GeneTether Therapeutics Inc.

Management's Discussion and Analysis

For the three months ended March 31, 2022

Date of Report: May 26, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("**MD&A**") of results of operations and financial conditions has been prepared as of May 26, 2022 for the three months ended March 31, 2022, and should be read in conjunction with the unaudited interim condensed consolidated financial statements of GeneTether Therapeutics Inc. ("**GeneTether**" or together with its wholly-owned subsidiary GeneTether Inc., the "**Company**", "**we**", "**our**", "**us**" and similar expressions) for the three months ended March 31, 2022 and 2021, and the annual audited consolidated financial statements and accompanying notes for the years ended December 31, 2021 and 2020 (the "**Annual Financial Statements**").

All financial information in this MD&A and the unaudited interim condensed consolidated financial statements of GeneTether were prepared in accordance with International Financial Reporting Standards ("**IFRS**") and all dollar amounts are expressed in United States dollars unless otherwise noted.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable securities laws in Canada. Forward-looking information may relate to our future outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects", "outlook", "prospects", "strategy", "intends", "believes", or variations (including negative and grammatical variations) of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will", "occur" or "be achieved". In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances.

Forward-looking information contained in this MD&A and other forward-looking information are based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct.

The forward-looking information in this MD&A represents our expectations as of the date of this report. The Company does not, and will not, have any policies to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada.

Forward-looking information in this MD&A includes, but is not limited to, information relating to:

- the potential application of our GeneTether™ platform to the treatment of rare, monogenic diseases of the kidney and skin and other potential uses, including for the treatment of genetic diseases in organs beyond the kidney and skin;
- the GeneTether™ platform's use in high fidelity engineering of cells and its potential ability to treat genetic diseases;
- the potential of the GeneTether™ platform to improve upon current gene editing methods and the expectation that the GeneTether™ platform has the potential to reach previously untreatable or under-treated patients and address new indications;
- the timing, progress, and anticipated results of experiments we or our research partners may carry out;
- our identified research priorities;

- the roles and responsibilities of the Company's research and development ("**R&D**") team;
- expectations concerning increases in R&D expenses as a result of seeking to advance product candidates into and through preclinical studies and clinical trials, the pursuit of regulatory approval of product candidates and the expansion of the Company's pipeline of product candidates;
- our ability to obtain funding for our operations, including funding necessary to complete further development of our GeneTether™ platform and product candidates;
- our plans to research, develop, and commercialize our product candidates;
- the success of competing therapies that are or may become available;
- the accuracy of our estimates regarding expenses, future revenue, capital requirements, and needs for additional financing;
- management forecasts, including with respect to working capital requirements over the ensuing 12 months; and
- the impact of laws and regulations and potential changes to laws and regulations.

We have based the forward-looking information largely on the Company's current expectations, estimates, assumptions, and projections about future events and financial and other trends that the Company believes, as of the date of such statements, may affect its business, financial condition and results of operations.

Such expectations, estimates, assumptions, and projections, many of which are beyond our control, include, but are not limited to: (i) the Company's ability to obtain positive results of preclinical and clinical studies; (ii) the Company's ability to obtain regulatory approvals; (iii) general business and economic conditions; (iv) the Company's ability to successfully out-license or sell its current product candidates and in-license and develop new product candidates; (v) the availability of financing on reasonable terms; (vi) the Company's ability to attract and retain skilled staff; (vii) market competition; (viii) the products and technology offered by the Company's competitors; and (ix) the Company's ability to protect patents and proprietary rights, including with respect to the GeneTether™ platform.

In evaluating forward-looking information, investors should specifically consider various factors, including risks related to the following:

- We have incurred operating losses since our inception and anticipate that we will incur significant continued losses for the foreseeable future. We will need to raise additional funding to advance our research and develop any product candidates through preclinical and clinical studies, and such funding may not be available on acceptable terms, or at all. Failure to obtain this necessary capital when needed may force us to delay, limit or terminate our product development efforts or other operations.

- We do not expect to generate positive cash flow from operations for the foreseeable future due to additional R&D expenses, including expenses related to drug discovery, preclinical testing, clinical trials, chemistry, manufacturing and controls, and operating expenses associated with supporting these activities. It is expected that negative cash flow from operations will continue until such time, if ever, that we receive regulatory approval to commercialize any of our products under development and/or royalty or milestone revenue from any such products should they exceed our expenses.

- Whether, and when, the Company can attain profitability and positive cash flows from operations is subject to material uncertainty. There is a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. The application of the going concern assumption is dependent upon the Company's ability to generate future profitable operations and obtain necessary financing to do so.

- We cannot give any assurance that we will create a pipeline of product candidates or that our product candidates will receive regulatory approval.

- If developed, our product candidates may cause serious adverse events or other undesirable side

effects that could delay their regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following market approval, if any.

- Failures or delays in the commencement or completion of, or ambiguous or negative results from, our ongoing or planned preclinical or clinical studies of our product candidates could result in increased costs to us and could delay, prevent, or limit our ability to continue our business.

- Many other entities are developing products to treat the same diseases for which we may develop GeneTether product candidates, which may result in extensive competition.

- We may depend on collaborations with third parties for the research, development, and commercialization of certain of our product candidates. If any such collaborations are not successful, we may not be able to realize the market potential of those product candidates.

- We expect to rely on third parties to conduct any preclinical or clinical studies for our product candidates, on third-party suppliers to manufacture our clinical supplies for our product candidates, and on single-source suppliers for some of the components and materials used in our product candidates. If these third parties do not successfully carry out their contractual or legal duties or meet expected deadlines, we may not receive regulatory approval and our business could be substantially harmed.

- Obtaining and maintaining patent protection depends on compliance with various procedural, document submission, fee payment, and other requirements imposed by governmental patent agencies, and our patent protection for licensed patents, licensed pending patent applications and potential future patent applications and patents could be reduced or eliminated for non-compliance with these requirements.

- Any claims or lawsuits relating to infringement of intellectual property rights brought by or against us will be costly and time consuming and may adversely affect our business, financial condition, and results of operations.

- Our executive officers, directors, principal shareholders, and their affiliates represent beneficial ownership, in the aggregate, of approximately 82% of our outstanding Common Shares and will, acting together, be able to exercise significant control over the Company, which will limit the ability of our other shareholders to influence corporate matters, could delay or prevent a change in corporate control, and may adversely affect the market price of our Common Shares.

This list of factors should not be construed as exhaustive. All subsequent forward-looking information attributable to our Company herein is expressly qualified in its entirety by the cautionary statements contained in or referred to herein.

COMPANY OVERVIEW

GeneTether is an innovative genetic medicines company focused on creating best-in-class gene editing therapies based on its proprietary GeneTether™ platform. GeneTether has a wholly-owned subsidiary, GeneTether Inc. ("**GT Inc.**"), which was incorporated in Delaware on February 12, 2018, with the initial capitalization occurring on March 30, 2018.

GeneTether was incorporated on October 13, 2021 and formed to acquire and hold all of the shares of common stock of GT Inc., resulting in GT Inc. becoming a wholly-owned subsidiary of GeneTether (the "**Reorganization**"). In connection with the Reorganization on November 30, 2021, the shareholders of GT Inc. exchanged all of their issued and outstanding shares of GT Inc.'s common stock for common shares of the Company (the "**Common Shares**") on a 37.32:1 basis with the same rights and privileges. Since the Reorganization was between entities under common control, and GeneTether had no assets, liabilities, equity or operations prior to the Reorganization, the Reorganization has been accounted for as a continuation of the activities of GT Inc. and as if the Reorganization had occurred on the earliest date presented.

The Company's registered and records office is located in Kelowna, British Columbia, Canada.

On March 29, 2022, the Company announced that it closed its initial public offering ("**IPO**") of units of the Company ("the "**Units**") and a concurrent private placement of Units (the "**Concurrent Private Placement**" and together with the IPO, the "**Offering**") resulting in the issuance of an aggregate of 7,500,000 Units at a price of C$0.60 per Unit for aggregate gross proceeds of C$4,500,000. The Common Shares commenced trading on the Canadian Securities Exchange under the symbol "GTTX" on March 30, 2022.

The Company is currently building a discovery pipeline focused on the treatment of rare, monogenic diseases of the kidney and the skin. The Company believes that its GeneTether™ platform may have broad applicability and we are exploring other potential uses, including for the treatment of genetic diseases in organs beyond the kidney and skin. The Company's GeneTether™ platform may also allow for high fidelity engineering of cells to permanently deliver the therapeutic proteins necessary to treat certain genetic diseases.

The Company's GeneTether™ platform has the potential to significantly improve upon current gene editing methods by actively positioning reparative DNA fragments, which are referred to as donor DNA templates, near the location of double strand breaks in a cell's DNA. These double strand breaks can be created by certain types of DNA-cutting tools, including CRISPR/Cas9. Donor DNA templates contain normal copies or fragments of the mutated, disease-causing genes of interest. By positioning a donor DNA template directly at the site of a double strand break, our GeneTether™ platform drives the DNA repair process towards homology-directed repair ("**HDR"**), a cellular repair mechanism that incorporates the genetic information of a DNA template, rather than the error-prone process of non-homologous end joining ("**NHEJ**"). We refer to this as "gene correction." HDR can only take place when a DNA template, either natural or externally delivered, is near the site of a strand break at the time the cell's repair process is initiated. When gene correction occurs in enough cells, the disease caused by the underlying genetic mutation can potentially be cured.

Utilizing HDR, donor DNA templates can also be used to integrate a functional piece of genetic information into genomic safe harbours when the direct correction of a mutated gene is not required for a curative effect. Genomic safe harbours are sites in the genome able to accommodate the integration of new genetic material in a manner that ensures that the newly inserted genetic elements function predictably and do not cause alterations of the host genome posing a risk to the host cell or organism. When functional genetic elements are integrated at safe harbours, we refer to this as "gene complementation." Gene complementation can be utilized in several ways, including the addition of genetic instructions for the production of proteins that alleviate or eliminate certain genetic and non-genetic "loss-of-function" diseases. As with gene correction, gene complementation may potentially result in a cure for these diseases.

Most current gene correction and complementation methods simply diffuse donor DNA templates into the cell along with the gene editing machinery required to locate and cut a particular site in a cell's genome. This method relies on the random chance that a donor DNA template will be in close enough proximity to the double strand break that the repair process takes place via HDR. The result is that the number of donor DNA templates incorporated into target cells' DNA via HDR is very low and the incidence of NHEJ is very high. By significantly increasing HDR and decreasing NHEJ, the Company believes that the GeneTether™ platform will not only allow development of safer and more efficacious gene correction and complementation therapies, but will also reduce the time and expense of their production and implementation. The result is a next-generation gene editing platform that has the potential to make therapeutic applications of gene correction and complementation viable across a large number of diseases and on a large scale.

While the Company is currently an early stage preclinical company and has not yet finalized a lead product candidate, based on the results of our proof-of-concept study in human cells described below, the Company believes that products incorporating our GeneTether platform have the potential to reach previously untreatable or under-treated patients and address new indications, thereby unlocking the full potential of gene editing therapies.

ACHIEVEMENTS & HIGHLIGHTS

The following are the achievements and highlights for the three months ending March 31, 2022 and through to the date hereof:

- On May 24, 2022, the United States Patent and Trademark Office ("**USPTO**") granted patent #11,339,385 entitled "Modified Nucleic Acid Editing Systems for Tethering Donor DNA" related to its GeneTether platform technology. The claims cover a composition of matter for tethering a donor DNA template to a fusion protein of a nuclease and the lac repressor DNA binding domain, in particular the donor DNA includes the lac operator sequence. The patent term is scheduled to expire on July 14, 2040.

- On May 11, 2022, a research paper co-authored by the Company's co-founder, Geoffrey Sargent, Ph.D. and titled "Seamless Gene Correction in the Human Cystic Fibrosis Transmembrane Conductance Regulator Locus by Vector Replacement and Vector Insertion Events," was published in the peer-reviewed journal "Frontiers in Genome Editing." This publication describes novel HDR products and the subsequent derivation of seamless gene correction of the W1282X CFTR mutation in human induced pluripotent stem cells.

- On March 29, 2022, the Company announced that it closed its Offering of Units at a price of C$0.60 per Unit for aggregate gross proceeds of C$4,500,000. Each Unit consists of one Common Share, and one Common Share purchase warrant ("**Warrant**"). Each Warrant entitles the holder to acquire an additional Common Share at an exercise price of C$0.72 until March 29, 2025. Including the compensation to the agent in connection with the Offering, the total estimated cash share issuance cost in connection with the Offering is approximately $590,000 (C$738,000).

- The Company continues to engage in collaboration discussions with multiple genetic medicines companies.

SELECTED FINANCIAL INFORMATION

	Three months ended March 31, 2022 $	Three months ended March 31, 2021 $
Research and development expenses	**114,449**	12,637
General and administrative expenses	**362,935**	245,694
Net Loss	**(479,662)**	(258,627)
Basic and diluted loss per share	**(0.01)**	(0.01)
Total Assets	**3,272,154**	768,959
Total Liabilities	**285,916**	4,230

From the date of GT Inc.'s inception on February 12, 2018 to the date of this MD&A, the Company has not earned any revenue and does not expect to generate revenues in the near future.

The increase in net loss for the three months ended March 31, 2022 compared to the same period in the prior year is primarily due to the Company's increased activity to advance the GeneTether ™ platform, and increased activity in general and administrative expenses related to its initial public listing in March 2022: including:

- Increase in research and development expenses mainly due to the addition of the Vice President, R&D and the chair of the Scientific Advisory Board in H2 2021, as well as the expansion of the patent portfolio.
- Increase in general and administrative expenses consisting of additional investor relations, filing, and listing fees associated with the Company being publicly-listed, following the Offering that was completed in March 2022.
- Increase in non-cash share-based compensation pertaining to stock options granted to directors, officers, and consultants in H2 2021, as the Company expanded its team with the expertise required in both research and development to further enhance its proprietary platform, as well as general and administrative expense to operate as a public company going forward.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2022

Research and Development ("R&D") Expenses

	Three months ended March 31, 2022 $	Three months ended March 31, 2021 $
Consulting fees	**48,411**	10,000
Patent and IP	**9,009**	2,523
Research supplies	**2,299**	-
Share-based compensation	**54,730**	-
Other research and development	**-**	114
	114,449	12,637

R&D expenses are comprised primarily of consulting fees, external contract costs, and patent fees.

Internal costs primarily consist of consulting fees paid to independent consultants in conducting activities for the Company's R&D programs. External costs include costs incurred under agreements with third-party CROs, contract manufacturing organizations and other third parties that conduct preclinical activities on our behalf and manufacture our product candidates, costs associated with acquiring technology and intellectual property licenses and other costs associated with our research and development programs, including laboratory materials and supplies.

Research and development expenses increased by $101,812 for the three months ended March 31, 2022, compared to the three months ended March 31, 2021. The increase is primarily a result of overall increased R&D activity due to the following:

- an increase of $38,411 in consulting fees and an increase of $54,730 in non-cash R&D share-based compensation due to the expansion of the Company's R&D team to support the further development of the GeneTether™ platform and initiating discovery for preclinical programs that incorporate our GeneTether™ platform; and
- an increase of $8,785 in R&D supplies and IP related costs as the Company continues to advance its GeneTether ™ platform and IP portfolio with the Notice of Allowance issued by the USPTO.

General and Administrative ("G&A") Expenses

	Three months ended March 31, 2022 $	Three months ended March 31, 2021 $
Consulting fees	**69,537**	16,825
Investor relations and filing fees	**39,746**	-
Legal and professional fees	**4,287**	10,777
Share-based compensation	**245,927**	215,039
Other general and administrative	**3,438**	3,053
	362,935	245,694

G&A expenses are comprised primarily of consulting, accounting, corporate legal and professional fees. G&A expenses increased by $117,241 for the three months ended March 31, 2022, compared the three months ended March 31, 2021. This increase is primarily due to:

- an increase of $52,712 in consulting fees with the expansion of the Company's executive team in H2 2021. In addition, the Company incurred non-cash G&A share-based compensation mainly in connection with the issuance of stock options to the Board of Directors, the CEO, the CFO, and shares to the interim consulting CEO, as well as vesting of the repurchase right provision on restricted shares issued to two members of the Board; and
- an increase of $39,746 in fees related to the Company's IPO that was completed in March 2022.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

	Q1 2022 $	Q4 2021 $	Q3 2021 $	Q2 2021 $	Q1 2021 $	Q4 2020 $	Q3 2020 $	Q2 2020 $
Expenses								
Research and development	114,449	199,984	113,922	78,325	12,637	50,595	-	-
General and administrative	362,935	360,627	319,126	306,618	245,694	8,584	-	2,613
Total operating expenses	477,384	560,611	433,048	384,943	258,331	59,179	-	2,613
Net loss	(479,662)	(560,975)	(433,058)	(384,950)	(258,627)	(59,179)	(693)	(2,778)
Net loss per share, basic and diluted	(0.01)	(0.01)	(0.43)	(0.40)	(0.01)	(0.00)	(0.00)	(0.00)

R&D expenses significantly increased in 2021 as the Company initiated research contracts with University of California, Davis and ZeClinics of Barcelona, Spain, expanded of the Company's R&D team with the addition of a Vice President of R&D in Q2 2021 to support the further development of the GeneTether™ platform and initiating discovery for preclinical programs that incorporate its GeneTether™ platform. In addition, beginning in Q4 2021, the Company incurred non-cash R&D share-based compensation in connection with the issuance of stock options to the Chief Scientific Officer, Vice President of R&D, as well as the Chairperson of the Company's Scientific Advisory Board.

G&A expenses significantly increased beginning in Q1 2021 primarily due to legal and professional fees and an increase in investor relations and filing fees in connection with the Company's Offering that was completed in Q1 2022, as well as the expansion of the Company's executive team with the addition of an interim CEO in Q1 2021, and the current CEO and CFO in Q4 2021. In addition, beginning in Q4 2021, the Company incurred non-cash G&A share-based compensation in connection with the issuance of stock options to the Board of Directors, the CEO, the CFO, as well as shares to the interim consulting CEO and for executive search services.

LIQUIDITY, CAPITAL RESOURCES AND FINANCING

The general objectives of our capital management strategy are to preserve our capacity to continue operating, provide benefits to our stakeholders and provide an adequate return on investment to our shareholders by continuing to make investments in our future that are commensurate with the level of operating risk we intend to assume. We determine the total amount of capital required consistent with risk levels. This capital structure is adjusted on a timely basis depending on changes in the economic environment and risks of the underlying assets. We are not subject to any externally imposed capital requirements.

The interim condensed consolidated financial statements and this MD&A have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will 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 interim condensed consolidated financial statements and this MD&A do not include any adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company currently does not earn any revenues and is therefore considered to be in the research and development stage. As required, the Company will continue to finance its operations through the sale of equity and will pursue non-dilutive funding sources that may be available to the Company in the future. The continuation of its research and development activities is dependent on its ability to successfully finance and complete its research and development programs through additional financings.

As at March 31, 2022, the Company had cash of $3,104,266 representing an increase of $2,924,432 from December 31, 2021. This increase is primarily due to approximately $3,000,000 net cash provided by the Offering completed in March 2022.

Management has forecast that the Company will have sufficient working capital to operate for the ensuing 12 months. While the Company has been successful in the past in obtaining financing, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that such financing, if obtained, will be on terms acceptable to the Company, to meet future operational needs which may result in the delay, reduction, or discontinuation of ongoing programs.

The following table presents a summary of the Company's cash flows for the three months ended March 31, 2022 and 2021:

	2022	2021
	$	$
Net cash provided by (used in):		
Operating activities	(81,308)	(40,088)
Investing activities	-	-
Financing activities	3,007,690	763,658
Effect of foreign exchange on cash	(1,950)	-
Net increase in cash	**2,924,432**	723,570

Cash Flows Used in Operating Activities

Cash flows used in operating activities for the three months ended March 31, 2022, were $81,308 compared to cash flows used in operating activities of $40,088 for the three months ended March 31, 2021. The Company's uses of cash for operating activities primarily consisted of consulting fees, supplies for new research contracts, as well as legal and professional fees.

Cash Flows from Financing Activities

On March 29, 2022, the Company completed the Offering and issued an aggregate of 7,500,000 Units at a price of C$0.60 per Unit for aggregate gross proceeds of approximately $3,597,000 (C$4,500,000). In addition, the Company paid a total cash share issuance cost of approximately $590,000 (C$738,000), resulting in net cash proceeds from the Offering of approximately $3,008,000 (C$3,762,000). See note 3 of the unaudited interim condensed consolidated financial statements for further details.

CONTRACTUAL OBLIGATIONS

The Company has no material contractual arrangements as at the date of this report.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Key management personnel compensation during the three months ended March 31, 2022, and 2021 consisted of the following:

	2022	2021
	$	$
Salaries and benefits	**-**	-
Share-based compensation	**251,048**	215,040
Other (consulting fees, fees paid to related parties)	**87,537**	12,500
Total	**338,585**	227,540

On March 29, 2022, two independent members of the Board and the CEO participated in the Offering, and acquired 5,883,824 Units at C$0.60 per Unit for a total of C$3,530,294, in aggregate. Each Unit consists of one Common Share, and one Warrant which is exercisable into one additional Common Share at an exercise price of C$0.72 until March 29, 2025.

Following the completion of the Company's IPO on March 29, 2022, in accordance with the terms of the Restricted Stock Purchase Agreement of one member of the Board of Directors, 1,382,976 restricted Common Shares, representing the total unvested restricted Common Shares for the one member of the Board of Directors as at that date, became fully vested, resulting in a non-cash share-based compensation expense of $98,744 for the accelerated vesting.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments are exposed to certain risks as summarized below.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from deposits with banks and outstanding receivables. The Company does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's exposure to liquidity risk is dependent on the Company's ability to raise additional financing to meet its commitments and sustain operations. The Company mitigates liquidity risk by management of working capital, cash flows and the issuance of share capital.

As at March 31, 2022, the Company does not have any material contractual maturities and the Company's liabilities consist of current accounts payable.

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 Company has no outstanding debt and is not exposed to interest rate risk.

Currency risk

Currency risk is the risk to that future cash flows of a financial instrument will fluctuate because of foreign exchange rates. The Company is exposed to currency risk from the consulting fees as well as the purchase of goods and services primarily in the United States and cash and cash equivalent balances held in foreign currencies. Fluctuations in the US dollar exchange rate could have a significant impact on the Company's results. Assuming all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would result in an immaterial increase or decrease in loss and comprehensive loss for the period ended March 31, 2022. Prior to January 1, 2022, the Company had minimal exposure to currency risk, as the Company operated primarily in the United States through its U.S. operating subsidiary, GT Inc., and held all cash in the US dollar, which was also the functional currency of GT Inc.

Balances in US dollars are as follows:

	March 31, 2022
	$
Cash	**951**
Accounts payable and accrued liabilities	**87,992**
Total	**88,943**

Fair values

The carrying values of cash, notes payable and trade and other payables approximate the fair values due to the short-term nature of these items. The risk of material change in fair value is not considered to be significant due to a relatively short-term nature. The Company does not use derivative financial instruments to manage this risk.

Financial instruments recorded at fair value on the interim condensed consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest-level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

- Level 1 – Unadjusted quoted prices as at the measurement date for identical assets or liabilities in active markets.

- Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

- Level 3 – Significant unobservable inputs that are supported by little or no market activity. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The significant accounting policies of the Company are described in notes 2 and 3 of the annual consolidated financial statements for the year ended December 31, 2021, available on SEDAR (www.sedar.com)

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates. Critical judgments in applying the Company's accounting policies are detailed in the annual consolidated financial statements, filed on SEDAR (www.sedar.com).

OUTSTANDING SHARE DATA

As at the date of this report, the Company has the following securities outstanding:

Common shares	47,783,672
Restricted common shares	1,382,976
Stock options	9,798,135
Warrants	8,144,720

For a detailed summary of the outstanding securities exercisable, or exchangeable for voting or equity securities of GeneTether as at March 31, 2022, refer to notes in the unaudited interim condensed consolidated financial statements of the Company for the three months ended March 31, 2022.

Additional information relating to the Company, including the Company's final prospectus dated March 21, 2022 ("**Final Prospectus**"), is available under the Company's profile on SEDAR at www.sedar.com.

RISKS AND UNCERTAINTIES

An investment in the Common Shares of GeneTether involves a high degree of risk and should be considered speculative. An investment in the Common Shares should only be undertaken by those persons who can afford the total loss of their investment. Investors should carefully consider the risks and uncertainties set forth under the heading "Risk Factors" found in the Final Prospectus, a copy of which is available under the Company's profile on the SEDAR website at www.sedar.com, as well as other information described elsewhere in this MD&A. Additional risks and uncertainties not presently known to us or that we believe to be immaterial may also adversely affect our business. If any such risks occur, our business, financial condition and results of operations could be seriously harmed and you could lose all or part of your investment. Further, if we fail to meet the expectations of the public market in any given period, the market price of our Common Shares could decline. We operate in a highly competitive environment that involves significant risks and uncertainties, some of which are outside of our control.

SUBSEQUENT EVENTS

On May 11, 2022, a research paper co-authored by the Company's co-founder, Geoffrey Sargent, Ph.D. and titled "Seamless Gene Correction in the Human Cystic Fibrosis Transmembrane Conductance Regulator Locus by Vector Replacement and Vector Insertion Events," was published in the peer-reviewed journal "Frontiers in Genome Editing." This publication describes novel HDR products and the subsequent derivation of seamless gene correction of the W1282X CFTR mutation in human induced pluripotent stem cells.

On May 24, 2022, the United States Patent and Trademark Office (“USPTO”) granted patent #11,339,385 entitled “Modified Nucleic Acid Editing Systems for Tethering Donor DNA” related to its GeneTether platform technology. The claims cover a composition of matter for tethering a donor DNA template to a fusion protein of a nuclease and the lac repressor DNA binding domain, in particular the donor DNA includes the lac operator sequence. The patent term is scheduled to expire on July 14, 2040.