Gemina Laboratories Ltd.

Consolidated Financial Statements
(in Canadian dollars)

For the years ended January 31, 2024 and 2023

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, 2024 and 2023, 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 material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 $2,742,833, had not yet achieved profitable operations and had accumulated a deficit of $16,764,882 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. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our 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 Valuation of 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, 2024. As further described in Note 2, management utilizes unobservable inputs that are supported by little or no market activity and that are significant to the determination of the fair value of the asset. In the determination of the fair value of RAPIvD, management applies significant judgement which includes the selection of appropriate valuation techniques and the use of significant unobservable inputs in those techniques.

The principal considerations for our determination that the assessment of valuation of RAPIvD is a key audit matter are that there was significant judgment made by management when determining the fair value estimate of RAPIvD. This determination required the use of appropriate valuation techniques which included unobservable inputs. This in turn led to a high degree of auditor subjectivity and judgement in performing procedures relating to the valuation of 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:

- Evaluating management's appropriateness of the valuation techniques used and tested the mathematical accuracy thereof.
- Confirming ownership of RAPIvD.
- Obtaining financial information for purposes of valuing RAPIvD.
- Obtained guidance from professionals with specialized skill and knowledge in the field of valuation to further assist in evaluating the reasonableness of management's assessment.

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 Accounting Standards, 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 30, 2024

Gemina Laboratories Ltd.

Consolidated Statements of Financial Position
(in Canadian dollars)

	Note	January 31, 2024	January 31, 2023
		$	**$**
ASSETS			
Current assets			
Cash		990	83,095
Receivables	3,10	38,490	385,715
Prepaid and deferred expenses and deposits		53,187	94,051
		92,667	562,861
Property and equipment	5	99,288	79,733
Right-of-use assets	4	269,910	237,967
Investment in RAPIvD	6	994,423	994,423
Total assets		1,456,288	1,874,984
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
Current liabilities			
Accounts payable and accrued liabilities	7,10	2,556,156	1,705,953
Short-term loan	8	200,000	-
Lease liabilities	4	79,344	42,520
		2,835,500	1,748,473
Lease liabilities	4	205,982	198,322
Total liabilities		3,041,482	1,946,795
Shareholders' deficiency			
Share capital	9	11,240,772	8,147,378
Reserves	9	3,893,916	3,328,904
Obligation to issue shares	8	45,000	-
Accumulated deficit		(16,764,882)	(11,548,093)
Total shareholders' deficiency		(1,585,194)	(71,811)
Total liabilities and shareholders' deficiency		1,456,288	1,874,984

Nature and continuance of operations (Note 1)
Subsequent events (Note 17)

Approved on behalf of the Board on May 30, 2024:

"John Davies" — Director

"Martin Cronin" — Director

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

Gemina Laboratories Ltd.

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

	Note	Year ended January 31, 2024	Year ended January 31, 2023
		$	**$**
Operating expenses			
Research and development (net of government assistance)	11	(2,592,188)	(4,149,707)
General and administrative	12	(2,605,340)	(1,829,320)
Finance expense	8	(19,261)	
Loss and comprehensive loss		(5,216,789)	(5,979,027)
Basic and diluted loss per share		($0.07)	($0.10)
Weighted average number of shares			
Basic and diluted		72,453,309	60,190,253

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	Obligation to issue shares	Accumulated deficit	Shareholders' equity (deficiency)
		$	$	$	$	$
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)
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	-	-	565,012	-	-	565,012
Obligation to issue shares	-	-	-	45,000	-	45,000
Loss for the year	-	-	-	-	(5,216,789)	(5,216,789)
Balance, January 31, 2024	73,325,878	11,240,772	3,893,916	45,000	(16,764,882)	(1,585,194)

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

Gemina Laboratories Ltd.
Consolidated Statements of Cash Flows
(in Canadian dollars)

	Year ended January 31, 2024	Year ended January 31, 2023
	$	$
Cash flow from operating activities:		
Loss for the year	(5,216,789)	(5,979,027)
Items not involving cash:		
Depreciation of right-of-use assets and property and equipment	93,368	50,282
Share-based compensation	565,012	392,952
Interest on obligation to issue shares	19,261	-
Accretion on lease liabilities	31,437	10,689
Interest income on net investment in sublease	-	(341)
Changes in non-cash working capital items:		
Receivables	347,225	(201,086)
Prepaid and deferred expenses and deposits	66,603	(59,166)
Accounts payable and accrued liabilities	850,203	1,276,114
Net cash used in operating activities	(3,243,680)	(4,509,583)
Cash flows from investing activities:		
Acquisition of equipment (net)	(41,354)	(79,613)
Sublease payments received	-	3,750
Purchase of investment	-	(429,206)
Net cash used in investing activities	(41,354)	(505,069)
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	300,000
Share issuance costs	(111,352)	(592,939)
Short term loan	200,000	-
Lease payments	(90,465)	(63,463)
Net cash provided by financing activities	3,202,929	3,941,359
Change in cash during the year	(82,105)	(1,073,293)
Cash, beginning of year	83,095	1,156,388
Cash, end of year	990	83,095

Supplemental cash flow information		
	$	$
Sublease payments in receivables	-	6,750
Lease of laboratory space	103,512	247,538
Warrants issued as finders fees	-	205,362
Shares issued for investment	-	565,217
Obligation to issue shares	45,000	-

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, 2024, the Company had a working capital deficit of $2,742,833 (January 31, 2023 – $1,185,612), had not yet achieved profitable operations and had accumulated a deficit of $16,764,882 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 Material accounting policy information

Basis of presentation

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standard Board ("IASB").

The consolidated financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value. In addition, the consolidated 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 30, 2024.

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 cost using the 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, and deposits as financial assets measured at amortized cost. The Company classified its investment in RAPIvD Limited ("RAPIvD") at FVOCI.

<u>Financial liabilities</u>

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, short-term loan 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.

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

A number of amendments to standards and interpretations applicable to the Company are not yet effective for the year ended January 31, 2024 and have not been applied in preparing these consolidated financial statements nor does the Company expect these amendments to have a significant effect on its consolidated financial statements.

IFRS 18 *Presentation and Disclosure in Financial Statements,* which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from 1 January 2027. Companies are permitted to apply IFRS 18 before that date.
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Critical accounting estimates and judgments

The preparation of financial statements in compliance with IFRS Accounting Standards 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>

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, 2024 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 estimates 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 determining the fair value of the asset. Accordingly, management uses significant estimates in the evaluation of RAPIvD's fair value.

3 Receivables

	January 31, 2024	January 31, 2023
	$	$
Other receivables	6,812	6,747
Due from related parties (Note 10)	14,578	14,347
Scientific Research and Experimental Development Refundable Tax Credits ("SR&ED")	-	260,015
GST receivable	17,100	104,606
	38,490	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 $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.

(in Canadian dollars)

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)	(1,934)	(16,502)	(35,362)
Balance, January 31, 2023	-	6,931	231,036	237,967
Additions	-	-	103,512	103,512
Depreciation	-	(1,934)	(69,635)	(71,569)
Balance, January 31, 2024	-	4,997	264,913	269,910

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)	(3,690)	(21,164)	(63,463)
Accretion	1,009	639	9,041	10,689
Balance, January 31, 2023	-	5,427	235,415	240,842
Additions	-	-	103,512	103,512
Lease payments	-	(3,075)	(87,390)	(90,465)
Accretion	-	315	31,122	31,437
Balance, January 31, 2024	-	2,667	282,659	285,326
Less: Current portion	-	(2,667)	(76,677)	(79,344)
Non-current portion	-	-	205,982	205,982

Future minimum lease payments are as follows:

	January 31, 2024
	$
Less than 1 year	107,870
1 to 5 years	235,657
More than 5 years	-
Total	343,527

Short-term leases are leases with a lease term of 12 months or less. As at January 31, 2024, and 2023, the Company did not have any short-term leases. As at January 31, 2024, and 2023, 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.

(in Canadian dollars)

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.

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	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	-	29,697	-	15,882	45,579
Dispositions	-	(4,225)	-	-	(4,225)
Balance, January 31, 2024	11,594	68,748	1,569	48,852	132,935
Accumulated depreciation:					
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
Additions	1,454	8,929	1,177	10,239	21,799
Balance, January 31, 2024	10,738	8,929	1,569	10,239	31,475
Net book value:					
January 31, 2023	2,310	43,276	1,177	32,970	79,733
January 31, 2024	856	59,819	-	38,613	99,288

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.

(in Canadian dollars)

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, 2024, the fair value of the investment is $994,423 (January 31, 2023 - $994,423).

7 Accounts payable and accrued liabilities

	January 31, 2024	January 31, 2023
	$	$
Accounts payable	1,666,561	929,031
Accrued liabilities	150,102	547,653
Due to related parties (Note 10)	739,493	229,269
	2,556,156	1,705,953

8 Short-term loan

On October 10, 2023 and subsequently amended in May 2024, the Company entered into a short-term, secured, loan agreement with two creditors. The Company received aggregate proceeds of $200,000 (US$150,000) from the creditors re-payable on the earlier of the completion of a $2,000,000 equity financing and June 30, 2024. The loan is secured by the assets of the Company.

As interest for the loan, the Company is required to issue an aggregate 100,000 common shares to the creditors in lieu of cash payment on repayment of the loan. If the loan is not repaid by June 30, 2024 interest will accrue at 15% per annum. On receipt of the loan, the Company recognized an obligation to issue shares of $45,000 and a corresponding deferred financing expense based on the trading price of the Company’s common shares on the date the funds were received. As at January 31, 2024, the Company had recognized $19,261 as a finance expense and the remaining amount will be recognized over the term of the loan.

9 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, 2024, 12,532,139 (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	6,266,069
August 10, 2024	6,266,070
	12,532,139

Transactions during the year ended January 31, 2024

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 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

(in Canadian dollars)

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
Expired	(2,306,986)	0.77
Balance, January 31, 2024	11,490,724	0.67

As at January 31, 2024, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
3,882,562	$0.45	July 16, 2024*
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**
11,490,724		

* 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.

** 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.

(in Canadian dollars)

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	2,550,000	0.57
Forfeited	(650,000)	0.30
Balance, January 31, 2023	5,700,000	0.45
Granted	285,000	0.60
Forfeited	(360,000)	0.45
Balance, January 31, 2024	5,625,000	0.46

A summary of the stock options outstanding and exercisable at January 31, 2024, 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
	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.

(in Canadian dollars)

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 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.

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 a director 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 the expiry date of 250,000 options from April 1, 2024 to April 1, 2027.

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, 2024	January 31, 2023
Share price on date of grant	$0.60	$0.42-$0.50
Risk-free interest rate	3.74%	1.89%-3.18%
Expected volatility	105%	105%-124%
Expected life in years	5	5-10
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 $565,012 (2023 – $392,950) for the year ended January 31, 2024.

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 years ended January 31, 2024, and 2023, the Company entered into the following transactions with related parties:

- Paid or accrued salaries and benefits of $250,000 (2023 - $104,167) to the Chief Executive Officer ("CEO") of the Company and recognized share-based compensation of $431,174 (2023 - $205,977) in relation to stock options granted to the CEO.
- Paid or accrued professional fees of $66,103 (2023 - $57,139) to a company controlled by the Chief Financial Officer ("CFO") of the Company and recognized share-based compensation of $nil (2023 - $8,820) in relation to stock options granted to the CFO.

- Paid or accrued salaries and benefits of $150,000 (2023 - $155,661) to the Chief Technology Officer ("CTO") and director of the Company and recognized share-based compensation of $12,009 (2023 - $26,882) in relation to stock options granted to the CTO and director.
- Paid or accrued contractor fees of $97,875 (2023 - $89,250) to a company controlled by a director of the Company.
- Paid or accrued contract research and contractor fees of $493,139 (2023 - $103,212) to a company controlled by the President and director of the Company.
- Recognized share-based compensation of $148,446 (2023 - $39,809) in relation to stock options granted to directors of the Company.

As at January 31, 2024, $6,343 (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 January 31, 2024, $286,440 (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 and reimbursement of expenses.

As at January 31, 2024, $66,512 (January 31, 2023 - $20,970) was included in accounts payable and accrued liabilities owing to the CEO of the Company in relation to accrued wages and reimbursement of expenses.

As at January 31, 2024, $48,479 (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 January 31, 2024, $57,417 was included in accounts payable and accrued liabilities owing to a director of the Company in relation to reimbursement of expenses $1,542 (January 31, 2023 - $nil) and director compensation $55,875 (January 31, 2023 - $18,000).

As at January 31, 2024, $91,765 (January 31, 2023 - $109,003) was included in accounts payable and accrued liabilities in relation to advisory fees owed to a company controlled by a director of the Company.

As at January 31, 2024, $71,509 was included in accounts payable and accrued liabilities owing to directors of the Company in relation to director compensation $63,750 (January 31, 2023 - $30,054) and reimbursement of expenses $7,759 (January 31, 2023 - $nil).

As at January 31, 2024, $32,222 was included in accounts payable and accrued liabilities (January 31, 2023 - $4,279) due to EcoMine, a majority shareholder of the Company.

As at January 31, 2024, $14,529 was included in receivables (January 31, 2023 - $14,299) due from Brokkr Mineral Resources Corporation (formerly 3R Circuits Solutions Corp.), a company controlled by directors of the Company.

As at January 31, 2024, $15,898 was included in accounts payable and accrued liabilities (January 31, 2023 - $30,604) 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 9), 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)

11 Research and development

	Year ended January 31, 2024	Year ended January 31, 2023
	$	$
Contractor fees (Note 10)	282,590	544,537
Contract research (Note 10)	994,404	2,756,745
Depreciation of equipment (Note 5)	21,799	392
Materials and supplies	265,942	364,986
Salaries and benefits (Note 10)	830,651	664,689
Share-based compensation (Note 9, 10)	13,588	111,247
Depreciation of right-of-use assets (Note 4)	71,569	18,437
	2,480,543	4,461,033
SR&ED	111,645	(311,326)
	2,592,188	4,149,707

12 General and administrative

	Year ended January 31, 2024	Year ended January 31, 2023
	$	$
Contractors	940,857	704,967
Depreciation of equipment (Note 5)	-	14,527
Insurance	19,175	46,717
Interest expense, net	-	(1,099)
Office and miscellaneous	401,014	286,188
Professional fees (Note 10)	249,724	266,737
Salaries and benefits (Note 10)	443,146	212,653
Share-based compensation (Note 9, 10)	551,424	281,704
Depreciation of right-of-use assets (Note 4)	-	16,926
	2,605,340	1,829,320

13 Income taxes

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

	2024	2023
	$	$
Loss for the period	(5,216,789)	(5,979,027)
Expected income tax recovery	(1,409,000)	(1,614,000)
Other	1,000	-
Permanent differences	154,000	107,000
Share issue costs	(30,000)	(160,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	(74,000)	332,000
Change in unrecognized deductible temporary differences	1,358,000	1,335,000
Income tax expense (recovery)	-	-

(in Canadian dollars)

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:

	2024	Expiry Date Range	2023	Expiry Date Range
	$		$	
Temporary Differences				
Share issue costs	590,000	2045 to 2048	680,000	2044 to 2047
Property and equipment	229,000	No expiry date	153,000	No expiry date
Lease liability	15,000	No expiry date	3,000	No expiry date
Non-capital losses				
Canada	13,860,000	2037 to 2044	8,824,000	2037 to 2043
UK	3,000		3,000	

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

14 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.

15 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, deposits and accounts payable and accrued liabilities and short-term loan 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, 2024, the Company's private company investment of $994,423 (2023 - $994,423) 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, 2024 and 2023.

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. At January 31, 2024 the Company is exposed to currency risk through accounts payable and short-term loan held in US dollars, Euros and GBP. Based on these foreign currency exposures, a 10% depreciation or appreciation of all the above currencies against the Canadian dollar would result in an approximate increase or decrease of $110,000 in the Company's net comprehensive loss.

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.

(in Canadian dollars)

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	2,556,156	-
Short-term loan	200,000	-
Lease liabilities	79,344	205,982
Total	2,835,500	205,982

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.

16 Capital management

The Company considers its shareholders' equity (deficiency) as capital. As at January 31, 2024, the Company's shareholders' deficiency totaled $1,585,194. 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.

17 Subsequent events

Convertible notes

On March 18, 2024, the Company raised gross proceeds of $910,000 under its non-brokered private placement of unsecured convertible notes ("Notes") of the Company . The Notes have a maturity date of 12 months from the date of issuance, unless earlier converted. At the option of the Note holder, any principal amount may be converted into common shares in the capital of the Company at a price per common share equal to:

(i) $0.50 (the "Standard Conversion Price"); or

(ii) in the event the Company completes an equity financing prior to the maturity date (the "Future Offering").

The Note holder may elect to convert the outstanding principal into common shares at any time prior to the maturity date. If the Note holder elects not to convert the outstanding principal into common shares until after completion of the Future Offering, the conversion price will be equal to the Standard Conversion Price, subject to an 8% increase every 30-days up to a maximum price that is equal to the issue price (the "Future Issue Price") of the securities offered in the Future Offering. If at any time after completion of the Future Offering, the 10-day volume-weighted-average-price of the common shares is equal to or greater than the price which is 10% higher than the Future Issue Price, there will be a forced conversion of principal into common shares at the Future Issue Price.

Interest on the Notes will accrue at a rate of 10% per annum, payable in cash on the maturity date or in the case of conversion of the entire principal, at the time of conversion. The Note holder may elect to have the interest repaid in cash or converted into common shares at the applicable conversion price, in accordance with the terms of the Note and by providing the Company with written notice of such election.

All securities issued in connection with the private placement will be subject to a four-month hold period from the date of issue under applicable Canadian securities laws, in addition to such other restrictions as may apply under applicable securities laws of jurisdictions outside Canada.

Stock Options

On April 5, 2024, 300,000 stock options were awarded to directors of the Company. The options have an exercise price of $0.46 per common share for a period of 5 years. One quarter of the options vest on each of the following dates: July 5, 2024, October 5, 2024, January 5, 2025, and April 5, 2025.

Warrant exercise

On May 3, 2024, the Company received proceeds of $81,777 following the exercise of 181,727 warrants.