

# **Gemina Laboratories Ltd.**

Condensed Interim Consolidated Financial Statements  
(in Canadian dollars)

**For the three months ended April 30, 2023 and  
2022**

## **NOTICE TO READER**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

# Gemina Laboratories Ltd.

## Condensed Interim Consolidated Statements of Financial Position

(Unaudited - in Canadian dollars)

	Note	April 30, 2023	January 31, 2023
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		1,062,180	83,095
Receivables	3,9	436,590	385,715
Prepaid expenses and deposits		82,409	94,051
		1,581,179	562,861
Property and equipment	5	107,982	79,733
Right-of-use assets	4	225,106	237,967
Investment in RAPivD	6	994,423	994,423
<b>Total assets</b>		<b>2,908,690</b>	<b>1,874,984</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	7,9	1,186,560	1,705,953
Lease liabilities	4	43,699	42,520
		1,230,259	1,748,473
Lease liabilities	4	186,943	198,322
<b>Total liabilities</b>		<b>1,417,202</b>	<b>1,946,795</b>
<b>Shareholders' equity</b>			
Share capital	8	11,240,772	8,147,378
Reserves	8	3,507,686	3,328,904
Accumulated deficit		(13,256,970)	(11,548,093)
<b>Total shareholders' equity (deficit)</b>		<b>1,491,488</b>	<b>(71,811)</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,908,690</b>	<b>1,874,984</b>

Nature and continuance of operations (Note 1)

Approved on behalf of the Board on June 29<sup>th</sup>, 2023:

"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)

		Three months ended April 30, 2023	Three months ended April 30, 2022
	Note	\$	\$
<b>Operating expenses</b>			
Research and development	10	(896,644)	(577,975)
General and administrative	11	(812,233)	(203,200)
<b>Loss and comprehensive loss</b>		<b>(1,708,877)</b>	<b>(781,175)</b>
<b>Basic and diluted loss per share</b>		<b>(\$0.02)</b>	<b>(\$0.01)</b>
<b>Weighted average number of shares</b>			
Basic and diluted		69,786,387	55,602,992

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

## Gemina Laboratories Ltd.

### Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Unaudited - in Canadian dollars)

	Number of shares	Share capital	Reserves	Accumulated deficit	Shareholders' equity
		\$	\$	\$	\$
<b>Balance, January 31, 2022</b>	55,602,992	5,622,177	891,114	(5,569,066)	944,225
Share-based compensation	-	-	(19,186)	-	(19,186)
Loss for the period	-	-	-	(781,175)	(781,175)
<b>Balance, April 30, 2022</b>	55,602,992	5,622,177	871,928	(6,350,241)	143,864
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	-	-	412,138	-	412,138
Loss for the year	-	-	-	(5,197,852)	(5,197,852)
<b>Balance, January 31, 2023</b>	65,852,884	8,147,378	3,328,904	(11,548,093)	(71,811)
Private placement	3,472,994	2,604,746	-	-	2,604,746
Warrants exercised	4,000,000	600,000	-	-	600,000
Share issuance costs	-	(111,352)	-	-	(111,352)
Share-based compensation	-	-	178,782	-	178,782
Loss for the period	-	-	-	(1,708,877)	(1,708,877)
<b>Balance, April 30, 2023</b>	73,325,878	11,240,772	3,507,686	(13,256,970)	1,491,488

*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)

	Three months ended April 30, 2023	Three months ended April 30, 2022
	\$	\$
<b>Cash flow from operating activities:</b>		
Loss for the period	(1,708,877)	(781,175)
Items not involving cash:		
Depreciation of right-of-use assets and property and equipment	18,703	13,082
Share-based compensation	178,781	(19,186)
Accretion on lease liabilities	6,600	832
Interest income on net investment in sublease	-	(218)
Changes in non-cash working capital items:		
Receivables	(50,875)	5,953
Prepaid and deferred expenses and deposits	11,640	7,381
Accounts payable and accrued liabilities	(519,393)	(55,631)
Net cash used in operating activities	(2,063,421)	(828,962)
<b>Cash flows from investing activities:</b>		
Purchase of capital assets	(34,092)	-
Sublease payments received	-	4,500
Net cash provided by (used in) investing activities	(34,092)	4,500
<b>Cash flows from financing activities:</b>		
Proceeds from private placements	2,604,746	-
Deferred financing fees	-	(12,263)
Proceeds from warrant exercise	600,000	-
Share issuance costs	(111,352)	-
Lease payments	(16,796)	(17,470)
Net cash provided by (used in) financing activities	3,076,598	(29,733)
<b>Change in cash during the period</b>	<b>979,085</b>	<b>(854,195)</b>
<b>Cash, beginning of period</b>	<b>83,095</b>	<b>1,156,388</b>
<b>Cash, end of period</b>	<b>1,062,180</b>	<b>302,193</b>

*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)

Three months ended April 30, 2023

### 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 office and records are 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 April 30, 2023, the Company had net working capital of \$350,920 (January 31, 2023 – net working capital deficit \$1,185,612), had not yet achieved profitable operations and had accumulated a deficit of \$13,256,970 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.

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 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, 2023, 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, 2023. The Company's interim results are not necessarily indicative of its results for a full year.

# **Gemina Laboratories Ltd.**

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

(Unaudited - in Canadian dollars)

**Three months ended April 30, 2023**

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

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

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

### **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

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



# Gemina Laboratories Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

Three months ended April 30, 2023

research activities and that the Company 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. According, management uses significant estimates in the evaluation of RAPIvD's fair value.

### 3 Receivables

	April 30, 2023	January 31, 2023
	\$	\$
Other receivables	-	6,747
Due from related parties (Note 9)	14,871	14,347
Scientific Research and Experimental Development		
Refundable Tax Credits ("SR&ED")	260,015	260,015
GST receivable	161,704	104,606
	<u>436,590</u>	<u>385,715</u>

### 4 Leases

#### Right-of-use assets and lease liabilities

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 9), 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.

## Gemina Laboratories Ltd.

### Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

Three months ended April 30, 2023

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

	Office premises	Lab Equipment	Laboratory	Total
	\$	\$	\$	\$
Balance, January 31, 2022	16,926	8,865	-	25,791
Depreciation	(7,254)	(484)	-	(7,738)
Balance, April 30, 2022	9,672	8,831	-	18,053
Additions	-	-	247,538	247,538
Depreciation	(9,672)	(1,900)	(16,502)	(28,074)
Balance, January 31, 2023	-	6,931	231,036	237,967
Depreciation	-	(484)	(12,377)	(12,861)
Balance, April 30, 2023	-	6,447	218,659	225,106

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

	Office premises	Lab equipment	Laboratory	Total
	\$	\$	\$	\$
Balance, January 31, 2022	37,600	8,478	-	46,078
Lease payments	(16,547)	(923)	-	(17,470)
Accretion	647	185	-	832
Balance, April 30, 2022	21,700	7,740	-	29,440
Additions	-	-	247,538	247,538
Lease payments	(22,062)	(2,767)	(21,164)	(45,993)
Accretion	362	454	9,041	9,857
Balance, January 31, 2023	-	5,427	235,415	240,842
Lease payments	-	(923)	(15,873)	(16,796)
Accretion	-	116	6,482	6,598
Balance, April 30, 2023	-	4,620	226,024	230,644
Less: Current portion	-	(3,413)	(40,286)	(43,699)
Non-current portion	-	1,207	185,738	186,943

Future minimum lease payments are as follows:

	April 30, 2023
	\$
Less than 1 year	43,699
1 to 5 years	186,943
More than 5 years	-
Total	230,642

Short-term leases are leases with a lease term of 12 months or less. As at April 30, 2023, and 2022, the Company did not have any short-term leases. As at April 30, 2023, and 2022, the Company did not have any leases of low-value assets.

The lab equipment 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 8% per annum at the commencement of the lease.

# Gemina Laboratories Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

Three months ended April 30, 2023

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 at the commencement of the lease.

### 5 Property and equipment

	Computer equipment	Laboratory equipment	Furniture and fixtures	Leasehold improvements	Total
	\$	\$	\$	\$	\$
Cost:					
Balance, January 31, 2022 and April 30, 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
Additions	-	18,210	-	15,882	34,092
Balance, April 30, 2023	11,594	61,486	1,569	48,852	123,501
Accumulated depreciation:					
Balance, January 31, 2022	4,388	-	-	9,625	14,013
Additions	1,219	-	-	4,125	5,344
Balance, April 30, 2022	5,607	-	-	13,750	19,357
Additions	3,677	-	392	5,500	13,694
Dispositions	-	-	-	(19,250)	(23,375)
Balance, January 31, 2023	9,284	-	392	-	9,676
Additions	1,225	1,979	196	2,443	5,843
Balance, April 30, 2023	10,509	1,979	588	2,443	15,519
Net book value:					
January 31, 2023	2,310	43,276	1,177	32,970	79,733
April 30, 2023	1,085	59,507	981	46,409	107,982

### 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:

- £800,000 in cash;
- the closing cash balance of RAPIvD as at the time the option is exercised;
- the issuance of 4,347,826 common shares of the Company; and
- 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 commercially. 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

# Gemina Laboratories Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

Three months ended April 30, 2023

diagnostics. At April 30, 2023, the fair value of the investment is \$994,423 (January 31, 2023 - \$994,423).

### 7 Accounts payable and accrued liabilities

	April 30, 2023	January 31, 2023
	\$	\$
Accounts payable	882,597	929,031
Accrued liabilities	72,583	547,653
Due to related parties (Note 9)	231,380	229,269
	<u>1,186,560</u>	<u>1,705,953</u>

### 8 Share capital and reserves

#### Share capital

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

As at April 30, 2023, 16,998,208 (January 31, 2023 – 22,664,277) of the Company's issued common shares were held in escrow and will be released from escrow according to the following schedule:

August 10, 2023	5,666,069
February 10, 2024	5,666,069
August 10, 2024	5,666,070
	<u>16,998,208</u>

#### Transactions during the quarter ended April 30, 2023

On March 27, 2023, the Company closed a private placement offering issuing 3,472,994 common shares at \$0.75 per common share for gross proceeds of \$2,604,746. Expenses related to this offering were \$111,352, including a finder's fee of \$95,413.

#### 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.

## Gemina Laboratories Ltd.

### Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

Three months ended April 30, 2023

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.

### Warrants

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

	Number of Warrants	Weighted Average Exercise Price
		\$
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
Exercised	(4,000,000)	0.15
Balance, April 30, 2023	13,797,710	0.69

## Gemina Laboratories Ltd.

### Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

Three months ended April 30, 2023

As at April 30, 2023, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
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***
<b>13,797,710</b>		

\* 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, 2022	3,800,000	0.34
Granted	500,000	0.45
Forfeited	(650,000)	0.30
Balance, April 30, 2022	3,650,000	0.36
Granted	2,050,000	0.57
Balance, January 31, and April 30, 2023	5,700,000	0.45

# Gemina Laboratories Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - in Canadian dollars)

Three months ended April 30, 2023

A summary of the stock options outstanding and exercisable at April 30, 2023, is as follows:

<b>Exercise Price</b>	<b>Number Outstanding</b>	<b>Number Exercisable</b>	<b>Expiry Date</b>
\$			
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	83,333	March 9, 2027
0.60	2,000,000	-	September 6, 2032
0.50	50,000	12,500	January 25, 2028
	<b>5,700,000</b>	<b>2,854,148</b>	

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.

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 vested 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 did not grant any options for the Quarter ended April 30, 2023.

The Company recognized share-based compensation expense of \$178,782 (2022 – net recovery \$19,186) for the three-month period ended April 30, 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 three-month periods ended April 30, 2023, and 2022, the Company entered the following transactions with related parties:

- Paid or accrued salaries and benefits of \$62,500 (2022 - \$nil) to the Chief Executive Officer (“CEO”) of the Company and recognized share-based compensation of \$124,707 (2022 - \$nil) in relation to stock options granted to the CEO.

## **Gemina Laboratories Ltd.**

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

(Unaudited - in Canadian dollars)

**Three months ended April 30, 2023**

- Paid or accrued salaries and benefits of \$56,249 (2022 - \$nil) and contract research fees of \$216,681(2022 - \$nil) to a company controlled by the President of the Company.
- Paid or accrued professional fees of \$18,853 (2022 - \$4,678) to a company controlled by the Chief Financial Officer (“CFO”) of the Company and recognized share-based compensation of \$nil (2022 - \$3,263) in relation to stock options granted to the CFO.
- Paid or accrued salaries and benefits of \$39,018 (2022 - \$41,308) to the Chief Technology Officer (“CTO”) and director of the Company and recognized share-based compensation of \$3,828 (2022 - \$8,425) in relation to stock options granted to the CTO and director.
- Paid or accrued contractor fees of \$40,687 (2022 - \$30,187) for advisory services to a company controlled by a director of the Company.
- Recognized share-based compensation of \$9,684 (2022 - \$17,522) in relation to stock options granted to directors of the Company.

As at April 30, 2023, \$1,453 (January 31, 2023 - \$5,628) 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 April 30, 2023, \$nil (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 contract research expenses.

As at April 30, 2023, \$20,980 (January 31, 2023 - \$20,970) was included in accounts payable and accrued liabilities owing to the CEO of the Company in relation to wages and \$29,973 (January 31, 2023 \$15,762) was owed to the CEO of the Company in relation to reimbursement of expenses.

As at April 30, 2023, \$13,892 (January 31, 2023 - \$17,435) 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 April 30, 2023, \$27,563 (January 31, 2023 - \$109,003) 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 April 30, 2023, \$69,021 (January 31, 2023 - \$30,054) was included in accounts payable and accrued liabilities owing to directors of the Company in relation to director compensation.

As at April 30, 2023, \$11,029 (January 31, 2023 – receivable \$4,279) was included in accounts payable and accrued liabilities due to EcoMine, a majority shareholder of the Company.

As at April 30, 2023, \$14,822 (January 31, 2023 - \$14,299) was included in receivables due from 3R Circuits Solutions Corp., a company controlled by directors of the Company.

As at April 30, 2023, \$4,511 (January 31, 2023 - \$30,604) was included in accounts payable and accrued liabilities due to Anodyne Chemistries Inc., a company controlled by directors of the Company.



# Gemina Laboratories Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

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Three months ended April 30, 2023

### 10 Research and development

	Three months ended April 30, 2023	Three months ended April 30, 2022
	\$	\$
Contractor fees	49,975	270,983
Contract research (Note 9)	468,211	28,065
Depreciation of equipment (Note 5)	5,843	-
Materials and supplies	69,866	40,742
Salaries and benefits (Note 9)	277,128	194,810
Share-based compensation (Note 8, 9)	12,761	42,891
Depreciation of right-of-use assets (Note 4)	12,860	484
	896,644	577,975

### 11 General and administrative

	Three months ended April 30, 2023	Three months ended April 30, 2022
	\$	\$
Contractors	263,181	177,702
Depreciation of equipment (Note 5)	-	5,344
Insurance	16,250	-
Interest expense, net	-	401
Office and miscellaneous	147,140	32,807
Professional fees (Note 9)	109,038	34,974
Salaries and benefits (Note 9)	110,608	6,802
Share-based compensation (Note 8, 9)	166,020	(62,084)
Depreciation of right-of-use assets (Note 4)	-	7,254
	812,237	203,200

### 12 Segmented information

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

### 13 Financial instruments and financial risk management

#### Fair value

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

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide information on an ongoing basis.

# Gemina Laboratories Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

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Three months ended April 30, 2023

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.

### 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	1,186,560	-
Lease liabilities	43,699	186,943
Total	1,230,259	186,943

# **Gemina Laboratories Ltd.**

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

(Unaudited - in Canadian dollars)

**Three months ended April 30, 2023**

### **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.

### **14 Capital management**

The Company considers its shareholders' equity as capital. As at April 30, 2023, the Company's capital totaled \$1,491,488. 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.