Gemina Laboratories Ltd.

Condensed Interim Consolidated Financial Statements
(in Canadian dollars)

For the nine months ended October 31, 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	October 31, 2023	January 31, 2023
		$	$
ASSETS			
Current assets			
Cash		2,897	83,095
Receivables	3,10	193,684	385,715
Prepaid expenses and deposits		79,534	94,051
		276,115	562,861
Property and equipment	5	120,666	79,733
Right-of-use assets	4	291,396	237,967
Investment in RAPIvD	6	994,423	994,423
Total assets		1,682,600	1,874,984
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	7,10	1,849,380	1,705,953
Short-term loan	8	200,000	-
Lease liabilities	4	76,980	42,520
		2,126,360	1,748,473
Lease liabilities	4	226,308	198,322
Total liabilities		2,352,668	1,946,795
Shareholders' equity			
Share capital	9	11,240,772	8,147,378
Reserves	9	4,092,379	3,328,904
Accumulated deficit		(16,003,219)	(11,548,093)
Total shareholders' equity (deficit)		(670,068)	(71,811)
Total liabilities and shareholders' equity		1,682,600	1,874,984

Nature and continuance of operations (Note 1)

Approved on behalf of the Board on December 29th, 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)

	Note	Three months ended October 31, 2023	Three months ended October 31, 2022	Nine months ended October 31, 2023	Nine months ended October 31, 2022
		$	$	$	$
Operating expenses					
Research and development (net of government assistance)	11	(278,020)	(691,794)	(2,058,022)	(2,837,333)
General and administrative	12	(593,966)	(559,784)	(2,100,971)	(1,185,637)
Finance expense	8	(296,133)	-	(296,133)	
Loss and comprehensive loss		(1,168,119)	(1,251,578)	(4,455,126)	(4,022,970)
Basic and diluted loss per share		($0.02)	($0.02)	($0.06)	($0.07)
Weighted average number of shares					
Basic and diluted		73,325,878	62,780,420	71,585,465	58,773,234

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

Gemina Laboratories Ltd.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Unaudited - in Canadian dollars)

	Number of shares	Share capital	Reserves	Accumulated deficit	Shareholders' equity
		$	$	$	$
Balance, January 31, 2022	55,602,992	5,622,177	891,114	(5,569,066)	944,225
Private placement	1,536,200	532,786	388,934	-	921,720
Prospectus supplement offering	5,626,735	1,925,499	1,450,542	-	3,376,041
Warrants exercised	1,333,334	200,000	-	-	200,000
Broker warrants issued	-	-	205,362	-	205,362
Share-based compensation	-	-	212,265	-	212,265
Share-issuance costs	-	(797,428)	-	-	(797,428)
Loss for the period	-	-	-	(4,022,969)	(4,022,969)
Balance, October 31, 2022	64,099,261	7,483,034	3,148,217	(9,592,035)	1,039,216
Warrants exercised	666,667	100,000	-	-	100,000
Shares issued for investment	1,086,956	565,217	-	-	565,217
Share-based compensation	-	-	180,687	-	180,687
Share issuance costs	-	(873)	-	-	(873)
Loss for the year	-	-	-	(1,956,058)	(1,956,058)
Balance, January 31, 2023	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	-	-	467,342	-	467,342
Obligation to issue shares, warrants and options (note 8)			296,133		296,133
Loss for the period	-	-	-	(4,455,126)	(4,455,126)
Balance, October 31, 2023	73,325,878	11,240,772	4,092,379	(16,003,219)	(670,068)

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

Gemina Laboratories Ltd.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited - in Canadian dollars)

	Nine months ended October 31, 2023	Nine months ended October 31, 2022
	$	$
Cash flow from operating activities:		
Loss for the period	(4,455,126)	(4,022,970)
Items not involving cash:		
Depreciation of right-of-use assets and property and equipment	66,762	35,993
Share-based compensation	467,342	212,265
Accretion on lease liabilities	22,976	3,816
Finance expense (note 8)	296,133	
Interest income on net investment in sublease	-	(341)
Changes in non-cash working capital items:		
Receivables	192,031	(522,961)
Prepaid and deferred expenses and deposits	14,517	(88,469)
Accounts payable and accrued liabilities	143,428	177,816
Net cash used in operating activities	(3,251,937)	(4,179,851)
Cash flows from investing activities:		
Purchase of capital assets	(57,612)	(54,475)
Sublease payments received	-	3,750
Net cash provided by (used in) investing activities	(57,612)	(50,725)
Cash flows from financing activities:		
Proceeds from private placements	2,604,746	921,720
Proceeds from prospectus offering	-	3,376,041
Proceeds from warrant exercise	600,000	-
Share issuance costs	(111,352)	(592,066)
Short-term loan	200,000	-
Lease payments	(64,043)	(46,667)
Net cash provided by (used in) financing activities	3,229,351	3,659,028
Change in cash during the period	(80,198)	(571,548)
Cash, beginning of period	83,095	1,156,388
Cash, end of period	2,897	584,840

Supplemental cash flow information		
	$	$
Sublease payments in receivables	-	6,750
Lease of laboratory space	103,513	247,538
Receivable from exercise of warrants	-	200,000
Warrants issued as finders fees	-	205,362

The accompanying notes are an integral part of these condensed interim 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 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 October 31, 2023, the Company had net working capital deficit of $1,850,245 (January 31, 2023 – net working capital deficit $1,185,612), had not yet achieved profitable operations and had accumulated a deficit of $16,003,219 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. The Company completed a private placement on March 27,2023, for gross proceeds of $2,604,746 and closed a short-term loan for $200,000 on October 10, 2023 (note 8) and is actively seeking additional financing. In the meantime, the Company has deferred payments to its vendors to manage its liquidity.

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 Material 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.

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 December 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.

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.

<u>Significant judgements</u>

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 that the Company has not incurred any expenses that would qualify as recognition as an intangible asset in the statements of financial position.

<u>Significant estimates</u>
Share-based payments - 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

(Unaudited - in Canadian dollars)

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

	October 31, 2023	January 31, 2023
	$	$
Other receivables	-	6,747
Due from related parties (Note 10)	22,917	14,347
Scientific Research and Experimental Development Refundable Tax Credits ("SR&ED")	157,096	260,015
GST receivable	13,671	104,606
	193,684	385,715

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 10), 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.

The Company has entered into a lease agreement with Omnimar Enterprises Inc, to provide additional space for its laboratory in Burnaby, British Columbia. The lease commenced on July 1, 2023, with monthly lease payments of $3,414 until June 30, 2025 and $3,517 from July 1, 2025 to June 30, 2026.

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
Additions	-	-	247,538	247,538
Depreciation	(16,926)	(1,451)	(4,125)	(22,502)
Balance, October 31, 2022	-	7,414	243,413	250,827
Depreciation	-	(483)	(12,377)	(12,860)
Balance, January 31, 2023	-	6,931	231,036	237,967

(Unaudited - in Canadian dollars)

Additions	-	-	103,512	103,512
Depreciation	-	(1,451)	(48,632)	(50,083)
Balance, October 31, 2023	-	5,480	285,916	291,396

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
Additions	-	-	247,538	247,538
Lease payments	(38,609)	(2,767)	(5,291)	(46,667)
Accretion	1,009	505	2,302	3,816
Balance, October 31, 2022	-	6,216	244,549	250,765
Lease payments	-	(923)	(15,873)	(16,796)
Accretion	-	134	6,739	6,873
Balance, January 31, 2023	-	5,427	235,415	240,842
Additions	-	-	103,512	103,513
Lease payments	-	(2,768)	(61,275)	(64,043)
Accretion	-	293	22,684	22,976
Balance, October 31, 2023	-	2,952	300,336	303,288
Less: Current portion	-	(2,952)	(74,028)	(76,980)
Non-current portion	-	-	226,308	226,308

Future minimum lease payments are as follows:

	October 31, 2023
	$
Less than 1 year	107,696
1 to 5 years	303,224
More than 5 years	-
Total	410,920

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

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.

The additional 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 12.13% per annum at the commencement of the lease.

(Unaudited - in Canadian dollars)

5 Property and equipment

	Computer equipment	Laboratory equipment	Furniture and fixtures	Leasehold improvements	Total
	$	$	$	$	$
Cost:					
Balance, January 31, 2022	9,803	-	-	19,250	29,053
Additions	-	52,906	1,569	-	54,475
Balance, October 31, 2022	9,803	52,906	1,569	19,250	83,528
Additions	1,791	-	-	32,970	34,761
Dispositions	-	(9,630)	-	(19,250)	(28,880)
Balance, January 31, 2023	11,594	43,276	1,569	32,970	89,409
Additions	-	25,472	-	32,141	57,613
Balance, October 31, 2023	11,594	68,748	1,569	65,111	147,022
Accumulated depreciation:					
Balance, January 31, 2022	4,388	-	-	9,625	14,013
Additions	3,670	-	196	9,625	13,491
Balance, October 31, 2022	8,058	-	196	19,250	27,504
Additions	1,226	-	196	-	1,422
Dispositions	-	-	-	(19,250)	(19,250)
Balance, January 31, 2023	9,284	-	392	-	9,676
Additions	1,221	6,578	883	7,998	16,680
Balance, October 31, 2023	10,505	6,578	1,275	7,998	26,356
Net book value:					
January 31, 2023	2,310	43,276	1,177	32,970	79,733
October 31, 2023	1,089	62,170	294	57,113	120,666

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

(Unaudited - in Canadian dollars)

7 Accounts payable and accrued liabilities

	October 31, 2023	January 31, 2023
	$	$
Accounts payable	1,297,229	929,031
Accrued liabilities	75,842	547,653
Due to related parties (Note 10)	486,309	229,269
	1,849,380	1,705,953

8 Short-term loan

On October 10, 2023, the Company entered into a short-term, secured, loan agreement with two creditors. Under the terms of the agreement the Company received aggregate proceeds of $200,000 from the creditors re-payable on November 20,2023, which can be extended at the discretion of the creditors. The loan is non-interest bearing and secured by the assets of the Company.

Under the loan agreement the Company is required to issue an aggregate 444,444 common shares to the creditors and extend the term of warrants and options that they held by three years. In addition, if the loan is not repaid by November 20, 2023, the Company is required to issue 14,000 common shares for every day the loan remains outstanding.

At October 31, 2023 none of the 444,444 shares had been issued.

The requirement to issue the shares and the extension of the warrant and option terms is accounted for as a finance expense and recorded as a charge to the consolidated statement of loss and comprehensive loss and an increase in reserve in the statement of changes in shareholders' equity:

Fair value of shares to be issued	$204,111
Fair value of warrant and option term extension	$92,022
Finance expense	$296,133

The Company did not repay the loan on November 20, 2023 and is in default under the terms of the short term loan agreement**.** The Company and the creditors are in continuing discussions to remedy the default.

9 Share capital and reserves

Share capital

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

(Unaudited - in Canadian dollars)

As at October 31, 2023, 11,332,139 (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:

February 10, 2024	5,666,069
August 10, 2024	5,666,070
	11,332,139

Transactions during the quarters ended October 31 and July 31, 2023

There were no transactions during the quarters ended October 31 and July 31, 2023.

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.

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

(Unaudited - in Canadian dollars)

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	0.36
Issued	7,608,162	0.78
Exercised	(1,333,334)	0.15
Balance, October 31, 2022	18,464,377	0.55
Exercised	(666,667)	0.15
Balance, January 31, 2023	17,797,710	0.57
Exercised	(4,000,000)	0.15
Expired	(2,191,986)	0.77
Balance, October 31, 2023	11,605,724	0.68

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

Number of Warrants	Exercise Price	Expiry Date
3,882,562	$0.45	July 16, 2024*
115,000	$0.80	October 22, 2026**
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***
11,605,724		

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

(Unaudited - in Canadian dollars)

** 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. As part of the short-term loan agreement (note 8) the expiry date of these warrants was extended from October 22, 2023 to October 22, 2026.

*** 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	2,500,000	0.45
Forfeited	(650,000)	0.30
Balance, October 31, 2022	5,650,000	0.36
Granted	50,000	0.57
Balance, January 31, 2023	5,700,000	0.45
Granted	285,000	0.60
Expired	(36,667)	0.45
Forfeited	(323,333)	0.45
Balance, October 31, 2023	5,625,000	0.46

A summary of the stock options outstanding and exercisable at October 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, 2027
0.45	440,000	293,304	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	250,000	83,333	March 9, 2027
0.60	2,000,000	500,000	September 6, 2032
0.54	50,000	37,500	January 25, 2028
0.60	285,000	247,500	July 4, 2028

(Unaudited - in Canadian dollars)

	5,625,000	3,736,637

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 $0.54 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.

On July 4, 2023, the Company granted 235,000 options to a director with an exercise price of $0.60 per common share for a period of 5 years. The options vested on date of grant.

On July 4, 2023, the Company granted 50,000 options to directors with an exercise price of $0.60 per common share for a period of 5 years. 12,500 options vest on October 4, 2023, 12,500 options vest on January 4, 2024, 12,500 options vest on April 4, 2024, and the remaining 12,500 options vest on July 3, 2024.

On October 10, 2023, the Company entered into a short-term loan agreement (note 8). One of the terms of the loan was a three-year extension of 250,000 options from April 1, 2024 to April 1, 2027.

The Company recognized share-based compensation expense of $467,342 (2022 – $212,265) for the nine-month period ended October 31, 2023.

10 Related party transactions

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

During the nine-month periods ended October 31, 2023, and 2022, the Company entered the following transactions with related parties:

- Paid or accrued salaries and benefits of $187,500 (2022 - $41,667) to the Chief Executive Officer ("CEO") of the Company and recognized share-based compensation of $352,498 (2022 - $30,031) in relation to stock options granted to the CEO.
- Paid or accrued salaries and benefits of $114,098 (2022 - $Nil) and contract research fees of $442,263 (2022 - $Nil) to a company controlled by the President of the Company.
- Paid or accrued professional fees of $51,860 (2022 - $39,704) to a company controlled by the Chief Financial Officer ("CFO") of the Company and recognized share-based compensation of $nil (2022 - $8,820) in relation to stock options granted to the CFO.
- Paid or accrued salaries and benefits of $117,114 (2022 - $118,131) to the Chief Technology Officer ("CTO") and director of the Company and recognized share-based

compensation of $10,427 (2022 - $22,925) in relation to stock options granted to the CTO and director.

- Paid or accrued contractor fees of $79,125 (2022 - $69,563) for advisory services to a company controlled by a director of the Company.
- Recognized share-based compensation of $141,715 (2022 - $39,485) in relation to stock options granted to directors of the Company.

As at October 31, 2023, $Nil (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 October 31, 2023, $189,931 (January 31, 2023 - $239,279) was included in accounts payable and accrued liabilities in relation to salaries and benefits and contract research expenses and $6,831 (January 31, 2023 - $Nil) was included in accounts receivable for expense reimbursements due from/owing to a company owned by the President and director of the Company.

As at October 31, 2023, $27,501 (January 31, 2023 - $20,970) was included in accounts payable and accrued liabilities was owed to the CEO of the Company in relation to reimbursement of expenses.

As at October 31, 2023, $30,051 (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 October 31, 2023, $113,603 (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 October 31, 2023, $36,250 (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 October 31, 2023, $7,224 (January 31, 2023 - $Nil) was included in accounts payable and accrued liabilities was owed to a director of the Company in relation to reimbursement of expenses.

As at October 31, 2023, $31,029 (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 October 31, 2023, $16,129 (January 31, 2023 - $14,299) was included in accounts receivable due from 3R Circuits Solutions Corp., a company controlled by directors of the Company.

As at October 31, 2023, $37,553 (January 31, 2023 – receivable $30,604) was included in accounts payable and accrued liabilities due to Anodyne Chemistries Inc., a company controlled by directors of the Company.

(Unaudited - in Canadian dollars)

11 Research and development

	Three months ended October 31, 2023	Three months ended October 31, 2022	Nine months ended October 31, 2023	Nine months ended October 31, 2022
	$	$	$	$
Contractor fees	68,200	239,609	241,949	1,159,494
Contract research (Note 10)	50,596	515,453	760,230	1,138,301
Depreciation of equipment (Note 5)	5,928	196	16,679	196
Materials and supplies	4,505	59,800	217,859	254,466
Salaries and benefits (Note 10)	150,475	163,695	650,102	493,259
Share-based compensation (Note 9,10)	(16,478)	20,447	9,475	98,056
Depreciation of right-of-use assets (Note 4)	21,487	4,609	50,083	5,576
	284,713	1,003,809	1,946,377	3,149,348
SR&ED	(6,693)	(312,015)	111,645	(312,015)
	278,020	691,794	2,058,022	2,837,333

12 General and administrative

	Three months ended October 31, 2023	Three months ended October 31, 2022	Nine months ended October 31, 2023	Nine months ended October 31, 2022
	$	$	$	$
Contractors	239,107	162,120	710,490	506,448
Depreciation of equipment (Note 5)	-	2,600	-	13,295
Insurance	(14,069)	16,250	18,283	30,467
Interest expense, net	-	316	-	589
Office and miscellaneous	67,623	119,128	367,305	207,766
Professional fees (Note 10)	66,999	77,719	215,228	217,474
Salaries and benefits (Note 10)	112,612	56,540	331,797	78,463
Share-based compensation (Note 9,10)	121,694	122,693	457,867	114,209
Depreciation of right-of-use assets (Note 4)	-	2,418	-	16,926
	593,966	559,784	2,100,971	1,185,637

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 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.

(Unaudited - 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	1,849,380	-
Short-term loan	200,000	-
Lease liabilities	76,980	226,308
Total	2,126,360	226,308

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 as capital. The Company manages its capital structure 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. As at October 31, 2023, the Company's capital deficiency totaled $670,068 and the Company is actively seeking additional capital.