceleration clause 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 \$1.20 for 10 consecutive trading days.

The aggregate gross proceeds from both offerings, \$4,297,761, was allocated to share capital and reserves based on the relative fair value of the common share and the warrant. The fair value allocation to share capital was \$2,458,285 and to reserves was \$1,839,476. The warrants were fair valued using the Black-Scholes pricing model with the following input assumptions:

Expected life – 5 years
Risk free interest rate – 3.10-3.16%
Volatility – 107%
Dividend yield – nil

In connection with the Prospectus Offerings the Company incurred share issuance costs totalling \$576,092 and issued 393,871 compensation warrants to the brokers. In connection with the Private Placement Offering the Company incurred share issuance costs of \$15,974 and issued 51,356 compensation warrants to finders.

The compensation warrants allow the holders to purchase common shares for an exercise price of \$0.60 and expire five years from the date of closing. The compensation warrants were valued using a Black-Scholes pricing model with the following input assumptions:

Expected life – 5 years
Risk free interest rate – 3.10-3.16%
Volatility – 107%
Dividend yield – nil

The aggregate fair value of the compensation warrants was \$205,362 and was recorded as share issuance costs and presented as a reduction in share capital and increase in reserves.

Transactions during the year ended January 31, 2022

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Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

Nine months ended October 31, 2022

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 until October 22, 2023. The residual value attached to the warrants was determined to be \$100,793. In connection with the private placement, the Company incurred share issuance costs of \$120,123 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 \$87,992 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. Each whole share purchase warrant is exercisable at \$0.45 per common share until July 16, 2024. The share purchase warrants will be 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.

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.

Warrants

The following is a summary of changes in share purchase warrants:

	Number of Warrants	Weighted Average Exercise Price
		\$
Balance, January 31, 2021	3,333,334	0.15
Issued	10,189,548	0.40
Exercised	(1,333,333)	0.15
Balance, January 31, 2022	12,189,549	0.36
Issued	7,608,162	0.78
Exercised	(1,333,334)	0.15
Balance, October 31, 2022	18,464,377	0.55

Gemina Laboratories Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

Nine months ended October 31, 2022

As at October 31, 2022, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
666,667	\$0.15	January 31, 2023*
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**
5,626,735	\$0.80	June 30, 2027***
393,871	\$0.60	June 30, 2027***
1,536,200	\$0.80	July 11, 2027***
51,356	\$0.60	July 11, 2027***
18,464,377		

* 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.

*** 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 \$1.20 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.

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Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

Nine months ended October 31, 2022

The following is a summary of changes in stock options:

	Number of Options	Weighted Average Exercise Price
		\$
Balance, January 31, 2021	-	-
Granted	3,950,000	0.35
Forfeited	(150,000)	0.45
Balance, January 31, 2022	3,800,000	0.34
Granted	2,500,000	0.57
Forfeited	(650,000)	0.30
Balance, October 31, 2022	5,650,000	0.45

A summary of the stock options outstanding and exercisable at October 31, 2022, is as follows:

Exercise Price	Number Outstanding	Number Exercisable	Expiry Date
\$			
0.30	1,850,000	1,850,000	February 19, 2031
0.30	250,000	250,000	April 1, 2024
0.45	550,000	183,315	September 10, 2026
0.45	200,000	200,000	September 10, 2026
0.45	200,000	200,000	September 14, 2026
0.45	100,000	50,000	November 17, 2026
0.45	500,000	-	March 9, 2027
0.60	2,000,000	-	September 6, 2032
	5,650,000	2,733,315	

On February 19, 2021, the Company granted 2,500,000 options to consultants and an officer with an exercise price of \$0.30 per common share for a period of 10 years. 1,075,000 options vested immediately and the remaining 1,425,000 vest over 18 months from the date of grant.

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 vested immediately upon grant.

On September 10, 2021, the Company granted 700,000 options to employees with an exercise price of \$0.45 per common share for a period of 5 years. The options vest over 3 years from the date of grant.

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. 100,000 options vested immediately and the remaining 100,000 options vest over 12 months.

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. 100,000 options vested immediately and the remaining 100,000 options vest over 12 months.

On November 17, 2021, the Company granted 100,000 options to a consultant with an exercise price of \$0.45 per common share for a period of 5 years. 50,000 options vested immediately with the remaining options vesting over 36 months from the date of grant.

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(Unaudited - in Canadian dollars)

Nine months ended October 31, 2022

On March 9, 2022, the Company granted 500,000 options to a consultant with an exercise price of \$0.45 per common share for a period of 5 years. 250,000 options vest over three years from the date of grant and the remaining 250,000 options vest upon achievement of a certain milestone.

On September 6, 2022, the Company granted 2,000,000 options to the CEO with an exercise price of \$0.60 per common share for a period of 10 years. 500,000 options vest on September 6, 2023 upon satisfying certain performance conditions, 500,000 options vest on March 6, 2024, 500,000 options vest on September 6, 2024 upon satisfying certain performance conditions, and the remaining 500,000 options vest on March 6, 2025.

The Company used the Black Scholes option pricing model to fair value each option granted during the period and used the following assumptions:

	October 31, 2022	January 31, 2022
Share price on date of grant	\$0.44	\$0.29
Risk-free interest rate	2.87%	1.25%
Expected volatility	124%	124%
Expected life in years	9	8
Expected dividend yield	nil	nil

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

The Company recognized share-based compensation expense of \$212,265 (2021 - \$586,252) for the nine-month period ended October 31, 2022.

8 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 periods ended October 31, 2022, and 2021, the Company entered into the following transactions with related parties:

- Paid or accrued salaries and benefits of \$41,667 (2021 - \$nil) to the Chief Executive Officer (“CEO”) of the Company and recognized share-based compensation of \$30,031 (2021 - \$nil) in relation to stock options granted to the CEO.
- Paid or accrued professional fees of \$39,704 (2021 - \$22,979) to a company controlled by the Chief Financial Officer (“CFO”) of the Company and recognized share-based compensation of \$8,820 (2021 - \$32,787) in relation to stock options granted to the CFO.
- Paid or accrued salaries and benefits of \$118,131 (2021 - \$126,508) to the Chief Technology Officer (“CTO”) and director of the Company and recognized share-based compensation of \$22,925 (2021 - \$4,828) in relation to stock options granted to the CTO and director.
- Paid or accrued contractor fees of \$69,563 (2021 - \$111,875) to a company controlled by a director of the Company.
- Recognized share-based compensation of \$39,485 (2021 - \$90,658) in relation to stock options granted to directors of the Company.

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As at October 31, 2022, \$318 (January 31, 2022 - \$nil) was included in accounts payable and accrued liabilities owing to the CTO and director of the Company in relation to reimbursement of expenses.

As at October 31, 2022, \$11,667 (January 31, 2022 - \$nil) was included in accounts payable and accrued liabilities owing to the CEO of the Company in relation to wages and \$15,762 was owed to the CEO of the Company in relation to reimbursement of expenses.

As at October 31, 2022, \$18,286 (January 31, 2022 - \$5,705) was included in accounts payable and accrued liabilities owing to the company controlled by the CFO of the Company in relation to professional fees.

As at October 31, 2022, \$nil (January 31, 2022 - \$1,050) was included in receivables due from the company controlled by a director of the Company in relation to subscription fees.

As at October 31, 2022, \$63,546 (January 31, 2022 - \$55,188) was included in accounts payable and accrued liabilities owing to the company controlled by a director of the Company in relation to advisory fees.

As at October 31, 2022, \$3,918 (January 31, 2022 - \$nil) was included in accounts payable and accrued liabilities owing to a director of the Company in relation to reimbursement of expenses.

As at October 31, 2022, \$50,250 (January 31, 2022 - \$nil) was included in accounts payable and accrued liabilities owing to directors of the Company in relation to director compensation (\$24,000) and consulting fees (\$26,250).

As at October 31, 2022, \$17,721 was included in receivables (January 31, 2022 - \$22,221) due from EcoMine, a majority shareholder of the Company.

As at October 31, 2022, \$12,866 was included in receivables (January 31, 2022 - \$nil) due from 3R Circuits Solutions Corp., a company controlled by directors of the Company.

As at October 31, 2022, \$10,071 was included in receivables (January 31, 2022 - \$nil) due to Anodyne Chemistries Inc., a company controlled by directors of the Company.

As part of the equity offerings during the period ended October 31, 2022 (Note 7), officers and directors of the Company purchased 149,666 Units for aggregate proceeds of \$89,800 and a company that controls EcoMine purchased 3,333,300 Units for gross proceeds of \$1,999,980.

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9 Research and development

	Three months ended October 31, 2022	Three months ended October 31, 2021	Nine months ended October 31, 2022	Nine months ended October 31, 2021
	\$	\$	\$	\$
Contractor fees (Note 8)	755,062	406,136	2,297,795	1,082,626
Depreciation of equipment (Note 5)	196	-	196	-
Materials and supplies	59,800	88,183	254,466	282,540
Salaries and benefits (Note 8)	163,695	272,428	493,259	474,625
Share-based compensation (Note 7, 8)	20,447	37,952	98,056	246,120
Depreciation of right-of-use assets (Note 4)	4,609	-	5,576	-
	1,003,809	804,699	3,149,348	2,085,911
Grant funding (net of program fees)	-	-	-	(31,537)
SR&ED	(312,015)	-	(312,015)	-
	691,794	804,699	2,837,333	2,054,374

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 completed on November 30, 2021 and under the agreement, the Company committed to certain deliverables at an estimated cost of \$749,518, with the Company responsible for \$368,613 and CDTS to reimburse for the remaining \$380,905 (total received net of program fees \$357,534). 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 year ended January 31, 2022, the Company recognized the remaining \$214,181 of which \$34,348 was recognized during the period ended October 31, 2021.

10 General and administrative

	Three months ended October 31, 2022	Three months ended October 31, 2021	Nine months ended October 31, 2022	Nine months ended October 31, 2021
	\$	\$	\$	\$
Contractors	162,120	423,317	506,448	593,027
Depreciation of equipment (Note 5)	2,600	3,458	13,295	10,084
Insurance	16,250	-	30,467	-
Interest expense, net	316	434	589	217
Office and miscellaneous	119,128	49,227	207,766	97,058
Professional fees (Note 8)	77,719	111,121	217,474	316,085
Salaries and benefits (Note 8)	56,540	-	78,463	-
Share-based compensation (Note 7, 8)	122,693	120,263	114,209	340,132
Depreciation of right-of-use assets (Note 4)	2,418	7,253	16,926	21,761
	559,784	715,073	1,185,637	1,378,364

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11 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.

12 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.

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, net investment in sublease and accounts payable and accrued liabilities approximate their fair values due to their short-term maturity. The carrying value of lease liabilities approximate its fair value due to being discounted with a rate of interest that approximates market rates.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, 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's foreign exchange risk is not considered significant.

b) Interest rate risk

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

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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	607,655	-
Lease liabilities	41,373	209,392
Total	649,028	209,392

Credit risk

Credit risk is risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held in large Canadian financial institutions and its receivables mostly consist of amounts due from the Canadian government. As such, the Company determined that it is not exposed to significant credit risk.

13 Capital management

The Company considers its shareholders' equity as capital. As at October 31, 2022, the Company's capital totaled \$1,039,215. The Company manages its capital structure in order to ensure sufficient resources are available to meet day-to-day operational requirements, to 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. The Company did not change its approach to capital management during the year.

14 Subsequent events

RAPiVD Limited Investment ("RAPiVD")

On December 7, 2022, the Company entered into a share exchange agreement to purchase 19% of the issued and outstanding shares of RAPiVD in exchange for £259,259 in cash and the issuance of 1,086,956 common shares. The cash consideration of was paid on December 22, 2022 with the issuance of the common shares to follow..

In addition, under the terms of the share exchange agreement, the Company acquired an exclusive option to purchase all of the remaining RAPiVD shares for the following consideration:

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- a) £800,000 in cash;
- b) the closing cash balance of RAPIvD as at the time the option is exercised;
- c) the issuance of 4,347,826 common shares of the Company; and
- d) earn-out payments equivalent to 25% of RAPIvD profits for each year for three years after completion of the acquisition

This option expires on the earlier of: i) June 7, 2024 and; ii) 10 days after the Company gives notice that the acquisition would not qualify as a significant acquisition within the meaning of National Instrument 51-102.

Stock Options

On November 9, 2022, 200,000 stock options were awarded to a director of the Company. The options have an exercise price of \$0.45 per common share for a period of 5 years. The options were fully vested on the date of grant.