Gemina Laboratories Ltd.

Consolidated Financial Statements
(in Canadian dollars)

For the years ended January 31, 2023 and 2022

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Gemina Laboratories Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Gemina Laboratories Ltd. (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company had a working capital deficit of $1,185,612, had not yet achieved profitable operations and had accumulated a deficit of $11,548,093 since its inception and will require additional funding to maintain its operations. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Key Audit Matters

Key audit matters ("KAMs") are those matters that in the auditor's professional judgment, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Assessment of significant influence in investment in RAPIvD Limited ("RAPIvD")

As described in Note 6 to the consolidated financial statements, the fair value of the Company's investment in RAPIvD was $994,423 as of January 31, 2023. As further described in Note 2, management has used judgment to determine it does not have significant influence or control and has therefore accounted for its investment at fair value through other comprehensive income.

We identified the accounting for the investment as a key audit matter in respect of whether the Company had significant influence. This matter represented an area of significant risk of material misstatement given the high degree of management judgement applied. This in turn led to a high degree of auditor subjectivity and judgement in performing procedures relating to the assessment of significant influence in RAPIvD.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Obtaining an understating of the key controls associated with management's evaluation of the investment.
- Examining and evaluating the contractual terms identified in the underlying agreement in connection with the investment for consistency with the accounting treatment.
- Evaluating management's assessment of whether the Company has significant influence over RAPIvD.
- Obtaining third party confirmation of the Company's ownership interest and financial information of RAPIvD.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Carmen Newnham.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

May 31, 2023

	Note	January 31, 2023	January 31, 2022
		$	$
ASSETS			
Current assets			
Cash		83,095	1,156,388
Receivables	3,9	385,715	177,879
Net investment in sublease	4	-	10,159
Prepaid and deferred expenses and deposits		94,051	34,885
		562,861	1,379,311
Property and equipment	5	79,733	15,040
Right-of-use assets	4	237,967	25,791
Investment in RAPIvD	6	994,423	-
Total assets		1,874,984	1,420,142
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)			
Current liabilities			
Accounts payable and accrued liabilities	7,9	1,705,953	429,839
Lease liabilities	4	42,520	40,651
		1,748,473	470,490
Lease liabilities	4	198,322	5,427
Total liabilities		1,946,795	475,917
Shareholders' equity (deficiency)			
Share capital	8	8,147,378	5,622,177
Reserves	8	3,328,904	891,114
Accumulated deficit		(11,548,093)	(5,569,066)
Total shareholders' equity (deficiency)		(71,811)	944,225
Total liabilities and shareholders' equity (deficiency)		1,874,984	1,420,142

Nature and continuance of operations (Note 1)
Subsequent events (Note 16)

Approved on behalf of the Board on May 31, 2023:

"John Davies" — Director

"Martin Cronin" — Director

Gemina Laboratories Ltd.

Consolidated Statements of Loss and Comprehensive Loss
(in Canadian dollars)

	Note	Year ended January 31, 2023	Year ended January 31, 2022
		$	**$**
Operating expenses			
Research and development (net of government assistance)	10	(4,149,707)	(2,705,233)
General and administrative	11	(1,829,320)	(2,029,680)
Loss and comprehensive loss		(5,979,027)	(4,734,913)
Basic and diluted loss per share		($0.10)	($0.10)
Weighted average number of shares			
Basic and diluted		60,190,253	47,658,574

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

Gemina Laboratories Ltd.

Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(in Canadian dollars)

	Number of shares	Share capital	Reserves	Accumulated deficit	Shareholders' equity (deficiency)
		$	$	$	$
Balance, January 31, 2021	38,472,835	994,114	-	(834,153)	159,961
Private placements	8,031,700	2,316,642	100,793	-	2,417,435
Warrants exercised	1,333,333	200,000	-	-	200,000
Share issuance costs	-	(208,115)	87,992		(120,123)
Conversion of subscription receipts to common shares	7,765,124	2,319,536	-	-	2,319,536
Share-based compensation	-	-	702,329	-	702,329
Loss for the year	-	-	-	(4,734,913)	(4,734,913)
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	2,000,001	300,000	-	-	300,000
Shares issued for investment	1,086,956	565,217	-	-	565,217
Share issuance costs	-	(798,301)	205,362	-	(592,939)
Share-based compensation	-	-	392,952	-	392,952
Loss for the year	-	-	-	(5,979,027)	(5,979,027)
Balance, January 31, 2023	65,852,884	8,147,378	3,328,904	(11,548,093)	(71,811)

Gemina Laboratories Ltd.

Consolidated Statements of Cash Flows
(in Canadian dollars)

	Year ended January 31, 2023	Year ended January 31, 2022
	$	$
Cash flow from operating activities:		
Loss for the year	(5,979,027)	(4,734,913)
Items not involving cash:		
Depreciation of right-of-use assets and property and equipment	50,282	43,834
Share-based compensation	392,952	702,329
Accretion on lease liabilities	10,689	6,006
Interest income on net investment in sublease	(341)	(1,901)
Changes in non-cash working capital items:		
Receivables	(201,086)	(173,942)
Prepaid and deferred expenses and deposits	(59,166)	(21,494)
Accounts payable and accrued liabilities	1,276,114	308,361
Net cash used in operating activities	(4,509,583)	(3,871,720)
Cash flows from investing activities:		
Acquisition of equipment	(79,613)	(9,803)
Sublease payments received	3,750	18,000
Purchase of investment	(429,206)	
Net cash used in investing activities	(505,069)	8,197
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	300,000	200,000
Share issuance costs	(592,939)	(120,123)
Release of restricted cash	-	1,536,375
Lease payments	(63,463)	(67,724)
Net cash provided by financing activities	3,941,359	4,137,963
Change in cash during the year	(1,073,293)	274,440
Cash, beginning of year	1,156,388	881,948
Cash, end of year	83,095	1,156,388

Supplemental cash flow information		
	$	$
Sublease payments in receivables	6,750	-
Recognition of lease liability	-	9,671
Reclassification of subscription receipts liability to share capital	-	2,147,536
Reclassification of deposit to property and equipment	-	19,250
Warrants issued as finders fees	205,362	-
Lease of laboratory space	247,538	-
Shares issued for investment	565,217	-

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

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 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 January 31, 2023, the Company had a working capital deficit of $1,185,612 (January 31, 2022 – surplus $908,821), had not yet achieved profitable operations and had accumulated a deficit of $11,548,093 since its inception and will require additional funding to maintain its operations. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

These 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 consolidated financial statements. These adjustments could be material.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company's business or ability to raise funds.

2 Significant accounting policies

Basis of presentation

These consolidated financial statements have been prepared in accordance with 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").

The 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 consolidated financial statements are presented in Canadian dollars which is the Company's and its subsidiaries' functional currency.

These consolidated financial statements were approved by the Board of Directors for issue on May 31, 2023.

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.

Financial instruments

The Company classifies its financial instruments in the following categories: as financial assets and liabilities at fair value through profit or loss ("FVTPL"), financial assets at fair value through other comprehensive income (loss) ("FVOCI"), and financial assets and liabilities at amortized cost. The classification depends on the purpose for which the financial assets or liabilities were acquired. Management determines the classification of financial assets and liabilities at initial recognition.

Recognition

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

Financial assets

The classification of financial assets depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, the classification will depend on the business model in which the investment is held and contractual terms of the cash flows.

The Company classifies its financial assets into one of the following categories as follows:

Amortized cost

The Company classifies its financial assets at amortized cost only if both of the following conditions are met:

- the financial asset is held within a business model with the objective of collecting the contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial assets are measured at fair value at initial recognition and are subsequently measured at amortized costs using effective interest method less any provisions for impairment.

The Company assesses, on a forward-looking basis, the expected credit losses associated with its financial assets measured at amortized cost. The Company will recognize in the consolidated statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Fair value through other comprehensive income (“FVOCI”)

The Company classifies its equity investments at FVOCI for which are not held for trading and the Company has made an irrevocable election at initial recognition to recognize changes in fair value through other comprehensive income rather than profit or loss as these are strategic investments. Upon disposal of these equity investments, any balance within the other comprehensive income reserve for these equity investments is reclassified to retained earnings/deficit and is not reclassified to profit or loss. In addition, the other comprehensive income reserve for an impaired equity investment is not reclassified to profit or loss.

Fair value through profit or loss (“FVTPL”)

The Company classifies the following financial assets at FVTPL:

- equity investments that are held for trading;
- equity investments for which the Company has not elected to recognize fair value gains and losses through other comprehensive income;
- debt investments that do not qualify for measurement at either amortized cost or at FVOCI; and
- derivative financial instruments.

The Company classified cash, receivables, net investment in sublease and deposits as financial assets measured at amortized cost. The Company classified its investment in RAPIvD Limited (“RAPIvD”) at FVOCI.

Financial liabilities

The Company classifies its financial liabilities as subsequently measured at amortized cost or FVTPL. Financial liabilities are subsequently measured at amortized cost, except for those at FVTPL such as derivative financial instruments and contingent consideration payable. The FVTPL option can be elected for financial liabilities if:

- it eliminates or significantly reduces an accounting mismatch;
- the financial liability is part of a portfolio that is managed and evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- there is an embedded derivative in the financial or non-financial host contract and the derivative is not closely related to the host contract.

This irrevocable election is made at initial recognition and these financial liabilities cannot be reclassified out of the category while they are held or issued. Financial liabilities measured at FVTPL will recognize changes in fair value attributable to the Company’s own credit risk in other comprehensive income instead of profit or loss, unless this would create an accounting mismatch.

The Company classified accounts payable and accrued liabilities and lease liabilities as financial liabilities measured at amortized cost.

Transaction costs

Transaction costs in respect of financial instruments at fair value are recognized in the consolidated statements of loss and comprehensive loss immediately, while transaction costs associated with all other financial instruments are included in the initial measurement of the financial instrument.

Cash

Cash consists of cash on deposit. Cash is held at recognized financial institutions. Interest earned is recognized in the consolidated statements of loss and comprehensive loss.

Property and equipment

Property and equipment are stated at historical cost net of accumulated depreciation and any impairment losses. Each component of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Repair and maintenance expenditures that do not improve or extend the life are expensed in the period incurred.

Depreciation is recognized to write off the cost of property and equipment less its residual value over its useful life, using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from the disposal or retirement of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Estimated useful lives of the property and equipment are as follows:

• Right-of-use assets	Term of the lease
• Computer equipment, furniture and fixtures	2 years
• Leasehold improvements	Term of lease
• Laboratory equipment	7 years

Impairment of long-lived assets

Long-lived assets are comprised of property and equipment. The Company assesses, at each reporting date, whether there is an indication that a long-lived asset may be impaired. If any indication exists, the Company estimates the recoverable amount. For impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit or "CGU"). The recoverable amount of an asset or a CGU is the higher of its fair value, less costs of disposal, and its value in use.

Fair value less costs of disposal is the amount obtainable from the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Costs of disposal are incremental costs directly attributable to the disposal of an asset or CGU, excluding finance costs and income tax expense.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in the consolidated statements of loss and comprehensive loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of the recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

Leases

At inception, the Company assesses whether a contract is, or contains, a lease. The assessment involves the exercise of judgment about whether the lease depends on a specified asset, whether the Company obtains substantially all of the economic benefits for the use of that asset during the lease term, and whether the Company has the right to direct the use of the asset. If the lease contains an extension option that the Company considers reasonably certain to be exercised, the term of the lease becomes the base lease plus renewal option, including any associated costs. For contracts that are, or contain, leases, the Company recognizes a right-of-use asset and a lease liability at the commencement date.

The right-of-use asset is initially measured at cost, which includes the initial amount of the liability, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and estimates of costs to remove or dismantle the underlying asset or to restore the underlying asset or site on which the asset is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method over the shorter of the lease term or the useful life of the underlying asset. The right-of-use asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid as of the lease commencement date, discounted using the rate implicit in the lease or, if the implicit rate cannot be readily determined, the Company's incremental borrowing rate.

The measurement of lease liabilities includes the following types of lease payments:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or rate, initially measured using the index or rate as of the commencement date;
- amount expected to be payable under any residual value guarantees; and
- exercise price of options that the Company is reasonably certain to exercise for an extension or option to buy, and penalties for early termination of a lease unless the Company is reasonably certain that it will not terminate the lease early.

The lease liability is measured at amortized cost using the effective interest method.

Lease liabilities are remeasured in the following circumstances:

- if there is a change in the future lease payments resulting from a change in index or rate;
- if there is a change in the Company's estimation of the amount expected to be payable under a residual guarantee; and
- if the Company changes its assessment of whether it will exercise an option to purchase, extend or terminate.

When the Company subleases a right-of-use asset, the Company classifies the sublease as an operating lease if the head lease is a short-term lease. Otherwise, the sublease is classified as a finance lease. When the sublease is classified as a finance lease, the lessor derecognizes the right-of-use asset pertaining to the head lease that it transfers to the sublessee, at the commencement date, but continues to account for the original lease liability. The sublessor recognizes a net investment in sublease and evaluates it for impairment and may use the discount rate in the head lease to measure the net investment in sublease. The Company recognizes finance income on the net investment in sublease, and also records income relating to variable lease payments not included in the measurement of the net investment in the lease.

Income taxes

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgement as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

Government assistance and other grants

Government assistance and other grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as a deduction against the related expense over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it reduces the carrying amount of the asset. Government and other grants received in advance that relate to expenses to be incurred in future periods are accounted for as liabilities in the statement of financial position and deducted against the related expenditures as incurred.

Research and development

Expenditures on research and development activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Upon a determination that the criteria to capitalize development expenditures have been met, the expenditures capitalized will include the cost of materials, direct labour, and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditures will be expensed as incurred. Capitalized development expenditures will be measured at cost less accumulated amortization and impairment losses.

For the period presented, expenditures on research and development are presented net of grant funding received.

Investment tax credits ("ITC")

The Company is entitled to certain Canadian federal and provincial tax incentives for scientific research and experimental development activities ("SR&ED"). ITCs that relate to the development of capitalized development assets are recorded as a reduction of the cost of the related asset. All other ITCs are recorded as a reduction of current period research and development expenses. Management uses judgment in allocating ITCs between capitalized and non-capitalized development projects. Claims for tax credits are accrued upon the Company attaining reasonable assurance of collections from the Canada Revenue Agency. Should any part of these claims be adjusted by Canada Revenue Agency, the research tax credit receivable and statements of operations and deficit will be adjusted accordingly.

Provisions

Provisions for research and development and general operations are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Valuation of equity units issued in private placements

The Company engages in equity financing transactions to obtain the funds necessary to continue operations. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are accounted for using the relative fair value method. Under this method, the value of warrants issued is measured at fair value at the issue date using the Black-Scholes option pricing model and recorded as share capital if and when the warrants are exercised. Warrants that are issued as payment for agency fees or other transactions costs are accounted for as share-based compensation.

Share-based compensation

The Company grants stock options to directors, officers, employees and consultants as consideration for services performed. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model and is recognized over the vesting period. Compensation expense is recorded in profit or loss and reserves for stock options that vested.

When the stock options are exercised, the Company issues new shares. The proceeds are credited to share capital. Upon exercise, compensation expense previously recognized in reserves is reclassified to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the Company as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based compensation is measured at the fair value of the goods or services received.

Loss per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by dividing the profit or loss attributable to common shareholders by the weighted average number of common shares outstanding, adjusted for the effects of share purchase warrants and options for the years presented, except if their inclusion proves to be anti-dilutive.

Standards issued or amended but not yet effective

The following amendments will be effective for annual reporting periods beginning on or after February 1, 2023:

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.

Definition of Accounting Estimates (Amendments to IAS 8) – the amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

The Company anticipates that these amendments will not have a material impact on the results and financial position of the Company.

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

Level of control or influence over investments - The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to assess at each reporting date the Company's control and influence over these other companies. Management has used its judgment to determine which companies are controlled and require consolidation and those which are significantly influenced and require equity accounting. As at January 31, 2023 the Company's only investment is in RAPIvD (Note 6) which it has determined it does not have significant influence or control and has therefore accounted for it as an investment at FVOCI.

(in Canadian dollars)

Research versus development expenses – The accounting for research and development expenses differs with research expenses recognized in the statements of loss and comprehensive loss during the period incurred, whereas development expenses are recognized as an intangible asset in the statements of financial position when incurred. The Company's operations, from time to time, may include both research and development activities. Management has used judgement to determine whether activities should be recognized as research expenses or as an intangible asset for development expenses. To date, management has determined that its activities are research activities and has not incurred any expenses that would qualify as recognition as an intangible asset in the statements of financial position.

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

Fair value of RAPIvD investment - The Company has elected to classify its investment in RAPIvD as FVOCI. In determining the fair value, the Company utilizes unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Accordingly, management uses significant estimates in the evaluation of RAPIvD's fair value.

3 Receivables

	January 31, 2023	January 31, 2022
	$	$
Other receivables	6,747	11,506
Due from related parties (Note 9)	14,347	23,271
Scientific Research and Experimental Development Refundable Tax Credits ("SR&ED")	260,015	-
GST receivable	104,606	143,102
	385,715	177,879

4 Leases

Right-of-use assets and lease liabilities

The Company was party to a lease agreement with EcoMine Technologies Corporation ("EcoMine"), a significant 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.

(in Canadian dollars)

The Company has entered into a sublease agreement with Anodyne Chemistries Inc, a related party (see Note 9), with respect to its laboratory in Burnaby, British Columbia. The lease commenced on October 1, 2022, with monthly lease payments of $5,291 until September 30, 2024, $5,452 from October 1, 2024 to September 30, 2026 and $5,612 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)	(1,934)	(16,502)	(35,362)
Balance, January 31, 2023	-	6,931	231,036	237,967

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)	(3,690)	(21,164)	(63,463)
Accretion	1,009	639	9,041	10,689
Balance, January 31, 2023	-	5,427	235,415	240,842
Less: Current portion	-	(3,338)	(39,182)	(42,520)
Non-current portion	-	2,089	196,233	198,322

Future minimum lease payments are as follows:

	January 31, 2023
	$
Less than 1 year	67,181
1 to 5 years	242,662
More than 5 years	-
Total	309,843

Short-term leases are leases with a lease term of 12 months or less. As at January 31, 2023, and 2022, the Company did not have any short-term leases. As at January 31, 2023, and 2022, the Company did not have any leases of low-value assets.

(in Canadian dollars)

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, January 31, 2023	-

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	1,791	43,276	1,569	32,970	79,606
Dispositions	-	-	-	(19,250)	(19,250)
Balance, January 31, 2023	11,594	43,276	1,569	32,970	89,409
Accumulated depreciation:					
Balance, January 31, 2021	-	-	-	-	-
Additions	4,388	-	-	9,625	14,013
Balance, January 31, 2022	4,388	-	-	9,625	14,013
Additions	4,896	-	392	9,625	14,913
Dispositions	-	-	-	(19,250)	(19,250)
Balance, January 31, 2023	9,284	-	392	-	9,676
Net book value:					
January 31, 2022	5,415	-	-	9,625	15,040
January 31, 2023	2,310	43,276	1,177	32,970	79,733

(in Canadian dollars)

6 Investment in 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 $429,206 (£259,259) in cash and the issuance of 1,086,956 common shares with a fair value of $565,217. The transaction closed on January 17, 2023.

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:

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.

RAPIvD is a specialized research and development contractor based in the United Kingdom. RAPIvD optimizes and transforms rapid test prototypes into products that can be manufactured. In addition, RAPIvD has developed a proprietary device platform that can be used to quantify results from a rapid test, potentially expanding the utilization of rapid tests as in-vitro diagnostics. At January 31, 2023, the fair value of the investment is $994,423 (January 31, 2022 - $nil).

7 Accounts payable and accrued liabilities

	January 31, 2023	January 31, 2022
	$	$
Accounts payable	929,031	325,946
Accrued liabilities	547,653	43,000
Due to related parties (Note 8)	229,269	60,893
	1,705,953	429,839

8 Share capital and reserves

Share capital

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

As at January 31, 2023, 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:

February 10, 2023	5,666,069
August 10, 2023	5,666,069
February 10, 2024	5,666,069
August 10, 2024	5,666,070
	22,664,277

Transactions during the year ended January 31, 2023

On January 17, 2023, the Company issued 1,086,956 common shares to acquire 19% of the issued and outstanding shares of RAPIvD. The aggregate fair value of the common shares issued was $565,217 or $0.52 per common share (Note 6).

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 per common share with a term of five 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 per common share 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.

(in Canadian dollars)

Transactions during the year ended January 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-half of one share purchase warrant, with each whole share purchase warrant exercisable at $0.80 per common share until October 22, 2023. The 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	0.35
Issued	7,608,162	0.78
Exercised	(2,000,001)	0.15
Balance, January 31, 2023	17,797,710	0.57

(in Canadian dollars)

As at January 31, 2023, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
4,000,000	$0.15	March 5, 2023 (Note 16)
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***
17,797,710		

* 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.

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	2,550,000	0.57
Forfeited	(650,000)	0.30
Balance, January 31, 2023	5,700,000	0.45

(in Canadian dollars)

A summary of the stock options outstanding and exercisable at January 31, 2023, 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	75,000	November 17, 2026
0.45	500,000	-	March 9, 2027
0.60	2,000,000	-	September 6, 2032
0.50	50,000	-	January 12, 2024
	5,700,000	2,758,315	

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.

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.

(in Canadian dollars)

On January 25, 2023, the Company granted 50,000 options to a director with an exercise price of $0.50 per common share for a period of 5 years. 12,500 options vest on April 25, 2023, 12,500 options vest on July 25, 2023, 12,500 options vest on October 25, 2023, and the remaining 12,500 options vest on January 24, 2024.

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

	January 31, 2023	January 31, 2022
Share price on date of grant	$0.42-$0.50	$0.05-$0.45
Risk-free interest rate	1.89%-3.18%	0.48%-1.70%
Expected volatility	105%-124%	124%
Expected life in years	5-10	3-10
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 $392,950 (2022 - $702,330) for the year ended January 31, 2023.

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 years ended January 31, 2023, and 2022, the Company entered into the following transactions with related parties:

- Paid or accrued salaries and benefits of $104,167 (2022 - $nil) to the Chief Executive Officer ("CEO") of the Company and recognized share-based compensation of $205,977 (2022 - $nil) in relation to stock options granted to the CEO.
- Paid or accrued professional fees of $57,139 (2022 - $28,412) to a company controlled by the Chief Financial Officer ("CFO") of the Company and recognized share-based compensation of $8,820 (2022 - $39,168) in relation to stock options granted to the CFO.
- Paid or accrued salaries and benefits of $155,661 (2022 - $179,981) to the Chief Technology Officer ("CTO") and director of the Company and recognized share-based compensation of $26,882 (2022 - $13,537) in relation to stock options granted to the CTO and director.
- Paid or accrued contractor fees of $89,250 (2022 - $240,625) and received subscription fees of $nil (2022 - $4,182) to a company controlled by a director of the Company.
- Paid or accrued contractor fees of $89,250 (2022 - $nil) to a company controlled by a director of the Company.
- Paid or accrued contractor fees of $103,212 (2022 - $nil) to a company controlled by the President and director of the Company.
- Recognized share-based compensation of $39,809 (2022 - $119,319) in relation to stock options granted to directors of the Company.

As at January 31, 2023, $5,628 (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 January 31, 2023, $239,279 was included in accounts payable and accrued liabilities owing to a company owned by the President and director of the Company in relation to consulting and reimbursement of expenses.

As at January 31, 2023, $20,970 (January 31, 2022 - $nil) was included in accounts payable and accrued liabilities owing to the CEO of the Company.

As at January 31, 2023, $17,435 (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 January 31, 2023, $10,500 (January 31, 2022 - $nil) was included in accounts payable and accrued liabilities owing to a company controlled by a director of the Company in relation to consulting fees.

As at January 31, 2023, $109,003 (January 31, 2022 - $55,188) was included in accounts payable and accrued liabilities in relation to advisory fees and director compensation and $nil (January 31, 2022 - $1,050) was included in receivables in relation to subscriptions fees to a company controlled by a director of the Company.

As at January 31, 2023, $30,054 (January 31, 2022 - $nil) was included in accounts payable and accrued liabilities owing to directors of the Company in relation to director compensation.

As at January 31, 2023, $4,279 was included in accounts payable and accrued liabilities (January 31, 2022 receivable - $22,221) due to EcoMine, a majority shareholder of the Company.

As at January 31, 2023, $14,299 was included in receivables (January 31, 2022 - $nil) due from 3R Circuits Solutions Corp., a company controlled by directors of the Company.

As at January 31, 2023, $30,604 was included in accounts payable and accrued liabilities (January 31, 2022 - $nil) due from Anodyne Chemistries Inc., a company controlled by directors of the Company.

As part of the equity offerings during the year ended January 31, 2023 (Note 8), officers and directors of the Company purchased 155,000 units for aggregate proceeds of $85,425 and a company that controls EcoMine purchased 3,333,300 units for gross proceeds of $1,999,980.

(in Canadian dollars)

10 Research and development

	Year ended January 31, 2023	Year ended January 31, 2022
	$	$
Contractor fees (Note 9)	3,301,282	1,526,865
Depreciation of equipment (Note 5)	392	-
Materials and supplies	364,986	421,096
Salaries and benefits (Note 9)	664,689	689,251
Share-based compensation (Note 8, 9)	111,247	286,758
Depreciation of right-of-use assets (Note 4)	18,437	806
	4,461,033	2,924,776
Grant funding (net of program fees)	-	(214,181)
Other income	-	(5,362)
SR&ED	(311,326)	-
	4,149,707	2,705,233

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.

11 General and administrative

	Year ended January 31, 2023	Year ended January 31, 2022
	$	$
Contractors	704,967	957,183
Depreciation of equipment (Note 5)	14,527	14,013
Insurance	46,717	-
Interest expense, net	(1,099)	539
Office and miscellaneous	286,188	114,911
Professional fees (Note 9)	266,737	481,144
Salaries and benefits (Note 9)	212,653	17,304
Share-based compensation (Note 8, 9)	281,704	415,571
Depreciation of right-of-use assets (Note 4)	16,926	29,015
	1,829,320	2,029,680

(in Canadian dollars)

12 Income taxes

A reconciliation of income taxes (recovery) at statutory rates with the reported taxes is as follows:

	2023	2022
	$	$
Loss for the period	(5,979,027)	(4,734,913)
Expected income tax recovery	(1,614,000)	(1,278,000)
Other	-	(6,000)
Permanent differences	107,000	190,000
Share issue costs	(160,000)	(32,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	332,000	-
Change in unrecognized deductible temporary differences	1,335,000	1,126,000
Income tax expense (recovery)	-	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statements of financial position are as follows:

	2023	Expiry Date Range	2022	Expiry Date Range
	$		$	
Temporary Differences				
Share issue costs	680,000	2044 to 2047	98,000	2043 to 2046
Lease liability	156,000	No expiry date	43,000	No expiry date
Non-capital losses available for future periods	8,827,000	2037 to 2043	4,581,000	2037 to 2042
Canada	8,824,000	2037 to 2043	4,580,000	2037 to 2042
UK	3,000		1,000	

Tax attributes are subject to review, and potential adjustment, by tax authorities.

13 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.

14 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. The Company's investment in RAPIvD is measured at fair value using Level 3 inputs.

For Level 3 inputs, specific valuation techniques are used to fair value financial instruments, specifically those that are not quoted in an active market, as such the Company utilized a market approach:

- The use of quoted market prices in active or other public markets.
- The use of most recent transactions of similar instruments.
- Changes in expected technical milestones of the investee.
- Changes in management, strategy, litigation mattes or other internal matters.
- Significant changes in the results of the investee compared with the budget, plan, or milestone.

As at January 31, 2023, the Company's private company investment of $994,423 (2022 - $nil) was recorded at fair value which was equivalent to the amount paid to acquire the investment. There were no transfers between levels 2 and 3 during the year ended January 31, 2023 and 2022.

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.

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.

(in Canadian dollars)

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	1,705,953	-
Lease liabilities	42,520	198,322
Total	1,748,473	198,322

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.

15 Capital management

The Company considers its shareholders' equity (deficiency) as capital. As at January 31, 2023, the Company's shareholders' deficiency totaled $71,811. 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.

16 Subsequent events

Private placement

On March 27, 2023, the Company closed a private placement offering of 3,472,994 common shares at a price of $0.75 per common share for gross proceeds of $2,604,745. The Company paid finder's fees of $95,413 to an eligible finder in connection with the offering.

Warrant exercise

Subsequent to January 31, 1023, 4,000,000 outstanding warrants expiring on March 5, 2023 were exercised for cash consideration of $600,000.