GeneTether Therapeutics Inc.

Management's Discussion and Analysis

For the Year Ended December 31, 2023

Date of Report: March 28, 2024

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 March 28, 2024, and should be read in conjunction with the audited 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 years ended December 31, 2023 and 2022.

All financial information in this MD&A and audited 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 of the GeneTether^{TM} platform to improve upon current gene editing methods;
- our identified research priorities;
- expectations concerning research and development ("**R&D**") expenses
- our plans to seek a strategic alternatives focused on maximizing shareholder value;
- 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 regulatory approvals; (ii) general business and economic conditions; (iii) the Company's ability to successfully source a strategic asset or partner; (iv) the availability of financing on reasonable terms; (v) the Company's ability to attract and retain skilled staff; (vi) market competition; (vii) the products and technology offered by the Company's competitors; and (viii) 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 facts:

- 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 R&D efforts, 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 77.5% 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 has historically been an innovative genetic medicines company focused on creating best-in-class gene editing therapies. 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. The Company's registered and records office is located at 301-166 Ellis Street, 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.

On February 8, 2023, the Company announced that, following a comprehensive review of its business in the context of ongoing weakness in the global capital markets, including the status of its programs and available resources, the Company intends to significantly reduce the development of its GeneTether™ platform technology and conduct a review of strategic alternatives focused on maximizing shareholder value. A special committee of the Board of Directors was formed to lead this initiative.

On October 20, 2023, The Company announced, as part of its shareholder update, that it has reviewed and conducted due diligence on a significant number of assets that could potentially be advanced with its current resources. While the Company has not yet identified a candidate that meets its requirements for an acquisition, it continues its diligent pursuit of an asset or assets while maintaining a minimal burn rate, the vast majority of which is made up of insurance premiums.

CORPORATE UPDATES

The following represents our corporate update for the year ended December 31, 2023, and through to the date hereof:

- In October 2023, the Company appointed Dale Matheson Carr-Labonte LLP as its auditor for the year-ended December 31, 2023. The Company's decision to change its auditors was based primarily on its desire to have a Canadian-based public audit firm and not on any dispute or disagreement with its prior auditors. Further, the Company provided an update on its strategic plan to identify alternative assets, as well as announced its agreement with the Chief Scientific Officer to acquire 10,421,974 shares from him for no consideration and cancel all of his stock options.

- In May 2023, the Company announced the engagement of Mr. Gad Berdugo, Managing Partner of Explorium Capital LLC, as an advisor to explore strategic alternatives for its GeneTether™ platform technology. Mr. Berdugo, who served as the former Chief Business Officer of gene editing pioneer, Editas Medicine, Inc., brings more than 25 years of biotech corporate development, business development, strategy, and financial experience.

- In March 2023, the Company announced the results of a series of experiments conducted by a highly specialized contract research organization ("**CRO**") that confirmed the efficacy of our GeneTether technology in binding LacI-Cas9 fusion proteins to template DNA. This validation specifically highlights the high level of template binding efficiency of our GeneTether™ platform. Further, cell-based experiments, conducted internally as well as by third parties, confirmed that a GeneTether LacI-Cas9 fusion protein retains the ability to recognize and cut DNA when compared to unmodified Cas9. These studies were performed using several cell types and gene targets.

- In February 2023, the Company announced the decision to scale back development of the GeneTether™ platform technology and explore strategic alternatives that will optimize shareholder value. This decision was mainly driven by the current state of the global capital markets, which are experiencing persistent weakness.

SELECTED FINANCIAL INFORMATION

	2023	2022	2021
	$	$	$
Research and development expenses	**196,212**	532,839	404,868
General and administrative expenses	**551,065**	1,184,395	1,232,065
Net Loss	**(688,359)**	(1,715,252)	(1,637,610)
Basic and diluted loss per share	**(0.01)**	(0.04)	(0.05)
Total Assets	**1,410,849**	1,944,123	370,448
Total Liabilities	**38,593**	87,419	213,223

From the date of GeneTether'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 decrease in net loss of approximately $1,027,000 for the year ended December 31, 2023 compared to prior year is primarily due to the following:

- Decrease in research and development cash expenses of approximately $249,000 following the Company announcement in February 2023 to scale back development of the GeneTether™ platform technology and explore strategic alternatives that will optimize shareholder value;
- Decrease in general and administrative cash expenses primarily due to reduction in consulting fees of approximately $182,000 with the reduction in Board, CEO and CFO fees, as well as reduction of approximately $90,000 in investor relations fees to preserve cash; and
- Decrease in non-cash stock-based compensation of approximately $440,000 due to the graded-vesting nature of stock options accounted for under IFRS.

RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2023

Research and Development ("R&D") Expenses

	2023	2022
	$	$
Consulting fees	**76,311**	225,938
Patent and IP	**10,660**	25,347
Research contracts and laboratory expenses	**27,810**	79,777
Laboratory rent and insurance	**16,000**	27,272
Share-based compensation	**64,504**	152,383
Other R&D	**927**	22,122
	196,212	532,839

R&D expenses are comprised primarily of consulting fees, non-cash stock-based compensation, 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 may 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.

R&D expenses of $196,212 were incurred in the year ended December 31, 2023, compared to $532,839 incurred in the year ended December 31, 2022.

Excluding share-based compensation expense of $64,504 for the year ended December 31, 2023 (2022 - $152,383), R&D expenses decreased by $248,748. The decrease is primarily a result of overall decreased R&D activity due to the following:

- a decrease of $149,627 in consulting fees, primarily due to the reduction in CSO; and
- a decrease of $77,926 in patent and IP expenses, laboratory supplies and rent following the Company announcement in February 2023 that it would scale back development of the GeneTether™ platform technology and explore strategic alternatives that will optimize shareholder value.

General and Administrative ("G&A") Expenses

	2023	2022
	$	$
Consulting fees	**127,977**	309,584
Investor relations and filing fees	**39,667**	129,207
Legal and professional fees	**54,319**	55,260
Share-based compensation	**113,363**	465,915
Insurance and other G&A	**215,739**	224,429
	551,065	1,184,395

G&A expenses are comprised primarily of consulting, accounting, corporate legal and professional fees. G&A expenses decreased by $633,330 for the year ended December 31, 2023, compared the year ended December 31, 2022.

Excluding non-cash stock-based compensation expense of $113,363 for the year ended December 31, 2023 (2022 – $465,915), G&A expenses decreased by $280,777 primarily due to:

- a decrease of $181,607 in consulting fees with the reduction in Board, CEO and CFO fees to preserve cash
- a decrease of $90,481 in investor relations and legal fees, consistent with the Company's decision to preserve cash and overall decrease in the Company's activities
- a decrease of approximately $8,690 in director and officer's insurance due to a lower premium upon renewal in March 2023

SUMMARY OF QUARTERLY FINANCIAL RESULTS

	Q4 2023 $	Q3 2023 $	Q2 2023 $	Q1 2023 $	Q4 2022 $	Q3 2022 $	Q2 2022 $	Q1 2022 $
Expenses								
Research and development	155,912	10,976	14,935	14,389	155,297	134,287	128,806	114,449
General and administrative	183,315	32,233	138,164	197,353	227,523	266,068	327,869	362,935
Total operating expenses	339,227	43,209	153,099	211,742	382,820	400,355	456,675	477,384
Net loss	(316,220)	(27,580)	(140,221)	(204,338)	(377,472)	(401,492)	(456,626)	(479,662)
Net loss per share, basic and diluted	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)

Beginning Q1 2023, R&D expenses decreased significantly mainly due the Company decision to scale back development of the GeneTether™ platform technology and explore strategic alternatives that will optimize shareholder value. Excluding approximately $141,000 of non-cash stock-based compensation expense recognized due to the cancellation of unvested stock-options to two consultants of the Company, Q4 2023 R&D expenses were $13,977.

Beginning Q1 2022, G&A expenses were significantly higher due to legal and professional fees and investor relations and filing fees in connection with the Company's Offering that was completed in Q1 2022, including incurring director and officers' liability insurance beginning in Q2 2022. A significant portion of G&A expenses is comprised of non-cash shared-based compensation expense. Beginning Q3 2022, overall G&A expenses began to decrease due to the Company's disciplined cash preservation approach given the state of the global capital markets, including reduction in Director and Officer fees beginning in Q1 2023. Excluding non-cash stock-based compensation expense related to vesting of outstanding stock options and cancellation of the CEO's unvested stock options, Q3 and Q4 2023 G&A expenses were $88,414 and $80,761, respectively.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED DECEMBER 31, 2023

Research and Development ("R&D") Expenses

	2023	2022
	$	$
Consulting fees	**9,000**	58,506
Patent and IP	**3,684**	2,507
Research contracts and laboratory expenses	**1,293**	38,351
Laboratory rent and insurance	**-**	15,936
Share-based compensation	**141,935**	24,716
Other R&D	**-**	15,281
	155,912	155,297

R&D expenses increased by $615 for the three months ended December 31, 2023, compared to the three months ended December 31, 2022. Excluding non-cash share-based compensation expense, R&D expenses decreased by $116,604 or 89%.

The significant decrease in R&D cash expense is primarily due to the Company decision to scale back development of the GeneTether™ platform technology and explore strategic alternatives that will optimize shareholder value.

General and Administrative ("G&A") Expenses

	2023	2022
	$	$
Consulting fees	**13,937**	53,107
Investor relations and filing fees	**3,251**	31,142
Legal and professional fees	**15,932**	25,837
Share-based compensation	**102,554**	49,654
Insurance and other G&A	**47,641**	67,783
	183,315	227,523

G&A expenses decreased by $44,208 for the three months ended December 31, 2023, compared the three months ended December 31, 2022. Excluding non-cash share-based compensation expense, G&A expenses decreased by $97,108 or 55%.

The significant decrease in G&A cash expense is primarily due to decreases in:

- $39,170 in consulting fees due to an agreed-upon reduction of the Company's current CEO fees
- $37,796 in investor relations, legal and professional fees due to non-recurrent legal and professional fees incurred in 2022 as part of the Company's IPO completed in March 2022.
- $20,142 in director and officer's insurance due to a lower premium upon renewal in March 2023.

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 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 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.

We currently do not earn any revenues and are 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 our research and development activities is dependent on our ability to successfully finance and complete our research and development programs through an equity financing.

As at December 31, 2023, the Company had cash of $1,363,577 representing a decrease of $432,053 from December 31, 2022, due to our ongoing operating expenses.

Management has forecasted 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 years ended December 31, 2023 and 2022:

	2023 **$**	2022 $
Net cash provided by (used in):		
Operating activities	(464,857)	(1,117,779)
Investing activities	-	-
Financing activities	-	2,997,351
Effect of foreign exchange on cash	32,804	(203,776)
Net increase (decrease) in cash	(432,053)	1,615,796

Cash Flows Used in Operating Activities

Cash flows used in operating activities for the year ended December 31, 2023, were $464,857 compared to cash flows used in operating activities of $1,117,779 for the year ended December 31, 2022. The Company's uses of cash for operating activities primarily consisted of consulting fees, laboratory rent and supplies, 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 $600,000 (C$751,000),

resulting in net cash proceeds from the Offering of approximately $2,997,000 (C$3,749,000). See note 4 of the audited consolidated financial statements for further details.

Effect of foreign exchange on cash

Changes in effect of foreign exchange on cash relate to non-cash translation adjustments that arise from fluctuations in foreign exchange rates as a result of translating the Company's Canadian dollar functional currency to the Company's U.S. dollar presentation currency; these differences are unrealized gains and losses and are recorded in other comprehensive income/loss. Holding non-functional currency balances, such as US dollars, will continue to result in the recording of unrealized foreign exchange gains and losses.

CONTRACTUAL OBLIGATIONS

We have 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 years ended December 31, 2023, and 2022 consisted of the following:

	2023	2022
	$	$
Share-based compensation	**118,299**	480,280
Other (consulting fees, fees paid to related parties)	**155,158**	380,096
Total	**273,457**	860,376

At December 31, 2023, $7,013 (2022 - $23,796) was payable to directors and officers of the Company and is included in trade and other payables.

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 common share purchase warrant which is exercisable into one 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.

In September 2023, pursuant to an amendment to his option grant agreement, 1,051,249 stock options of the Company's Chief Executive Officer were cancelled. In October 2023, pursuant to an amendment to his option grant agreement, 298,586 stock options of the Company's Chief Scientific Officer were cancelled, and 10,421,974 shares acquired by the Company for no consideration and returned to treasury.

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. The Company may have credit risk related to its cash and cash equivalents. The Company manages credit risk associated with its cash and cash equivalents by maintaining its cash balance in a highly rated Canadian financial institution. The Company has not experienced any losses associated with credit risk. Credit risk is low.

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. Liquidity risk is moderate.

As at December 31, 2023, the Company does not have any material contractual maturities and the Company's liabilities consist of current accounts payable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk to the Company's earnings that arises from fluctuations 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 approximately $133,000 increase or decrease in loss and comprehensive loss for the year ended December 31, 2023. 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.

The U.S. dollar equivalent of Canadian dollar denominated items are as follows:

	December 31, 2023	December 31, 2022
	$	$
Cash	1,336,438	1,767,935
Trade and other payables	(7,607)	(17,584)
Total	**1,332,831**	**1,750,351**

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 was not exposed to exposed to interest rate risk as at December 31, 2023.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company was not exposed to other price risks as at December 31, December 31, 2023.

Managing Capital

The Company's objectives, when managing capital, are to safeguard cash as well as maintain financial liquidity and flexibility in order to preserve our ability to meet financial obligations and deploy capital to grow our business.

The Company's financial strategy is designed to maintain a flexible capital structure consistent with the objectives stated above and to respond to business growth opportunities and changes in economic conditions. In order to maintain or adjust the Company's capital structure, the Company may issue shares or issue debt (secured, unsecured, convertible and/or other types of available debt instruments).

There were no changes to the Company's capital management policy during the year. The Company is not subject to any externally imposed capital requirements.

Fair values

The carrying values of cash, trade and other payables and notes payable 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 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.

Cash is measured using Level 1 inputs.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The material accounting policy information of the Company is described in notes 2 and 3 of the annual consolidated financial statements, 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	38,744,674
Stock options	7,563,902
Warrants	8,144,720

For a detailed summary of the outstanding securities convertible into, exercisable, or exchangeable for voting or equity securities of GeneTether as at December 31, 2023, refer to notes in the audited 2023 annual consolidated financial statements of the Company.

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.sedarplus.ca.

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.sedarplus.ca, 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.