



doseology

**Doseology Sciences Inc.**

Condensed Interim Consolidated Financial Statements  
For the three months ended September 30, 2022 and 2021  
(Unaudited - Expressed in Canadian dollars)

### **Notice of No Auditor Review**

In accordance with National Instrument 51-102, the Company discloses that the accompanying condensed interim financial statements have been prepared by and are the responsibility of the Company's management. They have been reviewed and approved by the Company's Audit Committee and the Board of Directors.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Canadian Professional Accountants of Canada.

## Doseology Sciences Inc.

### Condensed Interim Consolidated Statements of Financial Position

(Unaudited - expressed in Canadian dollars)

As at	Note	September 30, 2022 \$	June 30, 2022 \$
<b>Assets</b>			
Current assets			
Cash and cash equivalents	3	1,595,459	1,874,416
Accounts receivable	4	85,644	85,412
Prepaid expenses and deposits	5	939,051	1,002,292
Inventories	6	8,865	10,393
		<b>2,629,019</b>	<b>2,972,513</b>
Property and equipment	7	641,697	882,828
Intangible assets	8	13,586	13,964
<b>Total assets</b>		<b>3,284,302</b>	<b>3,869,305</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	9	95,241	125,410
Lease liability - current portion	10	70,740	93,460
		<b>165,981</b>	<b>218,870</b>
Lease liability - long term portion	10	446,237	652,639
<b>Total liabilities</b>		<b>612,218</b>	<b>871,509</b>
<b>Shareholders' Equity</b>			
Share capital	12	6,711,326	6,711,326
Reserves	13	298,342	283,980
Deficit		(4,337,584)	(3,997,510)
<b>Total shareholders' equity</b>		<b>2,672,084</b>	<b>2,997,796</b>
<b>Total liabilities and shareholders' equity</b>		<b>3,284,302</b>	<b>3,869,305</b>
<b>Nature of operations and going concern</b>	<b>1</b>		

Approved by the Board of Directors on November 23, 2022:

\_\_\_\_\_  
"Ralph Olson"

Director

\_\_\_\_\_  
"Scott Reeves"

Director

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

## Doseology Sciences Inc.

### Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three months ended September 30, 2022 and 2021

(Unaudited - expressed in Canadian dollars)

		For the three months ended September 30,	
	Note	2022 \$	2021 \$
<b>Income</b>			
Product sales		5,163	-
Cost of sales	6	(10,476)	-
		(5,313)	-
<b>Expenses</b>			
Marketing		51,634	32,781
Investor relations		1,855	-
Product development and other costs		-	26,543
Leasehold operating costs		2,825	18,029
Consulting fees		9,750	-
Management fees	11	33,047	24,000
Professional fees		14,794	26,537
Regulatory filings and listing fees		7,490	13,343
Office		19,589	11,406
Salaries and benefits		130,348	90,529
Share-based compensation	11,13	14,362	23,022
Depreciation and amortization	7, 8	28,291	30,772
		(313,985)	(296,962)
<b>Other income (expenses)</b>			
Interest and other income		2,405	3,415
Foreign exchange loss		(4,447)	-
Interest accretion	10	(18,734)	(17,132)
<b>Loss and comprehensive loss for the period</b>		<b>(340,074)</b>	<b>(310,679)</b>
<b>Loss per share - basic and diluted</b>		<b>(0.01)</b>	<b>(0.01)</b>
<b>Weighted average number of shares</b>			
<b>outstanding - basic and diluted</b>		<b>41,100,300</b>	<b>35,057,500</b>

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

## Doseology Sciences Inc.

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

For the three months ended September 30, 2022 and 2021

(Unaudited - expressed in Canadian dollars)

	Number of shares	Share capital \$	Reserves \$	Deficit \$	Total shareholders' equity \$
<b>Balance - June 30, 2021</b>	35,057,500	4,526,309	108,448	(2,058,189)	2,576,568
Share-based compensation	-	-	23,022	-	23,022
Loss for the year	-	-	-	(310,679)	(310,679)
<b>Balance - September 30, 2021</b>	35,057,500	4,526,309	131,470	(2,368,868)	2,288,911
<b>Balance - June 30, 2022</b>	41,100,300	6,711,326	283,980	(3,997,510)	2,997,796
Share-based compensation	-	-	14,362	-	14,362
Loss for the year	-	-	-	(340,074)	(340,074)
<b>Balance - September 30, 2022</b>	41,100,300	6,711,326	298,342	(4,337,584)	2,672,084

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

## Doseology Sciences Inc.

### Condensed Interim Consolidated Statements of Cash Flows

For the three months ended September 30, 2022 and 2021

(Unaudited - expressed in Canadian dollars)

	For the three months ended	
	September 30,	
	2022	2021
	\$	\$
<b>Operating activities</b>		
Loss for the year	(340,074)	(310,679)
Items not involving cash:		
Depreciation and amortization	28,291	30,772
Share-based compensation	14,362	23,022
Interest accretion	18,734	17,132
	(278,687)	(239,753)
Changes in non-cash working capital items		
Receivables	(232)	(9,542)
Prepaid expenses and deposits	63,241	(16,185)
Inventories	1,528	(10,172)
Accounts payable and accrued liabilities	(30,169)	(318,078)
Cash used in operating activities	(244,319)	(593,730)
<b>Investing activities</b>		
Acquisition of property and equipment	-	(1,663)
Cash used in investing activities	-	(1,663)
<b>Financing activities</b>		
Share issued costs	-	(1,471)
Payments from related parties	-	15,096
Repayment of lease liability	(34,638)	(24,000)
Cash provided by (used in) financing activities	(34,638)	(10,375)
<b>Increase (decrease) in cash during the year</b>	<b>(278,957)</b>	<b>(605,768)</b>
<b>Cash and cash equivalents - beginning of the year</b>	<b>1,874,416</b>	<b>3,733,524</b>
<b>Cash and cash equivalents - end of the year</b>	<b>1,595,459</b>	<b>3,127,756</b>

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

# Doseology Sciences Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended September 30, 2022 and 2021

(Unaudited - expressed in Canadian dollars)

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### 1. Nature of operations and going concern

Doseology Sciences Inc. (the “Company”), formerly known as Pcybin Therapeutic Inc., was incorporated on July 25, 2019 under the Business Corporations Act (British Columbia). The Company’s registered and records office is located at 406 – 460 Doyle Avenue, Kelowna, BC, V1Y 0C2. The Company’s primary business is to improve overall health with a focus on mental health through research, development and sale of its branded functional mushroom products. The common shares of the Company trade on the Canadian Securities Exchange under the symbol “MOOD”, on the Frankfurt Stock Exchange under the symbol “VU7”, and on the OTCQB Venture Market under the symbol “DOSEF”.

These condensed interim consolidated financial statements (“interim financial statements”) have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2022, the Company had an accumulated deficit of \$4,337,584 and working capital of \$2,463,038. In the course of developing its business, the Company will continue to incur losses. Management intends to finance its operations with equity financings. There is a risk that additional financing may not be available on a timely basis or on terms acceptable to the Company. These uncertainties may cast significant doubt regarding the Company’s ability to continue as a going concern.

These interim 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 interim financial statements. These adjustments could be material.

These interim financial statements were approved by the Board of Directors of the Company for issue on November 23, 2022.

### 2. Significant accounting policies

#### Basis of presentation and measurement

These interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and with interpretations of the International Financial Reporting Issues Committee (“IFRIC”) for the periods presented. These interim financial statements comply with International Accounting Standards 34, Interim Financial Reporting. These should be read in conjunction with the Company’s annual audited consolidated financial statements as at and for the year ended June 30, 2022 (“annual audited financial statements”). The accounting policies applied by the Company in these interim financial statements are the same as those applied in the Company’s annual audited financial statements, unless otherwise stated.

These interim financial statements have been prepared on a going concern basis, under the historical cost convention, except for certain financial instruments measured at fair value. In addition, these interim financial statements are prepared on an accrual basis, except for cash flow information. The interim financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

#### Principles of consolidation

These interim financial statements include the financial statements of the Company and entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial operating policies of an entity so as to obtain benefits from its activities.

The interim financial statements include the accounts of Doseology Sciences Inc. and its wholly owned subsidiary, Dose Labs Inc. (formerly Pendulm Craft Corp.), collectively referred to as the “Company”. The functional currency of the subsidiary is the Canadian dollar. Intercompany balances and transactions, and unrealized gains arising from intercompany transactions are eliminated in preparing these interim financial statements.

# Doseology Sciences Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended September 30, 2022 and 2021

(Unaudited - expressed in Canadian dollars)

### 2. Significant accounting policies (continued)

#### Principles of consolidation (continued)

Details of the company's subsidiary is as follows:

Entity	Country of Incorporation	Ownership Percentage
Dose Labs Inc.	Canada	100%

#### Critical Accounting Estimates, Judgements and Assumptions

The preparation of these interim financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The critical accounting estimates, judgements and assumptions applied in the preparation of these interim financial statements for the three months ended September 31, 2022 are consistent with those applied and disclosed in Note 2 of the Company's audited annual financial statements for the year ended June 30, 2022.

### 3. Cash and cash equivalents

	September 30, 2022 \$	June 30, 2022 \$
Cash at bank	175,459	1,874,416
Cash at bank earning variable interest at 3.00% per annum	200,000	
Cashable short-term GICs:		-
Earning fixed interest at 4.05% per annum	1,200,000	
Earning fixed interest at 2.00% per annum*	20,000	
	1,595,459	1,874,416

\* Held as security against a corporate credit card with a \$20,000 limit.

### 4. Accounts receivable

	September 30, 2022 \$	June 30, 2022 \$
Goods and services tax credits	78,573	74,271
Trade and other receivables	7,071	11,141
	85,644	85,412

### 5. Prepaid expenses and deposits

	September 30, 2022 \$	June 30, 2022 \$
Deposits on rent and utilities	5,420	5,420
Marketing and consulting	862,250	892,000
Insurance	24,674	35,864
Deposit on equipment	24,189	24,189
Retainers and others	22,518	44,819
	939,051	1,002,292



## Doseology Sciences Inc.

### Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended September 30, 2022 and 2021

(Unaudited - expressed in Canadian dollars)

#### 5. Inventories

	September 30, 2022 \$	June 30, 2022 \$
Finished products – Medicinal mushroom and tinctures	8,865	10,393

During the three months ended September 30, 2022, the Company recorded \$1,528 (September 30, 2021 - \$nil) to cost of sales for sold finished goods on its condensed interim consolidated statement of loss and comprehensive loss.

#### 7. Property and equipment

	Leasehold improvements	Furniture and equipment	Farm equipment	Computer equipment	Right of use assets	Total
<b>Cost</b>						
Balance - June 30, 2022	\$268,320	\$30,169	\$19,546	\$3,354	\$782,331	\$1,103,720
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Remeasurement (Note 10)	-	-	-	-	(213,218)	(213,218)
<b>Balance - September 30, 2022</b>	<b>\$268,320</b>	<b>\$30,169</b>	<b>\$19,546</b>	<b>\$3,354</b>	<b>\$569,113</b>	<b>\$890,502</b>
<b>Accumulated depreciation</b>						
Balance - June 30, 2022	(46,029)	(5,312)	(3,948)	(1,118)	(164,485)	(220,892)
Depreciation	(6,858)	(776)	(1,092)	(280)	(18,907)	(27,913)
Disposals	-	-	-	-	-	-
<b>Balance - September 30, 2022</b>	<b>(52,887)</b>	<b>(6,088)</b>	<b>(5,040)</b>	<b>(1,398)</b>	<b>(183,392)</b>	<b>(248,805)</b>
<b>Carrying amounts</b>						
Balance - June 30, 2022	\$222,291	\$24,857	\$15,598	\$2,236	\$617,846	\$882,828
<b>Balance - September 30, 2022</b>	<b>\$215,433</b>	<b>\$24,081</b>	<b>\$14,506</b>	<b>\$1,956</b>	<b>\$385,721</b>	<b>\$641,697</b>

#### 8. Intangible assets

	Cannabis	Trademark	Total
<b>Cost</b>			
Balance – June 30, 2022	\$59,000	\$26,277	\$85,277
Additions	-	-	-
<b>Balance – June 30, 2022</b>	<b>-</b>	<b>\$26,277</b>	<b>\$85,277</b>
<b>Accumulated amortization</b>			
Balance – June 30, 2022	(59,000)	(12,313)	(71,313)*
Amortization	-	(378)	(378)
<b>Balance – June 30, 2022</b>	<b>-</b>	<b>(12,691)</b>	<b>(71,691)</b>
<b>Carrying amounts</b>			
Balance – June 30, 2022	-	\$13,964	\$13,964
<b>Balance – September 30, 2022</b>	<b>-</b>	<b>\$13,586</b>	<b>\$13,586</b>

## Doseology Sciences Inc.

### Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended September 30, 2022 and 2021

(Unaudited - expressed in Canadian dollars)

#### 9. Accounts payable and accrued liabilities

	September 30, 2022 \$	June 30, 2022 \$
Accounts payable	57,395	90,739
Accrued liabilities	25,000	26,005
Due to related parties (Note 11)	12,846	8,666
	<u>95,241</u>	<u>125,410</u>

#### 10. Lease Liabilities

The Company has two lease liabilities with details noted below:

- a) One liability relates to the lease of a farm property which commenced on July 1, 2020 for an initial 5-year term expiring on June 30, 2025 with an option to renew for an additional 5 years. The lease liability had originally been calculated using an incremental borrowing rate of 10% per annum and assumes that the Company will exercise its renewal option.

The second liability relates to the lease of a commercial office property which commenced on September 1, 2021 for an initial 3-year term expiring on August 31, 2024 with an option to renew for an additional 5 years. The lease liability has been calculated using an incremental borrowing rate of 10% per annum.

	September 30, 2022 \$	June 30, 2022 \$
<b>Lease liabilities</b>		
Balance, beginning	746,099	687,544
Addition	-	103,085
Less: lease payments	(34,638)	(120,304)
Interest accretion	18,734	75,774
Remeasurement of lease liability*	(213,218)	
Balance, ending	516,977	746,099
Less: Lease liabilities, current portion	(70,760)	(93,460)
Lease liabilities, long-term portion	<u>446,237</u>	<u>652,639</u>

\* On July 1, 2022, the lease terms for the farm property were modified so that the lease payments continued on at \$8,000 per month rather than increasing to \$10,000 a month as of July 1, 2022 as originally planned. The Company utilizes the cost model for the measurement of its right of use lease liabilities and the lease liability was adjusted to reflect the remeasured liability based on the updated lease payment schedule and the Company's current incremental borrowing rate of 15% per annum. There was no change in management's assumption that it will exercise the renewal option in the lease.

The Company is committed to the minimum lease payments as follows:

	September 30, 2022 \$	June 30, 2022 \$
<b>Maturity analysis</b>		
Less than one year	140,473	163,882
One year to five years	426,257	653,487
More than five years	264,000	240,000
Total undiscounted lease liability	<u>830,730</u>	<u>1,057,639</u>

# Doseology Sciences Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended September 30, 2022 and 2021

(Unaudited - expressed in Canadian dollars)

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### 11. Transactions with related parties

Key management personnel include directors and officers who have the authority and responsibility for planning, directing, and controlling the activities of the Company. The compensation paid to these key management personnel for the three months ended September 30, 2022 and 2021 is as below:

	Three months ended	
	September 30, 2022	September 30, 2021
	\$	\$
Management fees	33,047	24,000
Professional fees	-	7,885
Listing expenses	-	11,048
Share-based compensation	11,113	15,474
	44,160	58,408

#### *Management fees*

During the three months ended September 30, 2022, the Company incurred \$19,578 (September 30, 2021 - \$nil) in management fees to Ralph Olson, a director and the CEO of the Company. In addition, during the three months ended September 30, 2022, the Company incurred \$13,469 (September 30, 2021 - \$nil) in management fees to a consulting firm where Peter Geh, the Company's CFO, is the owner. Included in accounts payable as at September 30, 2022 is \$6,579 and \$6,267 owing to Mr. Olson and Mr. Geh's firm respectively.

#### *Professional fees and listing expenses*

During the three months ended September 30, 2022, the Company incurred \$nil (September 30, 2021 - \$18,933) in professional fees and listing expenses to a law firm where Scott Reeves, a director of the Company, is a partner. No balance was outstanding as at September 30, 2022.

#### *Share-based compensation*

During the three months ended September 30, 2022, the Company incurred share-based compensation of \$11,113 (September 30, 2021 - \$15,474) to directors and officers.

### 12. Share capital

On April 27, 2021, the directors and shareholders of the Company approved the consolidation of its common shares on the basis of one (1) post-consolidation share for every two (2) pre-consolidation shares held. All references to shares and per share amounts have been retroactively restated to reflect the share consolidation.

As at September 30, 2022, the Company has 15,624,436 common shares in escrow. A total of 26,700,780 shares were escrowed due to the Company listing on the CSE.

#### **Authorized**

Unlimited number of voting common shares without par value.

#### **Shares issued for the three months period ended September 30, 2022**

There were no shares issued for the three months period ended September, 30, 2022.

## Doseology Sciences Inc.

### Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended September 30, 2022 and 2021

(Unaudited - expressed in Canadian dollars)

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#### 12. Share capital (continued)

##### *Shares issued for the year ended June 30, 2022*

On October 29, 2021, the Company obtained a receipt for its final non-offering, long form prospectus from the British Columbia Securities Commission. Concurrent with its prospectus filing, the Company also received approval from the Canadian Securities Exchange (the "CSE") to list the Company's common shares on the CSE. The approval resulted in the Company's previously issued 11,885,000 subscription receipts (aggregate gross proceeds of \$2,377,000) to be automatically converted, without further payment, into 5,942,500 units.

Each of the converted units consisted of one common share and one warrant exercisable into a common share at \$0.80 per share until March 26, 2023. The warrants were fair-valued at \$89,606 calculated using the Black Scholes Option Pricing Model with the following grant-date assumptions: grant date stock price \$0.10; expected life, 2 years; expected volatility, 110%; risk free rate, 0.2%; and expected dividends, 0%. The residual amount of \$2,287,394 was attributed to share capital. As part of the above noted Subscription Receipts conversion, share issuance costs of \$91,555 in cash were incurred and the Company issued 100,300 common shares valued at \$10,300 as finders' fees and 203,800 broker warrants valued at \$10,822.

#### 13. Reserves

Reserves includes the accumulated fair values of stock options recognized as share-based compensation and the fair value of warrants. Reserves is increased by the fair values of these items on vesting.

	Warrant reserve \$	Stock option reserve \$	Total \$
<b>Balance - June 30, 2021</b>	88,618	19,830	108,448
Fair value of share purchase warrants	89,606	-	89,606
Fair value of stock options	-	85,926	85,926
<b>Balance - June 30, 2022</b>	178,224	105,756	283,980
Fair value of share purchase warrants	-	-	-
Fair value of stock options	-	14,362	14,362
<b>Balance - September 30, 2022</b>	178,224	120,118	298,342

##### Stock options

On April 16, 2021, a total of 3,050,000 stock options were granted to directors, officers, and employees with an exercise price of \$0.40 per share and an expiry date of April 16, 2026. The fair value of the options granted was calculated using the Black-Scholes pricing model with the following assumptions: stock price of \$0.10, expected life of 3.5 years, expected volatility of 110%, dividend yield of 0% and risk-free interest rate of 0.61%. The Company estimated the volatility based on historical share prices of comparable companies.

In October 2021, the Company cancelled 100,000 stock options to a former officer and then subsequently re-issued 400,000 stock options to the same officer with an exercise price of \$0.40 per share, which vested immediately. The fair value of the options granted was calculated using the Black-Scholes pricing model with the following assumptions: stock price of \$0.10, expected life of 3.5 years, expected volatility of 110%, dividend yield of 0%, risk-free interest rate of 0.61%. The Company estimated the volatility based on historical share prices of comparable companies.

In January 2022, 450,000 and 50,000 stock options were forfeited by a former director and officer and a former consultant of the Company respectively. In addition, the Company granted 200,000 stock options with an exercise price of \$0.40 per share to the Company's CEO. On February 28, 2022, the 200,000 options issued were forfeited as a result of the CEO's departure from the Company.

## Doseology Sciences Inc.

### Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended September 30, 2022 and 2021

(Unaudited - expressed in Canadian dollars)

#### 13. Reserves (continued)

##### Stock options (continued)

On May 4, 2022, a total of 600,000 stock options were granted to directors, officers, and employees with an exercise price of \$0.10 per share and an expiry date of May 4, 2027. The fair value of the options granted was calculated using the Black-Scholes pricing model with the following assumptions: stock price of \$0.07, expected life of 3.5 years, expected volatility of 127%, dividend yield of 0% and risk-free interest rate of 2.90%. The Company estimated the volatility based on its own historical share prices and historical prices of a group of comparable companies.

In September 2022, 150,000 stock options were forfeited by a former employee of the Company.

During the three months period ended September 30, 2022, the Company recognized net share-based compensation of \$14,362 (September 30, 2021 - \$23,022). The gross share-based compensation of \$16,728 is offset against \$2,366 in reversed share-based compensation expense related to forfeited unvested options.

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price (\$)
Balance - June 30, 2021	3,050,000	-
Forfeited	(1,200,000)	0.40
Issued	1,200,000	0.25
Balance - June 30, 2022	3,050,000	0.34
Forfeited	-	-
Issued	-	-
<b>Balance - September 30, 2022</b>	<b>3,050,000</b>	<b>0.34</b>

As at September 30, 2022, the Company's outstanding stock options were as follows:

Number of options	Exercise price (\$ per share)	Expiry date	Weighted average remaining life (years)
150,000	0.40	December 15, 2022	0.21
2,300,000	0.40	April 14, 2026	3.54
600,000	0.10	May 4, 2027	4.59
<b>3,050,000</b>			<b>3.57</b>

As at September 30, 2022, 975,000 (September 30, 2021 – 475,000) stock options were fully vested and exercisable.

##### Warrants

Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price (\$)
Balance - June 30, 2021	10,390,220	0.49
Issued	5,942,500	0.80
Balance - June 30, 2022	16,332,720	0.60
Issued	-	-
<b>Balance - September 30, 2022</b>	<b>16,332,720</b>	<b>0.60</b>

## Doseology Sciences Inc.

### Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended September 30, 2022 and 2021

(Unaudited - expressed in Canadian dollars)

#### 13. Reserves (continued)

##### Warrants (continued)

As at September 30, 2022, the Company's outstanding warrants were as follows:

Number of warrants	Exercise price (\$ per share)	Expiry date	Weighted average remaining life (years)
5,000,000	0.16	June 1, 2025	2.67
30,000	0.80	March 31, 2023	0.50
173,800	0.80	March 26, 2023	0.48
4,686,420	0.80	February 8, 2023	0.36
500,000	0.80	December 22, 2022	0.23
5,942,500	0.80	November 1, 2023	1.09
<b>16,332,720</b>	<b>0.60</b>		<b>1.33</b>

#### 14. Financial instruments

##### Fair value

IFRS 13, *Fair Value Measurement*, establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. IFRS 13 prioritizes the inputs into three levels that may be used to measure fair value. The following table summarizes the carrying and fair value of the Company's financial instruments. The fair values of these financial instruments approximate their carrying values mostly because of their current nature.

	September 30, 2022 \$	June 30, 2022 \$
Cash *	1,595,459	1,874,416
Accounts receivable	85,644	85,412
Accounts payable and accrued liabilities	95,241	125,410
Lease liability	516,977	746,099

\* Cash is classified as fair value through profit and loss, all other financial instruments are classified as amortized cost. Interest income, interest expense, and gains and losses from financial assets and financial liabilities classified at amortized cost are recognized in the statement of loss and comprehensive loss.

##### Risks arising from financial instruments and risk management

###### a) Credit risk

Credit risk is the risk of loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

###### b) Foreign exchange risk

Foreign exchange risk arises from fluctuations in the future cash flows of a financial instrument because of changes in foreign exchange rates. The Company is not subject to significant foreign exchange rate risk as predominately all its transactions occur in Canadian dollars.

# Doseology Sciences Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended September 30, 2022 and 2021

(Unaudited - expressed in Canadian dollars)

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### 14. Financial instruments

#### Risks arising from financial instruments and risk management

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The observable impacts on the fair value and future cash flows of financial instruments that can be directly attributable to interest rate risk include changes in profit or loss from financial instruments whose cash flows are determined with reference to floating interest rates and potential changes in value of financial instruments whose cash flows are fixed in nature. The Company does not have any financial liabilities with floating interest rates but it does hold GIC investments. The GIC's are cashable and investment terms are 90 days or less to minimize cash flow and interest rate risk. Overall, the Company is exposed to minimal cash flow risk.

d) Liquidity and funding risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. As at September 30, 2022, the Company had a cash and cash equivalent balance of \$1,595,459 to settle the current liabilities of \$165,981 which are due on demand or within 1 year.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions.

### 15. Capital management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders (Note 1). The capital structure of the Company consists of equity comprising issued share capital, reserves, and deficit.

The Company manages its capital structure and adjusts it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other financing activities as deemed appropriate under specific circumstances.

The Company is not subject to externally imposed capital requirements and its overall strategy with respect to capital risk management remains unchanged for the year ended September 30, 2022.