FENDX TECHNOLOGIES INC.

(the "**Company**" or the "**Issuer**")

Form 2A
LISTING STATEMENT
March 15, 2023

Notice to Reader

This Listing Statement contains the Company's Final Long Form Prospectus dated January 31, 2023 (the "**Prospectus**"). Certain sections of the Canadian Securities Exchange ("**CSE**") form of Listing Statement have been included following the Prospectus to provide additional disclosure on the Company, as required by the CSE. Capitalized terms not otherwise defined herein have the meaning ascribed thereto in the Prospectus.

TABLE OF CONCORDANCE

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SCHEDULE "A" – Long Form Prospectus

SCHEDULE "B" – Form 2A, Section 14 – Capitalization Tables

SCHEDULE “A”

Long Form Prospectus

Please see attached.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This Prospectus does not constitute a public offering of securities.

FINAL PROSPECTUS

New Issue **January 31, 2023**

FendX Technologies Inc.

Qualifies for Distribution 13,138,000 Subscription Receipt Units consisting of 13,138,000 Subscription Receipt Shares and 6,569,000 Subscription Receipt Warrants of the Company upon the Conversion of Subscription Receipts

This long form prospectus (this "**Prospectus**") of FendX Technologies Inc. (the "**Company**", "**FendX**", "**us**" or "**we**") is being filed with the Ontario Securities Commission (the "**OSC**"), as principal regulator, and with the securities regulatory authorities in the Provinces of British Columbia, Alberta, and Manitoba (together with Ontario, the "**Qualifying Jurisdictions**") to enable the Company to become a reporting issuer pursuant to applicable securities legislation in the Qualifying Jurisdictions. Upon the final receipt of this Prospectus, the Company will become a reporting issuer in the Qualifying Jurisdictions.

This Prospectus qualifies for distribution (the "**Subscription Receipt Distribution**") 13,138,000 Subscription Receipt Units (the "**Subscription Receipt Units**") consisting of 13,138,000 common shares of the Company (the "**Subscription Receipt Shares**") and 6,569,000 share purchase warrants (the "**Subscription Receipt Warrants**") issuable upon conversion of 13,138,000 Subscription Receipts issued to subscribers at a price of $0.30 per Subscription Receipt as part of an offering of an aggregate of 13,338,000 Subscription Receipts on a non-brokered private placement basis completed on April 28, 2022 (the "**Subscription Receipt Private Placement**") pursuant to prospectus exemptions under applicable securities legislation.

Each Subscription Receipt Warrant will entitle the holder to purchase an additional Common Share (each, a "**Subscription Receipt Warrant Share**") at an exercise price of $0.50 per share for a period of two years following the date of the satisfaction of the Escrow Release Condition (as defined herein), subject to an acceleration right, as further described in this Prospectus. See "*Plan of Distribution – Subscription Receipt Private Placement*". This Prospectus also qualifies for distribution of the Subscription Receipt Warrant Shares issuable upon exercise of the Subscription Receipt Warrants.

The Prospectus also qualifies for distribution: (i) 609,680 common shares (the "**Subscription Receipt Broker Shares**") issuable to registrants on the date of the satisfaction of the Escrow Release Condition in connection with the Subscription Receipt Private Placement; and (ii) 985,520 common shares (the "**Subscription Receipt Broker Warrant Shares**") issuable upon the exercise of 985,520 subscription receipt broker's warrants (the "**Subscription Receipt Broker Warrants**") issuable to registrants on the date of the satisfaction of the Escrow Release Condition in connection with the Subscription Receipt Private Placement. This Prospectus also qualifies for distribution the Subscription Receipt Broker Warrants.

On the date of the satisfaction of the Escrow Release Condition in connection with the Subscription Receipt Private Placement, the Company will pay a cash commission to registrants in the aggregate amount $112,752 and will issue 609,680 Subscription Receipt Broker Shares to the registrants. The Company will also issue an aggregate of 985,520

Subscription Receipt Broker Warrants to registrants in connection with the Subscription Receipt Private Placement. See "*Plan of Distribution – Subscription Receipt Private Placement*" for more information on the Subscription Receipt Private Placement.

	Price	Proceeds to the Company
Per Subscription Receipt	$0.30	$0.29
Total	$4,001,400	$3,888,648

Each Subscription Receipt Broker Warrant entitles the holder thereof to purchase one Subscription Receipt Broker Warrant Share at a price of $0.30 per Subscription Receipt Broker Warrant Share at any time from the date of the satisfaction of the Escrow Release Condition until the date that is two years following the date of issuance.

13,138,000 of the Subscription Receipt Units, 13,138,000 of the Subscription Receipt Shares, 6,569,000 of the Subscription Receipt Warrants, the Subscription Receipt Warrant Shares, the Subscription Receipt Broker Shares, the Subscription Receipt Broker Warrants and the Subscription Receipt Broker Warrant Shares are collectively referred to herein as the "**Qualified Securities**".

None of the Qualified Securities are available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the distribution of the Qualified Securities. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Company from its general corporate funds.

There is no market through which the securities of the Company may be sold and holders of the Company's securities may not be able to resell any such securities. This may affect the pricing of the Company's securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "*Risk Factors*."

The Company has applied to list its Common Shares (and following the Listing, the "**Listed Securities**") for trading on the Canadian Securities Exchange (the "**Exchange**" or the "**CSE**"). The CSE has conditionally approved the listing of the Listed Securities. Neither the listing nor the intended timing of the listing can be guaranteed. The listing of the Listed Securities will be subject to the Company fulfilling all of the listing requirements of the Exchange, which cannot be guaranteed.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

An investment in the securities of the Company is subject to a number of risks. Investors should carefully consider the risk factors described under the heading "*Risk Factors*" before purchasing any securities of the Company.

No underwriters or selling agents have been involved in the preparation of this Prospectus or performed any review or independent due diligence of its contents.

No person has been authorized to provide any information or to make any representation not contained in this Prospectus and, if provided or made, such information or representation should not be relied upon. The information contained in this Prospectus is accurate only as of the date of this Prospectus.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities.

The Company's head office is located at 2010 Winston Park Dr., 2nd Floor, Oakville, ON L6H 5R7, and its registered and records office is located at 800 – 885 West Georgia Street, Vancouver, British Columbia V6C 3H1.

Investors are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or that resides outside of Canada, even if the party has appointed an agent for service of process in Canada. See "*Enforcement of Judgments Against Foreign Persons*".

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ABOUT THIS PROSPECTUS

No person has been authorized to provide any information or to make any representation not contained in this Prospectus, and, if provided or made, such information or representation should not be relied upon. You should assume that the information contained in this Prospectus is accurate only as of the date of this Prospectus. In the event that a material change occurs before the completion of the listing of the Common Shares on the CSE, the Company will file an amendment to this Prospectus as soon as practicable. No securities are being offered pursuant to this Prospectus.

The Company presents its financial statements in Canadian dollars. Amounts in this Prospectus are stated in Canadian dollars unless otherwise indicated.

MEANING OF CERTAIN REFERENCES

Certain terms used in this Prospectus have the meanings ascribed to them in the "*Glossary*", unless the context indicates or requires otherwise. All references to "**FendX**" the "**Company**", "**we**", "**us**" and "**our**" mean FendX Technologies Inc.

FORWARD-LOOKING INFORMATION

This Prospectus contains "forward-looking information" within the meaning of applicable securities laws in Canada. Forward-looking information may relate to our future financial outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, budgets, product development, 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" or "does not expect", "is expected", "an opportunity exists", "budget", "scheduled", "estimates", "outlook", "forecasts", "projection", "prospects", "strategy", "intends", "anticipates", "does not anticipate", "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will", "will be taken", "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 may be found, among other places, under "*Prospectus Summary*", "*Description of the Business*", "*Industry Trends and Market*", "*Management's Discussion and Analysis*", "*Use of Available Funds*", *"Plan of Distribution"*, "*Description of Share Capital*", "*Dividends or Distributions*", "*Principal Shareholders*", "*Consolidated Capitalization*", "*Directors and Executive Officers*", "*Executive Compensation*", and "*Risk Factors*".

This forward-looking information includes, among other things, statements relating to:

- expectations regarding industry trends, overall market growth rates and our growth rates and growth strategies;
- the use of available funds;
- the performance of the Company's business and operations;
- our expectations regarding revenues, expenses and anticipated cash needs;
- the intention to grow our business and operations;
- the expected timing and completion of our near-term objectives;
- laws and regulations and any amendments thereto applicable to us;
- our competitive advantages and business strategies;

- our future product offerings;
- our research and development initiatives and expected results thereof;
- our ability to enter into distribution, manufacturing and other business relationships;
- our plans with respect to the payment of dividends; and
- the market price for the Common Shares.

The forward-looking information in this Prospectus is 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. In providing forward-looking information, we have made certain assumptions in respect of our ability to build our market share; the performance of the Company's business and operations; our ability to retain key personnel; our ability to maintain and expand geographic scope; our ability to execute on our expansion plans; our ability to continue investing in our product candidates to support our growth; our ability to obtain and maintain existing financing on acceptable terms; currency exchange and interest rates; the impact of competition; the changes and trends in our industry or the global economy; the size of the target markets for our product candidates; our ability to maintain, expand and protect our intellectual property; and the changes in laws, rules, regulations, and global standards.

The forward-looking information in this Prospectus is subject to known and unknown risks and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied, including but not limited to the risks described below and the additional risks factors described under the heading "*Risk Factors*":

Risks Related to Our Business and the Development of Our Product Candidates

- product candidates only being in formulation/reformulation stages;
- limited operating history, no revenues and uncertainty around additional financing;
- negative cash flow history;
- no production history and lack of revenues from sales;
- no history of manufacturing or distribution;
- highly competitive industry;
- satisfying the terms of the License Agreement and Collaborative Research Agreement and maintaining the License in good standing;
- inability of the Licensor (as defined herein) to satisfy the terms under the License Agreement and Collaborative Research Agreement
- completion of scale-up and development of a commercial product;
- research and development activities;
- reliance on grant funding;
- limited number of products;
- dependence on collaborative partners, licensors and others;
- changes and restrictions due to legal and regulatory requirements;
- dependence on each product's acceptance in the market;
- possibility of smaller market opportunities than anticipated;
- increasing regulatory and compliance costs for public companies;
- global economic instability;

- product liability claims and lawsuits; and
- system failures.

Risks Related to Management and Personnel

- reliance on management and loss of key employees or inability to hire key personnel;
- limited experience of senior management in managing a public company;
- fraudulent or illegal activity by employees, contractors and consultants;
- inability to effect service of process on some of our directors and officers;
- management's efforts and abilities; and
- potential conflicts of interest.

Risks Related to Intellectual Property

- inability to protect intellectual property rights;
- inability to secure patents; and
- infringement on proprietary rights of third parties.

Risks Related to Ownership of Our Common Shares

- risks related to forward-looking information;
- volatility of the market price of our Common Shares;
- potential dilution of the Common Shares;
- lack of an active, liquid and orderly trading market for the Common Shares;
- failure of securities or industry analysts to publish research or publish inaccurate or unfavourable research about the Company; and
- inability or unwillingness to pay dividends.

Risks Related to Exchange Rate

- exchange rate fluctuations between the Canadian dollar and the U.S. dollar.

Other Risks

- effect of COVID-19 public health crisis or another global health pandemic;
- use of available funds;
- effect of general economic and political conditions; and
- internal controls.

If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. The opinions, estimates or assumptions referred to above and described in greater detail in "*Risk Factors*" should be considered carefully by readers.

Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this Prospectus represents our expectations as of the date of this Prospectus (or as the date they are otherwise stated to be made) and are subject to change after such date. However,

we disclaim any intention or obligation or undertaking 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.

All of the forward-looking information contained in this Prospectus is expressly qualified by the foregoing cautionary statements Accordingly, potential investors should not place undue reliance on forward-looking statements or the information contained in those statements.

MARKET AND INDUSTRY DATA

For the avoidance of doubt, nothing stated in this paragraph operates to relieve the Company from liability for any misrepresentation contained in this Prospectus under applicable Canadian securities laws.

Unless otherwise indicated, information contained in this Prospectus concerning the Company's industry and the markets in which it operates, including general expectations and market position, market opportunities and market share, is based on information from independent industry organizations, other third-party sources (including industry publications, surveys and forecasts) and management studies and estimates.

Unless otherwise indicated, the Company's estimates are derived from publicly available information released by independent industry analysts and third-party sources as well as data from the Company's internal research, and knowledge of the surface protection markets and economy, and include assumptions made by the Company which Management believes to be reasonable based on their knowledge of the Company's industry and markets. The Company's internal research and assumptions have not been verified by any independent source, and it has not independently verified any third-party information. While the Company believes the market position, market opportunity and market share information included in this Prospectus is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of the Company's future performance and the future performance of the industry and markets in which it operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the headings "*Forward-Looking Information*" and "*Risk Factors.*"

TRADEMARKS AND TRADE NAMES

This Prospectus includes certain trademarks and trade names, which are protected under applicable intellectual property laws. Solely for convenience, such trademarks and trade names referred to in this Prospectus may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that the relevant owner will not assert, to the fullest extent under applicable law, their rights to these trademarks and trade names. The trademarks and trade names used in this Prospectus are the property of their respective owners.

CURRENCY PRESENTATION

In this Prospectus, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this Prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.

Company

FendX Technologies Inc.

Principal Business of the Company

FendX is a technology company focused on developing surface protection products that protect surfaces from pathogen contamination. The Company acquired an exclusive world-wide license for the Licensed Technology from McMaster and entered into a Collaborative Research Agreement with McMaster, pursuant to which ongoing research and development activities are being conducted on the Licensed Technology. The Company is currently developing its anticipated first product, REPELWRAP™ to protect high-contact surfaces from contamination to reduce the transmission of harmful pathogens. See "*Business of the Company*".

No Proceeds Raised

This Prospectus is being filed to qualify the Subscription Receipt Distribution and for the purpose of allowing the Company to become a reporting issuer in the jurisdictions of British Columbia, Alberta, Manitoba and Ontario and to enable the Company to develop an organized market for its Common Shares. Since no new securities are being offered pursuant to this Prospectus, no proceeds will be raised and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Company.

Funds Available and Use of Available Funds

The Company had cash and cash equivalents of approximately $4,029,528 (inclusive of gross proceeds of the Subscription Receipt Private Placement held in escrow) and a working capital deficit of approximately $658,436 as at December 31, 2022. Assuming satisfaction of the Escrow Release Condition, the gross proceeds of the Subscription Receipt Private Placement, being $4,001,400, less cash finder's fees of $112,752 for net proceeds of $3,888,648 will be released to the Company. Together with the working capital deficit, the Company will have an aggregate of approximately $3,230,212 in funds expected to be available to the Company.

Use of Available Funds	Amount
Research and development	$305,000
REPELWRAP™ scale-up and testing	$375,000
Annual royalty payment	$5,000
Patents and regulatory	$110,000
Salaries and consulting fees	$820,500
General and administrative costs	$1,306,500
Business development	$83,000
Public listing costs	$84,000
Unallocated working capital	$141,212
Total	$3,230,212

The Company intends to spend its available funds as stated in this Prospectus. There may be circumstances, however, where, for sound business reasons, a reallocation of funds may be necessary. See "*Use of Available Funds*".

Summary of Financial Information

The following selected financial information has been derived from and is qualified in its entirety by the financial statements of the Company and notes

thereto. The selected should be read in conjunction with the Company's audited financial statements for the period from incorporation on July 28, 2020 to December 31, 2020, the audited annual financial statements for the year ended December 31, 2021 and the unaudited condensed interim financial statements for the nine month period ended September 30, 2022.

The Company has established December 31 as its financial year-end. See "*Management's Discussion and Analysis*" and "*Financial Statements*", as included elsewhere in this Prospectus:

	For the nine month period ended September 30, 2022 (Unaudited) ($)	For the year ended December 31, 2021 (Audited) ($)	For the period from July 28, 2020 to December 31, 2020 (Audited) ($)
Total revenues	-	-	-
Loss for the Period	(1,426,477)	(1,123,082)	(336,875)
Total Assets	4,381,519	1,247,122	356,566
Total Liabilities	4,715,536	387,629	329,940
Shareholder's Equity (Deficiency)	(334,017)	859,493	26,626
Loss per share (basic and diluted)	(0.04)	(0.07)	(336,875)

The Listing

The Company has applied to list the Listed Securities on the CSE and the CSE has conditionally approved the Listing. Listing will be subject to the Company's fulfilling all of the listing requirements of the CSE, including, without limitation, the distribution of the Company's Common Shares to a minimum number of public shareholders and the Company meeting the minimum listing requirements of the CSE.

Risk Factors

An investment in the Common Shares is speculative and involves a high degree of risk. These risks include, but are not limited to, risks related to:

- product candidates only being in formulation/reformulation stages;
- limited operating history, no revenues and uncertainty around additional financing;
- negative cash flow history;
- no production history and lack of revenues from sales;
- no history of manufacturing or distribution;
- highly competitive industry;
- satisfying the terms of the License Agreement and Collaborative Research Agreement and maintaining the License in good standing;
- inability of the Licensor (as defined herein) to satisfy the terms under the License Agreement and Collaborative Research Agreement;
- completion of scale-up and development of a commercial prototype;
- research and development activities;
- reliance on grant funding;
- limited number of products;
- dependence on collaborative partners, licensors and others;
- changes and restrictions due to legal and regulatory requirements;
- dependence on each product's acceptance in the market;
- possibility of smaller market opportunities than anticipated;
- increasing regulatory and compliance costs for public companies;
- global economic instability;
- product liability claims and lawsuits;

- system failures;
- reliance on management and loss of key employees or inability to hire key personnel;
- limited experience of senior management in managing a public company;
- fraudulent or illegal activity by employees, contractors and consultants;
- inability to effect service of process on some of our directors and officers;
- management's efforts and abilities;
- potential conflicts of interest;
- inability to protect intellectual property rights;
- inability to secure patents;
- infringement on proprietary rights of third parties;
- risks related to forward-looking information;
- volatility of the market price of our Common Shares;
- potential dilution of the Common Shares;
- lack of an active, liquid and orderly trading market for the Common Shares;
- failure of securities or industry analysts to publish research or publish inaccurate or unfavourable research about the Company;
- inability or unwillingness to pay dividends;
- exchange rate fluctuations between the Canadian dollar and the U.S. dollar;
- effect of COVID-19 public health crisis or another global health pandemic;
- use of available funds;
- effect of general economic and political conditions; and
- internal controls.

See "*Risk Factors*" and the other information included in this Prospectus for a discussion of the risks. Readers should carefully consider all such risks.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated under the *Business Corporations Act* (British Columbia) on July 28, 2020 under the name "1259192 B.C. LTD". It changed its name to "FendX Technologies Inc." on September 18, 2020.

The Company's head office is located at 2010 Winston Park Dr., 2nd Floor, Oakville, ON L6H 5R7, and its registered and records office is located at 800 – 885 West Georgia Street, Vancouver, BC VC6 3H1.

Intercorporate Relationships

The Company has no subsidiaries.

DESCRIPTION OF THE BUSINESS

Business Overview

The Company is focused on the research, development and commercialization of surface protection coatings using the Licensed Technology licensed from McMaster University, Hamilton, Ontario, Canada ("**McMaster**"). The Company entered into a License Agreement (as defined herein) with McMaster dated February 5, 2021, as amended July 14, 2021 and July 15, 2022, which provides the Company with an exclusive world-wide license to several patent applications and certain technology to research, develop and commercialize surface protection coating products (the "**Licensed Technology**"). The Company is conducting research and development activities using the Licensed Technology in collaboration with McMaster pursuant to a research and development collaboration agreement (the "**Collaborative Research Agreement" or "CRA**") with McMaster with an effective date of August 1, 2021. The Company has engaged consultants to assist with assessing the scalability of products being developed through the CRA.

Lead Researchers (as defined herein) at McMaster created a surface coating film lab prototype which is part of the Licensed Technology. The prototype film, also referred to herein as the original lab prototype, has been shown to effectively repel certain pathogens that come into contact with its surface. Although this film is still in the development stage, the Company believes this film will be important to control the spread of pathogens on surfaces that are prone to contamination. This technology works by combining hierarchical wrinkled molecular structure with chemical functionalization to reduce pathogen adhesion and biofilm formation. The film is flexible and can be applied to most surface shapes.

The Company has been collaborating with consultants to assist in optimizing the scalability of the original lab prototype with the support of the Lead Researchers through the CRA. Scalability assessment by the Company and its consultants led to a recommendation to reformulate the original lab prototype to streamline the scale-up process. As a result, McMaster has developed a reformulated lab prototype that is showing similar repelling properties to the original lab prototype based on laboratory testing. The Company is now focused on assessment of the scalability of this reformulated film with McMaster, referred to herein as the reformulated lab prototype. The Company will be working with a new third-party manufacturer (yet to be engaged) to commence the intermediate scaling up of the reformulated lab prototype, once the reformulated lab prototype is completed by McMaster. If intermediate scale-up can be demonstrated, the Company intends to move to the commercial scale-up phase with this third-party manufacturer to create a commercial product, which would be tested to ensure it meets the repelling, durability, and stability specifications. If successful, the Company intends to commercialize this product using manufacturing and distributor partnerships still to be entered into.

The Company plans to name its first product REPELWRAP™ and believes the REPELWRAP™ film will be the first product introduced to the Canadian market that repels pathogens. This differs from other currently available surface coating films which have antimicrobial properties (kills pathogens) on their surface that kills bacteria and viruses when they come in contact with the surface of these films. The Company has not generated any revenues to-date from

any product sales as its products are in the development stage and has not entered into any distribution or manufacturing agreements.

Once fully developed, the Company intends to initially target REPELWRAP™ towards healthcare settings (i.e., hospitals, long-term care, senior's residences, clinics) and high traffic public touchpoints (i.e., transportation, hospitality, stadiums/arenas/malls, restaurants, schools, business offices) prone to high levels of surface contamination. The Company expects to launch REPELWRAP™ in the Canadian market in the first half of 2024, conditional on achieving successful scaleup assessment, product scale-up and commercial manufacturing. After launching in Canada, the Company intends to seek any required approvals for launch in the United States as well as certain European and Asian countries in the longer term.

The Company is also actively exploring additional applications of the Licensed Technology, including development of enhancements to the current reformulated lab prototype to create follow-on films including films with both repelling and killing properties (repel and kill version). In addition, the Company is assessing the Licensed Technology to develop a coating for catheters to prevent catheter-related bacterial biofilm formation and occlusion.

History of Development - Licensed Technology

McMaster, Drs. Leyla Soleymani ("**Soleymani**") and Tohid Didar ("**Didar**") (Soleymani and Didar together, the "**Lead Researchers**"), and other collaborators at McMaster began research and development of the Licensed Technology starting in approximately 2016 and an initial lab prototype was finalized in 2018. Bacterial repellency was demonstrated in 2019 and SARS-CoV-2-like virus repellency completed in late 2020.

On June 3, 2019, McMaster filed US Provisional Patent No. 62/856,392 application entitled "Omniphobic surfaces with Hierarchical Structures, and Methods of Making and Uses Thereof".

On December 13, 2019, an article titled "Flexible Hierarchical Wraps Repel Drug-Resistant Gram-Negative and Positive Bacteria" written by the Lead Researchers in collaboration with colleagues from McMaster's Institute for Infectious Disease Research and the McMaster-based Canadian Centre for Electron Microscopy, was published in ACS Nano 2020 14(1) 454-465 (https://pubs.acs.org/doi/10.1021/acsnano.9b06287). The flexible plastic wrap combines a hierarchical wrinkled structure with chemical functionalization to reduce bacterial adhesion, biofilm formation, and the transfer of bacteria through an intermediate surface. The research showed the hierarchical wraps were effective for reducing biofilm formation of World Health Organization-designated priority pathogens Gram positive methicillin-resistant *Staphylococcus aureus* (MRSA) and Gram-negative *Pseudomonas aeruginosa* by 87 and 84%, respectively. In addition, these surfaces remain free of bacteria after being touched by a contaminated surface with Gram negative *E. coli*. The results of this research were further highlighted in McMaster's December 13, 2019 "Brighter World" publication (https://brighterworld.mcmaster.ca/articles/the-ultimate-non-stick-coating/).

On June 3, 2020, McMaster, filed PCT/CA2020/050766 which claimed priority to the June 3, 2019 provisional application.

On November 12, 2020, REPELWRAP™ won the grand prize of the "2020 Create the Future Design" contest. There were approximately 750 entries from 60 countries around the world. This contest, launched in 2020 by Tech Briefs Media Group (publishers of *Tech Briefs* magazine), recognizes and rewards engineering innovations that benefit humanity, the environment, and the economy.

On November 23, 2020, a clinical paper titled "Hierarchical Structures, with Submillimeter Patterns, Micrometer Wrinkles, and Nanoscale Decorations, Suppress Biofouling and Enable Rapid Droplet Digitization" was published in Nano - Micro Small Journal (https://onlinelibrary.wiley.com/doi/10.1002/smll.202004886). The paper noted that liquid repellant flexible films, fabricated through nanoparticle deposition and heat-induces thin film wrinkling appear to suppress blood adhesion and clot formation. These liquid repellant surfaces are expected to have a wide range of applications in blood contacting medical devices.

History Since Incorporation

The Company was incorporated on July 28, 2020 under the *Business Corporations Act* (British Columbia). Dr. Carolyn Myers became a director and was appointed to CEO and president of the Company on July 28, 2020.

On July 29, 2020, the Company and McMaster entered into an option agreement, as amended (the ("**Option Agreement**") which granted the Company the option to enter into a license agreement in respect of certain technology and patents developed by McMaster.

On September 29, 2020, the Company exercised its option to license certain technology from McMaster pursuant to the Option Agreement.

On February 5, 2021, the Company and McMaster entered into a license agreement (the "**License Agreement**") in respect of the technology and patents which form the primary basis of the Company's business, which granted the Company an exclusive worldwide license to the Licensed Technology. See "*Description of the Business - The License Agreement*").

On June 19, 2021, the Company completed a private placement raising aggregate gross proceeds of $45,000 through the issuance of 9,000,000 common shares at $0.005 per share.

On June 19, 2021, the Company issued 1,500,000 common shares at a deemed value of $0.005 per common share to settle $7,500 of debt owed to the Company's CEO, Dr. Carolyn Myers.

On June 19, 2021, the Company entered into agreements (each, a "**Bonus Share Agreement**") with each of Dr. Tohid Didar and Dr. Leyla Soleymani, as the Lead Researchers related to the Licensed Technology. Pursuant to the agreements, each of Dr. Didar and Dr. Soleymani may be entitled to receive up to 2,075,000 common shares of the Company (collectively, the "**Bonus Shares**") should certain milestones related to the development of the Licensed Technology be achieved, provided that the researcher is currently engaged by McMaster and works on the Project (as such term is defined in the Collaborative Research Agreement) and the researcher's direct efforts contribute to the occurrence of the applicable milestone (such that it is possible for Bonus Shares to be issued to one of the Lead Researchers but not the other), as follows: a) 50% of the Bonus Shares will be issued upon the occurrence of the demonstration of reduction in the transfer of SARS-CoV-2 by at least 99% by REPELWRAP™, with the experiments to be done at the McMaster CL 3 laboratory with results verified and confirmed by the Institute for Infectious Disease Research at McMaster; and b) 50% of the Bonus Shares will be issued upon the occurrence of the development of a prototype approved by the Company's manufacturing partner, as scalable for manufacturing in their facility. The Company's board of directors, acting reasonably and in good faith, will determine, in its sole discretion, whether a milestone has occurred. As at the date of this Prospectus, neither milestone has been completed.

On June 24, 2021, the Company and Draganfly Inc. ("**Draganfly**"), a company listed on the CSE, entered into a non-exclusive letter of intent ("**LOI**") for a collaboration to conduct real-world beta-testing of REPELWRAP™ when commercial prototypes are available. The initial term of the LOI is one year from the date of execution, subject to mutual extension or termination.

On June 29, 2021, the Company completed a private placement raising aggregate gross proceeds of $60,000 through the issuance of 1,200,000 units at $0.05 per unit.

On June 29, 2021, the Company issued 1,435,000 common shares at a deemed value of $0.05 per common share as consideration to McMaster under the License Agreement and pursuant to the License Share Agreement. See "*Description of the Business - The License Agreement*".

On June 29, 2021, the Company issued an aggregate of 4,000,000 common shares at a deemed value of $0.05 per common share to settle $200,000 of debts.

The Company entered into a first amendment to the License Agreement, dated July 14, 2021 with an effective date of February 5, 2021.

On August 18, 2021, McMaster filed US Provisional Application No. 63/260,371 titled "Fluorine-free Superhydrophobic Surfaces, Methods of Making and Uses Thereof".

On August 18, 2021, McMaster filed US Provisional Application No. 63/260,372 titled "Methods of Making Omniphobic Materials with Hierarchical Structures and Uses Thereof".

On August 24, 2021, the Company, Lead Researchers and McMaster signed the Collaborative Research Agreement which outlines the research and development work to be conducted by McMaster on behalf of the Company on the Licensed Technology. See "*The Collaborative Research Agreement*".

On November 26, 2021, at the direction of the Company, McMaster filed non-provisional, national stage of PCT/CA2020/050766 in Canada.

On December 3, 2021, at the direction of the Company, McMaster filed non-provisional, national stage of PCT/CA2020/050766 in Japan.

On December 3, 2021, at the direction of the Company, McMaster filed non-provisional, national stage of PCT/CA2020/050766 in the United States.

On December 17, 2021, at the direction of the Company, McMaster filed non-provisional, national stage of PCT/CA2020/050766 in Europe.

The Company completed several tranches of a non-brokered private placement on August 16, 2021, November 9, 2021 and December 23, 2021, raising aggregate gross proceeds of $1,505,199.75 through the issuance of 10,034,665 units at a price of $0.15 per unit. In connection with the closings of the non-brokered private placements, the Company issued an aggregate of 688,107 broker warrants and 688,107 common shares issued as compensation to finders. See "*Consolidated Capitalization*".

On January 18, 2022, the research article titled "Producing Fluorine- and Lubricant-Free Flexible Pathogen- and Blood-Repellent Surfaces Using Polysiloxane-Based Hierarchical Structures" was published in *ACS Applied Materials and Interfaces* (2022, 14, 3, 3864–3874). This paper referred to a flexible hierarchical coating without the use of fluorine or lubricant demonstrated repellency, with contact angles over 153° and sliding angles <1°, and 97.5% reduction in transmission of *E. coli*.

On January 20, 2022 the Company closed the final tranche of a non-brokered private placement raising gross proceeds of $45,000 through the issuance of an aggregate of 300,000 common shares at $0.15 per common share. In connection with the financing, the Company issued an aggregate of 8,000 broker warrants and 8,000 common shares issued to finders. See "*Consolidated Capitalization*".

On January 29, 2022, at the direction of the Company, McMaster filed PCT/CA2020/05076 National Filings in China.

On February 28, 2022, an article titled "Pathogen-Repellent Plastic Wrap with Built-in Hierarchical Structuring Prevents the Contamination of Surfaces with Coronaviruses" authored by the Lead Researchers was published in *ACS Applied Materials and Interfaces* (2022, 14, 9, 11068–11077). The article noted that REPEPWRAP™ film reduced contamination with a human coronavirus by more than 99.99% compared to commercially available polyethylene plastic wrap. (https://pubs.acs.org/doi/10.1021/acsami.1c21476?ref=pdf).

On February 28, 2022, an article titled "Transparent and Highly Flexible Hierarchically Structured Polydimethylsiloxane Surfaces Suppress Bacterial Attachment and Thrombosis Under Static and Dynamic Conditions" authored by the Lead Researchers was published in the Micro Nano Small publication. The paper showed reduction in biofilm production of 98.5% of two clinically relevant pathogens – methicillin-resistant Staphylococcus aureus and Pseudomonas aeruginosa. They also demonstrated that with blood, 95% suppression of thrombin generation. The Lead Researchers claim the surface may show applicability in catheters, extracorporeal circuits and microfluidic devices. (https://onlinelibrary.wiley.com/doi/10.1002/smll.202108112).

On April 22, 2022, the Company issued an aggregate of 1,050,000 common shares at $0.15 per share to settle an agreement of $157,500 of debts. See "*Prior Sales*".

On April 22, 2022, the Company granted an aggregate of 1,025,000 stock options with an exercise price of $0.15 per share. See "*Options to Purchase Securities – Outstanding Options*".

On April 28, 2022, the Company closed a non-brokered private placement raising gross proceeds of $4,001,400 and issued an aggregate of 13,338,000 Subscription Receipts at $0.30 per Subscription Receipt. The gross proceeds will be held in escrow with the Escrow Agent and released to the Company upon receipt of a Final Prospectus. See "*Plan of Distribution – Subscription Receipt Private Placement*".

On May 9, 2022, NSERC provided notice to Dr. Leyla Soleymani, one of the Lead Researchers at McMaster, of approval for an Alliance Grant of $361,520 over two years, for the Company's project entitled "Developing a pathogen repellant wrap-improving performance and manufacturing throughput and evaluating real-world potential" with the Company as the sponsor (the "NSERC Grant"). The first installment of the NSERC Grant for the project was $182,010 which commenced May 15, 2022 and the second installment of $179,510 will be available starting May 23, 2023. The NSERC Grant installments are paid to the Lead Researcher at McMaster as the grant applicant. The Company, as the sponsor, is required to make cash contributions of $93,500 for each of the two years and contribute in-kind contributions totaling $206,400 over two years. The NSERC Grant also requires other third parties (namely Draganfly and the Company's future manufacturing partner) to provide aggregate in-kind contributions totaling $334,000 over two years. The Company's obligations for the cash contributions will be satisfied by the Company's contributions pursuant to the CRA, of which an $87,500 installment amount has been paid to McMaster in September 2022 and the in-kind services will be satisfied through time spent by the Company's senior management and employees related to the project. See "*Description of the Business - The Collaborative Research Agreement*" and "*Use of Available Funds – Available Funds and Principal Purposes*" and "*Risk Factors*".

The Company signed an extension agreement with Draganfly, which extended the LOI expiry date to June 23, 2024.

The Company entered into the second amendment to the License Agreement, dated July 15, 2022 with an effective date of May 5, 2022.

On August 18, 2022, at the direction of the Company, McMaster filed PCT/CA2022/051249 titled "Fluorine-free Superhydrophobic Surfaces, Methods of Making and Uses Thereof".

On August 18, 2022, at the direction of the Company, McMaster filed PCT/CA2022/051259 titled "Methods of Making Omniphobic Materials with Hierarchical Structures and Uses Thereof".

On September 27, 2022, at the direction of the Company, McMaster filed non-provisional, extension of PCT/CA2020/050766 in Hong Kong.

On October 21, 2022, the Company and the Subscription Receipt Agent entered into an amending agreement to the subscription receipt agreement dated April 28, 2022, which amended the satisfaction date for the Escrow Release Condition to February 17, 2023.

On December 22, 2022, the Company issued an aggregate of 750,000 common shares pursuant to the exercise of 750,000 warrants at $0.10 per share for proceeds of $75,000. See "*Prior Sales*".

On December 24, 2022, the Company granted an aggregate of 300,000 stock options with an exercise price of $0.30 per share. See "*Options to Purchase Securities – Outstanding Options*".

On January 24, 2023, the Company granted an aggregate of 1,450,000 stock options with an exercise price of $0.30 per share. See "*Options to Purchase Securities – Outstanding Options*".

On January 24, 2023, the Company granted an aggregate of 150,000 RSUs (as defined herein). See "*Prior Sales*".

The License Agreement

The Company and McMaster (also defined as the "**Licensor**") entered into a license agreement dated February 5, 2021, as amended July 14, 2021 and July 15, 2022 (the "**License Agreement**"), which granted the Company (the "**Licensee**") an exclusive royalty-bearing worldwide license to use and practice certain licensed patent applications

(the "**Licensed Patents**") and other related technology which together is included as the "**Licensed Technology**") with an exclusive license to manufacture, have manufactured, make, have made, import, have imported, sell, offer to sell, distribute, and market the Licensed Patents or otherwise transfer the licensed products. Pursuant to the License Agreement, the Company agreed to the following key terms:

- the issuance to Licensor of common shares equal to 5% of its fully diluted share capital on achievement of certain funding thresholds, whereby 1,435,000 common shares have been issued to McMaster. All License Shares issued are subject to a voluntary escrow condition of 18 months after the date the Company's common shares commence trading on an exchange;

- payment of a royalty of 4% on Net Sales to be paid quarterly within 60 days following the close of the Calendar Quarter (as defined in the License Agreement);

- a minimum annual royalty starting in the first 12-month period ending on the anniversary of the date of the License Agreement (each, a "**License Year**") is due to the Licensor as follows $5,000 in the first (paid) and second years, $10,000 in the third and fourth years and $20,000 in the fifth and subsequent years, due and payable on each anniversary date of the License Agreement; and

- pursuant to the Option Agreement and License Agreement, the Company is to contribute an aggregate of $350,000 toward sponsored research projects in year one, of which $175,000 was due on signing the Collaborative Research Agreement and receipt of an invoice from McMaster (paid). In year two and year three, the Company is to contribute a minimum of $150,000 each year to a sponsored research project to further develop the Licensed Technology, provided the research aims are approved by the Company. See "*Description of the Business - The Collaborative Research Agreement*".

Pursuant to the License Agreement, the Company acquired the Licensed Technology which includes the Licensed Patents, Created IP, Funded IP, Graduate Student IP and other related technology as follows:

Licensed Patents: means all patents in any jurisdiction throughout the world claiming inventions included in the definition of Technology (as defined in the License Agreement), and all continuations, continuations-in-part, divisions, extensions, substitutions, reissues, re-examinations, any other patent filing claiming priority to any of the foregoing, and renewals of any of the foregoing, and all further patent applications claiming or describing inventions contained in any of the foregoing, and all patents which may issue from any of such patent applications, including, without limitation, the patent filings listed pursuant to the License Agreement, any patent filing claiming priority to any patent filing listed in the License Agreement, any continuations, continuations-in-part, divisions, extensions, substitutions, reissues, re- examinations, and renewals of any of the foregoing, and any patents resulting from any of the foregoing. The current Licensed Patents are owned by McMaster and the Company has a license to use them pursuant to the License Agreement. The Company has exclusive rights to the Licensed Patents for 20 years from the Effective Date of the License Agreement, being until February 4, 2041. See "*Description of the Business - Intellectual Property – Licensed Patent Rights*" for additional details of the Company's Licensed Patents.

Created IP: The Company will own any intellectual property and other proprietary rights (other than the Licensed Patents) created or developed, in each case in whole or in part, by or on behalf of the Company, including any intellectual property or other proprietary rights related to the Licensed Technology described in the License Agreement created or developed in whole or in part by the Lead Researchers, in each case, until the earlier of five (5) years from the effective date or the date that is six (6) months from the date on which either of the Lead Researchers provided the Company with written notice that he/she no longer wishes to be actively engaged with the Company ("**Created IP**"), and McMaster agreed to assign any such rights to the Company if such rights are first owned by McMaster, such that there would be no loss by the Company to any Created IP after such five year period or upon termination by the Lead Researchers and such have no impact on the Company's business or operations.

Funded IP: The Company shall own any intellectual property or other proprietary rights created or developed in whole or in part by McMaster that is funded, in whole or in part, by grants, government funding or institutional funding where such funding was awarded to the Licensee, an affiliate of the Licensee or by any sublicensee or other person supporting the development or exploitation on behalf of the Licensee, an affiliate or sublicensee ("Sponsor") or results at least in part from monetary contributions of one or more Sponsors ("Funded IP"), and McMaster agreed to assign any such rights to Licensee if such rights are first owned by McMaster. Funded IP shall not, however, include Graduate

Student IP. To the extent that Funded IP is an improvement on or extension of intellectual property or other proprietary rights created by or on behalf of McMaster independently of Licensee ("Pre-Existing IP"), Licensee's ownership shall be limited to such improvement or extension, and the Pre-Existing IP shall be included in the Licensed Patents licensed to Licensee. There would be no loss by the Company to any Funded IP after the termination of the License Agreement as the Company owns this intellectual property and such have no impact on the Company's business or operations.

Graduate Student IP: Where any intellectual property or other proprietary rights that would qualify as Created IP or Funded IP but for the involvement of a graduate student of McMaster where the Company has not funded at least 70% of the cost of such graduate student, such technology shall be owned by McMaster and licensed to the Company at no additional costs to the Company. As at the date of this Prospectus, the Company does not anticipate allowing any graduate student participation related to the technology.

Independent IP: The Company shall own any intellectual property and other property rights that are created or developed without involvement of McMaster.

Other technology (also defined as "Technology" in the License Agreement)*:* means: any and all knowledge, know-how and/or technique or techniques in the field of the technology described in the License Agreement and (i) invented and/or developed in either of the Lead Researcher labs prior to the effective date of the License Agreement; (ii) acquired prior to the date of commencement by McMaster; or (iii) known to McMaster to have been invented and/or developed at McMaster prior to the effective date, whether or not patentable, copyrightable, trademarkable or otherwise protectable by law or commercially useful or reducible to writing or practice. "Technology" includes, without limitation, any and all trade secrets, research, development and manufacturing data, inventions, technical, engineering and scientific information, methods, processes, procedures, discoveries, protocols, formulas, designs, drawings, specifications, instructions, manuals, papers or other materials of any nature whatsoever, whether written or otherwise, relating to same. "Technology" includes all inventions, whether or not patentable, and other intellectual property rights described or disclosed in the Licensed Patents.

At the end of the CRA term, the Company would own any Funded IP and of Created IP under the terms of the License Agreement, and pursuant to the terms of the Collaborative Research Agreement, the Company would own all "Results" of the Project, defined in the CRA as "all information, Know-how, results, inventions, software and other Intellectual Property identified or first reduced to practice or writing in the course of the Project," which constitute Funded IP and of Created IP. Therefore, the end of the Project would have no impact on Company's business or operations. However, the Company's ownership of "Created IP" and of "Funded IP" would continue to arise following the end of the "Project" defined by the Collaborative Research Agreement with respect to any IP otherwise falling within the License Agreement definitions of "Created IP" and "Funded IP." If further development of REPELWRAP™ or the Licensed Technology were required following the end of the CRA term the Company could either seek to conduct such development work directly, negotiate an extension to or a new research agreement with McMaster, or to engage a third-party for such purpose.

In addition, McMaster, on behalf of the Company, is responsible for all matters related to the prosecution, filing and maintenance of all patent applications related to the Licensed Patents or Licensed Technology, including meeting all filing deadlines and paying all related fees and expenses from the Effective Date of the License Agreement. The Company shall reimburse McMaster for all expenses related to patent filings made by McMaster related to the Licensed Technology.

The Collaborative Research Agreement

On August 24, 2021, the Company, Lead Researchers and McMaster signed the Collaborative Research Agreement dated July 7, 2021 with an effective date of August 1, 2021 which outlines the proposed research and development work to be conducted by the Lead Researchers at McMaster on behalf of the Company on the Licensed Technology (the "**Project**") and payments to be made by the Company to fund the Project. Pursuant to the Collaborative Research Agreement, McMaster will provide the human resources, materials, facilities and equipment as designated to conduct the sponsored project work. The term of the CRA shall be three (3) years or longer as agreed to by the parties, unless terminated in accordance with the provisions of the CRA including termination by the Company upon providing McMaster with prior written notice at least 30 days before each annual anniversary of the Effective Date, if the Company, in its sole discretion, no longer approves of the Project's research aims.

The Company agreed to pay McMaster the following payments which are due within 30 days after receipt of an invoice from McMaster:

	Amount
First Contribution[(1)]:	
On signing (invoice received and paid)	$175,000
At 4 month mark (invoice received and paid)	$87,500
At 8 month mark (invoice received)	$87,500
Years 2 and 3[(2)]:	
On anniversary dates: (invoices not yet received)	$75,000
At subsequent 4 month mark (invoices not yet received)	$37,500
At subsequent 8 month mark (invoices not yet received)	$37,500

(1) Year one contribution of $350,000 is in satisfaction of the obligations provided under the License Agreement. See "*Description of the Business - The License Agreement*".

(2) $150,000 in years 2 and 3 are in satisfaction of the obligations provided under the License Agreement unless the Collaborative Research Agreement has been terminated prior to the second or third anniversary of the execution of the agreement. See "*The License Agreement*".

The detailed research and development activities proposed pursuant to the Collaborative Research Agreement represented the recommendations for experiments and tests to be conducted to develop REPELWRAP™, as well as assess potential enhancements and new formulations using the Licensed Technology to create products that protect high-touch surfaces in healthcare and other high traffic public touchpoints. The aims included in the CRA were originally set out at the start of the program and are subject to change based on research and development results and budget considerations (including the Lead Researchers' success in achieving additional grant funding), which change has been the case and resulted in the reformulated version of the original lab prototype. See "*Description of the Business - Description of Principal Product Under Development - REPELWRAP™ Surface Coating Film"* for further current developments on the Licensed Technology. The original estimated year one budget pursuant to the CRA totaled $705,000 which included $515,000 for salaries, consumables and user and equipment totaling up to $190,000 (which equipment budget was dependent on availability of equipment through manufacturing partners), and the overall budget was subject to the achieving additional grant funding as noted herein. The Company anticipates no equipment will be required to be purchased pursuant to the year one budget. (See "*Use of Available Funds – Business Objectives and Milestones".* Work performed under the CRA is anticipated to result in additional Created IP and Funded IP which would be owned by the Company. The original aims and timing were based on the original lab prototype, and assumptions that the original lab prototype would be suitable for scale-up and commercialization.

In the first year after execution of the CRA (August 31, 2021 to August 30, 2022), the initial aims set out and status thereof are summarized as follows:

1) conduct testing on the original lab prototype to confirm how long REPELWRAP™ will retain its physical and pathogen repellency under real-life environmental conditions. These tests include mechanical wear and tear (completed on original and /or reformulated lab prototype), cleaning and disinfection (completed on both the original and reformulated lab prototype), environmental stress (completed on both the original and reformulated lab prototypes), real-life studies (the Company subsequently decided to only conduct real-life testing on commercial film when available) and shelf life (3-month shelf-life completed on the reformulated lab prototype and longer duration shelf-life testing is underway. See "*Use of Available Funds – Business Objectives and Milestones - Research and Development – REPELWRAP™ film*");

2) conduct SARS-CoV-2 testing to test the original lab prototype to reduce the transfer of SARS-CoV-2 by 99%. Experiments will be done at the McMaster CL 3 laboratory (a facility independent from McMaster labs) with the results to be verified by the Institute for Infectious Disease Research at McMaster (not performed on the original lab prototype and is not anticipated to commence during the 12-month period after the Listing Date and as such, no available funds have been allocated to this aim);

3) conduct research and development scale-up testing assessment to determine if REPELWRAP™ can be scaled up to dimensions needed for high volume manufacturing using economically feasible industrial processes, with a goal to develop rolls of REPELWRAP™. Scale-up assessment conducted by McMaster to finalize formulation methods that can then be transferred to a third-party manufacturer. Work to finalize the formulation process by McMaster may include deposition methods to deposit the REPELWRAP™ coatings, streamlining the lab formulation methods to integrate a number of processes for large scale manufacturing and developing structures reliant on a lower amount of film shrinkage (transfer of the formulation methods is anticipated to commence in early 2023 after finalization of the reformulated lab prototype. See "*Use of Available Funds – Business Objectives and Milestones- Research and Development – REPELWRAP™ film and Use of Available Funds – Business Objectives and Milestones - Scale-Up and Testing of REPELWRAP™"*); and

4) conduct small-scale pathogen testing to assess REPELWRAP™ iterations developed in aims 2 and 3 above. This pathogen testing is being performed using one bacterium *(E. coli)* and one virus (human simplex virus ("HSV") (in progress using the reformulated lab prototype and will commence for the repel and kill lab prototype when a prototype is available, anticipated in Q2 2023. See "*Use of Available Funds – Business Objectives and Milestones - Research and Development – REPELWRAP™ film*);

In the second year and third year from the date of execution of the CRA, the initial aims set out were to:

5) conduct work on additional reformulations including recyclable based materials, biodegradable coatings and non-shrinkable films (not started and not planned until year three and as such, no available funds have been allocated to this aim);

6) McMaster will provide technical support to the third-party manufacturer to optimize the parameters of the streamlined scaled-up process and coating composition in order to reduce product manufacturing costs (anticipated to commence in the second half of 2023 during the commercial scale-up phase of the repel version of REPELWRAP™ See "*Use of Available Funds – Business Objectives and Milestones - Scale-Up and Testing of REPELWRAP™*);

7) conduct additional pathogen testing on 5-10 additional pathogens (viruses and bacteria) that are important both in the context of infectious disease prevention via high touch surfaces (not yet commenced and is contingent on completion of aim 5 and as such, no available funds have been allocated to this aim);

8) conduct additional real-life testing using the latest REPELWRAP™ iteration on high touch surfaces (the Company has decided not to pursue real-life testing with lab prototypes and will focus on real-life testing only with commercial scaled films and as such, no available funds have been allocated to this aim); and

9) integrate REPELWRAP™ into other products (not yet commenced and is not anticipated to commence during the 12-month period after the Listing Date and as such, no available funds have been allocated to this aim).

The work plan detailed above was based on what the Lead Researchers anticipated could be accomplished provided that matching funds are received by the Lead Researchers from NSERC grants. On May 9, 2022, one of the Lead Researchers at McMaster was awarded an NSERC Alliance Grant, which funds will contribute towards funding the work plan above, however accomplishment of all aims, especially after the first year after the Listing Date will require additional funding by the Company and additional NSERC research grants awarded to the Lead Researcher(s) as sponsored by the Company. See "*Description of the Business - History Since Incorporation*" and "*Risk Factors*".

Description of Principal Product Under Development - *REPELWRAP™ Surface Coating Film*

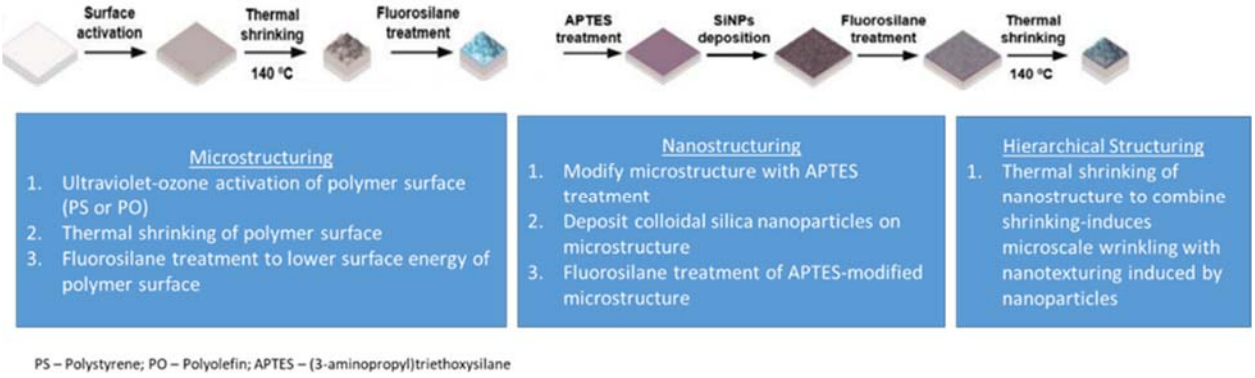
The Company is researching and developing surface coatings using the Licensed Technology to protect against contamination of high touch surfaces. This technology works by combining a hierarchical wrinkled molecular structure with chemical functionalization to reduce pathogen adhesion and formation of bacterial colonies.

REPELWRAP™ film repels bacteria and viruses, protecting high-touch surfaces and reducing the risk of bacteria or virus transmission from that surface. REPELWRAP™ is flexible and can be applied to most surface shapes. The

Company believes this film will be the first commercial product that effectively repels bacteria and viruses. The Company believes that current protective coatings in the marketplace (antimicrobial) require bacteria and viruses to adhere to these surfaces to be inactivated. Inactivation does not occur immediately or even within hours, leaving people at risk of being exposed to these contaminated surfaces before bacteria and viruses are killed.

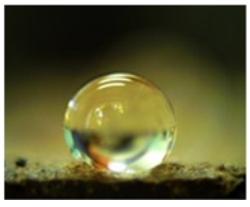
The original lab prototype of REPELWRAP™ has been shown through McMaster lab testing to be broadly repellent to contamination and reduces the adhesion and proliferation of infective pathogens including drug-resistant bacteria and viruses (Imani S et al, ACS NANO, 2020, 14, 1, 454–465). It repels both high (e.g., water) and low surface tension (e.g., oil) liquids, and can be easily applied to surfaces that are prone to contamination. This technology is founded on hierarchically structured materials, materials that combine a range of structural features from the nanoscale to the macroscale, that are integrated into commercial plastics using solution-based surface coating and shrinking for the purpose of repelling pathogens from high touch surfaces. Its hierarchical structure results in a high surface tension which causes droplets to assume a spherical shape. This enables the contact area and the adhesion force between the surface and droplet to be significantly reduced.

The original REPELWRAP™ lab prototype was created through wrinkling (creating microstructures), self-assembly of nanoparticles (creating nanostructures) and their combination (hierarchically structured). The stepwise process for making it is detailed below:



PS – Polystyrene; PO – Polyolefin; APTES – (3-aminopropyl)triethoxysilane

After commencing research pursuant to the CRA, the Company's work on assessing scalability led to the recommendation in early 2022 to reformulate the original lab prototype to facilitate the potential for a more streamlined scale-up process. Under the direction of the Company, McMaster began reformulating the original lab prototype in March 2022 which has led to development of the reformulated lab prototype containing TiO_2. This reformulated lab prototype has since been tested at McMaster to confirm its repelling, durability and stability are similar to the original prototype and is currently being assessed for scalability by McMaster. While this reformulation work has delayed the commencement of certain activities included in the aims in the CRA (see "*Description of the Business – The Collaborative Research Agreement*"), the Company believes it has an improved surface coating film that will be more amenable to scale-up by a third-party manufacturer. The Company expects this reformulated lab prototype will be ready for intermediate scale-up work by a third-party manufacturer in early 2023 and expects this reformulated repel version of REPELWRAP™ to be its first-to-market product.



Shown here is an example of the spherical nature that a droplet makes when it lands on a surface like REPELWRAP™. Due to the low surface energy of REPELWRAP™'s surface, liquids bounce off the surface when they come in contact with it. When a contaminated hand touches the surface of REPELWRAP™ film, the contamination stays on the contaminated hand and does not transfer to the surface.

Key results of the repelling properties of the original lab prototype REPELWRAP™ film include:

- Reduced viral titer more than 99% of SARS-CoV-2 related strains compared with control surfaces (ACS Appl. Mater. Interfaces 2022, 14, 11068-11077);

- Significantly reduced transfer to human skin of Escherichia coli contaminated REPELWRAP™ surfaces compared with control surfaces (ACS Appl. Mater. Interfaces 2022, 14, 11068-11077);
- Significantly reduced biofilm formation of methicillin-resistant Staphylococcus aureus and Pseudomonas aeruginosa compared with control surfaces (ACS Nano. 2020 Jan 28, 14 (1) 454-465):

	Repel Wrap Reduction in Biofilm Formation	Control Reduction in Biofilm Formation	
		Microstructure Only	Nanostructure Only
MRSA	~85%	66%	78%
P. aeruginosa	~85%	11%	62%

- Self-cleaning surface demonstrated from high repel rates of blood vs. control surfaces (ACS Nano. 2020 Jan 28, 14 (1) 454-465);
- Maintains robust repellent properties after being subjected to various physical/mechanical forces (i.e., vacuum & sonication) and chemicals (i.e., ethanol, bleach) (ACS Nano. 2020 Jan 28, 14 (1) 454-465); and
- Holds repellent properties under strain and while conforming to different form factors (bent or unbent) (ACS Nano. 2020 Jan 28, 14 (1) 454-465).

The reformulated lab prototype utilizes a titanium dioxide ("TiO_2") treatment which replaces a previously used (3-Aminopropyl) triethoxysilane (APTES) treatment. The TiO_2 treatment shares the same properties as the APTES treatment but with a faster reaction time which should result in a more efficient manufacturing process. Initial lab testing by the Lead Researchers has demonstrated that the TiO_2 prototype is demonstrating repellency, durability and stability properties equivalent to the APTES treated original lab formulation. The Company intends to advance the TiO_2 version of REPELWRAP™ and its current research and development plans are based on this reformulated version. McMaster is currently undertaking a scalability assessment of this reformulated lap prototype. If successful, the formulation process would be transferred to a third-party manufacturer to commence high volume scale-up activities. The Company is looking to engage a new third-party manufacturer to conduct scale-up activities of the reformulated lab prototype. If successful, the Company will then move to the scale-up phase, consisting of two phases, with an end result to create a commercial product. The first phase of scale-up will be to create intermediate-sized commercial film prototypes that will be tested in the lab to confirm they meet similar repelling, durability and stability specifications of the reformulated lab prototype created at McMaster. All testing will be done by the third-party manufacturer. If successful, the next phase will be to produce commercial scaled films. These films will undergo similar testing as described for the intermediates prototype films by the manufacturer and an independent testing facility. In addition, these commercial scale films will be tested in real-world settings, which the Company anticipates will include testing by Draganfly. If successful, the Company intends to commercialize their films through manufacturing and distributor partnerships. (See "*Risk Factors*").

During the work performed under the CRA, namely during the reformulation process of the original lab prototype as discussed above, an early-stage formulation was identified that both repels pathogens and kills any residual pathogens that adhere to the surface (repel and kill version). Initial testing has been performed at McMaster and the Company believes this film warrants further development and as such, it has been included in the Company's REPELWRAP™ development plan. The Company's research and development initiatives over the next 12 months will include further research and development of the repel and kill lab prototype film, testing (including repellency/kill effectiveness, stability and durability) and scalability assessment by McMaster, which the Company anticipates will be completed in Q3 2023 (See "*Risk Factors*").

McMaster has also identified another potential use for the Licensed Technology and has undertaken limited early-stage research to assess if the Licensed Technology can be used to coat medical catheters. Future work would entail the research of assessment of various coating formulations to protect medical catheters from occlusion and biofilm formation. As of the date of this Prospectus, only preliminary work has been initiated on this research by McMaster which is at an early research stage. The Company anticipates commencing more thorough assessment and development to coat catheters and intends to commence this work to assess potential for development of a lab prototype. The Company anticipates that a lab prototype would not be completed until the longer term, at least 12 months subsequent to the Listing Date.

See "*Forward-Looking Information*", "*Use of Available Funds*" and "*Risk Factors*".

Intellectual Property

The Company takes intellectual property, know-how and trade secrets very seriously and highly values the protection it affords our products. The Company relies on a combination of legal and contractual restrictions, such as confidentiality agreements, trademarks, and patent applications, to establish and protect our proprietary rights to deter others from developing products that are substantially equivalent.

The Company's intention is to build on the current Licensed Technology through its research and development activities including the work proposed under the Collaborative Research Agreement, which the Company believes will lead to the creation of new and innovative proprietary products.

Licensed Patent Rights

Pursuant to the Licensing Agreement, the Company was granted the License to the Licensed Technology from the Licensor. The Licensed Technology includes the following Licensed Patents, none of which have yet been granted:

Priority Number	Priority Date	Application Number	Application Date	Publication Number	Country	Application Type	Title	Inventor	Ownership
62/856392	June 3, 2019	3142127	November 26, 2021	CA3142127	Canada	non-provisional, national stage of PCT/CA2020/ 050766	OMNIPHOBIC SURFACES WITH HIERARCHICAL STRUCTURES, AND METHODS OF MAKING AND USES THEREOF	Leyla Soleymani Tohid Didar Sara Moetakef Imani Yuting Chan Roderick Maclachlan	McMaster University
62/856392	June 3, 2019	202080055337.6	January 29, 2022	CN1145552 45	China	non-provisional, national stage of PCT/CA2020/ 050766	OMNIPHOBIC SURFACES WITH HIERARCHICAL STRUCTURES, AND METHODS OF MAKING AND USES THEREOF	Leyla Soleymani Tohid Didar Sara Moetakef Imani Yuting Chan Roderick Maclachlan	McMaster University
62/856392	June 3, 2019	EP20819372.2	December 17, 2021	EP3976279	Europe	non-provisional, national stage of PCT/CA2020/0507 66	OMNIPHOBIC SURFACES WITH HIERARCHICAL STRUCTURES, AND METHODS OF MAKING AND USES THEREOF	Leyla Soleymani Tohid Didar Sara Moetakef Imani Yuting Chan Roderick Maclachlan	McMaster University
62/856392	June 3, 2019	2021-572059	December 03, 2021		Japan	non-provisional, national stage of PCT/CA2020/ 050766	OMNIPHOBIC SURFACES WITH HIERARCHICAL STRUCTURES, AND METHODS OF MAKING AND USES THEREOF	Leyla Soleymani Tohid Didar Sara Moetakef Imani Yuting Chan Roderick Maclachlan	McMaster University
62/856392	June 3, 2019	PCT/CA2020/ 050766	June 03, 2020	WO202024 3833	PCT Application	PCT Application	OMNIPHOBIC SURFACES WITH HIERARCHICAL STRUCTURES, AND METHODS OF MAKING AND USES THEREOF	Leyla Soleymani Tohid Didar Sara Moetakef Imani Yuting Chan Roderick Maclachlan	McMaster University

Priority Number	Priority Date	Application Number	Application Date	Publication Number	Country	Application Type	Title	Inventor	Ownership
		62/856392	June 3, 2019		United States of America	provisional	OMNIPHOBIC SURFACES WITH HIERARCHICAL STRUCTURES, AND METHODS OF MAKING AND USES THEREOF	Leyla Soleymani Tohid Didar Sara Moetakef Imani Yuting Chan Roderick Maclachlan	McMaster University
62/856392	June 3, 2019	17/616374	December 3, 2021		United States of America	non-provisional, national stage of PCT/CA2020/050766	OMNIPHOBIC SURFACES WITH HIERARCHICAL STRUCTURES, AND METHODS OF MAKING AND USES THEREOF	Leyla Soleymani Tohid Didar Sara Moetakef Imani Yuting Chan Roderick Maclachlan	McMaster University
62/856392	June 03, 2019	62022061224.1	September 27, 2022	HK 40072705 A	Hong Kong	non-provisional, extension of CN202080055337.6	OMNIPHOBIC SURFACES WITH HIERARCHICAL STRUCTURES, AND METHODS OF MAKING AND USES THEREOF	Leyla Soleymani Tohid Didar Sara Moetakef Imani Yuting Chan Roderick Maclachlan	McMaster University
		63/260371	August 18, 2021		United States of America	provisional	FLUORINE-FREE SUPERHYDROPHOBIC SURFACES, METHODS OF MAKING AND USES THEREOF	Tohid Didar Leyla Soleymani Liane Ladouceur	McMaster University
63/260371	August 18, 2022	PCT/CA2022/051249	August 18, 2022		PCT Application	PCT Application	FLUORINE-FREE SUPERHYDROPHOBIC SURFACES, METHODS OF MAKING AND USES THEREOF	Tohid Didar Leyla Soleymani Liane Ladouceur	McMaster University
		63/260372	August 18, 2021		United States of America	provisional	METHODS OF MAKING OMNIPHOBIC MATERIALS WITH HIERARCHICAL STRUCTURES AND USES THEREOF	Tohid Didar Leyla Soleymani Shadman Khan	McMaster University
63/260372	August 18, 2021	PCT/CA2022/051259	August 18, 2022		PCT Application	PCT Application	METHODS OF MAKING OMNIPHOBIC MATERIALS WITH HIERARCHICAL STRUCTURES AND USES THEREOF	Tohid Didar Leyla Soleymani Shadman Khan	McMaster University

Each patent application goes through a prosecution process. As at the date of this Prospectus, no applications have been prosecuted and no patents have been granted. There is no certainty that any patents will be granted, and if no patents or only some patents are granted, the Company may suffer material adverse impacts on its business and operations. See "*Risk Factors*".

Trademarks

Currently the Company has applied to trademark REPELWRAP™ in Canada. As of the date of this Prospectus, no trademarks have been granted to the Company.

Regulatory Matters

The Company believes it that it will not be required to obtain any licenses, approvals or permits to carry out its operations over the next 12 months prior to the commercial launch of REPELWRAP™ (repel version) or to accomplish its business objectives and milestones as disclosed under "*Use of Available Funds - Business Objectives and Milestones*". The Company commenced a Canadian regulatory assessment in 2021 and received a report of recommendations dated June 30, 2022 which concluded that REPELWRAP™ (repel version) would not be classified

as a medical device or a pest control device. The assessment reviewed various Canadian regulations and acts including: a) the Food and Drugs Act, regulated under the Canadian Medical Device Regulations ("CMDR"), that governs medical devices; b) the Pest Control Products Act ("PCPA"), regulated by the Pest Control Regulations ("PCR"), that governs pest control devices; and c) the Canadian Consumer Packaging and Labelling Act and Canada Consumer Hazardous and Product Safety Act ("CHPSA") that governs consumer products. The original and reformulated repel versions of REPELWRAP™ should not be considered medical devices as they will not be applied to medical instruments or implanted into humans and do not contain an active pharmaceutical ingredient. As well, the repel versions of REPELWRAP™ do not have a mechanism of action that will directly or indirectly destroy micro-organisms, and therefore the Company believes it does not require approval from the PCR or the CHPSA. As such, the repel versions of REPELWRAP™ should be considered consumer products and the Company and do not require any licenses or permits to commercialize in Canada. The Company will need to ensure they are compliant with the Canadian Consumer Packaging and Labelling Act and CHPSA, but no submission of data or dossiers is required. The only approval that the Company believes may be required is if the REPELWRAP™ (repel version) commercial product is manufactured outside of Canada and is imported into Canada for distribution. If this is the case, submission of a New Substances Notification form at least 120 days prior to importation will be required and approval of such would be required by Executive Director, Program Development and Engagement Division, Department of Environment and Climate Change Canada, New Substances Notification (Chemicals and Polymers). The Company intends to engage its regulatory consultant to assess the regulatory requirements for REPELWRAP™ (repel and kill version) in Canada (see "*Use of Available Funds*"). The Company has not investigated regulatory requirements for other jurisdictions outside of Canada for REPELWRAP™ (repel version), which the Company anticipates will not occur until after 12 months after the Listing Date. McMaster and the Company's distribution and manufacturing partners are required to have any approvals, licenses or permits needed to perform their work for the Company. See "*Risk Factors*".

Business Model - Manufacturing and Distribution

The Company does not intend to manufacture its products, rather it intends to utilize third-party manufacturers to manufacture its products, once developed. The Company has not entered into any manufacturing agreements as at the date of this Prospectus.

The Company expects to launch the reformulated REPELWRAP™ film (repel version) in Canada in the first half of 2024, assuming completion of development and satisfactory testing and scale-up. The Company intends to identify and target distributors that can optimize the sale of REPELWRAP™ into healthcare and high-traffic high-touch public areas.

The Company expects to launch REPELWRAP™ first in Canada and subsequently in the longer term, will look to launch in the US, Europe and Asian markets. The Company intends to use distributors to launch and sell REPELWRAP™ in all these markets and has not yet entered into any formal distribution agreements as at the date of this Prospectus.

See "*Forward-Looking Information*" and "*Risk Factors*".

Marketing, PR and Communication

The Company's communication plan will be centred on building awareness of the Company, its purpose, development of the Licensed Technology and products. A major focus of the Company's communication will be targeted to manufacturers, distributors, end-users (i.e., healthcare, retail industries) and consumers.

The Company plans to accomplish this by deploying wide-spread communication using the Company's website, public relations, social media, news bulletins, presentations, conferences, engaged viewer follow-up and re-targeting strategies. The communication plan will be implemented near the Listing date. As at the date of this Prospectus, the Company has identified and engaged a social media consultant to provide social media consulting services for a 12-month term to start approximately on the date of Listing, for a fee of $120,000 plus GST. The Company has paid a deposit of $60,000 plus GST to the consultant.

Specialized Skill and Knowledge

All aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge currently include those pertaining to product development, technology planning, business development, commercialization/sales/marketing, funding and capital markets. The Company believes its experience provides a strong foundation on which to deploy capital efficiently in developing and commercializing REPELWRAP™, prioritize and develop future pipeline products, build its operations, and seek and develop strategic partnerships. The Company further believes its experience in fund raising will provide support for the Company's expansion plans.

The Company believes it has adequate personnel, consultants and other resources with specialized skills in operations, product development, manufacturing, commercialization, business development, finance and fund raising to carry out its operations successfully. The Company's CEO and Chief Operating Officer ("**COO**") have extensive experience in developing and commercializing products and collectively have launched over 35 products in their careers.

Employees

As of the date of this Prospectus, the Company has 2 full-time employees, one of which is the Company's COO. The Company also relies on service providers and independent contractors and consultants for various aspects of senior management and operations namely the CEO and CFO.

Competitive Conditions

Demand for films to protect surfaces has led to there being a significant number of Canadian, US and international competitors in Canada and other countries. The Company's competitors may have more substantial financial and technical resources for the development and commercialization of product offerings, as well as for the recruitment and retention of qualified personnel. The Company faces competition from several established providers of existing antimicrobial protective coating technologies. These competitors are mostly privately held companies such as:

Company	Private/Public	Product Description	Activity	Headquarters
Aereus Technologies	Private	Cuverro Shield, copper based film	Antimicrobial	Canada
Antimicrobial Shield	Private	Silver containing film	Antimicrobial	USA
Contact Copper	Private	Copper infused film	Antimicrobial	USA
Copper Clean	Private	Copper containing film	Antimicrobial	USA
Drytac	Private	SteriTac film with Microban antimicrobial protection	Antimicrobial	USA
Dunmore	Private	DunShield - silver containing film	Antimicrobial	USA
GermGuard	Private	Organosilane film with ammonium functionality	Antimicrobial	Europe
Hexis SAS	Private	Pure Zone® - antimicrobial agent used in film - not disclosed	Antimicrobial	Europe
Kastus	Private	Light activated glass screen protector film	Antimicrobial	Europe
Nadco	Private	Silver and zeolite containing film	Antimicrobial	USA
NanoTouch	Private	Nanocrystals containing film activated by light - not disclosed	Antimicrobial	USA
Never Germs	Private	Ionic additive film technology - not disclosed	Antimicrobial	USA
Outbreaker	Private	Compressed sodium chloride shaped to cover different surfaces	Antimicrobial	Canada
PolymerShapes/Film divisio	Private	Light activated nanoDefense™ titanium dioxide containing film	Antimicrobial	USA
RailEyes	Private	Silver containing film	Antimicrobial	USA
Safe Handles	Private	Silver containing film	Antimicrobial	USA
Sharklet	Private	Micropattern technology film	Antimicrobial	USA
Silver Defender	Private	Silver containing film	Antimicrobial	USA
Touchshield	Private	Silver containing film	Antimicrobial	Europe
viRepel	Private	Copper containing film	Antimicrobial	Canada
XPEL	Public	Zinc ion containing film	Antimicrobial	USA

Several of these competitive films use copper or silver to destroy a wide range of microorganisms. Microorganisms are killed when they encounter their surfaces, however, inactivation can take hours or even days, leaving people at risk of being exposed to these contaminated surfaces until the microorganisms are inactivated. Other microbial films require activation by light or other activators. The Company believes REPELWRAP™ will be the first film coating that repels bacteria and viruses reducing the likelihood of people being contaminated when they touch surfaces coated with it.

In addition, the Company believes there may be other companies and researchers that are working on new technologies and refinements to current offerings. See "*Risk Factors*".

INDUSTRY TRENDS AND MARKET

Globalization and increasing travel and trade between countries are major contributors of the spread of pathogens causing significant health and socio-economic burden including absenteeism, critical illness, hospitalization and even death. As a result, the World Health Organization has prioritized infection prevention and control in community settings and in healthcare for the need to control the spread of potentially lethal pathogens.

Contaminated surfaces play a key role in the transmission of pathogens and infection. The mechanism of spread involves a person touching a contaminated surface with his or her hand, which transfers the pathogen to them and in turn makes them susceptible to infection and to spreading it to others. In a crowded environment, a contaminated surface can be touched by several people, and each of these individuals subsequently touch other surfaces as they move around. Each of these now contaminated surfaces can be touched again by other people, and so the touching sequence progresses.

Pathogens most frequently involved in the contamination of hospital environmental surfaces include Coronavirus, methicillin-resistant Staphylococcus aureus, vancomycin-resistant Enterococci, Clostridium difficile, multidrug resistant gram- negative bacilli including Pseudomonas, Acinetobacter and Enterobacteriaceae, Norovirus and Candida species. Many strains are antibiotic resistant that can make treatment of infections difficult.

Despite the growing global commitment to reduce the spread of pathogens, infections continue to be responsible for high morbidity and mortality rates, increased costs, and longer hospitalizations. This spread of pathogens is not only seen in healthcare settings, but also in our community where surfaces, equipment, and textiles, are susceptible to pathogens, which ultimately find their way to humans.

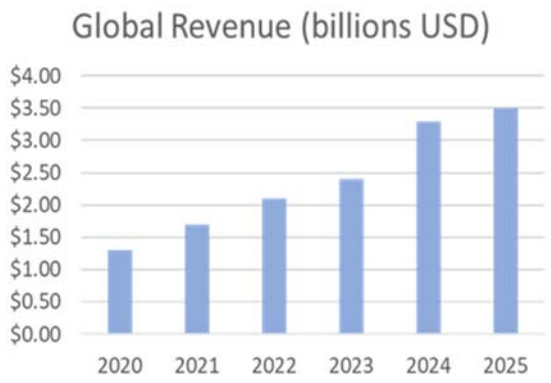
The CDC conducted a hospital acquired infection ("**HAI**") prevalence survey in 2015. The survey identified that 1 in 31 patients in hospital facilities have an HAI and that 72,000 of these patients died from their HAI. Direct medical costs associated with treating these infections is at least US$28.4 billion each year and there are additional costs of approximately US$12.4 billion to society from early deaths and lost productivity (https://www.cdc.gov/policy/polaris/healthtopics/hai/index.html.)

In Canada, each year over 220,000 HAIs result in 8,500-12,000 deaths, making HAIs the 4th leading cause of death in Canada after cancer, heart disease and stroke, with one in nine hospital patients in Canada getting an HAI. The impact of HAIs in Canada has been estimated at $1 billion. (https://cupe.ca/health-care-associated-infections-backgrounder-and-fact-sheet#:~:text=Each%20year%20in%20Canada%2C%20more,cause%20of%20death%20in%20Canada.)

Hospitals and other community settings implement rigorous disinfecting practices to control the spread of pathogens, but even the most stringent disinfection protocols may not be 100% effective in the elimination of pathogens. Additional solutions may be needed to help control spread of these pathogens and various health organizations around the world are actively seeking innovative solutions. This has led to several companies creating surface coating films to aid in keeping surfaces safe from contamination.

The surface coating market was estimated to be worth US$1.3 billion in 2020 and will grow to US$3.5 billion by 2025 (Orbis Research, 2021 - Global Antimicrobial Coating Film Market Outlook by Major Company, Regions, Application and Segment Forecast, 2015-2026; www.orbisresearch.com). Per this report, the growth forecast between 2020 and 2025 (18% Compound Annual Growth Rate or "**CAGR**") is driven by growing concern regarding cleanliness in various industries which has led to an increased demand for antimicrobial films that are used to protect surfaces against micro-organisms, including parasites, germs, bacteria, and unwanted micro-organisms. The projected growth between 2020 and 2025 is owing to increasing demand for safer surfaces in part due to the SARS-CoV-2 pandemic. The graph below shows the forecasted global revenue between 2020 and 2025 (Orbis Research, 2021 -

Global Antimicrobial Coating Film Market Outlook by Major Company, Regions, Application and Segment Forecast, 2015-2026; www.orbisresearch.com).



North America leads the market and in 2019 accounted for over 43% share of the global revenue. Asia Pacific is estimated as the second-fastest growth region driven by growth of major industries such as healthcare and construction. In 2023, the total addressable market is estimated at US$2.4 billion (Orbis Research, 2021 - Global Antimicrobial Coating Film Market Outlook by Major Company, Regions, Application and Segment Forecast, 2015-2026; www.orbisresearch.com).

The Company believes the following overall trends may contribute to market demand and growth:

- rising healthcare costs, causing concern for governments, insurers and patients;
- general awareness of the impact of virus transmission and the importance of sanitary surfaces (as highlighted by the recent COVID-19 pandemic);
- increasing number of HAIs, especially antibiotic resistant pathogens;
- growing and aging population worldwide. According to "An Aging World: 2015", a study commissioned by the United States' National Institutes on Health and produced by the United States Census Bureau, in 2015, 8.5% of the world population was age 65 or older and is projected to increase to 17% by 2050. It is generally accepted that as people age, their immune systems decline, making them more susceptible to serious illness from viruses and other pathogens; and
- worldwide, governments are concerned about the transmission of pathogens on high-touch surfaces and are seeking products that provide innovative solutions to control the spread of potentially deadly pathogens.

The healthcare sector (i.e., hospitals, long-term care, and retirement homes) is a key focus of the Company as it is the source a several highly transmissible potentially lethal pathogens.

Examples of where REPELWRAP™ and follow on products could be used include: doorknobs, swinging and revolving doors, elevator panels, public bathrooms, including entrance/exit doors, toilets, flush handle, sinks, soap and sanitizer dispensers, handrails (hall, stairs, escalators), cafeteria tables, chairs, and food counters bedrails & controls, bedside table & handles, handrails, chair, wheelchair, TV remote and telephone, light switches, door, closet, knobs, and plates, toilet seats, flush handle, bedpan, sinks, soap, and sanitizer dispensers, IV poles, supply cart, food trolleys.

Other examples of industries/areas with high traffic public touchpoints that the Company may target in the longer term include:

- transportation industry (airplanes, trains, buses, taxis);
- entertainment industry (arenas, stadiums, theatres, casinos, amusement parks, recreation centres);
- food and Hospitality Services (malls, fast-food, cruise ships, restaurants); and
- schools and office buildings (desks, hand railings, bathrooms).

See "*Forward- Looking Information*" and "*Risk Factors*".

USE OF AVAILABLE FUNDS

Available Funds and Principal Purposes

This Prospectus qualifies the Subscription Receipt Distribution. The Company is not raising any new funds in conjunction with this Prospectus and, accordingly, there are no new proceeds to be raised by the Company pursuant to this Prospectus.

The Company has not yet achieved commercial production. As a result, as at December 31, 2021 and as at September 30, 2022, the Company had negative cash flows from operations. See "Risk Factors".

The Company had cash and cash equivalents of approximately $4,029,528 (inclusive of gross proceeds of the Subscription Receipt Private Placement held in escrow) and a working capital deficit of approximately $658,436 as at December 31, 2022. Assuming satisfaction of the Escrow Release Condition, the gross proceeds of the Subscription Receipt Private Placement, being $4,001,400, less cash finder's fees of $112,752 for net proceeds of $3,888,648 will be released to the Company. Together with the working capital deficit, the Company will have an aggregate of approximately $3,230,212 in funds expected to be available to the Company. The Company intends to allocate the foregoing funds as follows, however it reserves discretion to allocate to other strategic, operational or other demands as and when they arise:

Use of Available Funds	Amount
Research and development - REPELWRAP™ (1)(10)	$180,000
Research activities – catheter coating (2)(10)	$125,000
REPELWRAP™ scale-up and testing (3)	$375,000
Patents and regulatory (4)	$110,000
Annual royalty payment (5)	$5,000
Salaries and consulting fees (6)	$820,500
General and administrative costs (7)	$1,306,500
Business development (8)	$83,000
Public listing costs (9)	$84,000
Unallocated working capital	$141,212
Total	**$3,230,212**

Notes:

(1) Includes completion of scalability assessment of REPELWRAP™ (repel) and testing of lab prototype with McMaster ($14,000) and development of REPELWRAP™ repel and kill lab prototype film and scientific support for scalability assessment and testing by McMaster ($166,000).

(2) Includes conducting assessment and research activities related to catheter coatings at McMaster ($125,000).

(3) Includes intermediate and commercial scale-up and scaled up film prototype testing for REPELWRAP™ (repel version) ($325,000) and for intermediate prototype testing and initial scale-up for REPELWRAP™ (repel and kill version) ($50,000)).

(4) Includes regulatory consulting fees ($50,000) and patent filing costs ($60,000).

(5) Includes McMaster annual license fee ($5,000). See "*Description of the Business – The License Agreement*".

(6) Includes $240,000 allocated for the remuneration of the CEO, $96,000 allocated for the remuneration of the CFO, $185,900 allocated for the remuneration of the COO, $55,000 allocated for director services fees and $243,600 for other consultants and employees.

(7) Includes estimated filing fees and transfer agent fees ($13,500), auditor and accounting fees ($90,000), legal fees ($97,000), insurance ($25,000), travel and entertainment ($60,000), investor relations consultants ($100,000), miscellaneous, general office and administration expenses ($22,000) and marketing, PR, and shareholder communications ($899,000) (which includes marketing materials ($92,500), digital marketing, advertising, and other communication expenses ($225,000), conference attendance ($22,500), newswire services and business news communications ($129,000), engagement of communication, market research consultants and newsletter writers ($185,000), engagement of marketing, digital marketing and PR agencies ($245,000)).

(8) Includes costs for hiring a consultant to assist with the identification and pursuit of distribution and manufacturing agreements and other business development opportunities ($83,000).

(9) Includes balance of estimated listing costs ($24,000), listing fees for the CSE ($22,000) and expenses related to a proposed US listing ($38,000).

(10) Research and development costs are inclusive of the Company's contributions required pursuant to the Collaborative Research Agreement with McMaster. See "*Description of the Business – The Collaborative Research Agreement*".

The Company has negative cash flow from operations in its most recently completed financial year. The Company anticipates the available funds will be sufficient to achieve the Company's objectives over the next 12 months. The Company intends to spend the funds available to it as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. The amount and timing of these expenditures may vary depending on certain factors, including competitive and technological developments. As a result, management will retain broad discretion in the application of the available funds, and investors will be relying on management's judgement regarding the application of the available funds.

The gross proceeds from the Company's private placements completed to date (except for the Subscription Receipt Private Placement) were allocated to working capital. As at December 31, 2022, none of the proceeds of $2,035,100 from such private placements remain unutilized.

Business Objectives and Milestones

The Company's anticipated business objectives for the 12-month period following the date of this Prospectus are described in the table below. The Company expects to have sufficient funds available to fund its business objectives within 12 months without requiring additional sources of funding.

Business Objective	Milestones that must occur for Business Objective to be Accomplished	Anticipated Start Date	Anticipated Timing for Completion	Estimated Cost ($)
Continued research and development of REPELWRAP™ film through McMaster	Complete scalability assessment of REPELWRAP™ (repel) and testing of lab prototype with McMaster	Ongoing	Estimated completion in Q1 2023.	$14,000
	Development of REPELWRAP™ repel and kill lab prototype film and scalability assessment and testing by McMaster	Ongoing	Estimated completion in Q3 2023	$166,000
Conduct research on using the Licensed Technology to coat medical catheters	Compete assessment and research activities related to development of a lab prototype	On Listing	Estimated completion in Q4 2024	$125,000
Perform testing and scale-up of two REPELWRAP™ formulations (repel version and repel and kill version)	Sign manufacturing agreement with a third-party manufacturer	Estimated Q1 2023	Estimated Q1 2023	$Nil
	Complete scale-up and testing of intermediate prototype of REPELWRAP™ (repel film)	Estimated Q1 2023 subject to successful completion of lab prototype scale-up and testing by McMaster	Estimated completion end of Q2 2023	$90,000
	Complete commercial scale-up and testing of REPELWRAP™ (repel film)	Estimated Q3 2023 subject to successful completion of	Estimated completion by Q2 2024	$235,000

Business Objective	Milestones that must occur for Business Objective to be Accomplished	Anticipated Start Date	Anticipated Timing for Completion	Estimated Cost ($)
		intermediate prototype scale-up and testing		
	Initiate scale-up activities of intermediate prototype REPELWRAP™ (repel and kill film) and testing with manufacturer	Estimated in Q3 2023 subject to successful completion of lab prototype scale-up and testing by McMaster	Estimated completion Q2 2024	$50,000
Complete annual royalty payment	Payment of annual royalty to McMaster	N/A	Q1 2023	$5,000
Complete additional patent applications and regulatory work	Regulatory consultation to assess regulatory requirements for the repel/kill version of REPELWRAP™	Upon Listing	Within 6 months of Listing Date	$50,000
	File and prosecute additional patent applications through McMaster	Ongoing	Within 12 months of Listing Date, but is ongoing	$60,000
Complete public listings	Complete listing on CSE	On Listing Date	On Listing Date	$46,000
	Complete listing on OTCQB	Upon Listing Date	Within three months of Listing Date	$38,000
Business Development	Engage business consultant	Upon Listing Date	Within 4 months of Listing Date	$83,000

Using the available funds set out in the Use of Available Funds above, the Company intends over the next 12 months, to focus on the development of the reformulated REPELWRAP™ repel film with the intention to commercialize in the first half of 2024, advance the repel and kill lab prototype, assess potential to coat medical catheters with the Licensed Technology, as well as to continue to establish new intellectual property. (See "*Description of the Business - History Since Incorporation*"). The Company intends to work towards achieving the objectives and milestones set out below (see "*Forward-Looking Information*" and "*Risk Factors*"). As at September 30, 2022, the Company has paid McMaster $262,500 pursuant to the CRA, of which approximately $184,540 as at September 30, 2022 has been incurred on research and development activities related to assessment of the scalability of the original lab prototype, reformulation and testing of the original lab prototype, and early development of the repel and kill prototype as well as limited work on initial research of coatings for catheters. The Company believes that no licenses, approvals or permits are required to carry out the Company's operations over the next 12 months or for the Company to accomplish its business objectives and milestones as stated in this Prospectus.

Research and Development – REPELWRAP™ film

The Company anticipates using an aggregate of $180,000 of the available funds to continue to fund its research and development ("R&D") objectives related to REPELWRAP™ film with McMaster over the 12-month period following Listing as detailed below. No material capital expenditures are anticipated to be made by the Company. All research

and development work on REPELWRAP™ film using the Licensed Technology will be carried out by the Lead Researchers at McMaster under the direction of the Company pursuant to the License Agreement and the CRA.

The Company's two key R&D objectives over the next 12 months are to:

a) finalize the REPELWRAP™ (repel version) reformulated lab prototype at McMaster and transfer formulation methods to a third-party manufacturer for intermediate scale-up.

   As of the date of this Prospectus, the Company and McMaster have completed a reformulated version of REPELWRAP™ (repel film) that utilizes a TiO2 treatment that provides a faster reaction time than APTES, which appears more favorable for scale-up initiatives. To-date, testing at McMaster has shown that this film demonstrates similar repelling, durability, and stability properties as the original lab prototype and McMaster is currently undertaking a scalability assessment to finalize the formulation methods for transfer to a third-party manufacturer to commence intermediate scale-up activities if successful estimated for Q1, 2023.

b) continue development of REPELWRAP™ (repel and kill) lab prototype film and scalability assessment and testing by McMaster.

   During the work performed under the CRA, namely during the reformulation process of the original lab prototype as discussed above, a formulation was identified that both repels pathogens and kills any residual pathogens that adhere to the surface. Initial testing has been performed at McMaster and the Company intends to pursue further research and development of the REPELWRAP™ repel and kill lab prototype film, testing and scalability assessment by McMaster. The Company anticipates that such work will result in the lab prototype formulation methods that can be transferred to a third-party manufacturer in Q3 2023.

The Company intends to pursue its research and development activities to further develop the Licensed Technology with McMaster pursuant to the CRA, however, there can be no certainty that the research and development initiatives will result in successful results or lab prototypes or provide certainty as to the time and costs that will be involved to achieve our objectives. The Company is reliant on McMaster to conduct research and development of the Licensed Technology pursuant to the CRA to advance product candidates for manufacturing scale-up and ultimate commercialization. See "*Risk Factors*".

Research and development activities using the Licensed Technology to coat medical catheters

The Company will also work with the Lead Researchers to assess the Licensed Technology to develop coatings to protect catheters from occlusion and biofilm formation. As of the date of this Prospectus, only preliminary work has been initiated on this objective and this objective is at an early research stage. The Company anticipates commencing more thorough assessment of medical catheters coated with the Licensed Technology, at a cost of approximately $125,000, starting after the Listing Date. No material capital expenditures are anticipated to be made by the Company. The Company anticipates this work will be completed at the end of Q4 2024. If successful, the next anticipated phase is to develop a lab prototype, which would be undertaken in the longer term.

This catheter coating research is at an early stage and there can be no certainty that the research and development initiatives will result in successful results or lead to development of lab prototypes for further development work, nor can the Company provide certainty as to the time and costs that will be involved to achieve its objectives. To further future research and development work on catheter coatings, the Company will need to raise additional capital. See "*Risk Factors*".

Scale-Up and Testing of REPELWRAP™ (Using Third-party Manufacturer)

The Company anticipates using an aggregate of $375,000 of the available funds to achieve its scale-up and testing objectives over the 12-month period following listing using a third-party manufacturer. The Company is in the process of identifying and engaging a potential manufacturing partner with the intention to commence the scale-up and related testing process of the reformulated lab prototype (repel version) in early 2023, assuming successful scale-up assessment and testing by McMaster of the reformulated lab prototype. As at the date of this Prospectus, the Company has not incurred any expenditures in relation to intermediate or commercial scale-up and testing work with a third-party manufacturer. No material capital expenditures are anticipated.

Formulation methods of the reformulated lab prototype (repel version) are anticipated to be transferred to the third-party manufacturer (manufacturer not yet engaged) to commence intermediate scale-up in Q1 2023. McMaster will provide technical support as the third-party manufacturer automates the scale-up methods and tests intermediate and commercial scaled films. Scale-up will involve automating the McMaster formulation process to determine if REPELWRAP™ can be scaled up to dimensions for high volume manufacturing using economically feasible industrial processes. Intermediate sized prototypes from the scale-up process will be subject to stability and durability testing, as well as repellency testing to confirm they meet the original McMaster lab prototype specifications. If they do meet the specifications and there is confirmation of reasonable costs to commercially manufacture REPELWRAP™, the Company will work with the manufacturer to develop the commercial scale manufacturing process. The Company believes it will be able to begin commercial scale-up activities in the second half of 2023, assuming successful intermediate prototype development and testing.

Commercial scale films will be subject to testing by an independent third-party lab to confirm they meet the repelling, durability and stability specifications. As well, these films will undergo real-life testing to confirm they meet the specifications in real-world settings. It is anticipated that real-life testing will be conducted in collaboration with distribution partners. The Company has signed a LOI with Draganfly and the Company anticipates that they may be one of the potential distribution partners who will work with the Company to conduct testing using their drone technology, however the Company has not entered into any formal distribution agreement with Draganfly nor any other potential distributors as at the date of this Prospectus and there is no certainty it will be successful in entering into any distribution agreements with Draganfly or others (see "*Risk Factors*"). Draganfly currently transports vaccines with their drones and the testing would involve wrapping their vaccine samples with REPELWRAP™ and then assessing if the films meet specifications after transportation of the vaccines. For the 12-month period following listing, the Company anticipates using approximately $90,000 of available funds to complete intermediate scale-up starting in Q1 2023 and appropriately $235,000 for the large-scale manufacturing activities anticipated to commence in Q3 2023. No material capital expenditures are anticipated to be made by the Company.

The Company believes it will be ready to begin assessing scalability with a third-party manufacturer of the repel and kill version of REPELWRAP™ in Q3 2023, subject to engaging a third-party manufacturer and successful completion of the research and development of the repel and kill lab prototype (see "*Risk Factors*"). The scale-up process and testing of intermediate prototypes will be similar to what is described for the repel only version of REPELWRAP™. For the 12-month period following listing, the Company anticipates using of $50,000 of available funds to commence work on intermediate prototypes starting in Q3 2023. No material capital expenditures are anticipated to be made by the Company.

The Company intends to pursue scale-up activities, however, there can be no certainty that the scale-up activities will be successful and result in successful intermediate and commercial prototypes, nor can the Company provide certainty as to the time and costs. The Company cannot at this time accurately estimate the cost of bringing the Company's REPELWRAP™ to market as much of the associated costs depend on various factors including the outcomes of the automation of McMaster's formulation of REPELWRAP™. Further, there is no assurance that the anticipated timelines will be met or that its project or any objective will advance to an intermediate or commercial prototype. Automating the scale-up process may not achievable or it may require additional reformulations to the prototype which may increase timelines and costs or may not be achievable at all. If manufacturing of an intermediate prototype is achievable, it is possible that high-volume manufacturing to manufacture a commercial product may require additional specialized equipment and/or additional reformulation, which may cause delays and cause the Company to incur additional costs. Scale-up is dependent on establishing a manufacturing agreement with a third-party manufacturer and the Company is reliant on finalizing an agreement with reasonable terms which may not be achievable. The potential exists that a manufacturing partner may decide to terminate a manufacturing agreement and the Company will then need to seek another manufacturer, which may significantly delay scale-up and time to commercialization. See "*Risk Factors*".

Patents and Regulatory

The Company intends to utilize a regulatory consultant to assess Canadian regulatory requirements for the repel and kill version of REPELWRAP™, starting on the Listing Date with an estimated cost of $50,000. The Company intends to utilize the same Canadian regulatory consultant that prepared the initial regulatory assessment of repel version of REPELWRAP™ (see "*Description of the Business – Regulatory Matters*").

The Company also anticipates that additional patent applications in different jurisdictions will be filed by McMaster (and under the direction of the Company) to enhance the Licensed Patent portfolio, estimated to cost $60,000 for the 12-month period after the Listing Date, which costs are initially incurred by McMaster and reimbursed by the Company. There is no assurance that any patent applications will result in patent grants (see "*Risk Factors*").

Complete Public Listings

The Company intends to complete the listing of its common shares on the CSE using $46,000 of the available funds to pay the balance of estimated costs related to listing which includes $22,000 for estimated CSE fees and also commence the listing process and apply for listing/quotation on the OTCQB within 3 months of its listing on the CSE, which is anticipated to cost approximately $38,000. No agreements have been entered into with respect to an OTCQB listing/quotation and there is no assurance that the Company will achieve a US listing/quotation.

Business Development

The Company intends to hire a business development consultant using the available funds starting in Q2 2023 at an estimated cost of approximately $10,400 per month to assist in seeking and securing manufacturing and distributor partnerships for assistance with the scale-up and testing of REPELWRAP™ The Company has not entered into any agreements for such consultant.

PLAN OF DISTRIBUTION

This Prospectus is being filed in the Qualifying Jurisdictions to qualify the distribution (previously defined as the "**Subscription Receipt Unit Distribution**") of 13,138, 000 units of the Company (previously defined as the "**Subscription Receipt Units**"), comprised of 13,138,000 common shares of the Company (previously defined as the "**Subscription Receipt Shares**") and 6,569,000 share purchase warrants (previously defined as the "**Subscription Receipt Warrants**") issuable upon conversion of 13,138,000 Subscription Receipts issued to subscribers at a price of $0.30 per Subscription Receipt as part of an offering of an aggregate of 13,338,000 Subscription Receipts on a non-brokered private placement basis completed on April 28, 2022 (previously defined as the "**Subscription Receipt Private Placement**") pursuant to prospectus exemptions under applicable securities legislation, and also qualifies the 6,569,000 Subscription Receipt Warrant Shares, the Subscription Receipt Broker Shares, the Subscription Receipt Broker Warrants and the Subscription Receipt Broker Warrant Shares.

Subscription Receipt Private Placement

The gross proceeds of the Subscription Receipt Private Placement are being held in escrow by the Subscription Receipt Agent. Upon obtaining the receipt for the final Prospectus (the "**Escrow Release Condition**"), the Subscription Receipt Agent will release the proceeds to the Company and each Subscription Receipt will automatically convert into one unit of FendX (each, a "**Subscription Receipt Unit**"). Each Subscription Receipt Unit will consist of one Common Share (previously defined as a "**Subscription Receipt Share**") and one-half of one transferable share purchase warrant (each whole warrant, previously defined as a "**Subscription Receipt Warrant**"). Each Subscription Receipt Warrant will entitle the holder to purchase an additional Common Share (previously defined as a "**Subscription Receipt Warrant Share**") at an exercise price of $0.50 per share for a period of two years following the date of the satisfaction of the Escrow Release Condition, subject to an acceleration right of the Company whereby if for any consecutive 20 trading days, the closing price of the Common Shares on the CSE (or such other stock exchange on which the Common Shares may be traded at such time) is equal to or greater than $1.00 at any time following the date of the listing of the Common Shares on the CSE, the Company may accelerate the expiry date of the Subscription Receipt Warrants by giving notice to the holders thereof (by disseminating a news release advising of the acceleration of the expiry date of the Subscription Receipt Warrants) and, in such case, the Subscription Receipt Warrants will expire on the thirtieth day after the date of such notice. If the Escrow Release Condition is not satisfied on or before February 17, 2023, or if the Company delivers a written default notice to the Subscription Receipt Agent that the Escrow Release Condition will not be satisfied by that time, the Subscription Receipts will expire and be of no further force and effect, effective as of the earlier of (i) February 17, 2023 and (ii) the date of the receipt of the default notice, and the subscribers will be entitled to receive from the Subscription Receipt Agent a refund of the subscription amounts held in escrow.

The Company intends to use the proceeds of the Subscription Receipt Private Placement in furtherance of the business objective and milestones set out above, and for general corporate purposes. See "*Use of Available Funds*".

On the date of the satisfaction of the Escrow Release Condition in connection with the Subscription Receipt Private Placement, the Company will pay a cash commission to registrants in the aggregate amount $112,752 and will issue 609,680 Subscription Receipt Broker Shares to the registrants. The Company will also issue an aggregate of 985,520 Subscription Receipt Broker Warrants to registrants in connection with the Subscription Receipt Private Placement. See pages (i) and (ii) for more information on the Subscription Receipt Private Placement.

The Company has granted to each holder of a Subscription Receipt a contractual right of rescission of the prospectus-exempt transaction under which the Subscription Receipt was initially acquired. The contractual right of rescission provides that if a holder of a Subscription Receipt who acquires another security of the Company on conversion of the Subscription Receipt as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of this Prospectus or an amendment to this Prospectus containing a misrepresentation, (a) the holder is entitled to rescission of both the holder's conversion of its Subscription Receipt and the private placement transaction under which the Subscription Receipt was initially acquired, (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Company on the acquisition of the Subscription Receipt, and (c) if the holder is a permitted assignee of the interest of the original Subscription Receipt subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

DIVIDENDS OR DISTRIBUTIONS

Dividends

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its cash to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of the Board and will depend on many factors, including, among others, the Company's financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law and other factors that the Board may deem relevant.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company's MD&As provide an analysis of the Company's financial results for the period from incorporation on July 28, 2020 to December 31, 2020, for the year ended December 31, 2021, and for the nine month period ended September 30, 2022, and should be read in conjunction with the financial statements of the Company for such periods, and the notes thereto respectively. The Company's MD&As for such periods are attached to this Prospectus as Appendix C.

Certain information included in the Company's MD&As is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Forward-Looking Information*" for further detail.

DESCRIPTION OF SHARE CAPITAL

General

The Company was incorporated pursuant to the laws of British Columbia, Canada, and its affairs are governed by the provisions of its Articles, as amended and restated from time to time, and by the provisions of applicable corporate and securities laws, including the BCBCA. The Company's authorized capital consists of an unlimited number of Common Shares without par value. Other material terms and provisions of the Company's Common Shares under its Articles are described below.

Common Shares

The Company is authorized to issue an unlimited number of Common Shares without par value. As at the date of this Prospectus, the Company has 37,965,773 Common Shares issued and outstanding. Upon conversion of the Subscription Receipts issued in the Subscription Receipt Private Placement into the Subscription Receipt Shares, and on issuance of the Subscription Receipt Broker Shares issuable in connection with the Subscription Receipt Private Placement upon the satisfaction of the Escrow Release Condition, our issued share capital will consist of 51,913,453 Common Shares (assuming no other securities convertible into Common Shares are exercised). All of our outstanding Common Shares have been validly issued, fully paid and are non-assessable.

CONSOLIDATED CAPITALIZATION

The following table sets forth our capitalization as at the date of this Prospectus: (i) on an actual basis and (ii) on a pro forma as adjusted basis to give effect to the conversion of the Subscription Receipts issued in the Subscription Receipt Private Placement into Common Shares and Warrants. This table is presented and should be read in conjunction with our Financial Statements and the related notes included elsewhere in this Prospectus and with the information set forth under "*Management's Discussion and Analysis*" and "*Description of Share Capital*".

	As at the date of this Prospectus before giving effect to the conversion of Subscription Receipts	**Pro-Forma as at the date of this Prospectus after giving effect to the conversion of Subscription Receipts**
Common Shares	37,965,773	51,913,453
Stock Options	2,775,000	2,775,000
Restricted Stock Units	150,000	150,000
Broker warrants	696,107	1,681,627
Warrants	8,450,000	15,119,000
Bonus Shares	4,150,000	4,150,000
Fully diluted issued and outstanding	**54,186,880**	**75,789,080**

OPTIONS TO PURCHASE SECURITIES

Outstanding Options

As of the date of this Prospectus, the Company has granted an aggregate of 2,775,000 Options to the following persons:

Optionee Group	**Number of Optionees**	**Number of Options**	**Exercise Price[(1)]**	**Expiry Date**
Executive Officers and past Executive Officers[(2)]	4	750,000	$0.15	April 22, 2027
		300,000	$0.30	December 24, 2027
		550,000	$0.30	January 24, 2028
Directors and past Directors who are not also Executive Officers	2	600,000	$0.30	January 24, 2028
Employees and past employees	1	75,000	$0.30	January 24, 2028

Optionee Group	Number of Optionees	Number of Options	Exercise Price[(1)]	Expiry Date
Consultants	2	275,000	$0.15	April 27, 2027
		225,000	$0.30	January 24, 2028
Other	0	-	-	-
Total Options	**9**	**2,775,000**		

Notes:

(1) For a description of our equity-based incentive compensation plans, see "*Executive Compensation — Principal Elements of Compensation*".

(2) Includes Options granted to a company controlled by a former Executive Officer.

Equity Incentive Plan

On October 19, 2021, the Board adopted the Equity Incentive Plan for the purposes of attracting, retaining and motivating key individuals. The Equity Incentive Plan is available to directors, key employees and consultants of the Company, as determined by the Board. The maximum number of Common Shares available for issuance under the Equity Incentive Plan in respect of awards shall not exceed 20% of the issued and outstanding number of Common Shares.

So long as it is required by the rules and policies of the Exchange or such other exchange upon which the Common Shares may be come listed for trading, the total number of Common Shares issuable to persons performing investor relations activities on behalf of the Company pursuant to the Equity Incentive Plan, together with Common Shares issuable to all persons performing investor relations activities under all of the Company's other security-based compensation arrangements, shall not exceed one (1%) percent of the issued and outstanding Common Shares in any twelve-month period. Except as otherwise provided in an applicable award agreement or as determined by the Board, neither awards nor any rights under any such awards shall be assignable or transferable other than pursuant to a will or by the laws of descent and distribution.

The Equity Incentive Plan provides for the issuance of "stock options", "restricted share units", "performance share units" and "deferred share units".

Stock Options: The Equity Incentive Plan provides that the Board may, from time to time, in its sole discretion, grant awards of Options to directors, key employees and consultants. An Option entitles a holder thereof to purchase a prescribed number of treasury Common Shares at an exercise price set at the time of the grant. Such grant may be settled in Common Shares, cash or combination thereof in the discretion of the Board. If settled in cash, such payment will be equal to the "in the money" amount, being an amount equal to the Market Price (as defined below) of the Common Shares issuable on the exercise of such Option as of the date such Option is exercised, less the aggregate exercise price of the Option. The Board will establish the exercise price at the time each Option is granted, which exercise price, while the Company's Common Shares are listed for trading on the Exchange, must in all cases be not less than the closing price of the Common Shares on the Exchange on both the date of grant and on the trading day immediately preceding the date of grant (the "**Market Price**"). Subject to any accelerated termination as set forth in the Equity Incentive Plan, each Option expires on its respective expiry date. The Board will have the authority to determine the vesting terms applicable to grants of Options. Once an Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Board, or as otherwise set forth in any written employment agreement, award agreement or other written agreement between the Company or a subsidiary of the Company and the participant. The Board has the right to accelerate the date upon which any Option becomes exercisable. The Board may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in the Equity Incentive Plan, such as vesting conditions relating to the attainment of specified performance goals.

Unless otherwise specified by the Board at the time of granting an Option and set forth in the particular award agreement, an exercise notice must be accompanied by payment of the exercise price. Subject to the policies of the

Exchange, a participant may, in lieu of exercising an Option pursuant to an exercise notice, elect to surrender such Option to the Company (a "**Cashless Exercise**") in consideration for an amount from the Company equal to (i) the Market Price of the Common Shares issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less (ii) the aggregate exercise price of the Option (or portion thereof) surrendered relating to such Shares (the "**In-the-Money Amount**") by written notice to the Company indicating the number of Options such participant wishes to exercise using the Cashless Exercise, and such other information that the Company may require. Subject to the provisions of the Equity Incentive Plan and the policies of the Exchange, the Company will satisfy payment of the In-the-Money Amount by delivering to the participant such number of Common Shares having a fair market value equal to the In-the-Money Amount.

Restricted Share Units. The Equity Incentive Plan provides that the Board may, from time to time, in its sole discretion, grant awards of restricted share units (each, an "**RSU**") to directors, key employees and consultants. Each RSU shall represent one Common Share on vesting. RSUs shall be subject to such restrictions as the Board may establish in the applicable award agreement. The typical restriction for RSUs is time based (i.e. vesting after a fixed period of time). All RSUs will vest and become payable by the issuance of Common Shares at the end of the applicable restriction period if all applicable restrictions have lapsed.

Restrictions on any RSUs shall lapse immediately and become fully vested to the participant upon a change of control. Upon the death of a participant, subject to the applicable award agreement, any RSUs that have not vested will be immediately and automatically forfeited and cancelled without action and without any cost or payment, provided that any RSUs granted to such participant that had vested prior to the participant's death will accrue to the participant's estate in accordance with the Equity Incentive Plan. If a participant's employment is terminated for cause, any RSUs granted to the participant will immediately terminate without payment and be cancelled as of the termination date. If a participant's employment is terminated without cause, is voluntarily terminated by the participant or termination is due to the participant's retirement or disability, any RSUs granted to the participant will, subject to the applicable award agreement, immediately terminate without payment and be cancelled as of the termination date, provided, however, that any RSUs granted to such participant that had vested prior to the participant's termination without cause, voluntary termination, retirement or disability will accrue to the participant in accordance with the Equity Incentive Plan. In the case of directors, if a participant ceases to be a director for any reason, subject to the applicable award agreement, all RSUs granted to such participant will immediately terminate without payment and be cancelled, provided, however, that any RSUs granted to such participant that had vested prior to the participant ceasing to be a director will accrue to the participant in accordance with the Equity Incentive Plan. Where a consultant's service to the Company terminates for any reason, subject to the applicable award agreement and any other contractual commitments between the participant and the Company, all RSUs granted to such participant will immediately terminate without payment and be cancelled, provided, however, that any RSUs granted to such participant that had vested prior to the termination of the participant's service to the Company will accrue to the participant in accordance with the Equity Incentive Plan.

Performance Share Units. The Equity Incentive Plan provides that the Board may, from time to time, in its sole discretion, grant awards of performance share units (each, a "**PSU**") to key employees and consultants. Each PSU shall, contingent upon the attainment of the performance criteria within the applicable performance cycle, represent one Common Share, unless otherwise specified in the applicable award agreement. The performance criteria will be established by the Board which, without limitation, may include criteria based on the participant's individual performance and/or financial performance of the Company and its subsidiaries. Typical performance criteria could include gross revenues, EBITDA, share price performance, the attainment of a specified amount of financing or satisfaction of a participant's key performance indicators. The applicable award agreement may provide the Board with the right to revise the performance criteria during a performance cycle or after it has ended, if unforeseen events occur, including, without limitation, changes in capitalization, equity restructuring, acquisitions or divestitures, if such events have a substantial effect on the financial results of the Company and make the application of the performance criteria unfair absent a revision.

All PSUs will vest and become payable to the extent that the performance criteria are satisfied in the sole determination of the Board. PSUs granted to a participant shall become fully vested and payable to such participant within 90 days after the last day of the performance cycle or upon a change of control. Upon the death of a participant, subject to the applicable award agreement, all PSUs granted to the participant which, prior to the participant's death, had not vested, will immediately be forfeited and cancelled without payment, provided, however, that the Board may determine, in its discretion, the number of the participant's PSUs that will vest based upon the extent to which the applicable

performance criteria have been satisfied in that portion of the performance cycle that has lapsed. If a participant's employment is terminated for cause, any PSUs granted to the participant will immediately terminate without payment and be cancelled as of the termination date. If a participant's employment is terminated without cause, by voluntary termination, or if the participant's employment terminates due to retirement or disability, all PSUs granted to the participant which, prior to such termination without cause, voluntary termination, retirement or disability, had not vested, will immediately be forfeited and cancelled without payment, provided, however, that the Board may determine, in its discretion, the number of the participant's PSUs that will vest based upon the extent to which the applicable performance criteria have been satisfied in that portion of the performance cycle that has lapsed. Where a consultant's service to the Company terminates for any reason, subject to the applicable award agreement and any other contractual commitments between the participant and the Company, all PSUs granted to such participant will immediately be forfeited and cancelled without payment, provided, however, that the Board may determine, in its discretion, the number of the participant's PSUs that will vest based upon the extent to which the applicable performance criteria have been satisfied in that portion of the performance cycle that has lapsed.

Deferred Share Units. The Equity Incentive Plan provides that the Board may, from time to time, in its sole discretion, grant awards of deferred share units (each, a "**DSU**") to directors in lieu of director fees (but not to key employees or consultants). Directors become participants effective as of the date each is first appointed or elected as a director and cease to be participants at the time they cease to be a director for any reason. The number of DSUs to be granted to a participant shall be calculated by dividing the amount of fees selected by the director by the market price on the grant date. The market price is defined in the Equity Incentive Plan as the five-day weighted average closing price of the Common Shares on the immediately preceding five trading days prior to the grant date.

Each participant shall be entitled to receive, subsequent to the effective date that the participant ceases to be a director for any reason or any earlier vesting period(s) set forth in the applicable award agreement, either (a) that number of Common Shares equal to the number of DSUs granted to such participant, or (b) a cash payment in an amount equal to the market price of the DSUs granted to such participant on the trading day following the day that the participant ceases to be a director, net of applicable withholdings, and subject to adjustments if the value of a DSU is determined during applicable black-out periods. Upon the death of a participant, such participant's estate shall be entitled to receive, within 120 days, a cash payment or Common Shares that would otherwise have been payable upon such participant ceasing to be a director.

PRIOR SALES

The following table summarizes issuances of our Common Shares, or securities convertible into Common Shares, during the 12-month period preceding the date of this Prospectus. For additional information, please refer to "*Description of Share Capital — Common Shares*".

Date of Issue	Description of Transaction	Number of Securities	Issue or Exercise Price per Security (CDN$)
January 24, 2023	Restricted Share Units – award[(1)]	150,000	$0.30
January 24, 2023	Stock Options – grant[(2)]	1,450,000	$0.30
December 24, 2022	Stock Options - grant[(3)]	300,000	$0.30
December 22, 2022	Common Shares – exercise of warrants	750,000	$0.10
April 28, 2022	Subscription Receipts – Subscription Receipt Private Placement[(4)]	13,338,000	$0.30
April 22, 2022	Common Shares – debt settlements	1,050,000	$0.15
April 22, 2022	Stock Options - grant[(5)]	1,025,000	$0.15

(1) Each Restricted Share Unit represents one Common Share on vesting.

(2) Each Stock Option is exercisable into one Common Share at a price of $0.30 per Common Share until January 24, 2028.

(3) Each Stock Option is exercisable into one Common Share at a price of $0.30 per Common Share until December 24, 2027.

(4) Each Subscription Receipt will automatically convert into one Subscription Receipt Unit, with each Subscription Receipt Unit comprised of one Subscription Receipt Share and one-half of one Subscription Receipt Warrant. See "*Plan of Distribution – Subscription Receipt Private Placement*".

(5) Each Stock Option is exercisable into one Common Share at a price of $0.15 per Common Share until April 22, 2027.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

The following table shows the number of securities, to the knowledge of the Company, that are in escrow or that are subject to a contractual restriction on transfer and the percentage that number represents of the outstanding securities of that class.

Designation of Class	Number of Securities	Percentage of Class
Common Shares	26,135,001(2)	50.34%(1)

(1) Based on 51,913,453 Common Shares issued and outstanding following the conversion of the Subscription Receipts and issuance of 609,680 Subscription Receipt Broker Shares payable in conjunction with the satisfaction of the Escrow Release Condition, on an undiluted basis.

(2) Of the 26,135,001 Common Shares, 1,500,001 Common Shares are held by Carolyn Myers, and will also be subject to escrow under the Escrow Agreement.

As the Company anticipates being an "emerging issuer" as defined in NP 46-201, the following automatic timed releases will apply to the 1,500,001 securities (the "Escrowed Securities") held by its principals who are subject to escrow pursuant to the Escrow Agreement:

(a) 10% of the Escrowed Securities on the Listing Date;

(b) 15% of the Escrowed Securities on that date that is six months from the Listing Date;

(c) 15% of the Escrowed Securities on that date that is 12 months from the Listing Date;

(d) 15% of the Escrowed Securities on that date that is 18 months from the Listing Date;

(e) 15% of the Escrowed Securities on that date that is 24 months from the Listing Date;

(f) 15% of the Escrowed Securities on that date that is 30 months from the Listing Date; and

(g) all remaining Escrowed Securities on the date that is 36 months from the Listing Date.

Certain principal and non-principal shareholders who participated in certain financing rounds voluntarily entered into the Voluntary Escrow Agreement 2021 or agreed to be bound pursuant to the subscription agreements or other agreements between such shareholders and the Company, such that 16,500,001 Common Shares (out of the 26,135,001 Common Shares noted above) are subject to voluntary escrow and subject to the restrictions described in this Prospectus. The voluntary escrow provisions provide that 55% of the number of securities held thereunder will be released on the date that is 18 months after the Listing Date and an additional 15% of the number of securities originally held thereunder shall be released on each of 24 months, 30 months, and 36 months after the Listing Date.

Certain non-principal shareholders who participated in certain financing rounds voluntarily entered the Voluntary Escrow Agreement 2023, such that 8,200,000 Common Shares (out of the 26,135,001 Common Shares noted above) are subject to voluntary escrow and subject to the restrictions described in this Prospectus. The voluntary escrow provisions provide that 10% of the number of securities held thereunder will be released on the Listing Date and an additional 15% of the number of securities originally held thereunder shall be released on each of 3 months, 6 months, 9 months, 12 months, 15 months and 18 months after the Listing Date.

Additionally, pursuant to the License Share Agreement, the Licensor agreed that 100% of the 1,435,000 License Shares will be released from escrow on the date that is 18 months after the Listing Date.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and executive officers of the Company, as of the date of this Prospectus, and as of the date of conversion of the Subscription Receipts, no person beneficially owns, controls or directs, or will beneficially own, control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Company other than the following:

Name of Shareholder	Number of Common Shares	Percentage of Securities Held	
		At the date of this Prospectus[1]	After giving effect to the conversion of Subscription Receipts[2]
Leyla Soleymani	4,500,000	11.85%[3]	8.67%[4]
Tohid Fatanat Didar	4,500,000	11.85%[5]	8.67%[6]

(1) Based on 37,965,773 Common Shares outstanding at the date of this Prospectus.

(2) Based on 51,913,453 Common Shares issued and outstanding following the conversion of the Subscription Receipts and issuance of 609,680 Subscription Receipt Broker Shares payable in conjunction with the satisfaction of the Escrow Release Condition, on an undiluted basis.

(3) The percentage of securities held by Dr. Soleymani on a fully-diluted basis, prior to giving effect to the conversion of Subscription Receipts, is 12.13% based on 54,186,880 Common Shares issued and outstanding. Includes 2,075,000 Bonus Shares issuable to Dr. Soleymani should certain milestones be achieved. See page 10 for more information regarding these milestones.

(4) The percentage of securities held by Dr. Soleymani on a fully-diluted basis, after giving effect to the conversion of Subscription Receipts, is 8.68% based on 75,789,080 Common Shares issued and outstanding. Includes 2,075,000 Bonus Shares issuable to Dr. Soleymani should certain milestones be achieved. See page 10 for more information regarding these milestones.

(5) The percentage of securities held by Dr. Didar on a fully-diluted basis, prior to giving effect to the conversion of Subscription Receipts, is 12.13% based on 54,186,880 Common Shares issued and outstanding. Includes 2,075,000 Bonus Shares issuable to Dr. Didar should certain milestones be achieved. See page 10 for more information regarding these milestones.

(6) The percentage of securities held by Dr. Didar on a fully-diluted basis, after giving effect to the conversion of Subscription Receipts, is 8.68% based on 75,789,080 Common Shares issued and outstanding. Includes 2,075,000 Bonus Shares issuable to Dr. Didar should certain milestones be achieved. See page 10 for more information regarding these milestones.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holding

The following table sets out the names, provinces or states, and countries of residence of each director and executive officer of the Company, their respective positions and offices held with the Company, their respective principal occupations during the five preceding years, the period or period during which each director has served as a director and when his or her term of office will expire, the number and percentage of securities of each class of voting securities of the Company beneficially owned, or controlled or directed, directly or indirectly, by all directors and executive officers of the Company as a group, and, if the principal occupation of a director or executive officer of the Company is acting as an officer of a person or company other than the Company.

Name, Province or State and Country of Residence, and Position with Company	Respective Principal Occupations during the Five Preceding Years	Period of Directorship and Expiry of Term	Number of Common Shares	Percentage of Issued and Outstanding Common Shares[3]
Dr. Carolyn Myers[1] New Jersey, USA *President and CEO Director*	CEO and President of the Company since July 28, 2020; Principal of BioEnsemble Inc. since April 2017; and Vice President Global Alliance Management & International Business Development at Allergan from August 2011 to March 2017.	Since July 28, 2020	1,500,001[4]	2.89%
Rose Zanic British Columbia, Canada *CFO*	Self-employed corporate finance consultant from August 2016 to present.	n/a	50,000[5]	0.10%
Andrea Mulder Ontario, Canada *COO*	COO of the Company since May 17, 2021; Associate Director – Neurology at Eisai Canada from September 2019 to May 2021; Senior Marketing Manager – Neurology at Sunovion Canada from January 2019 to September 2019; Senior Marketing Manager – Oncology at Ipsen Canada from July 2018 to January 2019; and Senior Marketing – New Product Launches – Oncology at Celgene from November 2016 to July 2018.	n/a	Nil[6]	Nil
Stephen Randall[1][2] Ontario, Canada *Director*	Director of Titan Medical Inc. from June 2017 to June 2021 and CFO and Corporate Secretary of Titan Medical Inc. from March 2010 to October 2020.	Since January 4, 2023	Nil[7]	Nil
Pierre Soulard[1] Ontario, Canada *Director*	Chief Legal Officer of CoinSmart Financial Inc. since February 2022; Partner with Miller Thomson LLP from August 2015 until December 2021.	Since January 4, 2023	Nil[8]	Nil
Total			**1,550,001**	**2.99%**

Notes:

(1) Denotes a member of the Audit Committee.

(2) Chair of the Audit Committee.

(3) Based on 51,913,453 Common Shares issued and outstanding following the conversion of the Subscription Receipts and issuance of 609,680 Subscription Receipt Broker Shares payable in conjunction with the satisfaction of the Escrow Release Condition, on an undiluted basis.

(4) Does not include: 450,000 Options to purchase Common Shares, with each Option exercisable into one Common Share at a price of $0.15 per Common Share until April 22, 2027; and 400,000 Options to purchase Common Shares, with each Option exercisable into one Common Share at a price of $0.30 per Common Share until January 24, 2028.

(5) Does not include 300,000 Options to purchase Common Shares, with each Option exercisable into one Common Share at a price of $0.30 per Common Share until December 24, 2027; and 150,000 RSUs, each of which represents one Common Share on vesting.

(6) Does not include 150,000 Options to purchase Common Shares, with each Option exercisable into one Common Share at a price of $0.15 per Common Share until April 22, 2027; and 150,000 Options to purchase Common Shares, with each Option exercisable into one Common Share at a price of $0.30 per Common Share until January 24, 2028.
(7) Does not include 300,000 Options to purchase Common Shares, with each Option exercisable into one Common Share at a price of $0.30 per Common Share until January 24, 2028.
(8) Does not include 300,000 Options to purchase Common Shares, with each Option exercisable into one Common Share at a price of $0.30 per Common Share until January 24, 2028.

Cease Trade Orders

No current or proposed director or executive officer is, as at the date of this Prospectus, or was within 10 years before the date of this Prospectus, a director, chief executive officer or chief financial officer of any company (including the Company) that:

a) was subject to a cease trade order or similar order or an order that denied the company access to any statutory exemptions, that was in effect for a period of more than 30 consecutive days; or

b) was subject to a cease trade order or similar order or an order that denied the company access to any statutory exemptions, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

No current or proposed director or executive officer or shareholder holding a sufficient number of our securities to affect materially the control of the Company:

a) is, as at the date of this Prospectus, or has been within the 10 years before the date of this Prospectus, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receive, receiver manager or trustee appointed to hold its assets; or

b) has, within the 10 years before the date of this Prospectus, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold assets of the director, executive officer or shareholder.

Penalties or Sanctions

No current or proposed director or executive officer or a shareholder holding a sufficient number of our securities to affect materially the control of the Company, has been subject to:

a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

The members of the Board of Directors are required by law to act honestly and in good faith with a view to our best interests and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict is required to disclose his or her interest and abstain from voting on such matter. See "*Audit Committee and Corporate Governance*".

Other than disclosed herein, there are no known existing or potential conflicts of interest among the Company, our directors and officers or other members of management or of any proposed director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to us and their duties as a director or officer of such other companies. See "*Audit Committee and Corporate Governance*". and "*Risk Factors*".

Management of the Company

The following are brief biographies for all directors and management of the Company:

Dr. Carolyn Myers (President and Chief Executive Officer, Director, age 64).

Dr Myers is an experienced pharmaceutical executive having held senior leadership roles at Allergan (now a subsidiary of AbbVie Inc.), Forest Laboratories, Inc., Mylan N.V. (now Viatris) and Pharmacia Corporation (now Pfizer). She has 30 years of experience in the pharmaceutical industry and is currently CEO of the Company. She is also Principal of BioEnsemble Inc., providing consulting business strategy services to small and mid-size pharma, biotech and medical technology companies. Previously, she was Vice President of Global Alliance Management and International Business Development at Allergan, Vice President of Marketing at Forest Laboratories, Inc. President of Dey Laboratories and President of Mylan Technologies. Dr. Myers is an Executive Committee member of Mid Atlantic Bio Angels, a Healthcare Committee member of Golden Seeds and an independent board member of Hyloris Pharmaceuticals, Mayne Pharma and EyeD Pharma. She has a Ph.D. from the University of British Columbia and a M.B.A. from Rutgers University.

Dr. Myers expects to devote 80% of her time to the affairs of the Company. Pursuant to the terms of an executive consulting agreement among the Company, BioEnsemble Inc. (a company controlled by Dr. Myers) and Carolyn Myers dated August 8, 2022, with an effective date of January 1, 2022, Dr. Myers is subject to certain non-competition, non-disclosure and confidentiality provisions.

Rose Zanic (Chief Financial Officer, age 56).

Ms. Zanic has over 25 years of capital markets and corporate finance expertise. She is self-employed as President of RCF Advisors Ltd. ("RCF") and has significant experience advising Canadian public companies with financing and M&A transactions and providing public company administration. She previously spent 19 years with Wolverton Securities Ltd. where she was Senior Vice-President, Corporate Finance in charge of that firm's corporate finance and syndication departments. She currently is a director of several Canadian publicly listed companies and is CFO of Marble Financial Inc., a CSE-listed financial technology company.

Ms. Zanic holds a CPA, CA designation and received a Bachelor of Commerce degree in finance from the University of British Columbia. Ms. Zanic is also a member of the TSX Venture Exchange BC Local Advisory Committee.

Ms. Zanic expects to devote approximately 20% of her time to the affairs of the Company. Pursuant to the terms of an executive consulting agreement between the Company, RCF and Ms. Zanic dated February 17, 2022, and amended on August 8, 2022 and December 22, 2022, Ms. Zanic is subject to certain non-competition, non-disclosure and confidentiality provisions.

Andrea Mulder (Chief Operating Officer, age 61)

Ms. Mulder, BPHE, MBA is an accomplished senior healthcare executive with extensive experience in new product development, prelaunch to launch commercial strategies and has led over 10 pharmaceutical product launches in Canada. Prior to joining FendX, Andrea Mulder was a senior executive team leader at Eisai Canada, a small Japanese based pharmaceutical company, where she held the position of Associate Director of Neurology. Her leadership experience has included creating senior sales, marketing and market access cross-functional teams across multiple therapeutic areas including infectious disease, immunology, neurology, and oncology. She has also led several pharmaceutical/biotech companies early product shaping strategies as a member of global and Canadian leadership teams at: Sunovion Pharmaceuticals, Ipsen Biopharmaceuticals Canada, Celgene, GlaxoSmithKline, Roche Canada

and King Pharmaceuticals. Andrea Mulder earned her BPHE degree at the University of Toronto in Health Sciences-Kinesiology and her MBA at the University of Fredericton, Canada.

In her spare time, Andrea Mulder volunteers at several patient associations including Canadian Epilepsy Alliance (CEA), Multiple Sclerosis Society (MS) and the Canadian Cancer Society (CCS).

Ms. Mulder expects to devote 100% of her time to the affairs of the Company. Pursuant to the terms of an employment agreement dated August 8, 2022, Ms. Mulder is subject to certain non-competition, non-disclosure and confidentiality provisions.

Stephen Randall (Director, age 73).

Stephen Randall is an experienced senior financial manager and director with over 40 years' experience. Mr. Randall has served in senior financial roles with private, publicly traded and start-up companies in the manufacturing, telecommunications, technology and medical device sectors. From 2010 until 2020, Mr. Randall was the CFO and Corporate Secretary of Titan Medical Inc., a Canadian medical device development company listed on both the TSX, (TMD) and Nasdaq, (TMDI). For the years 2017 to 2021 he was also on the Board of Directors of Titan Medical Inc. Previous board experience includes Community Head Injury Resource Services (CHIRS) from 2010 to 2016 where he served as a Director, Treasurer and Chair of the Audit Committee. Mr. Randall holds the Canadian CPA, CGA designation as well as a Hon. B. Comm. and B.A.

Mr. Randall expects to devote 10% of his time to the affairs of the Company. Mr. Randall, in his capacity as a director of the Company, is not currently subject to the terms of any non-competition agreement. Pursuant to the terms of a board service agreement dated January 4, 2023, Mr. Randall is subject to certain non-disclosure and confidentiality provisions.

Pierre Soulard (Director, age 56).

Pierre Soulard is the Chief Legal Officer of CoinSmart (NEO: SMRT) and is a former partner at Miller Thomson LLP, a leading Canadian law firm. Mr. Soulard's legal practice focused on securities law, corporate finance, mergers and acquisitions and corporate governance for wide range of national and international issuers and investors. Mr. Soulard obtained a Bachelor of Arts from Laval University, a B.C.L./LLB from McGill University and a Master of Law from Osgoode Hall Law School.

Mr. Soulard expects to devote 10% of his time to the affairs of the Company. Mr. Soulard, in his capacity as a director of the Company, is not currently subject to the terms of any non-competition agreement. Pursuant to the terms of a board service agreement dated January 4, 2023, Mr. Soulard is subject to certain non-disclosure and confidentiality provisions.

EXECUTIVE COMPENSATION

Prior to obtaining a receipt for this Prospectus, the Company was not a reporting issuer in any jurisdiction. As a result, certain information required by Form 51-102F6V, *Statement of Executive Compensation – Venture Issuers*, ("**Form 51-102F6V**") has been omitted pursuant to Section 1.3(8) of Form 51-102F6V.

Compensation Discussion and Analysis

The Company currently has in place a Compensation Committee, as described below. The Compensation Committee is responsible for setting the overall compensation strategy of the Company and administering the Company's executive compensation program with input from the Chief Executive Officer of the Company in respect of all executive officers other than the Chief Executive Officer. As part of its mandate, the Board will approve the remuneration of the Company's executive officers, including the Named Executive Officers ("**NEOs**") of the Company. The NEOs of the Company for the financial years ended December 31, 2020 and December 31 2021, were the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer, and these NEOs are the NEOs of the Company. The Board is also responsible for reviewing the Company's compensation policies and guidelines generally.

The objective of Company's executive compensation program is to motivate, reward, and retain management talent that is needed to achieve the Company's business objectives. The compensation program is designed to ensure that compensation is competitive with other companies of similar size and is commensurate with the experience, performance, and contribution of the individuals involved and the overall performance of the Company. In evaluating performance, consideration is given to the Company's long-term interests and quantitative financial objectives, as well to the qualitative aspects of the individual's performance and achievements.

For the 12 months following the date of this Prospectus, the Company has allocated $240,000 for the remuneration of the CEO, $96,000 for the remuneration of the CFO, and $185,900 for the remuneration of the COO. The anticipated executive compensation for the 12 months following the date of this Prospectus was determined in accordance with the executive compensation program discussed in this section.

Compensation for directors of the Company, if any, will also be determined by the Board on an annual basis. From August 15, 2021 to December 31, 2021, the Company agreed to pay an aggregate of $85,000 to the two former independent directors of the Company. For the year commencing January 1, 2022, the Company has agreed to pay an aggregate of $100,000 to the two former independent directors of the Company. For the year commencing January 1, 2023, the Company has agreed to pay an aggregate of $55,000 to the two independent directors of the Company.

Elements of Compensation

Following listing on the CSE, the executive compensation program is expected to be comprised of three principal components: (i) base salaries or executive consultant fees; (ii) bonuses, and (iii) the Equity Incentive Plan. Each component of the expected executive compensation program is described below.

Base Salaries and Executive Consulting Fees

Following listing on the CSE, executive officers will be paid a base salary or executive consultant fee to compensate them for providing the leadership and specific skills needed to fulfill their responsibilities. The payment of base salaries or executive consulting fees will be an important component of the intended compensation program and will serve to attract and retain qualified individuals. The base salaries and executive consulting fees for the executive officers will be reviewed annually by the Board and will be determined by considering the contributions made by the executive officers, how their compensation levels related to compensation packages that would be achievable by such officers from other opportunities, and publicly available salary data. Salaries and executive consulting fees of the executive officers are not expected to be determined based on benchmarks or a specific formula.

Bonuses

The Board may from time to time approve bonus payments to reward executive officers for their contribution to the achievement of annual corporate goals and objectives. Bonuses will also serve as a retention incentive for executive officers so that they remain in the employ of the Company. The payment of bonuses is consistent with the intended overall objective of the Company to reward performance.

Equity-Based Awards

The Company has adopted the Equity Incentive Plan. See "*Options to Purchase Securities – Equity Incentive Plan*".

INDEBTEDNESS OF DIRECTORS AND OFFICERS

None of the Company's directors, executive officers or employees, or former directors, executive officers or employees, nor any associate of such individuals, is as at the date hereof, or has been, during the financial year ended December 31, 2021, indebted to the Company in connection with purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Company.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee Charter

The Company has formed an audit committee (the "**Audit Committee**") comprised of Dr. Carolyn Myers, Stephen Randall, and Pierre Soulard, each of whom is financially literate as determined in accordance with NI 52-110. Stephen Randall will serve as the Chair of the Audit Committee.

In addition to each member's general business experience, the education and experience of each of the Audit Committee members that is relevant to the performance of their responsibilities as an Audit Committee member is outlined above under "*Directors and Executive Officers - Management of the Company*".

The text of the charter of the Audit Committee is attached hereto as Appendix A.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Pre-Approval Policies and Procedures

The Audit Committee will be required to review the performance of Company's external auditor and to approve in advance the provision of services other than auditing. The Audit Committee will also be required to consider the independence of the external auditor, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Chair of the Audit Committee will be authorized to approve any non-audit services or additional work that the Chair of the Audit Committee deems as necessary. In such a case, the Chair of the Audit Committee will be required to notify the other members of the Audit Committee of such non-audit or additional work.

Reliance on Exemption in Section 6.1 of NI 52-110

The Company will be a "venture issuer", as defined in Section 1.1 of NI 52-110. Accordingly, in providing the disclosure contained herein, the Company will rely upon the exemption in Section 6.1 of NI 52-110 (which is available to all venture issuers) whereby the Audit Committee members will not be required to be either "independent" or "financially literate".

External Auditor Service Fees (By Category)

The audit fees incurred by the Company for the financial years ended December 31, 2021 and the period from July 28, 2020 to December 31, 2020 are set out in the table below.

Financial Year Ended	Audit Fees	Audit-Related Fees	Tax Fees	All other Fees
December 31, 2021	$30,000	$Nil	$Nil	$Nil
From Incorporation on July 28, 2020 to December 31, 2020	$Nil	$Nil	$Nil	$Nil

Corporate Governance

General

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. NP 58-201 provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, NI 58-101 prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

Corporate Governance Policies

The Board has adopted various corporate governance policies, including an insider trading policy.

Board of Directors

NP 58-201 suggests that the board of directors of reporting issuers should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who has no direct or indirect material relationship with the Company. A material relationship is a relationship that could, in the view of the board of directors, reasonably interfere with the exercise of a director's independent judgment. In addition, the independent judgment of the Board in carrying out its responsibilities is the responsibility of all directors. The Board facilitates independent supervision of management through meetings of the Board and through frequent informal discussions among independent members of the Board and management. In addition, the Board has access to the Company's external auditors, legal counsel and to any of the Company's officers.

The Board recommends nominees to the shareholders for election as directors, and immediately following each annual general meeting appoints an Audit Committee.

The Board exercises its independent supervision over management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Company are subject to prior approval of the Board. To facilitate open and candid discussion among its independent directors, such directors are encouraged to communicate with each other directly to discuss ongoing issues pertaining to the Company.

The Board consists of 3 persons, two of whom, Stephen Randall and Pierre Soulard, the Company believes to be independent, and one who is not independent, Dr. Carolyn Myers, who is also the President and CEO of the Company, based upon the tests for independence set forth in NI 52-110— *Audit Committees*.

Directorships

Certain of the Company's directors are also currently directors of other reporting issuers as follows:

Name	Reporting Issuer	Market	Position	From	To
Dr. Carolyn Myers	Hyloris Pharmaceuticals SA	Brussels Stock Exchange	Director	June 2020	Present
	Mayne Pharma Group Ltd	Australian Stock Exchange	Director	October 2021	Present

Orientation and Continuing Education

New Board members receive an orientation package which includes reports on operations and results, and any public disclosure filings by the Company, as may be applicable. Board meetings are sometimes held at the Company's offices and, from time to time, are combined with presentations by the Company's management to give the directors additional insight into the Company's business. In addition, management of the Company makes itself available for discussion with all Board members.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Compensation

The Board is responsible for determining compensation for the directors and the chief executive officer of the Company to ensure it reflects the responsibilities and risks of being a director and chief executive officer of a public company. The Board will determine compensation for the directors and the chief executive officer taking into account the Company's business ventures and the Company's financial position.

Other Board Committees

Other than the Audit Committee, the Board has formed a compensation committee (the "**Compensation Committee**") consisting of Dr. Myers, Stephen Randall and Pierre Soulard. Tasks related to developing and monitoring the Company's approach to the compensation of the Company's NEOs and directors are performed by the Compensation Committee in consultation with the Board. The compensation of the NEOs, directors and the Company's employees or consultants, if any, is reviewed, recommended and approved by the Compensation Committee in consultation with the Board.

Assessments

Due to the minimal size of the Board, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees.

Directors' and Officers' Liability Insurance

As at the date of this Prospectus, the Company does not carry directors' and officers' liability insurance. The Company has entered into an indemnity agreement with each director and officer of the Company.

RISK FACTORS

In addition to all other information set out in this Prospectus, the following specific factors could materially adversely affect us and should be considered when deciding whether to make an investment in the Company and the Common Shares. Other risks and uncertainties that we do not presently consider to be material, or of which we are not presently aware, may also become important factors that affect our future financial condition and results of operations. The occurrence of any of the risks discussed below could materially adversely affect our business, prospects, financial condition, results of operations or cash flow. The Common Shares are only suitable for investors (i) who understand the potential risk of capital loss, (ii) for whom an investment in the Common Shares is part of a diversified investment program, and (iii) who fully understand and are willing to assume the risks involved in such an investment program. Prospective purchasers of Common Shares should carefully consider the following risks before investing in us and the Common Shares.

Risks Related to Our Business and the Development of Our Product Candidates

Performance depends primarily on the success of product candidates, which is in early formulation/reformulation and have not yet been field tested or received regulatory approval in any country.

We currently have no products approved or ready for sale or marketing in any country, and may never be able to commercialize our proposed products or obtain regulatory approval for any of our product candidates, including REPELWRAP™, if required by any jurisdiction. Our product candidates are in the early stages of formulation and

reformulation and have not yet been field tested. Completing field testing and receiving any required regulatory approval for our product candidates will depend on many factors, including, but not limited to the following:

- Successfully completing stability and pathogen testing;
- Successfully scaling of product candidates for high volume manufacturing;
- Preparing and submitting applications for approvals to appropriate regulatory authorities, if required; and
- Launching commercial sales, marketing and distribution operations.

Many of these factors are wholly or partially beyond our control, including the regulatory submission process and changes in the competitive landscape. Although the Company believes REPELWRAP™ would not require Health Canada or the Pest Control Board approvals for sales in Canada as it believes REPELWRAP™ will be considered a coating which would not require such approvals, there is no certainty that such approvals may not be required or that it will be successful in obtaining any required approvals or licenses in Canada or any other jurisdiction the Company that the Company intends to sell its products. If we do not achieve one or more of these factors in a timely manner, we could experience significant delays or an inability to commercialize our products.

The Company has a limited operating history and has not yet generated revenues. Availability of future financing is uncertain.

The Company has no history of earnings, has generated no revenues since commencing operations, and has no source of operating cash flow. During the year ended December 31, 2021, the Company incurred a net loss of $1,123,082 and had a deficit of $1,459,957. During the nine month period ended September 30, 2022, the Company incurred a net loss of $1,426,477 and had a deficit of $2,886,434.

The Company will require significant additional capital to execute its business plan and fund its operations that will likely require the involvement of multiple capital sources and participants. Although the Company has been successful to date in financing its activities through the sale of equity securities, there can be no assurance that it will be able to obtain sufficient financing in the future to fund its operations and research and development objectives.The actual availability of financing, the involvement of any or all of the potential participant groups and their level of participation, and the details and terms of any eventual financing will be dependent on numerous conditions, including, but not limited to, general market conditions and other economic considerations at the time. While the Company anticipates that financing for development of its products can be arranged, such financing is highly dependent on factors outside of the Company's control and there can be no assurance that the Company will be successful in arranging financing at all, or if so, under acceptable terms and conditions. Even if the Company begins licensing or selling its products, there is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future. There can be no assurance that any future financing will be available on reasonable terms, if at all, and if available, may be dilutive to existing shareholders. Failure to obtain such additional financing could result in delay or indefinite postponement of further research and development activities with the possible loss of the Licensed Technology should the Company not be able to meet its commitments pursuant to the License Agreement or the CRA.

Negative Cash Flow

The Company had negative operating cash flow as at December 31, 2021 and September 30, 2022, and the Company will continue to have negative operating cash flow for the foreseeable future. No assurance can be given that the Company will ever attain positive cash flow or profitability or that additional funding will be available for operations.

No production history and no assurances of future profitability.

To date, the Company does not have a commercial product available for sale and has recorded no revenue from product sales and there is no assurance that it will generate revenue in the future. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's business operations are at an early stage of development and its success will be largely dependent upon the outcome of its ultimate strategy of successfully developing, marketing and generating sales of its products. The Company's operating expenses and capital expenditures may increase in subsequent years. The Company expects to continue to incur losses unless and until such time as it completes scale-up and commercialization of its products and enters into long term and large volume distribution and manufacturing agreements and generates sufficient revenues to fund its continuing operations.

The Company operates in a highly competitive industry.

The Company faces competition from a number of manufacturers and suppliers of different products to protect surfaces from pathogens. Significant product innovations, technical advances or competitive pricing could adversely affect the Company's operations and future revenues. We are currently developing products that will compete with antimicrobial products that currently already exist or are being developed. Products we may develop in the future are also likely to face competition, some of which we may not currently be aware of. We have competitors in North America and internationally, including companies that are more established than FendX. Many of our competitors have significantly greater financial, manufacturing, marketing, development, technical and human resources than we do. Large companies, in particular, have extensive experience in product development and manufacturing, as well as obtaining regulatory approvals. These companies also have significantly greater research and marketing capabilities than we do and may also have products that have been approved or are in late stages of development. Established competitors may also invest heavily to accelerate development of novel products or to license novel products in the Company's target markets, which could make the product candidates that we develop obsolete. Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are more effective, affordable or convenient than products that we may develop. Our competitors may also obtain regulatory approvals for their products more rapidly, which could result in our competitors establishing a strong market position before we are able to enter the market.

Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing manufacturing, as well as in acquiring technologies or intellectual property complementary to, or necessary for, our product candidates. In addition, our industry is characterized by rapid technological change. If we fail to stay at the forefront of technological change, we may be unable to compete effectively. Technological advances or products developed by our competitors may render our technologies or product candidates obsolete, less competitive or not economical.

The ability of the Company to satisfy the terms of the License Agreement and the Collaborative Research Agreement and maintain the License in good standing.

The Company has been granted an exclusive license to the Licensed Technology pursuant to the License Agreement. The Company's rights and obligations are outlined in the License Agreement. The License Agreement requires the Company to complete certain milestones (the "**License Agreement Milestones**")). Failure to complete the License Agreement Milestones could allow the Licensor to terminate the License Agreement. The License Agreement may also be terminated by the Licensor if certain other conditions occur. Under the Collaborative Research Agreement, the Company is obligated to make certain payments as further set out "*Description of the Business – Collaborative Research Agreement*", and the Collaborative Research Agreement could be terminated by the Licensor if the Company breaches this agreement. If the Company's relationship with the Licensor were to terminate, the Company would not be able to distribute and commercialize its products and might not be able to enter into another license agreement with an entity with similar technologies on acceptable terms or at all. As a result, the Company could experience delays in its ability to distribute and commercialize its products or a similar technology, all of which would have a material adverse effect on the Company's business, results of operations and financial condition.

The ability of the Licensor to satisfy the terms of the License Agreement and the Collaborative Research Agreements

Pursuant to the License Agreement, the Licensor is, among other things, involved in the ongoing research and development activities being conducted on the Licensed Technology. Pursuant to the Collaborative Research Agreement, the Licensor has agreed to conduct research and development work on behalf of the Company on the Licensed Technology and provide the human resources, materials, facilities and equipment as needed to conduct the sponsored project work. The Company is reliant on McMaster to conduct research and development of the Licensed Technology to advance product candidates for manufacturing scale-up and ultimate commercialization. The Company will be at risk should McMaster not be able to discharge its obligations to conduct research and development funded by the Company.

McMaster, on behalf of the Company, is responsible for filing patent applications for new inventions arising from research and development work on the License Technology conducted at McMaster. Under the direction of the

Company, McMaster is responsible to file Patent Cooperation Treaty (PCT), as well as file and prosecute national patent applications. Should McMaster not file new patent applications, PCT applications and/or file or prosecute national applications, this would materially adversely affect the Company's business, as its products may not have robust enough protection impacting commercialization, and overall operations.

McMaster may not be able to discharge its obligations pursuant to the License Agreement or the Collaborative Research Agreement and thereby the Company's development timeline, regulatory approval and commercialization prospects for its product candidates would be materially adversely affected which may have materially adverse impact on the Company's business.

The ability of the Company to complete scale-up and/or testing of an intermediate prototype of REPELWRAP™.

Given the early stage of development of REPELWRAP™, the Company can make no assurance that it can develop viable prototypes for commercial scale-up and/or meet certain product specifications including high repel rates of pathogens or demonstrate long-term durability and stability. Unsatisfactory results may cause the Company or its collaborators to abandon commitments to that program. The early stage of product development makes it particularly uncertain whether any of its product development efforts will prove to be successful. If the Company fails to develop viable prototypes for scale-up or they fail testing, the development timeline and commercialization prospects may be materially adversely affected which may have material adverse impacts on the Company's business.

The ability of the Company to complete the scale-up and/or test commercial prototype of REPELWRAP™.

The Company, in partnership with researchers at McMaster and third parties, can make no assurance that it can commercially scale-up REPELWRAP™ and/or meet certain product specifications including achieving high repel and kill rates of pathogens or demonstrate long term durability and stability. As a result, the Company could experience delays in its ability to commercialize REPELWRAP™, all of which would have a material adverse effect on the Company's business, results of operations and financial condition.

Research and development activities may not be successful.

Given the early stage of product development, the Company can make no assurance that its research and development programs will result in commercially viable products or obtain regulatory approval, as needed. To achieve profitable operations, the Company, alone or with others, must successfully develop and market its future products, and obtain regulatory approval, as needed. To achieve commercial success, sufficient testing must demonstrate that the product candidates demonstrate efficacy and that products can be successfully scaled up for production, in addition to other factors. Unsatisfactory results obtained from testing relating to a research and development program may cause the Company or its collaborators to abandon commitments to that program. The early stage of product development makes it particularly uncertain whether any of its product development efforts will prove to be successful and meet any applicable regulatory requirements, and whether any of its products will receive any requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. If the Company fails to produce positive results in its future testing of its product candidates or fails to produce test results that demonstrate similar efficacy as any initial testing by McMaster, the development timeline and regulatory approval, if required, and commercialization prospects for its products, would be materially adversely affected which may have a material adverse impact on the Company's business.

Grant funding obligations and no assurance for future grant funding.

Although the Licensed Technology has been funded partially by grant funding in the past, there is no assurance that the Company, as sponsor, McMaster or the Lead Researchers will be successful in securing additional grants to assist with funding the Company's current and future R&D work plans. In addition, the NSERC Grant awarded May 9, 2022 requires the Company to fulfil certain cash and work commitments together with other third party partners. The Company's ability to fulfil its obligations pursuant to the NSERC Grant depends upon the Company's financial condition, operating performance and expected future revenues, and will be subject to prevailing economic conditions, competitive conditions, and financial, business, legislative, regulatory and other factors affecting its operations, many of which are beyond the Company's control.

The Company cannot provide assurance that it will, nor its third-party partners will, be able to service their obligations pursuant to the NSERC Grant. Failure to meet the terms of the NSERC Grant may also limit the Company's ability to obtain future grants which may have a material and adverse effect on the Company's operations.

Our revenues will be highly dependent on a limited number of products.

The Company will initially generate revenues from a limited number of products that it intends to commercialize. The loss of a single source of revenue for any reason could have a material adverse effect on our business, financial condition and results of operations. In addition, each of these products may face competition and the ability to grow the market and our market share may be limited.

The Company is dependent on current and future collaborative partners, manufacturers, distributors, licensors and others.

The Company has no history of manufacturing, distribution or sales. The Company's success will be dependent upon its ability to enter into distribution and manufacturing agreements with third parties. The Company does not intend to manufacture or sell its products directly but will rely on third party distributors and manufacturers to sell and manufacture its products. To-date, the Company has not entered into any formal distribution or manufacturing agreements.

The Company may be unable to enter into agreements with third parties to market and sell REPELWRAP™, upon successful scaleup and testing, for commercialization within and outside of Canada. The Company is seeking to engage third-party distribution partners to sell REPELWRAP™. If the Company is successful in entering into a commercialization agreement for sales within and outside of Canada, the Company may have limited or no control over sales, marketing and distribution activities of these third parties. The Company's future revenues may depend on the success of the efforts of these third parties. To the extent that the Company relies on, or partners with, third parties to launch, manufacture and commercialize REPELWRAP™ if approved, or any other product for which the Company develops in the future, the Company may receive less revenue than if the Company manufactured or sold these products itself. In addition, the Company would have less control over the sales efforts of any other third parties involved in the Company's commercialization efforts. In the event that the Company is unable to partner with a third-party marketing and sales organization, the Company's ability to generate product revenues may be limited, if any. A variety of risks associated with potential international business relationships could materially adversely affect the Company's business. The Company may enter into agreements with third-parties for the development and commercialization of future products in international markets. If the Company does so, the Company would be subject to additional risks related to entering into international business relationships.

Any collaboration arrangements that the Company may enter into in the future may not be successful, which could adversely affect the Company's ability to develop and commercialize the Company's products. The Company may seek partnerships, collaborations and other strategic transactions to maximize the commercial potential its products and the Company's proprietary technologies in Canada, the U.S. and other territories throughout the world. The Company may enter into such arrangements on a selective basis depending on the merits of retaining commercialization rights for itself as compared to entering into selective collaboration arrangements with leading distribution companies for each of the Company's products, both in Canada and internationally. The Company faces competition in seeking appropriate collaborators. Moreover, collaboration arrangements are complex and time consuming to negotiate, document and implement. The Company may not be successful in its efforts to establish and implement collaborations or other alternative arrangements should the Company choose to enter into such arrangements. The terms of any collaborations or other arrangements that the Company may establish may not be favourable to the Company. Any future collaborations that the Company enters into may not be successful. The success of the Company's collaboration arrangements will depend heavily on the efforts and activities of the Company's collaborators. Collaborators generally have significant discretion in determining the efforts and resources that they will apply to these collaborations. Disagreements between parties to a collaboration arrangement regarding sales and commercialization matters could lead to delays in the commercialization of the Company's products and, in some cases, termination of the collaboration arrangement. These disagreements can be difficult to resolve if neither of the parties has final decision-making authority. Collaborations with third parties often are terminated or allowed to expire by the other party. Any such termination or expiration could adversely affect the Company financially and could harm the Company's business reputation.

The Company does not own or operate, and has no plans to establish, any manufacturing facilities for the Company's products. The Company will rely on key strategic collaborators and manufacturers to develop and test its prototypes as well as manufacture commercial supplies of finished goods, once its product is fully developed.

The Company plans to negotiate one or more manufacturing agreements with third parties to produce REPELWRAP™ samples, prototypes and ultimately, end products on behalf of the Company for the Canadian and international markets. The facilities used by any third-party manufacturer must be approved by the relevant regulatory body. The Company does not control the manufacturing process of, and is completely dependent on, the Company's contract manufacturing partners for compliance with the regulatory requirements, for manufacture of the Company's prototypes and products, if and when finalized. If contract manufacturers that the Company may use cannot successfully manufacture material that conforms to the Company's specifications and any regulatory requirements that may be required, the Company could face material adverse impacts on its operations and cash flow. In addition, the Company has no control over the ability of the Company's contract manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If any regulatory authority does not approve these facilities for the manufacture of the Company's products or product candidates or if it withdraws any such approval in the future, the Company may need to find alternative manufacturing facilities, which would significantly impact the Company's ability to develop, obtain regulatory approval for or market the Company's products or product candidates, if approved. Moreover, if the Company's contract manufacturer cannot successfully manufacture materials that conform to the Company's specifications and any regulatory requirements the Company may be subject to, recalls, product seizures, fines, refusal to permit import or export of the product and injunction against manufacture or distribution or regulatory enforcement action. The machinery to produce the commercial supply of our commercial products and product candidates must be qualified and validated, which is time consuming and expensive, and this machinery is located within one manufacturing site and is customized to the particular manufacturing specifications of each product or product candidate. If any manufacturer is unable to qualify and validate this equipment in a timely manner, the Company's ability to supply or launch and commercialize, as applicable, any of its products, will be compromised. If this customized equipment malfunctions at any time during the production process, the time it may take the manufacturer to secure replacement parts, to undertake repairs and to revalidate the equipment and process could limit The Company's ability to meet the commercial demand for its products. This may increase the risk that the third party manufacturer may not manufacture the product or product candidate in accordance with the applicable regulatory requirements, that the Company may not have sufficient quantities of that product or that the Company may not have such quantities at an acceptable cost, any of which could delay, prevent, or impair the sale or commercialization of any of our commercial products or product candidates, if approved, and the development of the Company's other product candidates. Reliance on a third-party manufacturer subjects the Company to risks that would not affect the Company if the Company manufactured the commercial product or product candidates itself, including:

- reliance on the third party for regulatory compliance and quality assurance;
- reduced control over the manufacturing process for the Company's products and product candidates;
- the possible breach of the manufacturing agreements by the third party because of factors beyond the Company's control;
- the possibility of termination or nonrenewal of the agreements by the third party because of the Company's breach of the manufacturing agreement or based on their own business priorities;
- the disruption and costs associated with changing suppliers; and
- potential theft of know-how and trade secrets.

The Company's commercial products and product candidates may compete with other products and product candidates for access to manufacturing resources and facilities. There may be a limited number of manufacturers that are both capable of manufacturing for the Company and willing to do so. If the third-party manufacturers that the Company may engage in the future to manufacture a product for commercial sale should cease to continue to manufacture the Company's products for any reason, the Company likely would experience delays in obtaining sufficient quantities of its products to meet commercial demand or to advance the Company's scale-up and commercialization efforts while the Company identifies and qualifies replacement suppliers. If for any reason the Company is unable to obtain adequate supplies of the Company's products or the substances used to manufacture them, it will be more difficult for the Company to develop its products and compete effectively.

The Company faces legal and regulatory requirements that may change or restrict the Company's ability to develop, manufacture and supply products.

The Company's future operations, including development, and commencement and continuation of commercial production, may require licenses, permits or other approvals from various federal, provincial, local and potentially foreign governmental authorities, and such operations are or will be governed by laws and regulations relating to production, exports, taxes, labor standards, occupational health and safety, the environment and other matters. Furthermore, in certain foreign jurisdictions, these regulatory requirements may be more stringent than those in Canada. Although the Company believes REPELWRAP™ would not require Health Canada TPD, PMRA or CHPSD approvals for sales in Canada as it believes REPELWRAP™ will be considered a coating which would not require such approvals, there is no certainty that such approvals may not be required or that it will be successful in obtaining any required approvals or licenses in Canada or any other jurisdiction the Company that the Company intends to sell its products. Should the Company be successful in developing an enhanced repel and kill version of REPELWRAP™, a catheter coating or other new products or enhancements which require approval, the Company will be required to obtain all necessary approvals.

To be able to provide the Company's products in other countries, the Company may need to obtain regulatory approvals and comply with the regulations of those countries which may differ substantially from those of Canada. These regulations, including any requirements for approvals and the time required for regulatory review, vary from country to country. Obtaining and maintaining foreign regulatory approvals is complex, and the Company cannot be certain that it will receive regulatory approvals in any foreign country in which the Company plans to market the Company's products, or to obtain such approvals on a favorable schedule. If the Company fails to obtain or maintain regulatory approval in any foreign country in which the Company plans to market the Company's products, the Company's ability to generate revenue will be harmed.

Achievement of our business objectives is subject to compliance with regulatory requirements enacted by governmental authorities. We may incur costs and obligations related to regulatory compliance. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, thereunder, including orders issued by regulatory or judicial authorities causing the development and manufacture of products to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. We may be required to compensate those suffering loss or damage by reason of our operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Health Canada also regulates certain markets into which the Company intends to supply products or license its intellectual property. Although the Company believes its products will not require Health Canada, PMRA or CHPSD approval, there is no assurance that Health Canada or any other body will require the Company to obtain any license for sales into markets it regulates. Each foreign jurisdiction for the Company's products may also be regulated and there is no assurance that sales of products will be permitted without receipt of regulatory approvals or licenses. Any inability by the Company to obtain approval from Health Canada and/or international bodies could have a material adverse impact of the business of the Company.

Changes in environmental regulation, if any, may adversely impact the Company's operations and future potential profitability. The trend in most countries in environmental legislation and regulation generally is toward stricter standards.

The Company may also be subject to consumer protection laws that may impact its sales and marketing efforts. These laws, as well as any changes in these laws, could make it more difficult for the Company to sell and market its products. These laws and regulations may be subject to change over time and thus the Company must continue to monitor and dedicate resources to ensure continued compliance. Non-compliance with applicable regulations or requirements could subject the Company to investigations, sanctions, enforcement actions, disgorgement of profits, fines, damages, civil and criminal penalties, or injunctions. If any governmental sanctions are imposed, or if the Company does not prevail in any possible civil or criminal litigation, its business, operating results, and financial condition could be materially adversely affected. Additionally, in order for the Company to carry out its activities, any required licences and permits must be obtained and kept current. There can be no assurance, however, that the Company will obtain on reasonable terms or at all the permits and approvals, and the renewals thereof, which it may require for the conduct of its future operations or that compliance with applicable laws, regulations, permits and approvals will not have an adverse effect on the Company's business plans. Possible future legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delay on the Company's planned research and development and operations, the extent of which cannot be predicted. Failure to comply with applicable laws, regulations and other requirements may have an adverse material impact on the Company and its operations.

No guarantee of success. Even if we commercialize any of our product candidates, our success is dependent upon each product's acceptance in the market.

The Company's product candidate REPELWRAP™ (repel film) is in the formulation stage and is not yet commercially viable. There is no guarantee that the Company's efforts to commercialize REPELWRAP™ will be successful and that it will achieve revenues. There is no assurance that broad successful commercial applications may be feasible for the Company. The Company is continuing to explore, develop, and test its current product candidates, and there can be no assurance that new products will be fully developed for commercial application, that scale-up and commercialization test results will be successful, if completed at all, that any necessary permits or approvals required in order to market such products will be obtained by the Company. The commercial success of our product candidates will depend upon their acceptance by the market and by various sectors, such as the healthcare industry or high-touch point retail venues. The degree of market acceptance will depend on a number of factors, including:

- demonstrated and perceived effectiveness compared to other products;
- limitations and drawbacks compared to other products;
- sales, marketing, and distribution support;
- timing of market introduction;
- the degree of cost-effectiveness of our product candidates;
- competitive products:
- adverse publicity of our product candidates or favorable publicity about competitive products;
- convenience and ease of administration of our products; and
- potential product liability claims.

If the market opportunities for any product that we develop are smaller than we believe they are, our revenue may be adversely affected and our business may suffer.

Our projections of the markets in which we anticipate to operate in, are based on estimates. If our projections are inaccurate, the market opportunities for any of our product candidates could be significantly diminished and have an adverse material impact on our business.

The regulatory and compliance costs of being a public company are increasing.

Legal, accounting, and other expenses associated with public company reporting requirements are generally increasing annually. The Company anticipates that costs may continue to increase with corporate governance related requirements, including, without limitation, requirements under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, NI 52-110 and NI 58-101.

The Company also expects these rules and regulations may make it more difficult and more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for the Company to attract and retain qualified individuals to serve on its Board of Directors or as executive officers.

Global economic instability may affect the Company's ability to execute its business plan.

Many industries, including out industry, are affected by global market conditions, and negative trends in global economic conditions, including but not limited to interest rates, consumer spending, employment rates, business conditions, inflation, energy costs, debt levels and credit availability. Changes in these conditions may adversely affect the Company's ability to obtain loans and other credit facilities, which could affect the Company's ability to develop and market its products and affect the trading price of the Company's shares in an adverse manner.

We may face product liability claims and lawsuits that could adversely impact our business.

If product liability lawsuits are brought against the Company, the Company may incur substantial liabilities and may be required to limit commercialization of any of its development programs, if approved.

The Company faces a potential risk of product liability if the Company commercializes its products. For example, the Company may be sued if any product candidate the Company develops allegedly causes injury or is found to be

otherwise unsuitable during product testing, manufacturing, marketing, or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability, and a breach of warranties. Claims could also be asserted under state consumer protection acts. If the Company cannot successfully defend itself against product liability claims, the Company may incur substantial liabilities or be required to limit commercialization of the product candidate subject to such claims. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for any products that the Company may develop;
- injury to the Company's reputation;
- costs to defend any related litigation;
- a diversion of management's time and the Company's resources;
- substantial monetary awards to any trial participants or customers;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenue;
- the inability to commercialize any of the Company's products, subject to any approvals;
- a decline in s stock price; and
- exposure to adverse publicity.

The Company's inability to obtain and retain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of product candidates the Company develops. The Company does not currently maintain product liability insurance given its current level of product development. Although the Company does maintain other forms of insurance, any claim that may be brought against the Company could result in a court judgment or settlement in an amount that is not covered, in whole or in part, by the Company's insurance or that is in excess of the limits of the Company's insurance coverage. The Company's insurance policies also have various exclusions, and the Company may be subject to a product liability claim for which the Company has no coverage. The Company may have to pay any amounts awarded by a court or negotiated in a settlement that exceed the Company's coverage limitations or that are not covered by the Company's insurance, and the Company may not have, or be able to obtain, sufficient capital to pay such amounts.

Our business and operations would suffer in the event of system failures.

Despite the implementation of security measures, the Company's internal computer systems, and those other third parties on which the Company relies, are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. If such an event were to occur and cause interruptions in the Company's operations, it could result in a material disruption of the Company's development programs. To the extent that any disruption or security breach were to result in a loss of or damage to the Company's data or applications, or inappropriate disclosure of confidential or proprietary information, the Company could incur liability and the further development of the Company's product candidates could be delayed.

Risks Related to Management and Personnel

We rely on our management and need additional key personnel to grow our business, and the loss of key employees or inability to hire key personnel could harm our business.

We believe our success has depended, and continues to depend, on the efforts and talents of our executives and employees. Our future success depends on our continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand, and we may incur significant costs to attract and retain them. The Company's senior management team has expertise in many different aspects of development, licensing, and commercialization. Competition for skilled personnel in the Company's market is intense and competition for experienced personnel may limit the Company's ability to hire and retain highly qualified personnel on acceptable terms. Despite the Company's efforts to retain valuable executives and consultants, members of the Company's management and scientific team may terminate their employment or consulting arrangements with the Company on short notice. In addition, the loss of any of our senior management or key employees could materially adversely affect our ability to execute our business plan and strategy, and we may not be able to find adequate replacements on a timely basis, or at all. We do not maintain key person life insurance policies on any of our executives or employees.

In addition, we are subject to a variety of business risks generally associated with growing companies, including capacity constraints and pressure on our internal systems and controls. Our ability to manage growth effectively will require us to continue to implement and improve our operational and financial systems and to expand, train and manage our employee base. Future growth and expansion could place significant strain on our management personnel and likely will require us to recruit additional management personnel.

There can be no assurance that we will be able to manage our expanding operations (including any acquisitions) effectively, that we will be able to sustain or accelerate our growth or that such growth, if achieved, will result in profitable operations, that we will be able to attract and retain sufficient management personnel necessary for continued growth, or that we will be able to successfully make strategic investments or acquisitions.

Our senior management team has limited experience managing a public company, and regulatory compliance may divert its attention from the day to day management of our business and will increase our expenses.

Most of individuals who now constitute our senior management team have limited experience managing a publicly-traded company and limited experience complying with the increasingly complex laws pertaining to public companies compared to senior management of other publicly-traded companies. Our senior management team may not successfully or efficiently manage our transition to being a public company subject to significant regulatory oversight and reporting obligations under Canadian securities laws. In particular, these new obligations will require substantial attention from our senior management and could divert their attention away from the day-to-day management of our business.

We expect to incur significant accounting, legal, insurance and other expenses as a result of being a public company, which could cause our results of operations and financial condition to suffer. Compliance with applicable securities laws in Canada and the rules of the CSE substantially increase our expenses, including our accounting and legal costs. Furthermore, compliance with applicable securities laws and regulations makes some activities more time-consuming and costlier. Reporting obligations as a public company and our anticipated growth may place a strain on our financial and management systems, processes and controls, and on our personnel.

Furthermore, we expect that compliance with the laws, rules and regulations that public companies are subject to will make it more expensive for us to obtain director and officer liability insurance and may require us to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified persons to serve on our Board of Directors or as officers.

We may become subject to liability arising from any fraudulent or illegal activity by our employees, contractors and consultants.

We are exposed to the risk that our employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to us that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and provincial healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for us to identify and deter misconduct by our employees and other third parties, and the precautions taken by us to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could result in the imposition of civil, criminal and administrative penalties, damages, monetary fines or contractual damages on us, reputational harm, diminished profits and future earnings, and curtailment of our operations.

It may not be possible to effect service of process on some of the Company's directors or officers.

Since certain of the Company's directors and officers live outside of Canada, it may be impossible to effect service of process on them. Furthermore, since all or a substantial portion of the assets of non-Canadian directors or officers are located outside of Canada, there may be difficulties in enforcing judgments against them obtained in Canadian courts.

Our success is tied to management's efforts and abilities.

The success of the operations and activities of the Company is dependent to a significant extent on the efforts and abilities of our management team and other key personnel, including the Lead Researchers. Investors must be willing to rely to a significant extent on the discretion and judgment of the Company's management team.

There may be conflicts of interest.

The Company's directors and officers may serve as directors or officers of other similar companies or have significant shareholdings in other similar companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms in accordance with the BCBCA. In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Risks Related to Intellectual Property

We rely on intellectual property and may not be able to protect intellectual property rights throughout the world.

Our success is heavily dependent upon intangible property and technology that we own and/or licence from others, including pursuant to the License Agreement. We rely upon copyrights, patents, trade secrets, unpatented proprietary know-how and continuing innovation to protect the intangible property, technology and information we consider important to the development and success of our business. We utilize various methods to protect our proprietary rights, including confidentiality agreements with consultants, service providers and management that contain terms and conditions prohibiting unauthorized use and disclosure of confidential information. However, despite efforts to protect intangible property rights, unauthorized parties may attempt to copy or replicate intangible property, technology or processes. Further, identifying the unauthorized use of intellectual property rights is difficult as we may be unable to effectively monitor and evaluate the products being distributed by our competitors. There can be no assurance that the steps taken by us to protect intangible property, technology and information will be adequate to prevent misappropriation or independent third-party development of our intangible property, technology or processes. Other companies may also be able to materially duplicate our proprietary technology. To the extent that any of the above would occur, this could reduce any competitive advantage the Company may have, reduce our market share otherwise harm our business and revenue could be negatively affected, and in the future, we may have to litigate to enforce our intangible property rights, which could result in substantial costs and divert management's attention and other resources.

Further, we may be unable to obtain registrations for our intellectual property rights for various reasons, including refusal by regulatory authorities to register trademarks or other intellectual property protections, prior registrations of which we are not aware, or we may encounter claims from prior users of similar intellectual property in areas where we operate or intend to conduct operations. In addition, effective patent, trade secret and other intellectual property protection may be unavailable or limited in some foreign countries. In some countries, the Company may not apply for patent or other intellectual property protection. The Company also relies on unpatented technological innovation and other trade secrets to develop and maintain its competitive position. Although the Company generally enters into confidentiality agreements with its employees and third parties to protect its intellectual property, these confidentiality agreements are limited in duration, could be breached and may not provide meaningful protection of its trade secrets. Adequate remedies may not be available if there is an unauthorized use or disclosure of the Company's trade secrets and manufacturing expertise. In addition, others may obtain knowledge about the Company's trade secrets through independent development or by legal means. The failure to protect the Company's processes, technology, trade secrets and proprietary manufacturing expertise, methods and compounds could have a material adverse effect on its business by jeopardizing critical intellectual property.

Where a product formulation or process is kept as a trade secret, third parties may independently develop or invent and patent products or processes identical to such trade secret products or processes. This could have a material adverse effect on the Company's ability to make and sell products or use such processes and could potentially result in costly litigation in which the Company might not prevail. The Company could face intellectual property infringement claims that could result in significant legal costs and damages and impede its ability to produce key products, which could have a material adverse effect on its business, financial condition, and results of operations.

In addition, we cannot be certain that issued patents will be enforceable or provide adequate protection or that pending or contemplated patent applications will result in issued patents. Competitors may independently develop similar products, duplicate our products, design around our patent rights, or obtain patents and proprietary rights that block or compete with our products.

Policing the unauthorized use of our current or future intellectual property rights could be difficult, expensive, time-consuming and unpredictable, as may be enforcing these rights against unauthorized use by others. Actions taken to protect or preserve intellectual property rights may require significant financial and other resources, and filing, prosecuting, and defending patents on all of our product candidates in all jurisdictions throughout the world would be prohibitively expensive. Therefore, we have filed applications and/or obtained patents only in key markets, such as Canada and the United States. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and their products may compete with ours.

In addition, if competitors infringe on our intellectual property, we may have to participate in litigation, interference or other proceedings that are expensive and divert management's attention to determine the right to a patent or other intellectual property or the validity of any patent granted. In any infringement proceeding, some or all of our current or future trademarks, patents or other intellectual property rights or other proprietary know-how, or arrangements or agreements seeking to protect the same for our benefit, may be found invalid, unenforceable, anti-competitive or not infringed. An adverse result in any litigation or defence proceedings could put one or more of our current or future trademarks, patents or other intellectual property rights at risk of being invalidated or interpreted narrowly and could put existing intellectual property applications at risk of not being issued.

The Company's performance and ability to compete are dependent to a significant degree on the proprietary technology licensed to it under the License Agreement. The Company relies on the patents and a combination of copyright and trade secret laws, as well as confidentiality agreements and technical measures, to establish and protect the proprietary rights of the Inventions. As part of its confidentiality procedures, the Company generally enters into agreements with its employees and consultants and limits access to and distribution of its documentation and other proprietary information. Accordingly, while the Company will endeavor to protect the intellectual property licensed to it under the License Agreement, there can be no assurance that the steps taken by the Company will prevent misappropriation of that technology or that agreements entered into for that purpose will be enforceable. The laws of other countries may afford the Company little or no effective protection of its intellectual property or the intellectual property of the Licensor.

The Company may not successfully secure patents relating to the Licensed Patent Rights.

Pursuant to the License Agreement, the Company has agreed to fund the Licensor's applications for patents under the Licensed Patent Rights. There can be no assurance that our pending patent applications or any future patent applications will result in issued patents in Canada, the U.S. or foreign jurisdictions in which such applications are pending. Even if patents are issued on any of these applications, there can be no assurance that a third party will not challenge their validity or enforceability, or that the Company will obtain sufficient claim scope or term in those patents to prevent a third party from competing successfully with the Company's product candidates. As a result, the Company could experience delays in its ability to distribute and commercialize REPELWRAP™, all of which would have a material adverse effect on the Company's business, results of operations and financial condition.

There are risks of infringement on third parties' intellectual property.

Although the Company does not believe that its proposed products infringe on the proprietary rights of any third parties, there can be no assurance that infringement or invalidity claims (or claims for indemnification resulting from infringement claims) will not be asserted or prosecuted against the Company or the Licensor or that any such assertions or prosecutions will not materially adversely affect the Company's business, financial condition, or results of operations. Regardless of the validity or the successful assertion of such claims, the Company could incur significant costs and diversion of resources with respect to the defense thereof, which could have a material adverse effect on the Company's business, financial condition, or results of operations.

Risks Related to Ownership of Our Common Shares

There are risks related to forward-looking information in this Prospectus.

The forward-looking information included in this Prospectus relating to, among other things, our future results, performance, achievements, prospects, intentions or opportunities or the markets in which we operate or expect to operate is based on opinions, assumptions and estimates made by our management in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. Our actual results in the future may vary significantly from the historical and estimated results and those variations may be material. We make no representation that our actual results in the future will be the same, in whole or in part, as those described in this Prospectus. See "*Forward-Looking Information*".

The market price of our Common Shares may be volatile, which could result in substantial losses for investors purchasing Common Shares.

The price of the Common Shares will fluctuate with market conditions and other factors. If a holder of Common Shares sells its Common Shares, the price received may be more or less than the original investment. Some of the factors that may cause the market price of our Common Shares to fluctuate include:

- actual or anticipated fluctuations in our quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which we operate;
- addition or departure of our executive officers and other key personnel;
- sales or perceived sales of additional Common Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors; and
- operating and share price performance of other companies that investors deem comparable to the Company or from a lack of market comparable companies.

We expect that our officers and directors will collectively control, directly or indirectly, approximately 2.99% of the voting power and interests in our outstanding Common Shares upon conversion of the Subscription Receipts. Subsequent sales of our Common Shares by these shareholders, or the market perception that holders of a large number of Common Shares intend to sell Common Shares, could have the effect of lowering the market price of our Common Shares. Further, the perceived risk associated with the possible sale of a large number of Common Shares by these shareholders, or the adoption of significant short positions by hedge funds or other significant investors, could cause some of our shareholders to sell their Common Shares, thus causing the market price of our Common Shares to decline. In addition, actual or anticipated downward pressure on our stock price due to actual or anticipated sales of Common Shares by our officers or directors could cause other institutions or individuals to engage in short sales of the Common Shares, which may further cause the market price of our Common Shares to decline.

From time to time our directors and executive officers may sell Common Shares on the open market. These sales will be publicly disclosed in filings made with securities regulators. In the future, our directors and executive officers may sell a significant number of Common Shares for a variety of reasons unrelated to the performance of our business. Our shareholders may perceive these sales as a reflection on management's view of the business and result in some shareholders selling their Common Shares. These sales could cause the market price of our Common Shares to decline. Any decline in the market price of Common Shares may also impede our ability to raise additional capital and might cause remaining holders of Common Shares to lose all or part of their investment.

There are risks associated with the potential dilution of our Common Shares.

We may raise additional funds in the future by issuing equity securities. Such equity securities could contain rights and preferences superior to those of the Common Shares and holders of Common Shares will have no pre-emptive rights in connection with such further issues. The Board of Directors has the discretion to determine if an issuance of equity securities is warranted, the price at which such issuance is effected and the other terms of issue of any equity securities, including Common Shares or equity securities convertible into Common Shares. In addition, additional

Common Shares may be issued by us in connection with the exercise of Options granted or vesting of RSUs. To the extent holders of our Options or other convertible securities convert or exercise their securities and sell the Common Shares they receive, the trading price of the Common Shares may decrease due to the additional number of Common Shares available in the market. Such additional equity issuances could, depending on the price at which such securities are issued, substantially dilute the interests of the holders of Common Shares. In addition, we cannot predict the size of future issuances of our equity securities, including Common Shares, or the effect, if any, that future issuances and sales of our equity securities, including Common Shares will have on the market price of our Common Shares. Sales of substantial amounts of our Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices for our Common Shares.

After the conversion of the Subscription Receipts, we will have 51,913,453 Common Shares outstanding.

An active, liquid and orderly trading market for our Common Shares may not develop, and you may not be able to resell Common Shares at or above your initial purchase price.

We have applied to have the Common Shares listed on the CSE. Listing is subject to the approval of the CSE in accordance with its original listing requirements. The CSE has not conditionally approved our listing application and there is no assurance that the CSE will approve the listing application.

There is currently no market through which our Common Shares may be sold and, if a market for our Common Shares does not develop or is not sustained, you may not be able to resell your Common Shares. This may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Common Shares and the extent of issuer regulation. We cannot predict the prices at which the Common Shares will trade. If an active and liquid trading market for the Common Shares does not develop or is not maintained, investors may have difficulty selling their Common Shares. There can be no assurance that there will be sufficient liquidity of the Common Shares on the trading market, or that we will continue to meet the listing requirements of the CSE or any other public listing exchange on which the Common Shares may subsequently be listed.

If securities or industry analysts do not publish research or publish inaccurate or unfavourable research about us or our business, our trading price and volume could decline.

The trading market for our Common Shares will depend, in part, on the research and reports that securities or industry analysts publish about us or our business. We do not currently have and may never obtain research coverage by securities and industry analysts. If no securities or industry analysts commence covering us, the trading price for our Common Shares could be negatively impacted. If we obtain securities or industry analyst coverage and one or more of the analysts who cover us downgrade our Common Shares or publish inaccurate or unfavourable research about our business, or more favourable relative recommendations about our competitors, our trading price may decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our Common Shares could decrease, which could cause our trading price and volume to decline.

We may not be able or willing to pay any dividends.

No dividends on the Common Shares have been paid to date and there is no assurance as to whether we will be profitable enough to pay dividends or determine to do so even if sufficiently profitable. We anticipate that, for the foreseeable future, we will retain future earnings and other cash resources for the operation and development of our business. Payment of any future dividends will be at the discretion of the Board of Directors after considering many factors, including our earnings, operating results, financial condition, current and anticipated cash needs, and restrictions in financing agreements. Our ability to pay dividends is subject to our future financial position. Our Board must also approve any dividends at their sole discretion. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

Risks Related to Exchange Rate

Exchange rate fluctuations between the Canadian dollar and the U.S. dollar may negatively affect our future revenues.

We will be exposed to the financial risk related to the fluctuation of foreign exchange rates. If the Company begins to generate revenues, substantially all of our revenues will be in Canadian dollars, including executive compensation, employee salaries and payments to service providers. The majority of our operating expenses are incurred in Canada. We may also enter into foreign currencies transactions for imported goods and equipment predominantly from the United States and are subject to fluctuations due to changes in foreign currency exchange rates, particularly changes between the Canadian dollar and the U.S. dollar. Although exposure to currency fluctuations to date has not had a material adverse effect on our business, there can be no assurance that any future hedging transactions we engage in will provide sufficient protection and that such fluctuations in the future will not have a material adverse effect on our operating results and financial condition. To date, we have not hedged our exposure to currency fluctuations.

Other Risks

The COVID-19 Public Health Crisis or another global health pandemic could materially affect the Company's business, operations and financial condition.

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, on March 11, 2020, the World Health Organization declared the outbreak a global pandemic.

To date, there have been a large number of temporary business closures, quarantines and various reductions (and surges) in consumer activity worldwide, including in Canada. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While to date these effects have been temporary and sporadic, the duration of any future disruptions to businesses locally and internationally and the related financial impact may affect the Company's business, financial condition and results of operations.

Such public health crises can result in volatility and disruptions in global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations affected by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest.

To date the Company's business operations have not been substantially affected by the COVID-19 pandemic (save for requiring some company staff to work remotely). However, as discussed, as the COVID-19 pandemic continues, there is a risk that the effects of the COVID-19 pandemic, including governmental restrictions and vaccination requirements, market disruptions or volatility, or changed in economic conditions will materially affect the Company's business in the future. A future wave of COVID-19 in North America or a new global health pandemic may result in further disruptions due to: (i) restrictions that governments and communities impose to address the COVID-19 global pandemic or new global health pandemic, as applicable; (ii) restrictions that the Company, McMaster or any manufacturing and distributor partners impose to ensure the safety of employees and others; (iii) shortages of employees and/or unavailability of manufacturing and distributor partners; (iv) interruption of supplies from third-parties upon which the Company relies and/or (v) vaccination requirements.

There are risks related to the use of available funds.

The Company intends to use the available funds in the manner described under the heading "*Use of Available Funds*". However, the Company's management will have broad discretion concerning the use of the funds as well as the timing of their expenditures, and there can be no assurance as to how the funds will be allocated. The failure of the Company to apply these funds effectively could negatively impact the success of the Company's business. Until utilized, the funds will be held in cash balances in the Company's bank account or invested at the discretion of the directors and/or senior management of the Company. As a result, a purchaser will be relying on the judgment of management of the

Company for the application of the available funds. The results and the effectiveness of the application of the funds are uncertain. If the available funds are not applied effectively, the Company's business, prospects, financial condition and results of operations may suffer, which could have material and adverse effect on the trading price of the Common Shares in the market.

The Company is subject to the effects of general economic and political conditions

The business of the Company is subject to the impact of changes in Canadian, U.S. and international economic conditions, including but not limited to, recessionary or inflationary trends, equity market conditions, interest rates, consumers' disposable income and spending levels, job security and unemployment, and overall consumer confidence. These economic conditions may be further affected by political events throughout the world that cause disruptions in the financial markets, either directly or indirectly. Adverse economic and political developments could have a material adverse effect on the Company and its business, financial condition, results of operations and cash flows.

The Company's internal control procedures may be inadequate.

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company undertakes a number of procedures in order to help ensure the reliability of its financial reports, including those imposed on it under Canadian securities laws, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its independent auditors discover a material weakness in such controls, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's financial statements and materially reduce the market price of the Common Shares.

PROMOTER

Dr. Carolyn Myers, CEO of the Company, has assisted in the primary organization of the Company and accordingly is a promoter of the Company. Dr. Myers owns 1,500,001 Common Shares which represents approximately 2.89% of the Common Shares outstanding following the conversion of the Subscription Receipts into Common Shares.

See "*Directors and Executive Officers*" and "*Executive Compensation*" for more information on Dr. Myers.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

There are no legal proceedings that the Company is or was a party to, or that any of the Company's property is or was the subject of, since its incorporation on July 28, 2020, that were or are material to the Company, and there are no such material legal proceedings that the Company knows to be contemplated.

There were no: (i) penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority since its incorporation on July 28, 2020; (ii) other penalties or sanctions imposed by a court or regulatory body against the Company that the Company believes must be disclosed for this Prospectus to contain full, true and plain disclosure of all material facts relating to the Common Shares; or (iii) settlement agreements the Company entered into before a court relating to provincial and territorial securities legislation or with any securities regulatory authority since its incorporation on July 28, 2020.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed elsewhere in this Prospectus, none of the directors or executive officers of the Company, and no associate or affiliate of the foregoing, has, or has had, any material interest, direct or indirect, in any transaction or in any proposed transaction that has materially affected or will materially affect the Company.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The Company's auditors are Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants ("**DMCL**"), of Vancouver, British Columbia, as auditors of the Company, report that they are independent with respect to the Company within the meaning of the Chartered Professional Accountants Code of British Columbia Professional Conduct.

The registrar and transfer agent for the Company's Common Shares is Endeavor Trust Corporation at its principal office in Vancouver, British Columbia.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company, or its material subsidiaries, to the date hereof which are currently in effect and considered to be material:

(a) Option Agreement dated July 29, 2020 between the Company and McMaster University.

(b) License Agreement dated February 5, 2021, as amended on July 14, 2021 and July 15, 2022. See "*Description of the Business*".

(c) Transfer Agent Agreement dated May 14, 2021.

(d) Voluntary Escrow Agreement 2021.

(e) Bonus Share Agreements dated June 19, 2021. See "*Description of the Business*".

(f) Share Issuance Agreement dated June 29, 2021, as amended on July 27, 2022 between the Company and McMaster University.

(g) Collaborative Research Agreement dated July 7, 2021 with an effective date of August 1, 2021 and executed on August 24, 2021. See "*Description of the Business*".

(h) Debt Settlement, Subscription and Voluntary Pooling Agreement dated April 22, 2022 between the Company and Canaccord Genuity Corp.

(i) Subscription Receipt Agreement dated April 28, 2022, as amended on October 21, 2022.

(j) Warrant Indenture dated April 28, 2022.

(k) Voluntary Escrow Agreement 2023.

(l) Escrow Agreement.

EXPERTS

Names of Experts

The following persons or companies whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company are named in this Prospectus as having prepared or certified a report, valuation, statement or opinion in this Prospectus: DMCL and BF Borgers CPA.

Interests of Experts

None of the persons set out under the heading "*Experts – Names of Experts*" have held, received or is to receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of its

associates or affiliates when such person prepared the report, valuation, statement or opinion aforementioned or thereafter.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

The following persons reside outside of Canada or, in the case of companies, are incorporated, continued or otherwise organized under the laws of a foreign jurisdiction and each has appointed an agent listed below, if applicable, for service of process in Canada:

Name of Person	Name and Address of Agent
Dr. Carolyn Myers President, Chief Executive Officer and Director	FendX Technologies Inc. 2010 Winston Park Dr., 2nd Floor, Oakville, ON L6H 5R7

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction, or resides outside of Canada, even if the party has appointed an agent for service of process.

RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if this Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of Subscription Receipts (including the underlying Subscription Receipt Warrants issuable upon the deemed conversion thereof), investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the Subscription Receipts (including the underlying Subscription Receipt Warrants issuable upon the deemed conversion thereof) were issued under the Subscription Receipt Private Placement. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the underlying Subscription Receipt Warrants, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

FINANCIAL STATEMENT DISCLOSURE

The audited financial statements for the period from incorporation on July 28, 2020 to December 31, 2020, the audited annual financial statements for the year ended December 31, 2021, the unaudited condensed interim financial statements for the nine month period ended September 30, 2022, and the audited carve-out financial statements in respect of the Licensed Technology for the 36 day period ended February 5, 2021 and the year ended December 31, 2020 are attached as Appendix B to this Prospectus.

GLOSSARY

The following terms used in this Prospectus have the meanings set forth below, unless otherwise indicated.

"**Articles**" means the articles of incorporation of FendX, as amended from time to time.

"**Audit Committee**" means the audit committee of the Company, as further described under the heading "*Corporate Governance — Committees of the Board — Audit Committee*".

"**Awards**" has the meaning ascribed thereto under "*Executive Compensation — Principal Elements of Compensation — Equity Incentive Plan*".

"**BCBCA**" means the *Business Corporations Act* (British Columbia).

"**Board**" or "**Board of Directors**" means the board of directors of the Company.

"**CEO**" means chief executive officer.

"**CFO**" means chief financial officer.

"**Common Shares**" means the common shares in the capital of the Company without par value.

"**Company**" or "**FendX**" means FendX Technologies Inc. and, unless the context otherwise requires, includes predecessors or other entities controlled by any of them.

"**COO**" means chief operating officer.

"**CSE**" means the Canadian Securities Exchange".

"**Director**" means a member of the Company's Board of Directors.

"**Equity Incentive Plan**" means the Equity Incentive Plan of the Company dated October 19, 2021.

"**Escrow Agent**" means Endeavor Trust Corporation, escrow agent to the Company.

"**Escrow Agreement**" means the escrow agreement dated January 31, 2023 by and among the Company, Endeavor Trust Corporation, as escrow agent, and Carolyn Myers.

"**Escrow Release Condition**" has the meaning set out under "*Use of Available Funds – Subscription Receipt Private Placement*."

"**Form 52-110F2**" means Form 52-110F2 – *Disclosure by Venture Issuers*.

"**Licensor**" means McMaster University.

"**License Agreement**" means the license agreement dated February 5, 2021, as amended July 14, 2021 and July 15, 2022 between the Company and the Licensor.

"**License Shares**" means the Common Shares issued to the Licensor pursuant to the License Share Agreement.

"**License Share Agreement**" means the share issuance agreement dated June 29, 2021 between the Company and the Licensor pursuant to which the Company issued the License Shares to the Licensor.

"**Listing**" means the listing of the Listed Securities on the CSE.

"**Listing Date**" means the date the Listing.

"**MD&A**" means Management's Discussion and Analysis.

"**NEO**" means the named executive officers of the Company, who are the CEO, CFO, and COO of FendX.

"**NI 41-101**" means National Instrument 41-101 – *General Prospectus Requirements*.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*.

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

"**Options**" or "**Stock Options**" means options to purchase Common Shares.

"**REPELWRAP™**" means the Company's anticipated first-to-market product, which repels bacteria and viruses that can applied to high-contact surfaces and protects them from contamination, reducing the transmission of harmful pathogens.

"**RSU**" or "**Restricted Share Unit**" means a restricted share unit, each of which represents one Common Share upon vesting.

"**Subscription Receipt Agent**" means Endeavor Trust Corporation, subscription receipt agent to the Company, pursuant to the Subscription Receipt Agreement.

"**Subscription Receipt Agreement**" has the meaning set out under "*Plan of Distribution – Subscription Receipt Private Placement*".

"**Subscription Receipt Distribution**" has the meaning set out under "*Plan of Distribution – Subscription Receipt Private Placement*".

"**Subscription Receipt Private Placement**" has the meaning set out under "*Plan of Distribution – Subscription Receipt Private Placement*".

"**Technology**" has the meaning ascribed thereto in the License Agreement.

"**Termination Date**" has the meaning ascribed thereto under "*Executive Compensation — Principal Elements of Compensation — Equity Incentive Plan*"

"**Transfer Agent**" means Endeavor Trust Corporation, transfer agent to the Company.

"**U.S.**" means the United States of America.

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended.

"**US$**" or "**U.S. Dollars**" means United States dollars.

"**Voluntary Escrow Agreement 2021**" means the voluntary escrow agreement dated June 19, 2021, as amended on January 3, 2023 with such amendment made effective June 19, 2021 among the Company and certain shareholders of the Company.

"**Voluntary Escrow Agreement 2023**" means the voluntary escrow agreement dated January 3, 2023 among the Company and certain shareholders of the Company.

APPENDIX A
AUDIT COMMITTEE CHARTER

FENDX TECHNOLOGIES INC.
(the "**Corporation**")

AUDIT COMMITTEE CHARTER

1. MANDATE

The audit committee will assist the board of directors of the Corporation (the "**Board**") in fulfilling its financial oversight responsibilities. The committee will review and consider, in consultation with the Corporation's external auditors, the financial reporting process, the system of internal control over financial reporting and the audit process. In performing its duties, the audit committee will maintain effective working relationships with the Board, management and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well as the Corporation's business, operations and risks.

2. COMPOSITION

The Board will appoint, from among their membership, an audit committee after each annual meeting of the shareholders of the Corporation. The audit committee will consist of a minimum of three directors.

2.1 Independence

Subject to Sections 3.2, 3.3, 3.4, 3.5 and 3.6 and Part 6 of National Instrument 52-110 (Audit Committees)) ("**NI 52-110**"), a majority of the members of the audit committee must be "independent" (as defined in Section 1.4 of NI 52-110).

2.2 Expertise of Committee Members

Subject to Sections 3.5 and 3.8 and Part 6 of NI 52-110, a majority of the members of the audit committee must be "financially literate" (as defined in Section 1.6 of NI 52-110) or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the committee must have accounting or related financial management expertise.

3. MEETINGS

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Corporation's Chief Financial Officer and external auditors in separate executive sessions.

4. ROLES AND RESPONSIBILITIES

The audit committee shall fulfill the following roles and discharge the following responsibilities:

4.1 External Audit

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, or performing other audit, review or attestation services, including the resolution of disagreements between management and the external auditors regarding financial reporting. In carrying out this duty, the audit committee shall:

(a) recommend to the Board that the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Corporation;

(b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;

(c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;

(d) review and recommend to the Board the compensation to be paid to the external auditors;

(e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards; and

(f) review and approve the Corporation's hiring policies regarding partners and employees, and former partners and employees, of the present and former external auditor of the Corporation.

4.2 Internal Control

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Corporation. In carrying out this duty, the audit committee shall:

(a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Corporation; and

(b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

4.3 Financial Reporting

The audit committee shall review the financial statements and financial information of the Corporation prior to their release to the public. In carrying out this duty, the audit committee shall:

General

(a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions;

(b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate;

Annual Financial Statements

(c) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;

(d) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered;

(e) review management's discussion & analysis respecting the annual reporting period prior to its release to the public;

Interim Financial Statements

(f) review and approve the interim financial statements prior to their release to the public;

(g) review management's discussion & analysis respecting the interim reporting period prior to its release to the public; and

Release of Financial Information

(h) where reasonably possible, review and approve all public disclosure containing financial information, including news releases, prior to release to the public. An audit committee must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and must periodically assess the adequacy of those procedures.

4.4 Non-Audit Services

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Corporation or any subsidiary of the Corporation shall be subject to the prior approval of the audit committee.

Delegation of Authority

(a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

De-Minimis Non-Audit Services

(b) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:

(i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or

(ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Pre-Approval Policies and Procedures

(c) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:

(i) the pre-approval policies and procedures are detailed as to the particular service;

(ii) the audit committee is informed of each non-audit service; and

(iii) the procedures do not include delegation of the audit committee's responsibilities to management.

4.5 Other Responsibilities

The audit committee shall:

(a) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters;

(b) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;

(c) ensure that significant findings and recommendations made by management and the external auditor are received and discussed on a timely basis;

(d) review the policies and procedures in effect for considering officers' expenses and perquisites;

(e) perform other oversight functions as requested by the Board; and

(f) review and update this Charter and receive approval of changes to this Charter from the Board.

4.6 Reporting Responsibilities

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

5. RESOURCES AND AUTHORITY OF THE AUDIT COMMITTEE

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

(a) engage independent counsel and other advisors as it determines necessary to carry out its duties;

(b) set and pay the compensation for any advisors employed by the audit committee; and

(c) communicate directly with the internal and external auditors.

6. GUIDANCE – ROLES & RESPONSIBILITIES

The audit committee should consider undertaking the actions described in the following guidance, which is intended to provide the audit committee members with additional guidance on fulfilment of their roles and responsibilities on the committee:

6.1 Internal Control

(a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities,

(b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown, and

(c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management;

6.2 Financial Reporting

General

(a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements,

(b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks,

(c) understand industry best practices and the Corporation's adoption of them;

Annual Financial Statements

(d) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Corporation reports or trades its shares;

(e) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;

(f) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;

(g) consider management's handling of proposed audit adjustments identified by the external auditors;

(h) ensure that the external auditors communicate all required matters to the committee;

Interim Financial Statements

(i) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;

(j) meet with management and the auditors, either telephonically or in person, to review the interim financial statements;

(k) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:

  (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;

  (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financials statements are consistent with changes in the Corporation's operations and financing practices;

  (iii) generally accepted accounting principles have been consistently applied;

(iv) there are any actual or proposed changes in accounting or financial reporting practices;

(v) there are any significant or unusual events or transactions;

(vi) the Corporation's financial and operating controls are functioning effectively;

(vii) the Corporation has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and

(viii) the interim financial statements contain adequate and appropriate disclosures;

6.3 Compliance with Laws and Regulations

(a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";

(b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements;

(c) review the findings of any examinations by securities regulatory authorities and stock exchanges; and

6.4 Other Responsibilities

(a) review, with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements.

APPENDIX B
FINANCIAL STATEMENTS

[Please see attached]

FENDX TECHNOLOGIES INC.

FINANCIAL STATEMENTS
For the year ended December 31, 2021 and Period from Incorporation on July 28, 2020 to December 31, 2020

(Expressed in Canadian dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of FendX Technologies Inc.

Opinion

We have audited the financial statements of FendX Technologies Inc. (the “Company”), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of loss and comprehensive loss, changes in shareholders’ equity and cash flows for the year ended December 31, 2021 and the period from incorporation July 28, 2020 to December 31, 2020, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the year ended December 31, 2021 and the period from incorporation July 28, 2020 to December 31, 2020 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company have an accumulated deficit of $1,459,957 as of December 31, 2021. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

January 31, 2023

STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars)

	Note	December 31, 2021 $	December 31, 2020 $
ASSETS			
Current			
Cash		1,083,871	356,566
Amounts receivable		14,754	-
Prepaid expenses	4	144,685	-
		1,243,310	356,566
Property and equipment, net	5	3,812	-
Total assets		1,247,122	356,566
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Current			
Accounts payable	7	205,390	111,689
Accrued liabilities	7	182,239	218,251
Total liabilities		387,629	329,940
SHAREHOLDERS' EQUITY			
Share capital	8	2,241,312	1
Subscriptions received	8	30,000	363,500
Reserves	8	48,138	-
Deficit		(1,459,957)	(336,875)
Total shareholders' equity		859,493	26,626
Total liabilities and shareholders' equity		1,247,122	356,566

Nature of operations and going concern *[note 1]*
Subsequent events note *[note 13]*

These financial statements were approved for issuance by the Board of Directors on January 31, 2023 and signed on its behalf by:

"Stephen Randall"
Director

"Carolyn Myers"
Director

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

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars)

	Note	Year Ended December 31, 2021 $	Period from Incorporation on July 28, 2020 to December 31, 2020 $
Expenses			
Consulting fees		262,131	143,857
Directors' fees		85,000	-
General and administration	7	41,836	608
Management fees	7	384,561	7,500
Marketing		12,029	63,987
Professional fees	9	236,848	120,923
Research and development		108,594	-
		1,130,999	336,875
Loss before other income		(1,130,999)	(336,875)
Other income			
Government grant	10	7,500	-
Foreign exchange gain		417	-
		7,917	-
Net loss and comprehensive loss		(1,123,082)	(336,875)
Basic and diluted loss per common share		(0.07)	(336,875)
Weighted average number of common shares outstanding – basic and diluted		17,172,990	1

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)

(Expressed in Canadian dollars)

	Common Shares		Subscriptions received	Reserves	Deficit	Total
	Number	$	$	$	$	$
Shares issued on incorporation, July 28, 2020	1	1	-	-	-	1
Subscriptions received	-	-	363,500	-	-	363,500
Net loss for the period	-	-		-	(336,875)	(336,875)
Balance, December 31, 2020	1	1	363,500	-	(336,875)	26,626
Private placements	28,400,665	2,035,100	(363,500)	-	-	1,671,600
Shares issued – debt settlements	5,500,000	207,500	-	-	-	207,500
Shares issued – License Agreement	1,435,000	71,750	-	-	-	71,750
Shares issued – finders' shares	701,387	105,208	-	-	-	105,208
Shares cancelled	(166,000)	(24,900)	-	-	-	(24,900)
Shares cancelled – finders' shares	(13,280)	(1,993)	-	-	-	(1,993)
Share issuance costs	-	(151,354)	-	-	-	(151,354)
Subscriptions received	-	-	30,000	-	-	30,000
Broker warrants	-	-	-	49,234	-	49,234
Broker warrants - cancellation				(1,096)		(1,096)
Net loss for the year	-	-	-	-	(1,123,082)	(1,123,082)
Balance, December 31, 2021	35,857,773	2,241,312	30,000	48,138	(1,459,957)	859,493

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

STATEMENTS OF CASH FLOWS

(Expressed in Canadian dollars)

	Year Ended December 31, 2021 $	Period from Incorporation on July 28, 2020 to December 31, 2020 $
OPERATING ACTIVITIES		
Net loss	(1,123,082)	(336,875)
Add items not affecting cash:		
Depreciation of property and equipment	909	-
Shares issued pursuant to License Agreement	71,750	-
Shares issued – debt settlements	207,500	-
	(842,923)	(336,875)
Changes in non-cash working capital items relating to operations:		
Amounts receivable	(14,755)	-
Prepaid expenses	(144,685)	-
Accounts payable and accrued liabilities	57,689	329,940
Cash used in operating activities	(944,673)	(6,935)
INVESTING ACTIVITY		
Additions to property, plant and equipment	(4,721)	-
Cash used in investing activity	(4,721)	-
FINANCING ACTIVITIES		
Issuance of common shares, net of issuance costs	1,646,699	1
Proceeds from subscription received	30,000	363,500
Cash provided by financing activities	1,676,699	363,501
Increase in cash	727,305	356,566
Cash, beginning	356,566	-
Cash, ending	1,083,871	356,566
Supplemental disclosures with respect to cash flows:		
Shares issued pursuant to License Agreement	71,750	-
Issuance of shares for settlement of debts	207,500	-
Fair value of compensation warrants issued	48,138	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

FendX Technologies Inc. ("FendX" or the "Company") was incorporated under the British Columbia *Business Corporations Act*. The Company was incorporated as 1259192 B.C. Ltd. on July 28, 2020 and subsequently changed its name to FendX Technologies Inc. on September 18, 2020.

The Company's head office is located at 2010 Winston Park Drive, 2nd Floor, Oakville, Ontario, L6H 5R7.

The Company was formed to advance a platform technology that was licensed from McMaster University, of Hamilton, Ontario, Canada, pursuant to a License Agreement (as herein defined) dated effective February 5, 2021. The Company is a technology company focused on developing surface-coating products that repel certain pathogens.

These financial statements have been prepared under the assumption that the Company will continue as a going concern. The going concern basis of presentation assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. As of December 31, 2021, the Company had an accumulated deficit of $1,459,957. The Company's operations are dependent on obtaining additional financing to further develop its technology and generating cash flow from operations in the future. These factors form a material uncertainty, which may raise significant doubt about the Company's ability to continue as a going concern. Management's plans to meet the Company's current and future obligations may include raising capital through the issuance of equity and debt securities, relying on the financial support of its shareholders and related parties and cashflow from operations if the Company is successful in commercially launching its technology. There is no assurance that additional funding will be available on a timely basis or on terms acceptable to the Company. These financial statements do not give effect to any adjustments that 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. Such adjustments can be material.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak continues to adversely affect workforces, economies, and financial markets globally, potentially leading to an economic downturn. Currently, it is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

2. BASIS OF PRESENTATION

[a] Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board, and interpretations issued by the International Financial Reporting Interpretation Committee effective for the year ended December 31, 2021.

These financial statements were approved for issue by the Company's Board of Directors on January 31, 2023.

[b] Basis of measurement

These financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial assets and financial liabilities to fair value.

2. BASIS OF PRESENTATION (CONTINUED)

[c] Functional and foreign currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency. Foreign currency transactions are translated into Canadian dollars using the exchange rates at the date of the transactions. Foreign exchange gains or losses resulting from the settlement of transactions and from the translation at year-end rates of monetary assets and liabilities denominated in foreign currencies are recognized in net income or loss.

[d] Significant accounting estimates and judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company reviews its estimates and underlying assumptions on an ongoing basis.

Critical judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

i. Research costs and license costs are recognized as an expense when incurred, but development costs may be capitalized as intangible assets if certain conditions are met, as described in International Accounting Standard ("IAS") 38 *Intangible Assets*. Management has determined that development costs do not meet the conditions for capitalization under IAS 38, and all research and development costs and license costs have been expensed.

ii. Management is required to assess the functional currency of the Company. In concluding that the Canadian dollar is the functional currency of the Company, management considered the currency that mainly influences the operating expenditures in the jurisdiction in which the Company operates.

iii. The determination of categories of financial assets and financial liabilities have been identified as an accounting policy, which involves judgments or assessments made by management.

iv. Management is required to determine whether the going concern assumption is appropriate for the Company at the end of each reporting period. Considerations taken into account include available information about the future, including the availability of financing and revenue projection, as well as the current working capital balance and future commitments of the Company.

2. BASIS OF PRESENTATION (CONTINUED)

[d] Significant accounting estimates and judgments (continued)

Estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

i. Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxation authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

ii. The fair value of accrued liabilities at the time of initial recognition is made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements have been applied to all periods presented.

The following is a summary of significant accounting policies:

[a] Research and development costs

Expenditures related to research activities are recognized as an expense in the period in which they are incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, the entity can demonstrate all of the following:

i. the technical feasibility of completing the intangible asset so that it will be available for use or sale;
ii. its intention to complete the intangible asset and use or sell it;
iii. its ability to use or sell the intangible asset;
iv. how the intangible asset will generate probable future economic benefits. Among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
v. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
vi. its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs are capitalized as soon as the above criteria are met. Where no internally generated intangible asset can be recognized, development expenditures are expensed in the period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[a] Research and development costs (continued)

After initial recognition, internally generated intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses. They are amortized on a straight-line basis over their useful life, and an impairment loss is recognized in profit or loss when their recoverable amount is less than their net carrying amount.

[b] Property and equipment, net

Property and equipment are recorded at cost less accumulated amortization and impairment charges. The cost of repair and maintenance is expensed as incurred. Depreciation is provided using the declining balance method or straight line method over the estimated useful lives of the assets. Upon sale or other disposition of a depreciable asset, cost and accumulated depreciation are removed from the property and equipment and any gain or loss is recorded to profit or loss.

The significant class of property and equipment includes computer equipment which is depreciated at the rate of 55% using straight line method, commencing when the assets become available for use.

[c] Government grant

A government grant is recognized when there is reasonable assurance it will be received, and all related conditions will be complied with. The Company recognizes government grant in profit or loss on a systematic basis and in line with its recognition of the expenses that the grants are intended to compensate. The Company carefully determines whether the grant compensates expenses already incurred or future costs.

[d] Share-based payments

Share-based compensation to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and expensed over the vesting periods. Share-based compensation to non-employees is measured at the fair value of the goods or services received or the fair value of the equity instruments issued if the fair value of the goods or services cannot be reliably measured and is recorded at the date the goods or services are received. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to contributed surplus The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to contributed surplus.

Proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Any previously recorded share-based payment included in the reserves account is transferred to share capital on exercise of options. Share capital issued for non-monetary consideration is valued at the closing market price at the date of issuance. The proceeds from issuance of units are allocated between common shares and warrants based on the residual method. Under this method, the proceeds are allocated first to share capital based on the fair value as determined by the quoted bid price of the common shares and any residual value is allocated to the warrants reserve. Consideration received for the exercise of warrants is recorded in share capital, and any related amount recorded in warrants reserve is transferred to share capital. Charges for options or warrants that are cancelled or expire

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[d] Share-based payments (continued)

are reclassified from contributed surplus to deficit.

[e] Income taxes

Deferred income tax is recognized using the liability method on temporary differences arising between the tax and accounting bases of assets and liabilities, as well as for the benefit of losses available to be carried forward to future years. Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect either accounting or taxable profit or loss.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the statement of financial position date. Deferred income tax assets are recognized only to the extent that it is probable that future profit will be available against which such assets can be utilized.

[f] Share capital

The Company records proceeds from share issued net of issuance costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value at the date the common shares are issued.

Proceeds from unit placements are allocated between shares and warrants issued using the residual method. Proceeds are first allocated to the shares according to the quoted price of existing shares at the time of issuance and any residual in the proceeds is allocated to warrants.

[g] Loss per share

Loss per share is calculated using the weighted average number of shares outstanding during the period. Diluted loss per share is calculated using the treasury stock method whereby all in-the-money options and warrants are assumed to have been exercised at the beginning of the period and the proceeds from the exercise are assumed to have been used to purchase common shares at the average market price during the period. In periods of loss basic and diluted loss per share are the same, as the effect of the exercise of outstanding options and warrants is anti-dilutive.

[h] Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held-for-trading are classified as FVTPL. For other equity

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[h] Financial instruments (continued)

Classification (continued)

instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held-for-trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of the Company's financial instruments under IFRS 9 *Financial Instruments*:

Financial Asset/Liabilities	Classification
Cash	FVTPL
Amounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of loss and comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in the statement of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[h] Financial instruments (continued)

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statement of loss and comprehensive loss.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are recognized in profit or loss.

Accounting standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early-adopted. These standards are not expected to have a material impact on the Company in the current or future reporting periods.

4. PREPAID EXPENSES

	December 31, 2021 $
Prepaid insurance	1,183
Prepaid research project expense	143,502
	144,685

Pursuant to a collaborative research agreement entered into between the Company and McMaster University ("McMaster") with an effective date of August 1, 2021 (the "Collaborative Research Agreement" or "CRA"), the Company advanced $175,000 to McMaster in 2021 as initial funding for the sponsored research project for work led by the McMaster lead researchers (the "Lead Researchers") to further develop the Licensed Technology (as defined herein), of which $143,502 has been included in prepaid expenses as at December 31, 2021.

(Expressed in Canadian dollars)

5. PROPERTY AND EQUIPMENT, NET

	Computer Equipment $	Total $
Cost:		
Balance, December 31, 2020	-	-
Additions	4,721	4,721
Balance, December 31, 2021	4,721	4,721
Accumulated depreciation:		
Balance, December 31, 2020	-	-
Depreciation	(909)	(909)
Balance, December 31, 2021	(909)	(909)
Net book value:		
As of December 31, 2020	-	-
As of December 31, 2021	3,812	3,812

6. LICENSE AGREEMENT

The Company and McMaster entered into a license agreement (the "License Agreement") dated February 5, 2021, and amended July 14, 2021 and July 15, 2022, in respect of the technology and patents which form the primary basis of the Company's business (the "Licensed Technology"), which granted the Company an exclusive worldwide license to the Licensed Technology. In addition, the Company entered into a Collaboration Research Agreement with McMaster that allows the Company to work with McMaster to advance the technology. Pursuant to the License Agreement, the Company agreed to the following:

- the issuance to McMaster of common shares equal to 5% of its fully diluted share capital on achievement of certain funding thresholds of which 1,435,000 common shares have been issued in satisfaction thereof;
- payment of a 4% royalty on net sales;
- a minimum annual royalty commencing in the first 12-month period ending on the anniversary of the date of the License Agreement as to $5,000 in the first and second years, $10,000 in the third and fourth years and $20,000 in the fifth and subsequent years; and
- funding for development milestones such that in year one, the Company will fund development work pursuant to the Collaborative Research Agreement and contribute an aggregate of $350,000 toward sponsored research projects, of which $175,000 was due on signing the Collaborative Research Agreement (paid), and $87,500 is payable on each of months 4 and 8 thereafter, upon receipt of invoices from McMaster. In year two and year three, the Company is to contribute a minimum of $150,000 each year to a sponsored research project to further develop the Licensed Technology, provided the research aims are approved by the Company.

7. RELATED PARTY DISCLOSURE

Transactions with related parties

Related parties of the Company include key management personnel and companies controlled by key management personnel. Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (whether executive or otherwise) of the Company.

(Expressed in Canadian dollars)

7. RELATED PARTY DISCLOSURE (CONTINUED)

Amounts due to related parties, including amounts due to key management personnel, at the period-end are unsecured and interest-free, and settlement generally occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Included in accounts payable and accrued liabilities at December 31, 2021, were amounts totaling $243,274 (2020 - $7,500) due to current and former related parties.

The following related party fees were incurred:

	Year Ended December 31, 2021 $	Period from Incorporation on July 28, 2020 to December 31, 2020 $
Consulting fees	32,508	-
Directors' fees	85,000	-
Management fees	384,561	7,500
Total	502,069	7,500

During the year ended December 31, 2021, the Company settled management fees of $7,500 owing as at December 31, 2020 to the CEO through the issuance of 1,500,000 common shares. The common shares were issued at a fair value of $0.005 per share.

8. SHARE CAPITAL

[a] Authorized

Unlimited number of common shares without par value.

[b] Issued

As at December 31, 2021, the Company had 35,857,773 (December 31, 2020 – 1) common shares issued and outstanding. An aggregate of 25,135,001 common shares are subject to voluntary pooling or escrow restrictions of which: a) 15,500,001 common shares are subject to voluntary pooling agreements such that 55% of these shares are released on the date that is 18 months from the listing date of the Company's common shares on a Canadian stock exchange (the "Listing Date"), and further 15% releases on the dates that are 24, 30 and 36 months from the Listing Date; b) 1,435,000 common shares are subject to escrow such that 100% of the common shares will be released on the date that is 18 months after the Listing Date; and c) an aggregate of 8,200,000 are subject to voluntary escrow such that 20% will be released on the Listing Date and further 20% releases on the dates that are 6, 12, 18 and 24 months from the Listing Date.

During the year ended December 31, 2021:

i. On June 19, 2021, the Company closed a private placement and issued an aggregate of 9,000,000 common shares at $0.005 per share for proceeds of $45,000.

ii. On June 19, 2021, the Company issued 1,500,000 common shares to settle debt obligations of $7,500 to a related party. The common shares were issued at a fair value of $0.005 per share.

8. SHARE CAPITAL (CONTINUED)

[b] Issued (continued)

During the year ended December 31, 2021 (continued):

iii. The Company closed private placements on March 10, 2021 and June 29, 2021 and issued 9,200,000 units at $0.05 per unit for proceeds of $460,000. Each unit consists of one common share and one share purchase warrant, each warrant is exercisable into one additional common share at a price of $0.10 per share for a period of 2 years from the date of issue. The warrants were valued at $nil using the residual method.

iv. Pursuant to the License Agreement, the Company agreed to issue McMaster that number of common shares equal to 5% of its fully diluted share capital on achievement of certain funding thresholds. On June 29, 2021, the Company issued 1,435,000 common shares at a fair value of $0.05 per share for a fair value of $71,750 to McMaster.

v. On June 29, 2021, the Company issued 1,000,000 common shares to settle debt obligations of $50,000 to an arms-length third party. The common shares were issued at a fair value of $0.05 per share.

vi. On June 29, 2021, the Company issued 3,000,000 common shares to settle debt obligations of $150,000 to an arms-length third party. The common shares were issued at a fair value of $0.05 per share.

vii. During the year, the Company closed several tranches of a private placement (on August 16, 2021, November 9, 2021 and December 23, 2021), and issued an aggregate of 10,200,665 common shares at a price of $0.15 per share for proceeds of $1,530,100. Pursuant to the private placements, the Company issued an aggregate of 701,387 finder's shares with a fair value of $105,208 and an aggregate of 701,387 broker warrants exercisable at $0.15 per share for a period of two years after the date of issuance, with a fair value of $49,234. For the August 16, 2021 tranche, the broker warrants were valued using the Black-Scholes pricing model under the following assumptions: a risk-free rate of 0.43%, an estimated annualized volatility of 85.19%, an expected life of 2 years, a nil dividend yield, and an exercise price of $0.15. For the November 9 and December 23, 2021 tranches, the broker warrants were valued using the Black-Scholes model under the following assumptions: a risk-free rate of 0.92% and 0.98% respectively, an estimated annualized volatility of 87.02% and 84.80% respectively, an expected life of 2 years, a nil dividend yield, and an exercise price of $0.15.

viii. On December 13, 2021, the Company cancelled a net amount of 166,000 common shares previously issued at $0.15 per share with a fair value of $24,900. Pursuant to the cancellation, the Company also cancelled 13,280 finder's shares with a fair value of $1,993, and cancelled 13,280 broker warrants with a fair value of $1,096.

ix. As at December 31, 2021, the Company has received subscription proceeds totaling $30,000 related to a private placement which closed in January 2022.

During the period from incorporation on July 28, 2020 to December 31, 2020:

i. On July 28, 2020, the Company issued 1 common share on incorporation in exchange for $1, which was repurchased by the Company and reissued on September 18, 2021 pursuant to the Company's name change.

ii. As at December 31, 2020, the Company had received subscription receipts of $363,500 related to a private placement which was closed during the year ended December 31, 2021.

(Expressed in Canadian dollars)

8. SHARE CAPITAL (CONTINUED)

[c] Common share purchase warrants

A summary of the common share purchase warrant activity is as follows:

	Number	Weighted Average Exercise Price $
Balance, December 31, 2020	-	-
Issued	9,200,000	0.10
Balance, December 31, 2021	9,200,000	0.10

Details of common share purchase warrants outstanding are as follows:

Date of Expiry	Number of Warrants Outstanding	Exercise Price $
March 10, 2023	8,000,000	0.10
June 29, 2023	1,200,000	0.10
Balance, December 31, 2021	9,200,000	0.10

The remaining life of the common share purchase warrants as of December 31, 2021 is 1.23 years.

[d] Broker warrants

	Number	Weighted Average Exercise Price $
Balance, December 31, 2020	-	-
Issued	701,387	0.15
Cancelled	(13,280)	(0.15)
Balance, December 31, 2021	688,107	0.15

Expiry Date	Number Outstanding	Exercise Price $
August 16, 2023	200,320	0.15
November 9, 2023	45,120	0.15
December 23, 2023	442,667	0.15
	688,107	

During the year ended December 31, 2021, the Company issued an aggregate of 701,387 broker warrants with an exercise price of $0.15 per warrant. A share cancellation during the year resulted in the Company reissuing a broker warrant to a finder for 61,920 broker warrants which was originally issued on August 16, 2021 for 75,200 warrants, resulting in the cancellation of 13,280 broker warrants. The remaining life of the broker warrants at December 31, 2021 is 1.87 (2020 – N/A) years.

(Expressed in Canadian dollars)

8. SHARE CAPITAL (CONTINUED)

[e] Equity Incentive Plan

The Company has an Equity Incentive Plan dated October 19, 2021 (the "Plan") under which it is authorized to grant stock options, restricted share units, performance share units or deferred share units (the "Plan Securities") which may be denominated or settled in common shares, cash, a combination thereof or in such other form as provided herein in the discretion of the Company's board of directors up to a maximum of 20% of the issued and outstanding common shares of the Company from time to time.

As at December 31, 2021 and 2020, the Company has not granted any securities pursuant to the Plan.

[f] Bonus Shares

On June 19, 2021 the Company entered into agreements with each of the two Lead Researchers related to the Licensed Technology. Pursuant to the agreements, each of the two Lead Researchers may be entitled to receive up to 2,075,000 common shares of the Company (the "Bonus Shares") should certain milestones related to the development of the Licensed Technology be achieved. As at December 31, 2021, 4,150,000 Bonus Share have been reserved for issuance, and no Bonus Shares have been issued.

9. OPERATING EXPENSES

[a] Professional fees are comprised of the following:

	Year Ended, December 31, 2021 $	Year Ended December 31, 2020 $
Audit fees	30,000	-
Legal fees – general corporate	120,303	31,833
Legal fees – intellectual property and other	86,545	89,090
Total	236,848	120,923

10. GOVERNMENT GRANT

During the year ended December 31, 2021, the Company recorded government grant of $7,500 (2020 - $nil) in other income with respect to wage subsidies under the Student Work Placement Program from Government of Canada.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

The Company's financial instruments at December 31, 2021 include cash, amounts receivable, accounts payable and accrued liabilities. The fair values of these instruments approximate their carrying values due to their short-term nature.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs used in making fair value measurements as follows:

Level 1 - quoted prices in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., from derived prices); and

Level 3 - inputs for the asset or liability that are not based upon observable market data.

The fair value of cash is based on Level 1 inputs.

[a] Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises for the Company from its cash and amounts receivable. The Company has adopted practices to mitigate the deterioration of principal, to enhance the Company's ability to meet its liquidity needs and to optimize yields within those parameters. The Company regularly reviews the collectability of its accounts receivable and would establish an allowance account for credit losses based on its best estimate of any potentially uncollectible accounts receivable. As of December 31, 2021, the balance of the allowance account for credit losses was $0 (2020 - $0).

[b] Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's exposure to liquidity risk is dependent on its purchasing commitments and obligations and its ability to raise funds to meet commitments and sustain operations. The Company manages liquidity risk by continuously monitoring its actual and forecasted working capital requirements, and actively managing its financing activities. As of December 31, 2021, the Company had working capital of $855,681 (2020 - $26,626). As at December 31, 2021, the Company's financial liabilities were comprised of accounts payable and accrued liabilities totaling $387,629 all of which have contractual maturities less than 3 months.

[c] Market risk

i. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. The Company has cash balances and no interest-bearing investments or debt. If the Company had excess cash to invest, the Company's policy would be to invest the excess cash in guaranteed investment certificates issued by its banking institutions.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

[c] Market risk (continued)

ii. Currency risk

The Company is exposed to financial risk related to the fluctuation of foreign exchange rates. The Company has a portion of its operating expenses in US dollars. The Company has not entered into foreign exchange derivative contracts.

As at December 31, 2021 and 2020, the Company had the following assets and liabilities denominated in US dollars. A 10% change in the currency exchange rate between the Canadian dollar relative to the US dollar could have a gain or loss of approximately $1,638 (2020 - $47) on the Company's results of financial position based on the Company's net exposure as at December 31, 2021.

	December 31, 2021 US$	December 31, 2020 US$
Cash	-	-
Accounts payable and accrued liabilities	12,923	365
Total	12,923	365

[d] Capital disclosure

The Company's objective when managing capital is to ensure its ability to continue as a going concern in order to pursue the development of its product candidates for ultimate sale or sub-licensing. The Company attempts to maximize return to shareholders by minimizing shareholder dilution and, when possible, utilizing non-dilutive funding arrangements, such as collaborative partnership arrangements.

The Company defines its capital as share capital and reserves. The Company has financed its capital requirements primarily through equity share issuances since inception.

The Company manages its capital structure and adjusts it based on changes in economic conditions and risk characteristics of the underlying assets. The Company may issue new securities. The Company is not subject to any externally imposed capital requirements. There were no changes to the Company's capital management during the year ended December 31, 2021 and the period ended December 31, 2020.

(Expressed in Canadian dollars)

12. INCOME TAXES

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

	Year Ended December 31, 2021 $	Period from Incorporation on July 28, 2020 to December 31, 2020 $
Loss for the year	(1,123,082)	(336,875)
Expected income tax (recovery)	(303,232)	(90,956)
Share issuance costs	(30,271)	-
Other	(19,769)	-
Change in unrecognized deductible temporary differences	353,272	90,956
Total income tax expense (recovery)	-	-

The significant components of the Company's deferred tax assets that have not been included on the statements of financial position are as follows:

	As at December 31, 2021 $	As at December 31, 2020 $
Deferred tax assets (liabilities)		
Share issuance costs	40,866	-
Property and equipment	1,000	-
Non-capital losses available for future periods	402,362	90,956
	444,228	90,956
Unrecognized deferred tax assets	(444,228)	(90,956)
Net deferred tax assets	-	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

Temporary Differences	Year Ended December 31, 2021 $	Expiry Date Range	Period from Incorporation to December 31, 2020 $	Expiry Date Range
Non-capital losses available for future periods	1,490,228	2038 to 2041	336,875	2027 to 2040

13. SUBSEQUENT EVENTS

On January 20, 2022, the Company closed a non-brokered private placement and issued 300,000 common shares at $0.15 per share for proceeds of $45,000 of which $30,000 was received during the year ended December 31, 2021. In connection with the offering, the Company issued 24,000 finders shares at a deemed price of $0.15 per share and 24,000 broker warrants, each broker warrant is exercisable into one additional share at an exercise price of $0.15 per share for a period of two years from the date of issuance. Subsequently, on March 23, 2022, the Company cancelled 16,000 of these finders shares and 16,000 broker warrants.

On April 22, 2022, the Company issued an aggregate of 1,025,000 share purchase options to certain directors, officers, employees and consultants with an exercise price of $0.15 per share with an expiry date of five (5) years from the date of grant. The share purchase options are subject to standard vesting provisions of 1/3 vesting on the date of grant and 1/3 vesting on the date that is 12 months and 24 months from the date of grant, such that all share purchase options fully vest over twenty-four months from the date of grant.

On April 22, 2022, the Company issued 50,000 common shares to settle debt obligations of $7,500 to a company controlled by the CFO. The common shares were issued at a fair value of $0.15 per share.

On April 22, 2022, the Company issued 1,000,000 common shares to settle debt obligations of $150,000. The common shares were issued at a fair value of $0.15 per share and are subject to voluntary escrow release provisions.

On April 28, 2022, the Company closed a non-brokered private placement and issued an aggregate of 13,338,000 subscription receipts (each, a "Subscription Receipt") $0.30 per Subscription Receipt, for proceeds of $4,001,400. The proceeds are being held in escrow by an escrow agent pursuant to a Subscription Receipt Agreement dated April 28, 2022, as amended between the Company and Endeavor Trust Corporation (the "Escrow Agent") and upon obtaining the receipt for a final prospectus (the "Escrow Release Condition"), the funds will be released to the Company and each Subscription Receipt will automatically convert into one unit of FendX (each, a "Unit"). Each Unit will consist of one common share and one-half of one transferable share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder to purchase an additional common share at an exercise price of $0.50 per share for a period of two years following the date of the satisfaction of the Escrow Release Condition, subject to an acceleration provision. Upon satisfaction of the Escrow Release Condition, the Company will pay a cash finders fee in the aggregate amount $112,752, will issue 609,680 Subscription Receipt Broker Shares and issue an aggregate of 985,520 Subscription Receipt Broker Warrants to certain finders in connection with funds raised pursuant to the Subscription Receipt offering. Should the Escrow Release Condition not be satisfied by the date that is 180 days after the closing date of the subscription receipt offering, subscribers will be entitled to receive a refund of the subscription amounts held in escrow, without interest thereon. On October 21, 2022, the Company and the Escrow Agent entered into an amending agreement to the subscription receipt agreement dated April 28, 2022, which amended the satisfaction date for the Escrow Release Condition to February 17, 2023.

On May 9, 2022, the Natural Sciences and Engineering Research Council of Canada ("NSERC") provided one of the McMaster Lead Researchers with notice of approval for an Alliance Grant of $361,520 over two years for work related to the Company's project, with the Company as the sponsor (the "NSERC Grant"). The NSERC Grant is payable to the Lead Researcher at McMaster as the applicant. The Company, as the sponsor, is required to make cash contributions of $93,500 for each of the two years and contribute in-kind contributions totaling $206,400 over two years. The NSERC Grant also requires other third parties to provide aggregate in-kind contributions totaling $334,000 over the two-year period.

13. SUBSEQUENT EVENTS (CONTINUED)

On December 22, 2022, the Company issued an aggregate of 750,000 common shares pursuant to the exercise of 750,000 share purchase warrants at $0.10 per common share for proceeds of $75,000.

On December 24, 2022, the Company issued 300,000 share purchase options to an officer with an exercise price of $0.30 per share with an expiry date of five (5) years from the date of grant. The share purchase options are subject to standard vesting provisions of 1/3 vesting on the date of grant and 1/3 vesting on the date that is 12 months and 24 months from the date of grant, such that all share purchase options fully vest over twenty-four months from the date of grant.

The Company entered into a voluntary pooling agreement dated January 3, 2023 and amendment agreements with certain shareholders to revise the escrow restrictions related to an aggregate of 8,200,000 shares issued pursuant to a unit offering, such that 10% of the shares will be released on the Listing Date and 15% of the shares will be released on each of the dates that are 3, 6, 9, 12, 15 and 18 months from the Listing Date. In addition, pursuant to the amendment agreements, escrow restrictions were removed from any warrant shares to be issued upon exercise of 9,200,000 warrants issued pursuant to this unit offering.

On January 24, 2023, the Company issued an aggregate of 1,450,000 share purchase options to directors, officers, employees and consultants with an exercise price of $0.30 per share with an expiry date of five (5) years from the date of grant. The share purchase options are subject to standard vesting provisions of 1/3 vesting on the date of grant and 1/3 vesting on the date that is 12 months and 24 months from the date of grant, such that all share purchase options fully vest over twenty-four months from the date of grant.

On January 24, 2023, the Company granted 150,000 restricted share units to an officer which vest 4 months from the date of grant.

The Company amended the expiry date for an aggregate of 8,450,000 share purchase warrants outstanding with an exercise price of $0.10 per share to March 10, 2024.

On January 24, 2023, the Company received conditional approval to list its common shares on the Canadian Securities Exchange (the “CSE”).

FENDX TECHNOLOGIES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS
For the nine months ended September 30, 2022 and 2021

(Unaudited, Expressed in Canadian dollars)

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited, Expressed in Canadian dollars)

As at	Note	September 30, 2022 $	December 31, 2021 $
ASSETS			
Current			
Cash		184,865	1,083,871
Cash in escrow	4	4,001,400	-
Amounts receivable		53,189	14,754
Prepaid expenses	5	139,619	144,685
		4,379,073	1,243,310
Property and equipment, net	6	2,446	3,812
Total assets		4,381,519	1,247,122
LIABILITIES			
Current			
Accounts payable	8	523,046	205,390
Accrued liabilities	8	191,090	182,239
Subscription receipts payable	4	4,001,400	-
Total liabilities		4,715,536	387,629
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	9	2,443,252	2,241,312
Subscriptions received	9	-	30,000
Reserves		109,165	48,138
Deficit		(2,886,434)	(1,459,957)
Total shareholders' equity (deficiency)		(334,017)	859,493
Total liabilities and shareholders' equity (deficiency)		4,381,519	1,247,122

Nature of operations and going concern *[note 1]*
Subsequent events *[note 12]*

These financial statements were approved for issuance by the Board of Directors on January 31, 2023 and signed on its behalf by:

"Stephen Randall"
Director

"Carolyn Myers"
Director

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

CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited, Expressed in Canadian dollars)

	Note	Three Months Ended September 30, 2022 $	Three Months Ended September 30, 2021 $	Nine Months Ended September 30, 2022 $	Nine Months Ended September 30, 2021 $
Expenses					
Consulting fees	8	104,530	54,978	358,365	212,217
Directors' fees	8	25,000	28,741	75,000	28,741
General and administration		44,249	8,571	122,918	15,354
Management fees	8	156,250	112,497	406,375	257,716
Marketing		865	700	1,926	7,604
Professional fees		107,370	57,774	242,992	191,301
Research and development		60,009	-	158,042	74,831
Share based payment	8, 9	13,045	-	60,467	-
		511,318	263,261	1,426,085	787,764
Loss before other income		(511,318)	(263,261)	(1,426,085)	(787,764)
Other income					
Government grant		-	11,180	-	11,180
Foreign exchange gain (loss)		(444)	(3)	(392)	568
		(444)	11,177	(392)	11,748
Net loss and comprehensive loss		(511,762)	(252,084)	(1,426,477)	(776,016)
Basic and diluted loss per common share		(0.01)	(0.01)	(0.04)	(0.06)
Weighted average number of common shares outstanding – basic and diluted		37,215,773	26,910,134	36,771,048	12,890,119

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

FENDX TECHNOLOGIES INC.

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

(Unaudited, Expressed in Canadian dollars)

	Common Shares		Subscriptions received	Reserves	Deficit	Total
	Number	$	$	$	$	$
Balance, December 31, 2020	1	1	363,500	-	(336,875)	26,626
Private placement	21,536,666	1,005,500	(363,500)	-	-	642,000
Shares issued – debt settlements	5,500,000	207,500	-	-	-	207,500
Shares issued – License Agreement	1,435,000	71,750	-	-	-	71,750
Shares issued – finders' shares	213,600	32,040	-	-	-	32,040
Share issuance costs	-	(47,798)	-	-	-	(47,798)
Broker warrants	-	-	-	15,758	-	15,758
Net loss for the period	-	-	-	-	(776,016)	(776,016)
Balance, September 30, 2021	28,685,267	1,268,993	-	15,758	(1,112,891)	171,860
Private placements	6,863,999	1,029,600	-	-	-	1,029,600
Shares issued – finders' shares	487,787	73,168	-	-	-	73,168
Shares cancelled	(166,000)	(24,900)	-	-	-	(24,900)
Shares cancelled – finders' shares	(13,280)	(1,993)	-	-	-	(1,993)
Share issuance costs	-	(103,556)	-	-	-	(103,556)
Subscriptions received	-	-	30,000	-	-	30,000
Broker warrants	-	-	-	32,380	-	32,380
Net loss for the period	-	-	-	-	(347,066)	(347,066)
Balance, December 31, 2021	35,857,773	2,241,312	30,000	48,138	(1,459,957)	859,493
Private placements	300,000	45,000	(30,000)	-	-	15,000
Shares issued – finders' shares	24,000	3,600	-	-	-	3,600
Shares cancelled – finders' shares	(16,000)	(2,400)	-	-	-	(2,400)
Share issuance costs	-	(1,760)	-	-	-	(1,760)
Shares issued – debt settlements	1,050,000	157,500	-	-	-	157,500
Share based payment	-	-	-	60,467	-	60,467
Broker warrants	-	-	-	560	-	560
Net loss for the period	-	-	-	-	(1,426,477)	(1,426,477)
Balance, September 30, 2022	37,215,773	2,443,252	-	109,165	(2,886,434)	(334,017)

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

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

(Unaudited, Expressed in Canadian dollars)

	Nine Months Ended September 30, 2022 $	Nine Months Ended September 30, 2021 $
OPERATING ACTIVITIES		
Net loss	(1,426,477)	(776,016)
Add items not affecting cash:		
Depreciation of property and equipment	1,366	180
Shares issued pursuant to License Agreement	-	71,750
Share based payment	60,467	-
Shares issued – debt settlements	-	207,500
	(1,364,644)	(496,586)
Changes in non-cash working capital items relating to operations:		
Amounts receivable	(38,435)	(17,900)
Prepaid expenses	5,066	-
Accounts payable	475,156	106,389
Accrued liabilities	8,851	(141,382)
Cash (used in) operating activities	(914,006)	(549,479)
FINANCING ACTIVITIES		
Issuance of common shares, net of issuance costs	15,000	642,000
Proceeds from subscriptions received	-	-
Subscription receipts payable	4,001,400	-
Cash in escrow from issuance of Subscription Receipts	(4,001,400)	-
Cash provided by financing activities	15,000	642,000
INVESTING ACTIVITIES		
Acquisition of property and equipment	-	(2,451)
Cash (used in) investing activities	-	(2,451)
Increase (Decrease) in cash	(899,006)	90,070
Cash, beginning	1,083,871	356,566
Cash, ending	184,865	446,636
Supplemental disclosures with respect to cash flows:		
Shares issued pursuant to License Agreement	-	71,750
Issuance of shares for settlement of debt	157,500	207,500
Fair value of broker warrants issued	560	48,138

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

1. NATURE OF OPERATIONS AND GOING CONCERN

FendX Technologies Inc. ("FendX" or the "Company") was incorporated under the British Columbia *Business Corporations Act*. The Company was incorporated as 1259192 B.C. Ltd. on July 28, 2020 and subsequently changed its name to FendX Technologies Inc. on September 18, 2020.

The Company's head office is located at 2010 Winston Park Drive, 2nd Floor, Oakville, Ontario, L6H 5R7.

The Company was formed to advance a platform technology that was licensed from McMaster University, of Hamilton, Ontario, Canada, pursuant to a License Agreement (as herein defined) dated effective February 5, 2021. The Company is a technology company focused on developing surface-coating products that repel certain pathogens.

These unaudited condensed interim financial statements have been prepared under the assumption that the Company will continue as a going concern. The going concern basis of presentation assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

As of September 30, 2022, the Company had an accumulated deficit of $2,886,434. The Company's operations are dependent on obtaining additional financing to further develop its technology and generating cash flow from operations in the future. These factors form a material uncertainty, which may raise significant doubt about the Company's ability to continue as a going concern. Management's plans to meet the Company's current and future obligations may include raising capital through the issuance of equity and debt securities, relying on the financial support of its shareholders and related parties and cashflow from operations if the Company is successful in commercially launching its technology. There is no assurance that additional funding will be available on a timely basis or on terms acceptable to the Company. These unaudited condensed interim financial statements do not give effect to any adjustments that 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. Such adjustments can be material.

2. BASIS OF PRESENTATION

[a] Statement of compliance

These unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as applicable to interim financial reports, including International Accounting Standard 34 Interim Financial Reporting. Therefore, these condensed interim financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company's financial statements for the year ended December 31, 2021 ("Annual Financial Statements"), which have been prepared in accordance with IFRS.

The accounting policies applied in preparation of these condensed interim financial statements are the same as those applied in the most recent Annual Financial Statements.

[b] Basis of measurement

These condensed interim financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial assets and financial liabilities to fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. BASIS OF PRESENTATION (CONTINUED)

[c] Functional and foreign currency

These condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency. Foreign currency transactions are translated into Canadian dollars using the exchange rates at the date of the transactions. Foreign exchange gains or losses resulting from the settlement of transactions and from the translation at year-end rates of monetary assets and liabilities denominated in foreign currencies are recognized in net income or loss.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENT

The preparation of these condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company reviews its estimates and underlying assumptions on an ongoing basis.

Critical judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

i. Research costs and license costs are recognized as an expense when incurred, but development costs may be capitalized as intangible assets if certain conditions are met, as described in International Accounting Standard ("IAS") 38 *Intangible Assets*. Management has determined that development costs do not meet the conditions for capitalization under IAS 38, and all research and development costs and license costs have been expensed.

ii. Management is required to assess the functional currency of the Company. In concluding that the Canadian dollar is the functional currency of the Company, management considered the currency that mainly influences the operating expenditures in the jurisdiction in which the Company operates.

iii. The determination of categories of financial assets and financial liabilities have been identified as an accounting policy, which involves judgments or assessments made by management.

iv. Management is required to determine whether the going concern assumption is appropriate for the Company at the end of each reporting period. Considerations taken into account include available information about the future, including the availability of financing and revenue projection, as well as the current working capital balance and future commitments of the Company.

For the nine months ended September 30, 2022 and 2021 (Unaudited, Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENT (CONTINUED)

Estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

i. Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxation authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

ii. The fair value of accrued liabilities at the time of initial recognition is made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors.

4. SUBSCRIPTION RECEIPT FINANCING

On April 28, 2022, the Company closed a non-brokered private placement and issued an aggregate of 13,338,000 subscription receipts (each, a "Subscription Receipt") at $0.30 per Subscription Receipt, for proceeds of $4,001,400. The proceeds are being held in escrow by an escrow agent pursuant to a subscription receipt agreement dated April 28, 2022, as amended, between the Company and Endeavor Trust Corporation (the "Escrow Agent") and upon obtaining the receipt for a final prospectus (the "Escrow Release Condition"), the funds will be released to the Company and each Subscription Receipt will automatically convert into one unit of the Company (each, a "Unit"). Each Unit will consist of one common share and one-half of one share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder to purchase an additional common share at an exercise price of $0.50 per share for a period of two years following the date of the satisfaction of the Escrow Release Condition, subject to an acceleration provision.

Upon satisfaction of the Escrow Release Condition, the Company will pay a cash finders fee in the aggregate amount $112,752, will issue 609,680 Subscription Receipt broker shares and issue an aggregate of 985,520 Subscription Receipt broker warrants to certain finders in connection with funds raised pursuant to the Subscription Receipt offering. Broker warrants are exercisable at $0.30 per share for a period of two years from the date of satisfaction of the Escrow Release Condition. If the Escrow Release Condition is not satisfied by February 17, 2023, subscribers will be entitled to receive a refund of the subscription amounts held in escrow, without interest thereon.

5. PREPAID EXPENSES

	September 30, 2022 $	December 31, 2021 $
Prepaid insurance	1,659	1,183
Prepaid research project expenses	77,960	143,502
Prepaid marketing expenses	60,000	-
Total	139,619	144,685

For the nine months ended September 30, 2022 and 2021 (Unaudited, Expressed in Canadian dollars)

5. PREPAID EXPENSES (CONTINUED)

Pursuant to a collaborative research agreement entered into between the Company and McMaster University ("McMaster") with an effective date of August 1, 2021 (the "Collaborative Research Agreement" or "CRA"), the Company advanced $175,000 to McMaster in 2021 as initial funding for the sponsored research project led by the McMaster lead researchers (the "Lead Researchers") to further develop the Licensed Technology (as defined herein), of which $77,960 is included in prepaid expenses as at September 30, 2022.

6. PROPERTY AND EQUIPMENT

	Computer Equipment $	Total $
Cost:		
Balance, December 31, 2020	-	-
Additions	4,721	4,721
Balance, December 31, 2021 and September 30, 2022	4,721	4,721
Accumulated depreciation:		
Balance, December 31, 2020	-	-
Depreciation	(909)	(909)
Balance, December 31, 2021	(909)	(909)
Depreciation	(1,366)	(1,366)
Balance, September 30, 2022	(2,275)	(2,275)
Net book value:		
As of December 31, 2021	3,812	3,812
As of September 30, 2022	2,446	2,446

7. LICENSE AGREEMENT

The Company and McMaster entered into a license agreement (the "License Agreement") dated February 5, 2021, and amended July 14, 2021 and July 15, 2022, in respect of the technology and patents which form the primary basis of the Company's business (the "Licensed Technology"), which granted the Company an exclusive worldwide license to the Licensed Technology. In addition, the Company entered into a Collaboration Research Agreement with McMaster that allows the Company to work with McMaster to advance the technology. Pursuant to the License Agreement, the Company agreed to the following key terms:

- the issuance to McMaster of common shares equal to 5% of its fully diluted share capital on achievement of certain funding thresholds of which 1,435,000 common shares have been issued in satisfaction thereof;
- payment of a 4% royalty on net sales;
- a minimum annual royalty commencing in the first 12-month period ending on the anniversary of the date of the License Agreement as to $5,000 in the first (paid) and second years, $10,000 in the third and fourth years and $20,000 in the fifth and subsequent years; and
- funding for development milestones such that in year one, the Company will fund development work pursuant to the Collaborative Research Agreement and contribute an aggregate of $350,000 toward sponsored research projects, of which $175,000 was due on signing the Collaborative Research Agreement (paid), and $87,500 is

For the nine months ended September 30, 2022 and 2021 (Unaudited, Expressed in Canadian dollars)

7. LICENSE AGREEMENT (CONTINUED)

payable on each of months 4 (paid subsequent to period end) and 8 (invoice received after period end) thereafter, upon receipt of invoices from McMaster. In year two and year three, the Company is to contribute a minimum of $150,000 each year to a sponsored research project to further develop the Licensed Technology, provided the research aims are approved by the Company (invoices not received).

8. RELATED PARTY DISCLOSURE

Transactions with related parties

Related parties of the Company include key management personnel and companies controlled by key management personnel. Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (whether executive or otherwise) of the Company.

Amounts due to related parties, including amounts due to key management personnel, at the period-end are unsecured and interest-free, and settlement generally occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Included in accounts payable and accrued liabilities at September 30, 2022, were amounts totaling $434,734 (December 31, 2021 - $243,274) due to current and former related parties and companies controlled by them.

The following fees and expenses were incurred:

	Three Months Ended September 30, 2022 $	Three Months Ended September 30, 2021 $	Nine Months Ended September 30, 2022 $	Nine Months Ended September 30, 2021 $
Directors' fees	25,000	28,741	75,000	28,741
Management fees	156,250	109,642	406,375	254,861
Consulting fees	-	6,575	-	26,299
Share based payment	7,636	-	35,395	-
Total	188,886	144,958	516,770	309,901

On April 22, 2022, the Company issued 50,000 common shares to settle $7,500 of management fees owed to a company controlled by the Company's CFO. The common shares were issued at a fair value of $0.15 per share. On June 21, 2021 the Company settled management fees of $7,500 owing to the CEO through the issuance of 1,500,000 common shares. The common shares were issued at a fair value of $0.005 per share.

9. SHARE CAPITAL

[a] Authorized

Unlimited number of common shares without par value.

9. SHARE CAPITAL (CONTINUED)

[b] Issued

As at September 30, 2022, the Company had 37,215,773 (December 31, 2021 – 35,857,773) common shares issued and outstanding. An aggregate of 26,135,001 common shares are subject to voluntary pooling or escrow restrictions of which: a) 16,500,001 common shares are subject to voluntary pooling agreements such that 55% of these shares are released on the date that is 18 months from the listing date of the Company's common shares on a Canadian stock exchange (the "Listing Date"), and further 15% releases on the dates that are 24, 30 and 36 months from the Listing Date; b) 1,435,000 common shares are subject to voluntary escrow such that 100% of these common shares will be released on the date that is 18 months after the Listing Date; and c) an aggregate of 8,200,000 are subject to voluntary escrow such that 20% will be released on the Listing Date and further 20% releases on the dates that are 6, 12, 18 and 24 months from the Listing Date.

During the nine months ended September 30, 2022:

i. On January 20, 2022, the Company closed a non-brokered private placement and issued 300,000 common shares at $0.15 per share for proceeds of $45,000 of which $30,000 was received during the year ended December 31, 2021. In connection with the offering, the Company issued 24,000 finders shares at a deemed price of $0.15 per share and 24,000 broker warrants, each broker warrant is exercisable into one additional share at an exercise price of $0.15 per share for a period of two years from the date of issuance. Subsequently, on March 23, 2022, the Company cancelled 16,000 of these finders shares and 16,000 broker warrants. The broker warrants were valued at $560 using the residual method. Share issuance cost of $1,760 was recorded during the nine months ended September 30, 2022 including $1,200 for 8,000 finder's shares issued and $560 for fair value of broker warrants.

ii. On April 22, 2022, the Company issued 50,000 common shares to settle debt obligations of $7,500 to a related party. The common shares were issued at a fair value of $0.15 per share.

iii. On April 22, 2022, the Company issued 1,000,000 common shares to settle debt obligations of $150,000. The common shares were issued at a fair value of $0.15 per share and are subject to voluntary pooling provisions.

During the year ended December 31, 2021:

i. On June 19, 2021, the Company closed a private placement and issued an aggregate of 9,000,000 common shares at a price of $0.005 per share, for gross proceeds of $45,000.

ii. On June 19, 2021, the Company issued 1,500,000 common shares to settle debt obligations of $7,500 to a related party. The common shares were issued at a fair value of $0.005 per share.

iii. The Company closed private placements on March 10, 2021 and June 29, 2021 and issued an aggregate of 9,200,000 units at a price of $0.05 per unit, for aggregate gross proceeds of $460,000. Each unit consists of one common share and one share purchase warrant, each warrant exercisable into one additional common share at a price of $0.10 per share for a period of 2 years from the date of issue.

iv. Pursuant to the License Agreement, the Company agreed to issue McMaster that number of common shares equal to 5% of its fully diluted share capital on achievement of certain funding thresholds. On June 29, 2021, the

9. SHARE CAPITAL (CONTINUED)

[b] Issued (continued)

Company issued 1,435,000 common shares at a fair value of $0.05 per share for a fair value of $71,750 to McMaster.

v. On June 29, 2021, the Company issued 1,000,000 common shares to settle debt obligations of $50,000. The common shares were issued at a fair value of $0.05 per share.

vi. On June 29, 2021, the Company issued 3,000,000 common shares to settle debt obligations of $150,000. The common shares were issued at a fair value of $0.05 per share.

vii. During the year, the Company closed several tranches of a private placement (on August 16, 2021, November 9, 2021 and December 23, 2021), and issued an aggregate of 10,200,665 common shares at $0.15 per share for proceeds of $1,530,100. Pursuant to the private placements, the Company issued an aggregate of 701,387 finder's shares with a fair value of $105,208 and an aggregate of 701,387 broker warrants exercisable at $0.15 per share for a period of two years after the date of issuance, with a fair value of $49,234. For the August 16, 2021 tranche, the broker warrants were valued using the Black-Scholes pricing model under the following assumptions: a risk-free rate of 0.43%, an estimated annualized volatility of 85.19%, an expected life of 2 years, a nil dividend yield, and an exercise price of $0.15. For the November 9 and December 23, 2021 tranches, the broker warrants were valued using the Black-Scholes model under the following assumptions: a risk-free rate of 0.92% and 0.98% respectively, an estimated annualized volatility of 87.02% and 84.80% respectively, an expected life of 2 years, a nil dividend yield, and an exercise price of $0.15.

viii. On December 13, 2021, the Company cancelled a net amount of 166,000 common shares previously issued at a price of $0.15 per share with a fair value of $24,900. Pursuant to the cancellation, the Company also cancelled 13,280 finder's shares, with a fair value of $1,993, and cancelled 13,280 broker warrants with a fair value of $1,096.

ix. As at December 31, 2021, the Company has received subscription proceeds totaling $30,000 related to a private placement which closed in January 2022.

[c] Share purchase options

The Company has an Equity Incentive Plan dated October 19, 2021 (the "Plan") under which it is authorized to grant stock options, restricted share units, performance share units or deferred share units (the "Plan Securities") which may be denominated or settled in common shares, cash, a combination thereof or in such other form as provided herein in the discretion of the Company's board of directors up to a maximum of 20% of the issued and outstanding common shares of the Company from time to time.

On April 22, 2022, the Company issued an aggregate of 1,025,000 share purchase options to certain directors, officers, employees and consultants with an exercise price of $0.15 per share with an expiry date of five (5) years from the date of grant. The share purchase options are subject to standard vesting provisions of 1/3 vesting on the date of grant and 1/3 vesting on the date that is 12 months and 24 months from the date of grant, such that all share purchase options fully vest over 24 months from the date of grant.

For the nine months ended September 30, 2022 and 2021 (Unaudited, Expressed in Canadian dollars)

9. SHARE CAPITAL (CONTINUED)

[c] Share purchase options (continued)

The continuity of share purchase options for the nine months ended September 30, 2022 is as follows:

	Number of Options	Weighted Average Exercise Price ($)
Balance, December 31, 2021	-	-
Granted	1,025,000	0.15
Balance, September 30, 2022	1,025,000	0.15
Vested and exercisable at September 30, 2022	341,667	0.15

A summary of the Company's share purchase options outstanding as at September 30, 2022 is as follows (December 31, 2021 – Nil):

Expiry Date	Exercise Price ($)	Options Outstanding	Weighted Average Remaining Life of Options (Years)	Options Exercisable
April 22, 2027	0.15	1,025,000	4.56	341,665
		1,025,000	4.56	341,665

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

For the nine months ended	September 30, 2022
Risk-free interest rate	3.13%
Expected dividend yield	0%
Expected volatility	83.53%
Expected life of options	5 years
Expected forfeiture rate	0%

The expected volatilities used for the share purchase options granted during the nine month period ended September 30, 2022 is based on the historical share prices of comparable companies.

[d] Share-based compensation

During the nine months ended September 30, 2022, the Company expensed $60,467 (2021 - $nil) relating to share purchase options granted and vested.

For the nine months ended September 30, 2022 and 2021 (Unaudited, Expressed in Canadian dollars)

9. SHARE CAPITAL (CONTINUED)

[e] Common share purchase warrants

A summary of the common share purchase warrant activity is as follows:

	Number	Weighted Average Exercise Price $
Balance, December 31, 2020	-	-
Issued	9,200,000	0.10
Balance, December 31, 2021 and September 30, 2022	9,200,000	0.10

Details of common share purchase warrants outstanding are as follows:

Date of Expiry	Number of Warrants Outstanding	Exercise Price $
March 10, 2023	8,000,000	0.10
June 29, 2023	1,200,000	0.10
Balance, September 30, 2022	9,200,000	0.10

The remaining life of the common share purchase warrants as of September 30, 2022 is 0.48 years.

[f] Broker warrants

A summary of the broker warrant activity is as follows:

	Number	Weighted Average Exercise Price $
Balance, December 31, 2020	-	-
Issued	701,387	0.15
Cancelled	(13,280)	(0.15)
Balance, December 31, 2021	688,107	0.15
Issued	24,000	0.15
Cancelled	(16,000)	(0.15)
Balance, September 30, 2022	696,107	0.15

Expiry Date	Number Outstanding	Exercise Price $
August 16, 2023	200,320	0.15
November 9, 2023	45,120	0.15
December 23, 2023	442,667	0.15
January 20, 2024	8,000	0.15
	696,107	

9. SHARE CAPITAL (CONTINUED)

[f] Broker warrants (continued)

During the nine months ended September 30, 2022, the Company issued an aggregate of 24,000 broker warrants with an exercise price of $0.15 per warrant. A share cancellation during the period resulted in the Company reissuing a broker warrant to a finder which resulted in the cancellation of 16,000 broker warrants. The remaining life of the broker warrants at September 30, 2022 is 1.12 years (2021 – N/A).

[g] Bonus Shares

On June 19, 2021 the Company entered into agreements with each of the two Lead Researchers related to the Licensed Technology. Pursuant to the agreements, each of the two Lead Researchers may be entitled to receive up to 2,075,000 common shares of the Company (the "Bonus Shares") should certain milestones related to the development of the Licensed Technology be achieved. As at September 30, 2022, 4,150,000 Bonus Shares have been reserved for issuance, and no Bonus Shares have been issued.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

The Company's financial instruments at September 30, 2022 include cash, cash in escrow, amounts receivable, accounts payable and accrued liabilities and subscription receipts payable. The fair values of these instruments approximate their carrying values due to their short-term nature.

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs used in making fair value measurements as follows:

Level 1 - quoted prices in active markets for identical assets or liabilities;
Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., from derived prices); and
Level 3 - inputs for the asset or liability that are not based upon observable market data.

The fair value of cash is based on Level 1 inputs.

[a] Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises for the Company from its cash, cash in escrow and amounts receivable. The Company has adopted practices to mitigate the deterioration of principal, to enhance the Company's ability to meet its liquidity needs and to optimize yields within those parameters. The Company regularly reviews the collectability of its accounts receivable and would establish an allowance account for credit losses based on its best estimate of any potentially uncollectible accounts receivable.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

[b] Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's exposure to liquidity risk is dependent on its purchasing commitments and obligations and its ability to raise funds to meet commitments and sustain operations. The Company manages liquidity risk by continuously monitoring its actual and forecasted working capital requirements, and actively managing its financing activities. As of September 30, 2022, the Company had a working capital deficit of $336,463 (December 31, 2021 – working capital $855,681). As at September 30, 2022, the Company's financial liabilities were comprised of accounts payable and accrued liabilities totaling $714,136 all of which have contractual maturities less than 3 months and $4,001,400 of subscription receipts payable (December 31, 2021 - $Nil), which will be payable to subscribers of the Subscription Receipt offering from cash held in escrow of $4,001,400 (December 31, 2021 - $Nil) if the Escrow Release Condition is not met by February 17, 2023.

[c] Market risk

i. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. The Company has cash balances and no interest-bearing investments or debt. If the Company had excess cash to invest, the Company's policy would be to invest the excess cash in guaranteed investment certificates issued by its banking institutions.

ii. Currency risk

The Company is exposed to financial risk related to the fluctuation of foreign exchange rates. The Company has a portion of its operating expenses in US dollars. The Company has not entered into foreign exchange derivative contracts.

As at September 30, 2022 and December 31, 2021, the Company had the following assets and liabilities denominated in US dollars:

	September 30, 2022 US$	December 31, 2021 US$
Cash and cash equivalents	-	-
Accounts payable and accrued liabilities	11,029	12,923
Total	11,029	12,923

11. NSERC GRANT

On May 9, 2022, the Natural Sciences and Engineering Research Council of Canada ("NSERC") provided one of the Lead Researchers at McMaster with notice of approval for an Alliance Grant of $361,520 over two years, for work related to the Company's project with the Company as the sponsor (the "NSERC Grant"). The NSERC Grant is payable to the Lead Researcher at McMaster as the applicant. The Company, as the sponsor, is required to make cash contributions of $93,500 for each of the two years and contribute in-kind contributions totaling $206,400 over two years. The NSERC Grant also requires other third parties to provide aggregate in-kind contributions totaling $334,000 over the two-year period.

12. SUBSEQUENT EVENTS

On October 21, 2022, the Company and the Escrow Agent entered into an amending agreement to the subscription receipt agreement dated April 28, 2022, which amended the satisfaction date for the Escrow Release Condition to February 17, 2023.

On November 11, 2022, the Company received a receipt for an amended and restated preliminary prospectus filed with the securities regulatory authorities in the provinces of Ontario, British Columbia, Alberta, and Manitoba.

On December 22, 2022, 750,000 common shares were issued pursuant to the exercise of 750,000 share purchase warrants at $0.10 per common share for proceeds of $75,000.

On December 24, 2022, the Company issued 300,000 share purchase options to an officer with an exercise price of $0.30 per share with an expiry date of five (5) years from the date of grant. The share purchase options are subject to standard vesting provisions of 1/3 vesting on the date of grant and 1/3 vesting on the date that is 12 months and 24 months from the date of grant, such that all share purchase options fully vest over twenty-four months from the date of grant.

The Company entered into a voluntary pooling agreement dated January 3, 2023 and amendment agreements with certain shareholders to revise the escrow restrictions related to an aggregate of 8,200,000 shares issued pursuant to a unit offering, such that 10% of the shares will be released on the Listing Date and 15% of the shares will be released on each of the dates that are 3, 6, 9, 12, 15 and 18 months from the Listing Date. In addition, pursuant to the amendment agreements, voluntary escrow restrictions were removed from any warrant shares to be issued upon exercise of 9,200,000 warrants issued pursuant to this unit offering.

On January 24, 2023, the Company issued an aggregate of 1,450,000 share purchase options to directors, officers, employees and consultants with an exercise price of $0.30 per share with an expiry date of five (5) years from the date of grant. The share purchase options are subject to standard vesting provisions of 1/3 vesting on the date of grant and 1/3 vesting on the date that is 12 months and 24 months from the date of grant, such that all share purchase options fully vest over twenty-four months from the date of grant.

On January 24, 2023, the Company granted 150,000 restricted share units to an officer which vest 4 months from the date of grant.

The Company amended the expiry date for an aggregate of 8,450,000 share purchase warrants outstanding with an exercise price of $0.10 per share to March 10, 2024.

On January 24, 2023, the Company received conditional approval to list its common shares on the Canadian Securities Exchange (the “CSE”).

THE LICENSED TECHNOLOGY

Carve-Out Financial Statements

(Expressed in Canadian Dollars)

For the 36 Day Period Ended February 5, 2021, and Year Ended December 31, 2020

Independent Auditor's Report

To the Shareholders of Fendx Technologies Inc.

Opinion

We have audited the financial statements of the Licensed Technology (as defined herein) ("the Licensed Technology Entity"), which comprise the statements of financial position as of February 5, 2021 and December 31, 2020, and the statements of changes in shareholders' deficiency, comprehensive loss, and cash flows for the period January 1, 2021 through February 5, 2021 and through the year ended December 31, 2020, and notes to the financial statements, including a summary of significant accounting policies. The "Licensed Technology" means an exclusive royalty-bearing worldwide license to use and practice certain licensed patent applications and other related technology which was granted to FendX Technologies Inc. by McMaster University pursuant to a license agreement dated February 5, 2021, as amended July 14, 2021 and July 15, 2022.

In our opinion, the Licensed Technology Entity financial statements present fairly, in all material respects, the financial position of the Licensed Technology Entity as at February 5, 2021 and December 31, 2020, and its financial performance and its cash flows for the period January 1, 2021 through February 5, 2021 and through the year ended December 31, 2020, in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Licensed Technology Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis. Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Licensed Technology Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Licensed Technology Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Licensed Technology Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Licensed Technology Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Licensed Technology Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Licensed Technology Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Ben Borgers.

B F Borgers CPA PC

BF Borgers CPA
Lakewood, Colorado
January 31, 2023

THE LICENSED TECHNOLOGY
Carve-Out Statement of Financial Position
(Expressed in Canadian dollars)
As at February 5, 2021 and December 31, 2020

	Note	**2021** ***February 5***	2020 *December 31*
ASSETS			
CURRENT			
Restricted cash		**$ 46,500**	$ 46,500
		$ 46,500	$ 46,500
LIABILITIES			
CURRENT			
Deferred contribution		**$ 46,500**	$ 46,500
EQUITY			
Contribution from McMaster University	*5*	**190,043**	158,280
Contribution from FendX Technologies Inc.	*5*	**14,696**	14,696
Deficit		**(204,739)**	(172,976)
		-	-
		$ 46,500	$ 46,500
NATURE AND CONTINUANCE OF OPERATIONS	*1*		
EVENTS OCCURRING AFTER THE REPORTING PERIOD	*8*		

THE LICENSED TECHNOLOGY
Carve-Out Statement of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
For the 36 Day Period Ended February 5, 2021 and Year Ended December 31, 2020

	Note	**2021** ***February 5***	2020 *December 31*
EXPENSES			
Research and development		**31,763**	158,280
Legal fees - patent related		**-**	14,696
NET AND COMPREHENSIVE LOSS		**$ (31,763)**	$ (172,976)

THE LICENSED TECHNOLOGY
Carve-Out Statement of Changes in Equity
(Expressed in Canadian dollars)
For the 36 Day Period Ended February 5, 2021 and Year Ended December 31, 2020

	Note	Contribution from McMaster University	Contribution from FendX Technologies Inc.	Deficit	**Total equity**
As at January 1, 2020		$ -	$ -	$ -	**$ -**
Contribution from McMaster University		158,280	-	-	**158,280**
Contribution from FendX Technologies Inc.		-	14,696	-	**14,696**
Comprehensive loss for the period		-	-	(172,976)	**(172,976)**
As at December 31, 2020		$ 158,280	$ 14,696	$ (172,976)	**$ -**
As at January 1, 2021		$ 158,280	$ 14,696	$ (172,976)	**$ -**
Contribution from McMaster University		31,763	-	-	**31,763**
Comprehensive income for the period		-	-	(31,763)	**(31,763)**
As at February 5, 2021		$ 190,043	$ 14,696	$ (204,739)	**$ -**

THE LICENSED TECHNOLOGY
Carve-Out Statement of Cash Flows
(Expressed in Canadian dollars)
For the 36 Day Period Ended February 5, 2021 and Year Ended December 31, 2020

	Note	**2021** ***February 5***	2020 *December 31*
OPERATING ACTIVITIES			
Net and comprehensive income (loss)		**$ (31,763)**	$ (172,976)
Changes in deferred contribution		**-**	46,500
Cash flow used in operating activities		**(31,763)**	(126,476)
FINANCING ACTIVITIES			
Contribution from McMaster University		**31,763**	158,280
Contribution from FendX Technologies Inc.		**-**	14,696
Cash flow from (used in) financing activities		**31,763**	172,976
INCREASE IN CASH		**-**	46,500
Cash - beginning of period		**46,500**	-
CASH - END OF PERIOD		**$ 46,500**	$ 46,500

1. NATURE AND CONTINUANCE OF OPERATIONS

The Licensed Technology ("the Licensed Technology Entity") is a newly developed surface coating technology that protects against contamination of high touch surfaces.

These carve-out financial statements have been prepared on a going-concern basis, which assumes that the Licensed Technology Entity will be able to realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future.

The continuing development of the Licensed Technology depends on the ability to raise adequate financing and contributions and lead to profitabibility in the future. The material uncertainties may cast significant doubt upon the the Licensed Technology Entity's ability to continue as a going concern.

These carve-out financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses, and the statement of financial position classifications that would be necessary was the going concern assumption determined to be inappropriate, and these adjustments could be material.

2. BASIS OF PRESENTATION

Statement of compliance

These carve-out financial statements of the Licensed Technology Entity have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies set out were consistently applied to all the periods presented unless otherwise noted below.

Basis of presentation

These carve-out financial statements reflect the assets, liabilities, comprehensive loss, and cash flows of the Licensed Technology Entity for the 36-day period ended February 5, 2021, and the year ended December 31, 2020.

The purpose of these carve-out financial statements is to provide general-purpose historical financial information in connection with the license agreement and the collaborative research agreement between McMaster University ("McMaster") and FendX Technologies Inc. ("FendX") described above to reflect the Licensed Technology research project expenditures as if the Licensed Technology had been operating as an independt entity. Therefore, these carve-out financial statements present the historical financial information that make up the Licensed Technology research project that was licensed to FendX.

On February 5, 2021, and as amended on July 14, 2021, and July 15, 2022, McMaster entered into a license agreement with FendX to grant FendX an exclusive worldwide license to several patent applications, certain technology to research, develop and commercialize the Licensed Technology.

2. BASIS OF PRESENTATION (continued)

Basis of measurement

The carve-out financial statements have been prepared on an accrual basis and are based on historical costs modified where applicable. The carve-out financial statements are presented in Canadian dollars unless otherwise noted. The policies set out below were consistently applied to all periods presented unless otherwise noted. The carve-out financial statements have been extracted and carved out from the historical accounting records of McMaster. The basis of preparation for the carve-out statements of financial position, loss and comprehensive loss, cash flows and changes in equity of the Licensed Technology Entity is described below.

- The carve-out statement of financial position reflects the assets and liabilities recorded by McMaster on the basis that they are specifically identifiable and attributable to the Licensed Technology research project, which will be licensed to FendX;

- The historical costs and expenses reflected in these carve-out financial statements include an allocation for certain shared service functions, including, but not limited to, professional fees and research and development costs. The carve-out statement of loss and comprehensive loss includes a pro-rata allocation of McMaster's income and expenses incurred in each of the periods presented based on the percentage of research activity on the technology. Compared to the expenditures incurred on all of McMaster's researching technologies and based on specifically identifiable activities attributable to the Licensed Technology;

- Income taxes have been calculated as if the Licensed Technology Entity was treated as a separate legal entity and had filed separate tax returns for the periods presented.

Nevertheless, these carve-out financial statements may not include all the actual expenses that would have been incurred had the Licensed Technology Entity operated as a standalone company during the periods presented and may not reflect our consolidated results of operations, financial position, and cash flows had we operated as a standalone company during the periods presented.

Management believes the assumptions underlying these carve-out financial statementsare reasonable. Nevertheless, management cautions readers of these carve-out financial statements do not necessarily reflect what the financial position, loss and comprehensive loss or cash flows would have been had the Licensed Technology research project been a separate entity. Further, the allocation of expenses in these carve-out statements of loss and comprehensive loss do not necessarily reflect the nature and level of future income and operating expenses.

3. SIGNIFICANT ACCOUNTING POLICIES

Significant judgments and estimates

The preparation of carve-out financial statements in conformity with IFRS requires management to make estimates, assumptions and judgments that affect the application of policies and reported amounts of assets and liabilities and disclosures of assets and liabilities at the date of the carve-out financial statements, along with reported amounts of expenses and net losses during the periods. Actual results may differ from these estimates, and as such, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and in any future periods affected. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying value of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the allocation of expenses on certain shared service function.

Research and development

The Licensed Technology Entity incurs costs related to research and design of prototypes. Such costs incurred are charged to expense until technological feasibility is established. Thereafter, until a product is released for sale, development costs must be capitalized and reported at the lower of unamortized cost or net realizable value of the related product.

Management does not consider a product in development to have passed the technological feasibility milestone until a model of the product is completed that contains all the functionality and features of the final product and has been tested to ensure that it works as expected. To date, the Licensed Technology Entity has not incurred significant costs between establishing technological feasibility and releasing a product for sale; thus, research expenditures have been expensed all development costs as incurred.

Income taxes

Any income tax on profit or loss for the period presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income/loss, in which case the income tax is recognized in equity or other comprehensive income/loss. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Licensed Technology Entity intends to settle on a net basis or to realize the asset and settle the liability simultaneously. Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities on a non-discounted basis using tax rates at the end of the reporting period applicable to the period of expected realization. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Contributions to the Licensed Technology research project are presented as part of equity. The Licensed Technology Entity has no share capital, options or warrants, and as a result, there are no applicable share-related disclosures.

Financial instruments

(a) Classification

The Licensed Technology Entity classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Licensed Technology Entity determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Licensed Technology Entity's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Licensed Technology Entity can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Licensed Technology Entity has opted to measure them at FVTPL

(b) Measurement

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less impairment.

Financial assets and liabilities carried at FVTPL are initially recorded at fair value, and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Licensed Technology Entity's own credit risk will be recognized in other comprehensive loss.

(c) Impairment of financial assets at amortized cost

The Licensed Technology Entity recognized a loss allowance for expected credit losses on financial assets measured at amortized cost. At each reporting date, the Licensed Technology Entity measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. At the reporting date, if the financial asset's credit risk has not increased significantly since initial recognition, the Licensed Technology Entity measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Licensed Technology Entity shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(d) Derecognition

The Licensed Technology Entity derecognizes financial assets only when the contractual rights to the cash flows from the financial assets expire or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the carve-out statements of loss.

The Licensed Technology Entity derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the carve-out statements of loss and comprehensive loss.

Change in accounting policies

There are no IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on these carve-out financial statements.

4. FINANCIAL INSTRUMENTS

Financial instrument classification

IFRS 13 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 – applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly, such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

Level 3 – applies to assets or liabilities for which there are unobservable market data.

Credit risk

Credit risk is the risk of financial loss to a corporation if a counter party to a financial instrument fails to meet its contractual obligations. The Licensed Technology Entity is currently not exposed to credit risk and assesses credit risk as low.

Liquidity risk

Liquidity risk is the risk that the Licensed Technology Entity will not be able to meet its financial obligations as they come due. The Licensed Technology Entity's liquidity and operating results may be adversely affected if its access to the capital markets is hindered. The Licensed Technology Entity has no source of revenue and has obligations to meet its administrative overheads and to settle amounts payable to its creditors. There is no assurance that the Licensed Technology Entity will be able to raise equity financing and assesses liquidity risk as high.

Market risk

Market risk is the risk that changes in market prices, such as currency risk, commodity risk and interest risk, will affect the Licensed Technology Entity's net earnings, future cash flows, the value of financial instruments, or the fair value of its assets and liabilities. The Licensed Technology Entity is not exposed to foreign exchange risk, commodity risk or interest risk.

(Presented in Canadian dollars)

5. CONTRIBUTIONS FROM MCMASTER UNIVERSITY AND FENDX TECHNOLOGIES INC.

McMaster and FendX's investment in the Licensed Technology research project is presented as contributions from McMaster and FendX in the carve-out financial statements. Equity represents the accumulated net contributions from McMaster and FendX.

Net financing transactions with McMaster and FendX, as presented in the carve-out statement of cash flows represent the net contributions related to the funding of the Licensed Technology research project.

6. INCOME TAX

The income tax provision recorded differs from the income tax obtained by applying the statutory income tax rate of 27% (2020 – 27%) to the income for the 36 day period ended and is reconciled as follows:

	2021 ***February 5***	2020 *December 31*
Loss before income taxes	**$ (31,763)**	$ (172,976)
The expected income tax recovery	**(8,576)**	(46,704)
Change in unrecognizable tax assets	**8,576**	46,704
	$ -	$ -

Significant components of the Licensed Technology Entity's deferred tax assets and liabilities are as follows:

	2021 ***February 5***	2020 *December 31*
Non-capital loss carryforwards	**$ 55,280**	$ 46,704
Valuation allowance	**(55,280)**	(46,704)
	$ -	$ -

As at February 5, 2021, the Licensed Technology Entity would have had accumulated non-capital loss carryforwards of approximately $204,739 (2020 – $172,976), expiring between 2040 and 2041, if it had operated as an incorporated entity.

7. CAPITAL MANAGEMENT

The Licensed Technology Entity defines its capital as working capital and equity. The Licensed Technology Entity manages its capital structure and makes adjustments based on the funds available for the Licensed Technology research project in order to support future business opportunities. The Directors do not establish quantitative return on capital criteria for management but rather rely on the expertise of management to sustain the future development of the business. The Licensed Technology research project is dependent upon external financing. In order to carry out future activities and pay for administrative costs, the Licensed Technology Entity will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Licensed Technology Entity, is reasonable. The Licensed Technology Entity is not subject to externally imposed capital requirements.

8. EVENTS AFTER THE REPORTING PERIOD

Pursuant to a license agreement (the "License Agreement") between McMaster and FendX, dated February 5, 2021, and amended July 14, 2021, and July 15, 2022, in respect of the Licensed Technology research project and patents which form the primary basis of FendX's business, which granted FendX an exclusive worldwide license to Licensed Technology. As of August 24, 2021, FendX entered into a Collaborative Research Agreement with McMaster that allows FendX to work with McMaster to advance the Licensed Technology research project. Pursuant to the License Agreement and the Collaborative Research Agreement, FendX agreed to the following:

- The issuance to McMaster of common shares equal to 5% of its fully diluted share capital on achievement of certain funding thresholds, of which 1,435,000 common shares have been issued in satisfaction thereof;
- payment of a 4% royalty on net sales;
- a minimum annual royalty commencing in the first 12-month period ending on the anniversary of the date of the License Agreement as to $5,000 in the first and second years, $10,000 in the third and fourth years and $20,000 in the fifth and subsequent years; and
- Funding for development milestones such that in year one, FendX will fund development work pursuant to the Collaborative Research Agreement and contribute an aggregate of $350,000 toward sponsored research projects, of which $175,000 was due on signing the Collaborative Research Agreement (paid), and $87,500 is payable on each of months 4 and 8 thereafter, upon receipt of invoices from McMaster. In years two and three, FendX is to contribute a minimum of $150,000 each year to a sponsored research project to develop Licensed Technology further, provided FendX approves the research aims.

APPENDIX C
MANAGEMENT'S DISCUSSION AND ANALYSIS

[Please see attached]

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2021
As of January 31, 2023

This management discussion and analysis ("MD&A") of Fendx Technologies Inc. (the "Company" or "FendX") is for the year ended December 31, 2021. We have prepared this MD&A with reference to National Instrument 51-102 – Continuous Disclosure Obligations of the Canadian Securities Administrators and this MD&A provides a review of activities, results of operations and financial condition of the Company. This MD&A should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2021 and period of incorporation on July 28, 2020 to December 31, 2020, and the related notes thereto (the "Annual Financial Statements"). The Company's Annual Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain "forward looking information" within the meaning of applicable securities laws in Canada. Forward looking information may relate to our future financial 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" or "does not expect", "is expected", "an opportunity exists", "budget", "scheduled", "estimates", "outlook", "forecasts", "projection", "prospects", "strategy", "intends", "anticipates", "does not anticipate", "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will", "will be taken", "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 statements in this MD&A include but are not limited to statements relating to:

- our expectations regarding industry trends, overall market growth rates and our growth rates and growth strategies;
- our ability to obtain funding for our operations;
- the use of available funds;
- the performance of the Company's business and operations;
- our expectations regarding revenues, expenses and anticipated cash needs;
- the intention to grow our business and operations;
- the expected timing and completion of our near-term objectives;
- laws and regulations and any amendments thereto applicable to us;
- our competitive advantages and business strategies;
- our future product offerings;
- our research and development initiatives and expected results thereof;
- our ability to enter into distribution, manufacturing and other business relationships;
- our plans with respect to the payment of dividends; and
- the market price for the common shares.

The forward-looking information in this MD&A is 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.

In providing forward-looking information, we have made certain assumptions in respect of our ability to build our market share; the performance of the Company's business and operations; our ability to retain key personnel; our ability to maintain and expand geographic scope; our ability to execute on our expansion plans; our ability to continue investing in our product candidates to support our growth; our ability to obtain and maintain existing financing on acceptable terms; currency exchange and interest rates; the impact of competition; the changes and trends in our industry or the global economy; the size of the target markets for our product candidates; our ability to maintain, expand and protect our intellectual property; and the changes in laws, rules, regulations, and global standards.

The forward-looking information in this MD&A is subject to known and unknown risks and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied, including but not limited to the risks described below and the additional risks factors described under the heading "Risk Factors".

In evaluating forward-looking statements, current and prospective shareholders should specifically consider various factors, including the risks outlined below under the headings "Financial Instruments and Risk Management" and "Risk Factors".

The forward-looking statements contained in this MD&A reflect our views and assumptions only as of the date of this MD&A. The Company undertakes no obligation to update or revise any forward-looking statements after the date on which the statement is made, except as required by applicable laws, including the securities laws of Canada.

Actual results could differ materially from those anticipated in forward-looking statements stated within the MD&A.

OVERVIEW

The Company was incorporated under the Business Corporations Act (British Columbia) on July 28, 2020 under the name "1259192 B.C. LTD". It changed its name to "FendX Technologies Inc." on September 18, 2020. The Company does not have any subsidiaries.

FendX is an early-stage technology company focused on developing surface protection coating products that protect surfaces from pathogen contamination. The Company is currently developing its anticipated first product, REPELWRAP™ to protect high-contact surfaces from contamination to reduce the transmission of harmful pathogens. The Company's business strategy is to complete additional research and development work on its technology which it anticipates will lead to the commercial development of REPELWRAP™ and follow-on products that are enhancements to REPELWRAP™.

To-date, the technology has been shown to effectively repel certain pathogens that come into contact with its surface. Although this technology is still in the development stage, the Company believes this technology will be important to control the spread of pathogens on surfaces that are prone to contamination. This technology works by combining hierarchical wrinkled molecular structure with chemical functionalization to reduce pathogen adhesion and biofilm formation. It is flexible and can be applied to most surface shapes.

The Company's future performance depends on, among other things to: (i) fund the Company's research and development requirements pursuant to the CRA (as defined below); (ii) complete the development, scale-up and testing of REPELWRAP™; and (iii) enter into formal engagements with distribution and manufacturing partners.

NATURE OF OPERATIONS

The Company is focused on the development and commercialization of a surface protection coating technology licensed from McMaster University, Hamilton, Ontario, Canada ("McMaster"). The Company entered into a License Agreement (as defined herein) with McMaster dated February 5, 2021, as amended July 14, 2021 and July 15, 2022, which provides the Company with an exclusive world-wide license to several patent applications and certain technology to develop and commercialize surface coating films (the "Licensed Technology"). The Company is conducting research and development activities using the Licensed Technology in collaboration with McMaster and Drs. Leyla Soleymani and Tohid Didar (the "Lead Researchers") pursuant to a research and development collaboration agreement (the "Collaborative Research Agreement" or "CRA") with McMaster with an effective date of August 1, 2021. The Company has engaged third parties to assist with prototype development and testing in order to assess the scalability of products being developed through the CRA.

McMaster created a surface coating film prototype using the Licensed Technology which has been shown to effectively repel certain pathogens that come into contact with its surface. Although this film is still in the development stage, the Company believes this film will be important to control the spread of pathogens on surfaces that are prone to contamination. This technology works by combining hierarchical wrinkled molecular structure with chemical functionalization to reduce pathogen adhesion and biofilm formation. It is flexible and can be applied to most surface shapes.

The Company believes this surface coating film is unique and differentiated from current protective coatings in the marketplace. McMaster's research and development efforts and results, as published in several journals to-date, have shown the original prototype to be effective in repelling and preventing biofilm formation of World Health Organization-designated priority pathogens such as Gram-positive methicillin-resistant Staphylococcus aureus, and Gram-negative Pseudomonas and Enterococci strains, as well as being effective in repelling SARS-CoV-2 related viruses.

The Company has been collaborating with consultants to assist in optimizing the scalability of the original lab prototype with McMaster. Scalability assessment by the Company and its consultants led to a recommendation to reformulate the original lab prototype to streamline the scale-up process. As a result, McMaster has developed a reformulated lab prototype that is showing similar repelling properties to the original lab prototype based on laboratory testing at McMaster. The Company is now focused on assessment of the scalability of this reformulated film with McMaster, referred to herein as the reformulated lab prototype. The Company intends to work with a third-party manufacturer (yet to be engaged) to commence the intermediate scaling up of the reformulated lab prototype, once the reformulated lab prototype is completed by McMaster. If intermediate scale-up can be demonstrated, the Company intends to move to the commercial scale-up phase with this third-party manufacturer to create a commercial product, which would be tested to ensure it meets the repelling, durability, and stability specifications. If successful, the Company intends to commercialize this product using manufacturing and distributor partnerships still to be entered into.

The Company plans to name its first product REPELWRAP™ and believes the REPELWRAP™ film will be the first product introduced to the Canadian market that repels pathogens. This differs from other currently available surface coating films which have antimicrobial properties (kill pathogens) on their surface that kills bacteria and viruses when they come in contact with the surface of these films. The Company has not generated any revenues to-date from any product sales as its products are in the development stage and has not entered into any distribution or manufacturing agreements.

Once fully developed, the Company intends to initially target REPELWRAP™ towards healthcare settings (i.e., hospitals, long-term care, senior's residences, clinics) and high traffic public touchpoints (i.e., transportation, hospitality, stadiums/arenas/malls, restaurants, schools, business offices) prone to high levels of surface contamination. The Company expects to launch REPELWRAP™ in the Canadian market the first half of 2024, conditional on achieving successful product scale-up and commercial manufacturing.

The Company is also actively exploring additional applications of the Licensed Technology, including development of enhancements to the current reformulated lab prototype to create follow-on films including films with both repelling and killing properties (repel and kill version). In addition, the Company is assessing the Licensed Technology to develop a coating for catheters to prevent catheter-related bacterial biofilm formation and occlusion.

HIGHLIGHTS

The Company was incorporated on July 28, 2020 under the *Business Corporations Act* (British Columbia). Dr. Carolyn Myers became a director and was appointed to CEO and president of the Company on July 28, 2020.

On July 29, 2020, the Company and McMaster entered into an option agreement, as amended (the "Option Agreement") which granted the Company the option to enter into a license agreement in respect of certain technology and patents developed by McMaster.

On September 29, 2020 the Company exercised its option to license certain technology from McMaster pursuant to the Option Agreement.

On February 5, 2021, as amended on July 14, 2021 and July 15, 2022, the Company and McMaster entered into a license agreement (the "License Agreement") in respect of the technology and patents which form the primary basis of the Company's business, which granted the Company an exclusive worldwide license to the Licensed Technology (see "Commitments – McMaster University").

On June 19, 2021, the Company completed a private placement raising gross proceeds of $45,000 through the issuance of 9,000,000 common shares at $0.005 per share.

On June 19, 2021, the Company issued 1,500,000 common shares at $0.005 per common share to settle $7,500 of debt owed to the Company's CEO,

On June 19, 2021, the Company entered into agreements (each, a "Bonus Share Agreement") with each of Dr. Tohid Didar and Dr. Leyla Soleymani, as the Lead Researchers related to the Licensed Technology. Pursuant to the agreements, each of Dr. Didar and Dr. Soleymani may be entitled to receive up to 2,075,000 common shares of the Company (the "Bonus Shares") should certain milestones related to the development of the Licensed Technology be achieved.

On June 24, 2021, the Company and Draganfly Inc. ("Draganfly"), a company listed on the CSE, entered into a non-exclusive letter of intent ("LOI") for a collaboration to conduct real-world beta-testing of REPELWRAP™ when commercial prototypes are available. The initial term of the LOI is one year from the date of execution, subject to mutual extension or termination.

On June 29, 2021, the Company completed a private placement raising gross proceeds of $60,000 through the issuance of 1,200,000 units at $0.05 per unit.

On June 29, 2021, the Company issued 1,435,000 common shares at a deemed value of $0.05 per common share to McMaster pursuant to the License Agreement.

On June 29, 2021, the Company issued 4,000,000 common shares to settle $200,000 of debts at $0.05 per common share.

The Company and McMaster entered into an amendment to the License Agreement, dated July 14, 2021 with an effective date of February 5, 2021.

On August 18, 2021, McMaster filed US Provisional Application No. 63/260,371 titled "Fluorine-free Superhydrophobic Surfaces, Methods of Making and Uses Thereof".

On August 18, 2021, McMaster filed US Provisional Application No. 63/260,372 titled "Methods of Making Omniphobic Materials with Hierarchical Structures and Uses Thereof".

On August 24, 2021, the Company and McMaster signed the Collaborative Research Agreement which outlines the research and development work to be conducted by McMaster on behalf of the Company on the Licensed Technology.

On November 26, 2021, at the direction of the Company, McMaster filed non-provisional, national stage of PCT/CA2020/050766 in Canada.

On December 3, 2021, at the direction of the Company, McMaster filed non-provisional, national stage of PCT/CA2020/050766 in Japan.

On December 3, 2021, at the direction of the Company, McMaster filed non-provisional, national stage of PCT/CA2020/050766 in the United States.

On December 17, 2021, at the direction of the Company, McMaster filed non-provisional, national stage of PCT/CA2020/050766 in Europe.

The Company completed several tranches of a non-brokered private placement on August 16, 2021, November 9, 2021 and December 23, 2021, raising proceeds of $1,505,199.75 through the issuance of 10,034,665 units at $0.15 per unit. In connection with the closings of the non-brokered private placements, the Company issued an aggregate of 688,107 broker warrants and 688,107 common shares issued as compensation to finders.

On January 20, 2022 the Company closed the final tranche of a non-brokered private placement raising proceeds of $45,000 through the issuance of 300,000 units at $0.15 per unit. In connection with the financing, the Company issued 8,000 broker warrants and 8,000 common shares issued to finders.

On April 22, 2022, the Company issued an aggregate of 1,050,000 common shares at $0.15 per share to settle an aggregate of $157,500 of debts.

On April 22, 2022, the Company granted an aggregate of 1,025,000 stock options with an exercise price of $0.15 per share.

On April 28, 2022, the Company closed a non-brokered private placement raising proceeds of $4,001,400 and issued an aggregate of 13,338,000 subscription receipts (each a "Subscription Receipt") at $0.30 per Subscription Receipt. The gross proceeds raised pursuant to the Subscription Receipt offering are being held in escrow by an escrow agent pursuant to a Subscription Receipt Agreement dated April 28, 2022, as amended on October 21, 2022 between the Company and Endeavor Trust Corporation (the "Escrow Agent") and upon obtaining the receipt for a final prospectus (the "Escrow Release Condition"), the funds will be released to the Company and each Subscription Receipt will automatically convert into one unit of the Company (each, a "Unit"). Each Unit will consist of one common share and one-half of one transferable share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder to purchase an additional common share at an exercise price of $0.50 per share for a period of two years following the date of the satisfaction of the Escrow Release Condition, subject to an acceleration provision. Should the Escrow Release Condition not be satisfied by February 17, 2023, subscribers will be entitled to receive a refund of the subscription amounts held in escrow, without interest thereon. Upon satisfaction of the Escrow Release Condition, the Company will pay a cash commission to registrants in the aggregate amount $112,752 and will issue 609,680 Subscription Receipt Broker Shares to the registrants and will also issue an aggregate of 985,520 Subscription Receipt Broker Warrants to registrants.

On May 9, 2022, NSERC provided Dr. Leyla Soleymani, one of the Lead Researchers at McMaster with notice of approval for an Alliance Grant of $361,520 over two years, for the Company's project entitled "Developing a pathogen repellant wrap-improving performance and manufacturing throughput and evaluating real-world potential" with the Company as the sponsor (the "NSERC Grant"). The NSERC Grant is payable to the Lead Researcher at McMaster as the applicant. The Company, as the sponsor, is required to make cash contributions of $93,500 for each of the two years and contribute in-kind contributions totaling $206,400 over two years. The NSERC Grant also requires other third parties (namely Draganfly and the Company's future manufacturer) to provide aggregate in-kind contributions totaling $334,000 over the two year period. The Company's obligations for its cash contributions will be satisfied by

the Company's installment payments payable pursuant to the CRA and the in-kind services will be satisfied through time spent on the project by its senior management and employees related to the project.

The Company signed an extension agreement with Draganfly, which extended the LOI expiry date to June 23, 2024.

The Company and McMaster entered into a second amendment to the License Agreement, dated July 15, 2022 with an effective date of May 5, 2022.

On August 18, 2022, at the direction of the Company, McMaster filed PCT/CA2022/051249 titled "Fluorine-free Superhydrophobic Surfaces, Methods of Making and Uses Thereof".

On August 18, 2022, at the direction of the Company, McMaster filed PCT/CA2022/051259 titled "Methods of Making Omniphobic Materials with Hierarchical Structures and Uses Thereof".

On September 27, 2022, at the direction of the Company, McMaster filed non-provisional, extension of PCT/CA2020/050766 in Hong Kong.

On October 21, 2022, the Company and the Escrow Agent entered into an amending agreement to the subscription receipt agreement dated April 28, 2022, which amended the satisfaction date for the Escrow Release Condition to February 17, 2023.

On November 11, 2022, the Company received a receipt for an amended and restated preliminary prospectus filed with the securities regulatory authorities in the provinces of Ontario, British Columbia, Alberta, and Manitoba.

On December 22, 2022, 750,000 common shares were issued pursuant to the exercise of 750,000 share purchase warrants at $0.10 per common share for proceeds of $75,000.

On December 24, 2022, the Company granted 300,000 stock options with an exercise price of $0.30 per share.

The Company entered into a voluntary pooling agreement dated January 3, 2023 and amendment agreements with certain shareholders to revise the escrow restrictions related to an aggregate of 8,200,000 shares issued pursuant to a unit offering, such that 10% of the shares will be released on the Listing Date and 15% of the shares will be released on each of the dates that are 3, 6, 9, 12, 15 and 18 months from the Listing Date. In addition, pursuant to the amendment agreements, the voluntary escrow restrictions were removed from any warrant shares to be issued upon exercise of 9,200,000 warrants issued pursuant to this unit offering.

On January 24, 2023 the Company granted 1,450,000 stock options with an exercise price of $0.30 per share and granted 150,000 restricted share units.

On January 24, 2023, the Company was granted conditional listing approval by the Canadian Securities Exchange (the "CSE").

SELECTED FINANCIAL INFORMATION

The following table sets forth selected financial information for the fiscal year ended December 31, 2021 ("Fiscal 2021") and period from incorporation on July 28, 2020 to December 31, 2020 ("Fiscal 2020"). The selected financial information set out below has been derived from the audited annual financial statements and accompanying notes, in each case prepared in accordance with IFRS. The selected financial information set out below may not be indicative of the Company's future performance. The following discussion should be read in conjunction with the audited financial statements.

	Fiscal 2021	Fiscal 2020
Net loss for the fiscal year	$ (1,123,082)	$ (336,875)
Loss per share, basic and fully diluted	$ (0.07)	$ (336,875)
Total assets	$ 1,247,122	$ 356,566
Total non-current financial liabilities	$ -	$ -

DISCUSSION OF OPERATIONS

Overall Operations and COVID-19

The Company is focused on developing and commercializing REPELWRAP™. The Company was incorporated on July 28, 2020 and had limited operations in Fiscal 2020 which were mainly focussed on organizing the Company, strategic planning, branding, research of various third parties that it could use to assist with testing and scale-up work, and negotiating the License Agreement with McMaster. During 2021, the Company's activities primarily related to finalizing and entering into the License Agreement and CRA, research and testing-related activities with McMaster and consultants, establishing agreements with third parties related to testing and scale-up, financing activities, building its board and management team, and building corporate infrastructure. The Company has not earned any revenues since incorporation.

On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, on March 11, 2020, the World Health Organization declared the outbreak a global pandemic.

To date, there have been a large number of temporary business closures, quarantines and various reductions (and surges) in consumer activity worldwide, including in Canada. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While to date these effects have been temporary and sporadic, the duration of any future disruptions to businesses locally and internationally and the related financial impact may affect the Company's business, financial condition and results of operations.

Such public health crises can result in volatility and disruptions in global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations affected by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest.

To date the Company's business operations have not been substantially affected by the COVID-19 pandemic (save for requiring some Company staff to work remotely, including staff at McMaster). While the degree of severity and length of an economic downturn is difficult to predict, the Company believes that REPELWRAP™ may be a timely product once developed as it is geared towards prevention of the spread of viruses and other pathogens. However, the overall economic impacts of COVID-19 could include an impact on our ability to obtain debt and equity financing, or potential future ability to commercialize REPELWRAP™, achieve revenue or the profitability of our ongoing operations. However, as discussed, as the COVID-19 pandemic continues, there is a risk that the effects of the COVID-19 pandemic, including governmental restrictions and vaccination requirements, market disruptions or volatility, or changed in economic conditions may materially affect the Company's business in the future. A future wave of COVID-19 in North America may result in further disruptions due to: (i) restrictions that governments and communities impose to address the COVID-19 global pandemic; (ii) restrictions that the Company or any manufacturing and distributor partners impose to ensure the safety of employees and others; (iii) shortages of employees and/or unavailability of manufacturing and distributor partners; (iv) interruption of supplies from third-parties upon which the Company relies and/or (v) vaccination requirements.

As at December 31, 2021, the Company held $1,083,871 in cash and had current liabilities of $387,629 and no long term debt. In addition, in the first half of 2022 the Company was successful in raising additional funds through the issuance of common shares and Subscription Receipts.

R&D Project Update

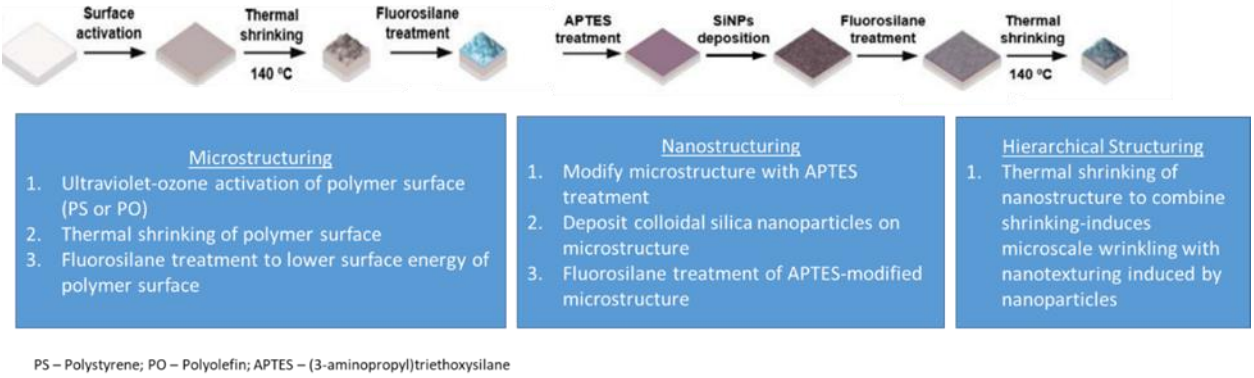
Description of Principal Product Under Development - *REPELWRAP™ Surface Coating Film*

The Company is researching and developing surface coatings using the Licensed Technology to protect against contamination of high touch surfaces. This technology works by combining a hierarchical wrinkled molecular structure with chemical functionalization to reduce pathogen adhesion and formation of bacterial colonies.

REPELWRAP™ film repels bacteria and viruses, protecting high-touch surfaces and reducing the risk of bacteria or virus transmission from that surface. REPELWRAP™ is flexible and can be applied to most surface shapes. The Company believes this film will be the first commercial product that effectively repels bacteria and viruses. The Company believes that current protective coatings in the marketplace (antimicrobial) require bacteria and viruses to adhere to these surfaces to be inactivated. Inactivation does not occur immediately or even within hours, leaving people at risk of being exposed to these contaminated surfaces before bacteria and viruses are killed.

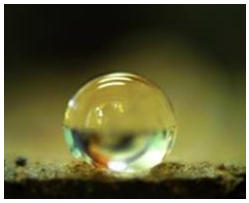
The original lab prototype of REPELWRAP™ has been shown to be broadly repellent to contamination and reduces the adhesion and proliferation of infective pathogens including drug-resistant bacteria and viruses (Imani S et al, ACS NANO, 2020, 14, 1, 454–465). It repels both high (e.g., water) and low surface tension (e.g., oil) liquids, and can be easily applied to surfaces that are prone to contamination. This technology is founded on hierarchically structured materials, materials that combine a range of structural features from the nanoscale to the macroscale, that are integrated into commercial plastics using solution-based surface coating and shrinking for the purpose of repelling pathogens from high touch surfaces. Its hierarchical structure results in a high surface tension which causes droplets to assume a spherical shape. This enables the contact area and the adhesion force between the surface and droplet to be significantly reduced.

The original REPELWRAP™ lab prototype was created through wrinkling (creating microstructures), self-assembly of nanoparticles (creating nanostructures) and their combination (hierarchically structured). The stepwise process for making it is detailed below:



PS – Polystyrene; PO – Polyolefin; APTES – (3-aminopropyl)triethoxysilane

After commencing research pursuant to the CRA, the Company's work on assessing scalability led to the recommendation in early 2022 to reformulate the original lab prototype to facilitate the potential for a more streamlined scale-up process. Under the direction of the Company, McMaster began reformulating the original lab prototype in March 2022 which has led to development of the reformulated lab prototype containing TiO_2. This reformulated lab prototype has since been tested at McMaster to confirm its repelling, durability and stability are similar to the original prototype and is currently being assessed for scalability by McMaster. While this reformulation work has delayed the commencement of certain activities included in the aims in the CRA, the Company believes it has an improved surface coating film that will be more amenable to scale-up by a third-party manufacturer. The Company expects this reformulated lab prototype will be ready for intermediate scale-up work by a third-party manufacturer in early 2023 and expects this reformulated repel version of REPELWRAP™ to be its first-to-market product.



Shown here is an example of the spherical nature that a droplet makes when it lands on a surface like REPELWRAP™. Due to the low surface energy of REPELWRAP™'s surface, liquids bounce off the surface when they come in contact with it. When a contaminated hand touches the surface of REPELWRAP™ film, the contamination stays on the contaminated hand and does not transfer to the surface.

Key results of the repelling properties of the original lab prototype REPELWRAP™ film include:

- Reduced viral titer more than 99% of SARS-CoV-2 related strains compared with control surfaces (ACS Appl. Mater. Interfaces 2022, 14, 11068-11077);

- Significantly reduced transfer to human skin of Escherichia coli contaminated REPELWRAP™ surfaces compared with control surfaces (ACS Appl. Mater. Interfaces 2022, 14, 11068-11077);

- Significantly reduced biofilm formation of methicillin-resistant Staphylococcus aureus and Pseudomonas aeruginosa compared with control surfaces (ACS Nano. 2020 Jan 28, 14 (1) 454-465):

	Repel Wrap Reduction in Biofilm Formation	Control Reduction in Biofilm Formation	
		Microstructure Only	Nanostructure Only
MRSA	~85%	66%	78%
P. aeruginosa	~85%	11%	62%

- Self-cleaning surface demonstrated from high repel rates of blood vs. control surfaces (ACS Nano. 2020 Jan 28, 14 (1) 454-465);

- Maintains robust repellent properties after being subjected to various physical/mechanical forces (i.e., vacuum & sonication) and chemicals (i.e., ethanol, bleach) (ACS Nano. 2020 Jan 28, 14 (1) 454-465); and

- Holds repellent properties under strain and while conforming to different form factors (bent or unbent) (ACS Nano. 2020 Jan 28, 14 (1) 454-465).

The reformulated lab prototype utilizes a titanium dioxide ("TiO_2") treatment which replaces a previously used (3-Aminopropyl) triethoxysilane (APTES) treatment. The TiO_2 treatment shares the same properties as the APTES treatment but with a faster reaction time which should result in a more efficient manufacturing process. Initial lab testing by the Lead Researchers has demonstrated that the TiO_2 prototype is demonstrating repellency, durability and stability properties equivalent to the APTES treated original lab formulation. The Company intends to advance the TiO_2 version of REPELWRAP™ and its current research and development plans are based on this reformulated version. McMaster is currently undertaking a scalability assessment. If successful, the formulation process would be transferred to a third-party manufacturer to commence high volume scale-up activities. The Company is looking to engage a new third-party manufacturer to conduct scale-up activities of the reformulated lab prototype. If successful, the Company will then move to the scale-up phase, consisting of two phases, with an end result to create a commercial product. The first phase of scale-up will be to create intermediate-sized commercial film prototypes that will be tested in the lab to confirm they meet similar repelling, durability and stability specifications of the reformulated lab prototype created at McMaster. All testing will be done by the third-party manufacturer. If successful, the next phase will be to produce commercial scaled films. These films will undergo similar testing as described for the intermediate prototype films by the manufacturer and an independent testing facility. In addition, these commercial scale films will be tested in real-world settings by third parties. If successful, the Company intends to commercialize their films through manufacturing and distributor partnerships. As of the date of this MD&A, the Company has not developed or begun testing an intermediate prototype nor entered into any manufacturing or distributor partnership agreements.

The Company expects to launch REPELWRAP™ in the Canadian market in the first half of 2024, conditional on achieving successful product reformulation, testing, product scale-up and entering into a commercial manufacturing partnership and distribution agreements. (See "*Risk Factors*").

During the work performed under the CRA, namely during the reformulation process of the original lab prototype as discussed above, an early-stage formulation was identified that both repels pathogens and kills any residual pathogens that adhere to the surface (repel and kill version). Initial testing has been performed at McMaster and the Company believes this film warrants further development and as such, it has been included in the Company's REPELWRAP™ development plan. The Company's research and development initiatives over the next 12 months will include further research and development of the repel and kill lab prototype film, testing (including repellency/kill effectiveness,

stability and durability) and scalability assessment by McMaster, which the Company anticipates will be completed in Q3 2023. (See "*Risk Factors*").

McMaster has also identified other potential uses for the Licensed Technology including early-stage research to assess if the Licensed Technology can be used to coat medical catheters. Future work would entail the research of assessment of various coating formulations to protect medical catheters from occlusion and biofilm formation. As of the date of this MD&A, only preliminary work has been initiated on this research by McMaster which is at an early research stage. The Company anticipates commencing a more thorough assessment and research activities of this coating and intends to commence this work to assess the potential for the coating to lead to future development of a lab prototype.

Pursuant to the CRA dated August 1, 2021, McMaster performs research and development for the Company on the Licensed Technology. To December 31, 2021, the Company has incurred an aggregate of $36,844 in research and development expenses related to the Licensed Technology with McMaster.

The Company's project plan includes four main factors encompassing:

a) formulation assessment, development and testing of lab prototypes at McMaster;
b) scalability assessments and testing of lab prototypes at McMaster;
c) intermediate prototype scale-up and testing with third-party manufacturer;
d) commercial scale-up and testing with third-party manufacturer.

The chart below represents the Company's research and development status for its R&D project objectives:

R&D Project Objectives	**Project Plan Status and Achievements**
Development of REPELWRAP™ (repel version)	Lab prototypes complete and scalability assessment underway at McMaster.
Development of REPELWRAP™ (repel and kill version)	Formulation assessment, development and testing underway at McMaster.
Development of coating for catheters	Early stage research undertaken only and still in progress.

The Company intends to advance the Licensed Technology to develop films for commercialization, however, there can be no certainty that the research and development initiatives will result in successful prototypes or scale-up activities will result in successful commercial products or can the Company provide certainty as to the time and costs that will be involved to achieve such objectives. The Company is reliant on McMaster to conduct research and development of the Licensed Technology pursuant to the CRA to advance lab prototypes and the Company will be reliant on a third-party manufacturer (yet to be engaged) to scale-up and test the lab prototypes for commercialization.

The Company cannot at this time accurately estimate the cost of bringing the Company's REPELWRAP™ to market as much of the associated costs depend on various factors such as costs to complete R&D work with McMaster, the cost of scale-up activities with a future manufacturing partner, commercial manufacturing partnership financial terms and distributor agreement terms, among other factors. Further, there is no assurance that the aforementioned timelines will be met or that its project or any objective will advance to an intermediate prototype or commercial product at all. As of the date of this MD&A, the Company has not entered into any manufacturing or distribution agreements and there is no certainly the Company will be able to enter into any such agreements on terms acceptable o the Company or at all. See "*Risk Factors*".

Analysis of Fiscal 2021 results compared to Fiscal 2020

The Company recorded a net loss of $1,123,082 in Fiscal 2021 compared to a loss of $336,875 in Fiscal 2020. The increase in net loss in Fiscal 2021 was mainly due to increased operations in 2021 as a result of entering in the License Agreement in February 2021 and the CRA in August, 2021 and expanding its operations, initiated R&D and expanded its overall team. As the Company was incorporated in July 2020 it had limited operations in 2020 which spanned only part of the year compared to a full year of operations in Fiscal 2021. In Fiscal 2020 the Company had one director and a CEO and its operations focussed on raising initial financing and negotiating with McMaster to enter into the License

Agreement. In Fiscal 2021 the Company expanded its board and management team to include two additional directors, a COO, CFO as well as one employee. In Fiscal 2021 the Company continued to raise capital through several financing rounds and expanded its overall corporate infrastructure and operations, including R&D. The Company did not earn any revenues in either Fiscal 2021 or Fiscal 2020. Below is a review of expense categories and variances which contributed to the increase in net loss from Fiscal 2020 to Fiscal 2021:

- The Company incurred consulting fees of $262,131 during Fiscal 2021 (Fiscal 2020 – $143,857). Consulting fees increased due to the increased operations during Fiscal 2021 where the Company engaged additional consultants and advisors in Fiscal 2021 including general corporate, financial advisory and administrative support.

- Directors' fees of $85,000 were incurred in Fiscal 2021 (Fiscal 2020 – $Nil) as the Company appointed two independent board members in Fiscal 2021 and entered into director service agreements with each of them. The Company only had one director in Fiscal 2020 who did not get compensated as a director.

- General and administrative expenses were $41,836 in Fiscal 2021 (Fiscal 2020 - $608). The most significant component of G&A are salaries and related costs which increased in Fiscal 2021 due to the hiring on an employee in Q4 of Fiscal 2021. G&A also includes travel related expenses which were higher in Fiscal 2021 due to travel related to meetings with McMaster in regard to the License Agreement and CRA and general office expenses which included insurance, transfer agent fees, bank fees and other office costs. Fiscal 2021 also included depreciation expense for computer equipment acquired in Fiscal 2021. In Fiscal 2021, the Company focussed on building its infrastructure and general internal office requirements and engaged a transfer agent.

- Management fees increased to $384,561 for Fiscal 2021 (Fiscal 2020 - $7,500) due to fees charged by senior management including the CEO, and engagement of a CFO and a COO during Fiscal 2021. In Fiscal 2020, the Company's CEO was the only member of management and only charged a nominal amount for her services.

- Marketing expenses were $12,029 in Fiscal 2021 compared to $63,987 in Fiscal 2020, a decrease of $51,958 mainly due to brand development work incurred in Fiscal 2020 which was not required during Fiscal 2021.

- The Company incurred professional fees of $236,848 in Fiscal 2021 (Fiscal 2020 - $120,923). Professional fees consist of: $30,000 for audit expenses in Fiscal 2021 (Fiscal 2020 – $Nil); $120,303 for general and corporate related legal fees (Fiscal 2020 - $31,833); and intellectual property and other legal fees of $86,545 (Fiscal 2020 - $89,090). Professional fees increased due to an audit for Fiscal 2021 and additional general and corporate legal fees due to the overall increased operations and financing activity compared to Fiscal 2020. Intellectual property and other legal fees related to legal fees incurred related to patent applications, trademark filings, contract negotiations and reimbursements to McMaster for legal costs related to patent applications and filings.

- The Company incurred research and development expenses ("R&D") of $108,594 in Fiscal 2021 compared to $Nil in Fiscal 2020. The increase was attributable to research and development and related costs incurred with McMaster pursuant to the CRA entered into in August , 2021 and $71,750 related to the value of shares issued to McMaster in connection with the License Agreement.

- The Company recorded other income including government grant income of $7,500 in Fiscal 2021 (Fiscal 2020 – $Nil) and recognized a foreign exchange gain of $417 in Fiscal 2021 (Fiscal 2020 – $Nil).

QUARTERLY FINANCIAL INFORMATION

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements. All dollar amounts are in Canadian dollars.

	Quarter Ended	Revenue	Net Loss (unaudited)	Net loss per share (Basic and diluted)	Weighted average number of shares
Q4/21	December 31, 2021	$ -	$ 347,066	$ (0.01)	29,881,945
Q3/21	September 30, 2021	$ -	$ 252,084	$ (0.01)	26,910,134
Q2/21	June 30, 2021	$ -	$ 331,712	$ (0.03)	9,530,441
Q1/21	March 31, 2021	$ -	$ 192,220	$ (0.10)	1,955,557
Q4/20	December 31, 2020	$ -	$ 243,333	$ (243,333)	1
Q3/20	Incorporation July 28, to September 30, 2020	$ -	$ 93,542	$ (93,542)	1

Variations in the Company's net losses and expenses as well as notable trends for the six quarters ended since incorporation were typical of an early-stage company. Spending on consulting, management expenses, general and administration, professional fees, marketing and research and development are expected to increase over the next year relative to historical spending due to the expected increased operations of the Company.

During the first year, in Q3 2020 and Q4 2020, the Company focussed on organizing the Company, strategic planning, branding, research of various third parties that it could use to assist with testing and scale-up work and negotiating the License Agreement with McMaster. During Fiscal 2021, the Company's activities primarily related to finalizing and entering into the License Agreement and CRA, R&D and testing-related activities with McMaster, establishing agreements with various consultants, financing activities, building its board and management team, and building corporate infrastructure.

Three Months Ended December 31, 2021:

The Company recorded a net loss of $347,065 in the three months ended December 31, 2021 ("Q4 2021") compared to a net loss of $243,333 in the three months ended December 31, 2020 ("Q4 2020"). In Q4 2021 the loss is higher than Q4 2020 mainly due to overall increased operations in Fiscal 2021 as the Company was only incorporated in July 2020. Below is a review of expense categories and variances which contributed to the increase in net loss from Q4 2020 to Q4 2021:

- Consulting fees decreased from $84,712 in Q4 2020 to $49,214 in Q4 2021 due to higher consulting fees incurred in relation to initial corporate strategy and business development consulting services incurred in Q4 2020 that was not performed in Q4 2021.

- Directors' fees of $56,259 in Q4 2021 (Q4 2020 - $Nil) related to amounts incurred by two directors who were appointed on August 15, 2021. The Company only had one director in Q4 2020 who did not get compensated as a director.

- General and administrative expenses increased from $608 in Q4 2020 to $26,053 in Q4 2021 mainly due to increased expenses related to general office, travel and employee-related costs in Q4 2021.

- Management fees increased from $7,500 in Q4 2020 compared to $126,845 in Q4 2021 due to consulting and employment agreements entered into with key management personal during Fiscal 2021. Q4 2021 expenses included salaries and or consulting fees for the CEO, COO and former CFO. In Fiscal 2020, the Company's CEO was the only member of management and only charged a nominal amount for her services.

- Marketing expenses decreased from $42,987 in Q4 2020 to $5,125 in Q4 2021 as the Company incurred expenses for branding and design work in 2020 that were not incurred in 2021.

- Professional fees decreased from $107,526 in Q4 2020 to $45,977 in Q4 2021. General and corporate legal fees were $39,493 in Q4 2021 (Q4 2020 - $29,676) and intellectual property related and other legal fees decreased from $77,850 in Q4 2020 to $6,483 in Q4 2021 due to higher intellectual property related legal fees incurred in Q4 2020 compared to Q4 2021.

- Research and development expenses increased from $nil in Q4 2020 to $33,763 in Q4 2021. The increase relates mainly to expenses incurred pursuant to the CRA with McMaster which was executed in July 2021. No R&D expenses were incurred in 2020.

- Other expenses increased slightly to $3,831 in Q4, 2021 comparable to $Nil in Q4 2020.

LIQUIDITY AND CAPITAL RESOURCES

Since inception the Company has devoted its resources to securing intellectual property rights related to the Licensed Technology, furthering its research and development of the Licensed Technology and establishing personnel and processes required to execute its business plan. This has resulted in an accumulated deficit of $1,459,957 as at December 31, 2021. With no income from operations, losses are expected to continue while the Company's research and development programs are advanced.

The Company does not earn any revenues from its operations and is therefore considered to be in the development stage. As required, the Company will continue to finance its operations through the sale of equity or pursue non-dilutive funding sources available to the Company in the future. The continuation of its research and development activities and the commercialization of REPELWRAP™ is dependent upon the Company's ability to successfully finance and complete its research and development program and successfully complete the scale-up and commercialization of REPELWRAP™. As of the date of this MD&A the Company is not capable of sustaining its working capital requirements over the long term without additional capital, product commercialization or ultimately sales of products. In order to reach sustainable business operations, the Company will need to complete development and scale-up of REPELWRAP™ (repel version) and achieve other commercialization milestones which include engagement of a third-party manufacturer and entering into distribution agreements for the distribution of REPELWRAP™.

As at December 31, 2021, the Company had working capital of $855,681 compared to working capital of $26,626 as of December 31, 2020. The Company has relied upon equity financings to finance its operations and meet its capital requirements. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. Management has forecasted that the Company's current level of cash will not be sufficient to execute its current planned expenditures for the next 12 months without further financing being obtained. In this regard, the Company has raised $4,001,400 pursuant to the Subscription Receipt Financing, which funds are held in escrow pending satisfaction of the Escrow Release Conditions. On August 17, 2022, the Company received a receipt for its preliminary prospectus that was filed with the securities regulators in Ontario, British Columbia, Alberta and Manitoba and on November 11, 2022, the Company received a receipt for an amended and restated preliminary prospectus. On August 19, 2022, the Company applied to list its shares for trading on the CSE and on January 24, 2023 was granted conditional listing approval. Management believes that it will satisfy the Escrow Release Condition in sufficient time to continue to execute its planned expenditures. However, there can be no assurance that the Escrow Release Condition will be satisfied by February 17, 2023 or such other date as the Subscription Receipt holders may agree to, or capital will be available as necessary to meet these continuing expenditures, or if the capital is available, that it will be on terms acceptable to the Company. The issuance of common shares by the Company could result in significant dilution in the equity interest of existing shareholders. There can be no assurance that the Company will be able to obtain sufficient financing to meet future operational needs which may result in the delay, reduction or discontinuation of ongoing development programs.

The Company's objectives when managing its liquidity and capital resources is to maintain a sufficient capital base to sustain and grow its overall operations, ensure adequate capital to meet its obligations under the CRA and License Agreement, and provide adequate capital to fund future developments of the business. The Company faces numerous

risks and uncertainties, many of which are beyond its control, related to the development, scale-up and commercialization of its products including but not limited to timing delays, costs overruns, lack of success with its development initiatives and inability to enter into relationships with manufacturing and/or distribution partners (see "*Risk Factors*").

Summary of cash flows

	Year Ended December 31, 2021	Period from Incorporation on July 28, 2020 to December 31, 2020	Change
Cash used in operating activities	$ (944,673)	$ (6,935)	$ (937,738)
Cash used in investing activities	(4,721)	-	(4,721)
Cash provided by financing activities	1,676,699	363,501	1,313,198
Net increase in cash	$ 727,305	$ 356,566	$ 370,739

Cash used in operating activities is comprised of net loss, add-back of non-cash expenses, and net change in non-cash working capital items. Cash used on operating activities increased to $944,673 in Fiscal 2021 from $6,935 in Fiscal 2020. This increase is primarily due to increased consulting fees, management and director fees, research and development, administration and professional fees as the Company increased operations and entered into agreements with key management personnel.

Cash used in investing activities in Fiscal 2021 was $4,721 compared to $nil in Fiscal 2020. This increase in cash used was due to the purchase of computer equipment for staff and management personnel.

Cash provided by financing activities increased to $1,696,699 in Fiscal 2021 compared to $363,501 in Fiscal 2020. In Fiscal 2021 the Company completed several tranches of a private placement which resulted in proceeds of $1,646,699, net of issuance costs. In Fiscal 2021 the Company received $30,000 in subscriptions receivable toward a financing which subsequently closed in January 2022 compared to $363,500 subscriptions received in Fiscal 2020 related to private placements that closed in Fiscal 2021.

The Company funded operations during Fiscal 2021 through the net proceeds of securities issued and the use of existing cash. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and its success with its research and development initiatives, scale-up and product commercialization. Additional financing may not be available on terms favourable to the Company or at all. If the Company does not receive future financing, it may not be possible for the Company to advance its business plans. The Company does not expect to generate positive cash flow from operations for the foreseeable future due to additional R&D expenses, scale-up and testing expenses 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 the Company commercializes any of its products under development and achieves sales from any such products should they exceed its expenses.

COMMITMENTS

McMaster University

The Company entered into the License Agreement dated February 5, 2021 as amended, with McMaster for the Licensed Technology. Pursuant to the License Agreement, the Company agreed to the following key terms:

- the issuance to McMaster of common shares equal to 5% of its fully diluted share capital on achievement of certain funding thresholds, whereby 1,435,000 common shares were issued at a deemed price of $0.05 per share for fair value of $71,750 in Fiscal 2021;

- payment of a 4% royalty on net sales to be paid quarterly within 60 days following the close of the calendar quarter (as defined in the License Agreement);
- a minimum annual royalty commencing in the first 12-month period ending on the anniversary of the date of the License Agreement as to $5,000 in the first (paid) and second years, $10,000 in the third and fourth years and $20,000 in the fifth and subsequent years; and
- contribute an aggregate of $350,000 toward sponsored research projects in year one, of which $175,000 was due on signing the Collaborative Research Agreement and receipt of an invoice from McMaster (paid). In year two and year three, the Company is to contribute a minimum of $150,000 each year to a sponsored research project to further develop the Licensed Technology, provided the research aims are approved by the Company (see detailed CRA payment terms detailed below).

The Company entered into the CRA dated effective August 1, 2021 with McMaster which sets out the payment terms for the project to satisfy the research funding obligations under the License Agreement as further detailed below:

Year 1:	
On signing (invoice received and paid)	$175,000
At 4 month mark (invoice received and paid)	$87,500
At 8 month mark (invoice received)	$87,500
Years 2 and 3:	
On anniversary dates (invoices not yet received)	$75,000
At subsequent 4 month mark (invoices not yet received)	$37,500
At subsequent 8 month mark (invoices not yet received)	$37,500

NSERC Grant

On May 9, 2022, NSERC provided McMaster and Dr. Leyla Soleymani, one of the Lead Researchers, with notice of approval for an Alliance Grant of $361,520 over two years, for the Company's project entitled "Developing a pathogen repellant wrap-improving performance and manufacturing throughput and evaluating real-world potential" with the Company as the sponsor (the "NSERC Grant"). The NSERC Grant is payable to the Lead Researcher at McMaster as the applicant. The Company, as the sponsor, is required to make cash contributions of $93,500 for each of the two years and contribute in-kind contributions totaling $206,400 over two years. The NSERC Grant also requires other third parties (namely Draganfly and the Company's future manufacturer) to provide aggregate in-kind contributions totaling $334,000 over the two-year period. The Company's obligations for the cash contributions will be satisfied by the Company's payments pursuant to the CRA (of which $87,500 has been paid in September 2022) and its in-kind contributions will be satisfied by time spent by its senior management and employees related to the project.

OUTSTANDING SHARE CAPITAL

Common Shares

As of the date of this MD&A, the Company had authorized an unlimited number of common shares without par value.

Common Shares issued and outstanding, and other securities convertible into Common Shares as summarized in the following table:

	Number Outstanding as of January 31, 2023	Number Outstanding as of December 31, 2021
Common Shares issued and outstanding	37,965,773	35,857,773
Options	2,775,000	-
Restricted share units	150,000	-
Common share purchase warrants	8,450,000	9,200,000
Broker warrants	696,107	688,107
Subscription Receipts	13,338,000	-

Subscription Receipts

As at the date of this MD&A, the Company had 13,338,000 Subscription Receipts issued and outstanding. Upon satisfaction of the Escrow Release Condition, each Subscription Receipt will automatically convert into one Unit of the Company. Each Unit will consist of one common share and one-half of one Warrant. See "Highlights".

Warrants

A summary of the Company's issued and outstanding share purchase warrants at the date of this MD&A is as follows:

Expiry Date	Exercise Price	Number Outstanding
March 10, 2024	$ 0.10	8,450,000
		8,450,000

A summary of the Company's issued and outstanding broker warrants at the date of this MD&A is as follows:

Expiry Date	Exercise Price	Number Outstanding
August 16, 2023	$ 0.15	200,320
November 9, 2023	$ 0.15	45,120
December 23, 2023	$ 0.15	442,667
January 20, 2024	$ 0.15	8,000
		696,107

Share Purchase Options

A summary of the Company's share purchase options outstanding at the date of this MD&A is as follows:

Expiry Date	Exercise Price	Options Outstanding	Options Exercisable
April 22, 2027	$ 0.15	1,025,000	341,665
December 24, 2027	$ 0.30	300,000	100,000
January 24, 2028	$ 0.30	1,450,000	483,332
		2,775,000	924,997

Restricted Share Units

As at the date of this MD&A, the Company has granted 150,000 restricted share units ("RSU's") which fully vest on May 24, 2023.

Bonus Shares

As at the date of this MD&A, the Company has reserved for issuance 4,150,000 Bonus Shares, issuable upon achievement of certain milestones related to the Licensed Technology as set out in the Bonus Share Agreements (see "Highlights"). As at the date of this MD&A, no Bonus Shares have been issued.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no undisclosed off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of its operations, financial condition, revenue or expenses, liquidity, capital expenditures or capital resources that is material to investors.

RELATED PARTY DISCLOSURE

Related parties of the Company include key management personnel, companies controlled by key management personnel and close family members of key management personnel. Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (whether executive or otherwise) of the Company. Key management personnel are composed of the board of directors and executive leadership team.

The following fees and expenses were incurred with related parties including current and former key management personnel:

	Year Ended December 31,2021	Period from Incorporation on July 28, 2020, to December 31, 2020
	$	$
Consulting fees [(1)]	32,508	-
Directors' fees [(2)]	85,000[(6)]	-
Management fees [(1), (2), (3), (4), (5)]	384,561[(6)]	7,500[(6)]
Total	502,069	7,500

Notes:

(1) The Company entered into a consulting service agreement with A. Fehr & Associates Ltd. ("Fehr & Associates"), a company controlled by Ann Fehr, the former CFO of the Company. Pursuant to this consulting agreement, during the year ended December 31, 2021, Fehr & Associates charged CFO management fees of $14,050 (Fiscal 2020 - $nil) and consulting fees of $32,508 (Fiscal 2020 - $nil) for CFO and outsourced accounting services respectively. As at December 31, 2021, $9,725 was owing to Fehr & Associates (2020 - $nil).

(2) The Company entered into director services agreements with each of two directors, Dr. Ian Mark Landy and Prakash Gowd for their 2021 director services. During the year ended December 31, 2021, Mark Landy incurred director fees of $45,000 (Fiscal 2020 - $nil) and Prakash Gowd incurred directors fees of $40,000 (Fiscal 2020 - $nil). An aggregate of $85,000 in outstanding directors' fees was included in accounts payable and accrued liabilities as at December 31, 2021 (2020 - $nil).

(3) Effective January 1, 2021 the Company entered into a consulting agreement with Carolyn Myers, the Company's Chief Executive Officer ("CEO"), for management consulting services at a monthly fee of $20,000. During the year ended December 31, 2021, the CEO incurred $240,000 (Fiscal 2020 - $7,500) in management consulting fees. No bonus payment was incurred as at December 31, 2021 (Fiscal 2020 - $Nil). As at December 31, 2021, $120,000 was owing to the CEO (2020 - $7,500).

(4) Effective May 17, 2021, the Company engaged Andrea Mulder as COO pursuant to an employment contract with the Company. The COO was compensated at an annual rate of $165,000 payable semi-monthly in arrears with a discretionary year-end bonus payable of up to 20%. During the year ended December 31, 2021, the COO earned

an aggregate of $130,511 (Fiscal 2020 - $nil) in salaries, bonuses and accrued vacation pay. As at December 31, 2021, $28,549 was owing to the COO (2020 - $nil)

(5) During the year ended December 31, 2021, the Company settled management fees owing to the CEO of $7,500 as at December 31, 2020 through the issuance of 1,500,000 common shares. The common shares were issued at a fair value of $0.005 per share.

(6) All amounts incurred by key management personnel.

Included in accounts payable and accrued liabilities at December 31, 2021, were amounts totaling $243,274 (2020 - $7,500) due to current and former related parties.

SEGMENTED INFORMATION

The Company operates in one reportable segment, involving the research and development of its Licensed Technology. All the Company's assets are located in Canada.

TRENDS

The Company's business is not cyclical or seasonal.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

The Company's financial instruments at December 31, 2021 include cash, amounts receivable, accounts payable and accrued liabilities. The fair values of these instruments approximate their carrying values due to their short-term nature.

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs used in making fair value measurements as follows:

Level 1 - quoted prices in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., from derived prices); and

Level 3 - inputs for the asset or liability that are not based upon observable market data.

The fair value of cash is based on Level 1 inputs.

[a] Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises for the Company from its cash and amounts receivable. The Company has adopted practices to mitigate the deterioration of principal, to enhance the Company's ability to meet its liquidity needs and to optimize yields within those parameters. The Company regularly reviews the collectability of its accounts receivable and would establish an allowance account for credit losses based on its best estimate of any potentially uncollectible accounts receivable. As of December 31, 2021, the balance of the allowance account for credit losses was $0 (2020 - $0).

[b] Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's exposure to liquidity risk is dependent on its purchasing commitments and obligations and its ability to raise funds to meet commitments and sustain operations. The Company manages liquidity risk by continuously monitoring its actual

and forecasted working capital requirements, and actively managing its financing activities. As of December 31, 2021, the Company had working capital of $855,681 (2020 - $26,626). As at December 31, 2021, the Company's financial liabilities were comprised of accounts payable and accrued liabilities totalling $387,629 all of which have contractual maturities less than 3 months.

[c] Market risk

a. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. The Company has cash balances and no interest-bearing investments or debt. If the Company had excess cash to invest, the Company's policy would be to invest the excess cash in guaranteed investment certificates issued by its banking institutions.

b. Currency risk

The Company is exposed to financial risk related to the fluctuation of foreign exchange rates. The Company has a portion of its operating expenses in US dollars. The Company has not entered into foreign exchange derivative contracts.

As at December 31, 2021 and 2020, the Company had the following assets and liabilities denominated in US dollars. A 10% change in the currency exchange rate between the Canadian dollar relative to the US dollar could have a gain or loss of approximately $1,638 (2020 - $47) on the Company's results of financial position based on the Company's net exposure as at December 31, 2021.

	December 31, 2021 US$	December 31, 2020 US$
Cash	-	-
Accounts payable and accrued liabilities	12,923	365
Total	12,923	365

[d] Capital disclosure

The Company's objective when managing capital is to ensure its ability to continue as a going concern in order to pursue the development of its product candidates for ultimate sale or out-licensing. The Company attempts to maximize return to shareholders by minimizing shareholder dilution and, when possible, utilizing non-dilutive funding arrangements, such as collaborative partnership arrangements.

The Company defines its capital as share capital and reserves. The Company has financed its capital requirements primarily through equity share issuances since inception.

The Company manages its capital structure and adjusts it based on changes in economic conditions and risk characteristics of the underlying assets. The Company may issue new securities. The Company is not subject to any externally imposed capital requirements. There were no changes to the Company's capital management during the year ended December 31, 2021 and the period ended December 31, 2020.

SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND POLICIES

In applying the Company's accounting policies, management makes several judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. Actual results may differ from the judgments, estimates and assumptions made by management and will seldom equal the estimated results.

CRITICAL JUDGMENTS

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

i. Research costs and license costs are recognized as an expense when incurred, but development costs may be capitalized as intangible assets if certain conditions are met, as described in International Accounting Standard ("IAS") 38 *Intangible Assets*. Management has determined that development costs do not meet the conditions for capitalization under IAS 38, and all research and development costs and license costs have been expensed.

ii. Management is required to assess the functional currency of the Company. In concluding that the Canadian dollar is the functional currency of the Company, management considered the currency that mainly influences the operating expenditures in the jurisdiction in which the Company and its subsidiary operate.

iii. The determination of categories of financial assets and financial liabilities have been identified as an accounting policy, which involves judgments or assessments made by management.

iv. Management is required to determine whether the going concern assumption is appropriate for the Company at the end of each reporting period. Considerations taken into account include available information about the future, including the availability of financing and revenue projection, as well as the current working capital balance and future commitments of the Company.

ESTIMATION UNCERTAINTY

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

i. Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxation authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

ii. The fair value of accrued liabilities at the time of initial recognition is made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements have been applied to all periods presented. The following is a summary of significant accounting policies:

[a] Research and development costs

Expenditures related to research activities are recognized as an expense in the period in which they are incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, the entity can demonstrate all of the following:

i. the technical feasibility of completing the intangible asset so that it will be available for use or sale;
ii. its intention to complete the intangible asset and use or sell it;
iii. its ability to use or sell the intangible asset;
iv. how the intangible asset will generate probable future economic benefits. Among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
v. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
vi. its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs are capitalized as soon as the above criteria are met. Where no internally generated intangible asset can be recognized, development expenditures are expensed in the period in which they are incurred.

After initial recognition, internally generated intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses. They are amortized on a straight-line basis over their useful life, and an impairment loss is recognized in profit or loss when their recoverable amount is less than their net carrying amount.

[b] Property and equipment, net

Property and equipment are recorded at cost less accumulated amortization and impairment charges. The cost of repair and maintenance is expensed as incurred. Depreciation is provided using the declining balance method or straight line method over the estimated useful lives of the assets. Upon sale or other disposition of a depreciable asset, cost and accumulated depreciation are removed from the property and equipment and any gain or loss is recorded to profit or loss.

The significant class of property and equipment includes computer equipment which is depreciated at the rate of 55% using straight line method, commencing when the assets become available for use.

[c] Government grant

A government grant is recognized when there is reasonable assurance it will be received, and all related conditions will be complied with. The Company recognizes government grant in profit or loss on a systematic basis and in line with its recognition of the expenses that the grants are intended to compensate. The Company carefully determines whether the grant compensates expenses already incurred or future costs.

[d] Share-based payments

Share-based compensation to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and expensed over the vesting periods. Share-based compensation to non-employees is measured at the fair value of the goods or services received or the fair value of the equity instruments issued if the fair value of the goods or services cannot be reliably measured and is recorded at the date the goods or services are received. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to contributed surplus The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to contributed surplus.

Proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Any previously recorded share-based payment included in the reserves account is transferred to share capital on exercise of options. Share capital issued for non-monetary consideration is valued at the closing market price at the date of issuance. The proceeds from issuance of units are allocated between common shares and warrants based on the residual method. Under this method, the proceeds are allocated first to share capital based on the fair value as determined by the quoted bid price of the common shares and any residual value is allocated to the warrants reserve. Consideration received for the exercise of warrants is recorded in share capital, and any related amount recorded in warrants reserve is transferred to share capital. Charges for options or warrants that are cancelled or expire are reclassified from contributed surplus to deficit.

[e] Income taxes

Deferred income tax is recognized using the liability method on temporary differences arising between the tax and accounting bases of assets and liabilities, as well as for the benefit of losses available to be carried forward to future years. Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect either accounting or taxable profit or loss.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the statement of financial position date. Deferred income tax assets are recognized only to the extent that it is probable that future profit will be available against which such assets can be utilized.

[f] Share capital

The Company records proceeds from share issued net of issuance costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value at the date the common shares are issued.

Proceeds from unit placements are allocated between shares and warrants issued using the residual method. Proceeds are first allocated to the shares according to the quoted price of existing shares at the time of issuance and any residual in the proceeds is allocated to warrants.

[g] Loss per share

Loss per share is calculated using the weighted average number of shares outstanding during the period. Diluted loss per share is calculated using the treasury stock method whereby all in-the-money options and warrants are assumed to have been exercised at the beginning of the period and the proceeds from the exercise are assumed to have been used to purchase common shares at the average market price during the period. In periods of loss basic and diluted loss per share are the same, as the effect of the exercise of outstanding options and warrants is anti-dilutive.

[h] Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held-for-trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held-for-trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of the Company's financial instruments under IFRS 9 *Financial Instruments*:

Financial Asset/Liabilities	Classification
Cash	FVTPL
Amounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of loss and comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in the statement of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statement of loss and comprehensive loss.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are recognized in profit or loss.

Accounting standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early-adopted. These standards are not expected to have a material impact on FendX in the current or future reporting periods.

RISK FACTORS

An investment in the Company is speculative and involves a high degree of risk. Current and prospective shareholders should specifically consider various factors, including the risk factors outlined below. The Directors consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Company's business.

Should one or more of these risk factors or uncertainties, including the risks listed below, or a risk that is not currently known to us materialize, or should assumptions underlying those forward-looking statements prove incorrect, the Company's business, financial condition, capital resources, results or future operations could be materially adversely affected.

Risks Related to Our Business and the Development of Our Product Candidates

Performance depends primarily on the success of product candidates, which is in early formulation/reformulation and have not yet been field tested or received regulatory approval in any country.

We currently have no products approved or ready for sale or marketing in any country, and may never be able to commercialize our proposed products or obtain regulatory approval for any of our product candidates, including REPELWRAP™, if required by any jurisdiction. Our product candidates are in the early stages of formulation and reformulation and have not yet been field tested. Completing field testing and receiving any required regulatory

approval for our product candidates will depend on many factors, including, but not limited to the following:

- Successfully completing stability and pathogen testing;
- Successfully scaling product candidates for high volume manufacturing;
- Preparing and submitting applications for approvals to appropriate regulatory authorities, if required; and
- Launching commercial sales, marketing and distribution operations.

Many of these factors are wholly or partially beyond our control, including the regulatory submission process and changes in the competitive landscape. Although the Company believes REPELWRAP™ would not require Health Canada or the Pest Control Board approvals for sales in Canada as it believes REPELWRAP™ will be considered a coating which would not require such approvals, there is no certainty that such approvals may not be required or that it will be successful in obtaining any required approvals or licenses in Canada or any other jurisdiction the Company that the Company intends to sell its products. If we do not achieve one or more of these factors in a timely manner, we could experience significant delays or an inability to commercialize our products.

The Company has a limited operating history and has not yet generated revenues. Availability of future financing is uncertain.

The Company has no history of earnings, has generated no revenues since commencing operations, and has no source of operating cash flow.

The Company will require significant additional capital to execute its business plan and fund its operations that will likely require the involvement of multiple capital sources and participants. Although the Company has been successful to date in financing its activities through the sale of equity securities, there can be no assurance that it will be able to obtain sufficient financing in the future to fund its operations and research and development objectives. The actual availability of financing, the involvement of any or all of the potential participant groups and their level of participation, and the details and terms of any eventual financing will be dependent on numerous conditions, including, but not limited to, general market conditions and other economic considerations at the time. While the Company anticipates that financing for development of its products can be arranged, such financing is highly dependent on factors outside of the Company's control and there can be no assurance that the Company will be successful in arranging financing at all, or if so, under acceptable terms and conditions. Even if the Company begins licensing or selling its products, there is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future. There can be no assurance that any future financing will be available on reasonable terms, if at all, and if available, may be dilutive to existing shareholders. Failure to obtain such additional financing could result in delay or indefinite postponement of further research and development activities with the possible loss of the Licensed Technology should the Company not be able to meet its commitments pursuant to the License Agreement or the CRA.

Negative Cash Flow

The Company had negative operating cash flow as at December 31, 2021 and December 31, 2020, and the Company will continue to have negative operating cash flow for the foreseeable future. No assurance can be given that the Company will ever attain positive cash flow or profitability or that additional funding will be available for operations.

No production history and no assurances of future profitability.

To date, the Company does not have a commercial product available for sale and has recorded no revenue from product sales and there is no assurance that it will generate revenue in the future. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's business operations are at an early stage of development and its success will be largely dependent upon the outcome of its ultimate strategy of successfully developing, marketing and generating sales of its products. The Company's operating expenses and capital expenditures may increase in subsequent years. The Company expects to continue to incur losses unless and until such time as it completes scale-up and commercialization of its products and enters into long term and large volume distribution and manufacturing agreements and generates sufficient revenues to fund its continuing operations.

The Company operates in a highly competitive industry.

The Company faces competition from a number of manufacturers and suppliers of different products to protect surfaces from pathogens. Significant product innovations, technical advances or competitive pricing could adversely affect the Company's operations and future revenues. We are currently developing products that will compete with other antimicrobial products that currently already exist or are being developed. Products we may develop in the future are also likely to face competition, some of which we may not currently be aware of. We have competitors in North America and internationally, including companies that are more established than FendX. Many of our competitors have significantly greater financial, manufacturing, marketing, development, technical and human resources than we do. Large companies, in particular, have extensive experience in product development and manufacturing, as well as obtaining regulatory approvals. These companies also have significantly greater research and marketing capabilities than we do and may also have products that have been approved or are in late stages of development. Established competitors may also invest heavily to accelerate development of novel products or to license novel products in the Company's target markets, which could make the product candidates that we develop obsolete. Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are more effective, affordable or convenient than products that we may develop. Our competitors may also obtain regulatory approvals for their products more rapidly, which could result in our competitors establishing a strong market position before we are able to enter the market.

Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing manufacturing, as well as in acquiring technologies or intellectual property complementary to, or necessary for, our product candidates. In addition, our industry is characterized by rapid technological change. If we fail to stay at the forefront of technological change, we may be unable to compete effectively. Technological advances or products developed by our competitors may render our technologies or product candidates obsolete, less competitive or not economical.

The ability of the Company to satisfy the terms of the License Agreement and the Collaborative Research Agreement and maintain the License in good standing.

The Company has been granted an exclusive license to the Licensed Technology pursuant to the License Agreement. The Company's rights and obligations are outlined in the License Agreement. The License Agreement requires the Company to complete certain milestones (the "License Agreement Milestones")). Failure to complete the License Agreement Milestones could allow the Licensor to terminate the License Agreement. The License Agreement may also be terminated by the Licensor if certain other conditions occur. Under the Collaborative Research Agreement, the Company is obligated to make certain payments to the Licensor, and the Collaborative Research Agreement could be terminated by the Licensor if the Company breaches this agreement. If the Company's relationship with the Licensor were to terminate, the Company would not be able to distribute and commercialize its products and might not be able to enter into another license agreement with an entity with similar technologies on acceptable terms or at all. As a result, the Company could experience delays in its ability to distribute and commercialize its products or a similar technology, all of which would have a material adverse effect on the Company's business, results of operations and financial condition.

The ability of the Licensor to satisfy the terms of the License Agreement and the Collaborative Research Agreements.

Pursuant to the License Agreement, the Licensor is, among other things, involved in the ongoing research and development activities being conducted on the Licensed Technology. Pursuant to the Collaborative Research Agreement, the Licensor has agreed to conduct research and development work on behalf of the Company on the Licensed Technology and provide the human resources, materials, facilities and equipment as needed to conduct the sponsored project work. The Company is reliant on McMaster to conduct research and development of the Licensed Technology to advance product candidates for manufacturing scale-up and ultimate commercialization. The Company will be at risk should McMaster not be able to discharge its obligations to conduct research and development funded by the Company.

McMaster, on behalf of the Company, is responsible to file provisional patent applications for new inventions arising from research and development work on the License Technology. In addition, under the direction of the Company, McMaster is responsible to file Patent Cooperation Treaty (PCT), as well as file and prosecute national patent applications. Should McMaster not file new provisional patents, PCT applications and/or file or prosecute national applications, this would materially adversely affect the Company's business, as its products may not have robust enough protection impacting commercialization, and overall operations.

McMaster may not be able to discharge its obligations pursuant to the License Agreement or the Collaborative Research Agreement and thereby the Company's development timeline, regulatory approval and commercialization prospects for its product candidates would be materially adversely affected which may have materially adverse impact on the Company's business.

The ability of the Company to complete scale-up and/or testing of an intermediate prototype of REPELWRAP™.

Given the early stage of development of REPELWRAP™, the Company can make no assurance that it can develop viable prototypes for commercial scale-up and/or meet certain product specifications including high repel rates of pathogens or demonstrate long-term durability and stability. Unsatisfactory results may cause the Company or its collaborators to abandon commitments to that program. The early stage of product development makes it particularly uncertain whether any of its product development efforts will prove to be successful. If the Company fails to develop viable prototypes for scale-up or they fail testing, the development timeline and commercialization prospects may be materially adversely affected which may have a material adverse impact on the Company's business.

Research and development activities may not be successful.

Given the early stage of product development, the Company can make no assurance that its research and development programs will result in commercially viable products or obtain regulatory approval, as needed. To achieve profitable operations, the Company, alone or with others, must successfully develop and market its future products, and obtain regulatory approval, as needed. To achieve commercial success, sufficient testing must demonstrate that the product candidates demonstrate efficacy and that products can be successfully scaled up for production, in addition to other factors. Unsatisfactory results obtained from testing relating to a research and development program may cause the Company or its collaborators to abandon commitments to that program. The early stage of product development makes it particularly uncertain whether any of its product development efforts will prove to be successful and meet any applicable regulatory requirements, and whether any of its products will receive any requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. If the Company fails to produce positive results in its future testing of its products or fails to produce test results that demonstrate similar efficacy as any initial testing by McMaster, the development timeline and regulatory approval, if required and commercialization prospects for its products, would be materially adversely affected which may have a material adverse impact on the Company's business.

Grant funding obligations and no assurance for future grant funding.

Although the Licensed Technology has been funded partially by grant funding in the past, there is no assurance that the Company, as sponsor, McMaster or the Lead Researchers will be successful in securing additional grants to assist with funding the Company's current and future R&D work plans. In addition, the NSERC Grant awarded May 9, 2022 requires the Company to fulfil certain cash and work commitments together with other third party partners. The Company's ability to fulfil its obligations pursuant to the NSERC Grant depends upon the Company's financial condition, operating performance and expected future revenues, will be subject to prevailing economic conditions, competitive conditions, and financial, business, legislative, regulatory and other factors affecting its operations, many of which are beyond the Company's control.

The Company cannot provide assurance that it will, nor its third-party partners will be able to service their obligations pursuant to the NSERC Grant. Failure to meet the terms of the NSERC Grant may also limit the Company's ability to obtain future grants which may have a material and adverse effect on the Company's operations.

Our revenues will be highly dependent on a limited number of products.

The Company will initially generate revenues from a limited number of products that it intends to commercialize. The loss of a single source of revenue for any reason could have a material adverse effect on our business, financial

condition and results of operations. In addition, each of these products may face competition and the ability to grow the market and our market share may be limited.

The Company is dependent on current and future collaborative partners, manufacturers, distributors, licensors and others.

The Company has no history of manufacturing, distribution or sales. The Company's success will be dependent upon its ability to enter into distribution and manufacturing agreements with third parties. The Company does not intend to manufacture or sell its products directly but will rely on third party distributors and manufacturers to sell and manufacture its products. To-date, the Company has not entered into any formal distribution or manufacturing agreements.

The Company may be unable to enter into agreements with third parties to market and sell REPELWRAP™, upon successful scaleup and testing, for commercialization within and outside of Canada. The Company is seeking to engage third-party distribution partners to sell REPELWRAP™. If the Company is successful in entering into a commercialization agreement for sales within and outside of Canada, the Company may have limited or no control over sales, marketing and distribution activities of these third parties. The Company's future revenues may depend on the success of the efforts of these third parties. To the extent that the Company relies on, or partners with, third parties to launch, manufacture and commercialize REPELWRAP™ if approved, or any other product for which the Company develops in the future, the Company may receive less revenue than if the Company manufactured or sold these products itself. In the event that the Company is unable to partner with a third-party marketing and sales organization, the Company's ability to generate product revenues may be limited, if any. A variety of risks associated with potential international business relationships could materially adversely affect the Company's business. The Company may enter into agreements with third parties for the development and commercialization of future products in international markets. If the Company does so, the Company would be subject to additional risks related to entering into international business relationships.

Any collaboration arrangements that the Company may enter into in the future may not be successful, which could adversely affect the Company's ability to develop and commercialize the Company's products. The Company may seek partnerships, collaborations and other strategic transactions to maximize the commercial potential its products and the Company's proprietary technologies in Canada, the U.S. and other territories throughout the world. The Company may enter into such arrangements on a selective basis depending on the merits of retaining commercialization rights for itself as compared to entering into selective collaboration arrangements with leading distribution companies for each of the Company's products, both in Canada and internationally. The Company faces competition in seeking appropriate collaborators. Moreover, collaboration arrangements are complex and time consuming to negotiate, document and implement. The Company may not be successful in its efforts to establish and implement collaborations or other alternative arrangements should the Company choose to enter into such arrangements. The terms of any collaborations or other arrangements that the Company may establish may not be favourable to the Company. Any future collaborations that the Company enters into may not be successful. The success of the Company's collaboration arrangements will depend heavily on the efforts and activities of the Company's collaborators. Collaborators generally have significant discretion in determining the efforts and resources that they will apply to these collaborations. Disagreements between parties to a collaboration arrangement regarding sales and commercialization matters could lead to delays in the commercialization of the Company's products and, in some cases, termination of the collaboration arrangement. These disagreements can be difficult to resolve if neither of the parties has final decision-making authority. Collaborations with third parties often are terminated or allowed to expire by the other party. Any such termination or expiration could adversely affect the Company financially and could harm the Company's business reputation.

The Company does not own or operate, and has no plans to establish, any manufacturing facilities for the Company's products. The Company will rely on key strategic collaborators and manufacturers to develop and test its prototypes as well as manufacture commercial supplies of finished goods, once its product is fully developed.

The Company plans to negotiate one or more manufacturing agreements with third parties to produce REPELWRAP™ samples, prototypes and ultimately, end products on behalf of the Company for the Canadian and international markets. The facilities used by any third-party manufacturer must be approved by the relevant regulatory body. The Company does not control the manufacturing process of, and is completely dependent on, the Company's contract

manufacturing partners for compliance with the regulatory requirements, for manufacture of the Company's prototypes and products, if and when finalized. If contract manufacturers that the Company may use cannot successfully manufacture material that conforms to the Company's specifications and any regulatory requirements that may be required, the Company could face material adverse impacts on its operations and cash flow. In addition, the Company has no control over the ability of the Company's contract manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If any regulatory authority does not approve these facilities for the manufacture of the Company's products or product candidates or if it withdraws any such approval in the future, the Company may need to find alternative manufacturing facilities, which would significantly impact the Company's ability to develop, obtain regulatory approval for or market the Company's products or product candidates, if approved. Moreover, if the Company's contract manufacturer cannot successfully manufacture materials that conform to the Company's specifications and any regulatory requirements the Company may be subject to, recalls, product seizures, fines, refusal to permit import or export of the product and injunction against manufacture or distribution or regulatory enforcement action. The machinery to produce the commercial supply of our commercial products and product candidates must be qualified and validated, which is time consuming and expensive, and this machinery is located within one manufacturing site and is customized to the particular manufacturing specifications of each product or product candidate. If any manufacturer is unable to qualify and validate this equipment in a timely manner, the Company's ability to supply or launch and commercialize, as applicable, any of its products, will be compromised. If this customized equipment malfunctions at any time during the production process, the time it may take the manufacturer to secure replacement parts, to undertake repairs and to revalidate the equipment and process could limit The Company's ability to meet the commercial demand for its products. This may increase the risk that the third party manufacturer may not manufacture the product or product candidate in accordance with the applicable regulatory requirements, that the Company may not have sufficient quantities of that product or that the Company may not have such quantities at an acceptable cost, any of which could delay, prevent, or impair the sale or commercialization of any of our commercial products or product candidates, if approved, and the development of the Company's other product candidates. Reliance on a third-party manufacturer subjects the Company to risks that would not affect the Company if the Company manufactured the commercial product or product candidates itself, including:

- reliance on the third party for regulatory compliance and quality assurance;
- reduced control over the manufacturing process for the Company's products and product candidates;
- the possible breach of the manufacturing agreements by the third party because of factors beyond the Company's control;
- the possibility of termination or nonrenewal of the agreements by the third party because of the Company's breach of the manufacturing agreement or based on their own business priorities;
- the disruption and costs associated with changing suppliers; and
- potential theft of know-how and trade secrets.

The Company's commercial products and product candidates may compete with other products and product candidates for access to manufacturing resources and facilities. There may be a limited number of manufacturers that are both capable of manufacturing for the Company and willing to do so. If the third parties that the Company may engage in the future to manufacture a product for commercial sale should cease to continue to manufacture the Company's products for any reason, the Company likely would experience delays in obtaining sufficient quantities of its products to meet commercial demand or to advance the Company's scale-up and commercialization efforts while the Company identifies and qualifies replacement suppliers. If for any reason the Company is unable to obtain adequate supplies of the Company's products or the substances used to manufacture them, it will be more difficult for the Company to develop its products and compete effectively.

The Company faces legal and regulatory requirements that may change or restrict the Company's ability to develop, manufacture and supply products.

The Company's future operations, including development, and commencement and continuation of commercial production, may require licenses, permits or other approvals from various federal, provincial, local and potentially foreign governmental authorities, and such operations are or will be governed by laws and regulations relating to production, exports, taxes, labor standards, occupational health and safety, the environment and other matters, Furthermore, in certain foreign jurisdictions, these regulatory requirements may be more stringent than those in Canada. Although the Company believes REPELWRAP™ would not require Health Canada Therapeutic Products Directorate ("TPD"), Pest Management Regulatory Agency ("PMRA") or Consumer and Hazardous Products Safety

Directorate ("CHPSD") approvals for sales in Canada as it believes REPELWRAP™ will be considered a coating which would not require such approvals, there is no certainty that such approvals may not be required or that it will be successful in obtaining any required approvals or licenses in Canada or any other jurisdiction the Company that the Company intends to sell its products. Should the Company be successful in developing an enhanced repel and kill version of REPELWRAP™, a catheter coating or other new products or enhancements which require approval, the Company will be required to obtain all necessary approvals.

To be able to provide the Company's products in other countries, the Company may need to obtain regulatory approvals and comply with the regulations of those countries which may differ substantially from those of Canada. These regulations, including any requirements for approvals and the time required for regulatory review, vary from country to country. Obtaining and maintaining foreign regulatory approvals is complex, and the Company cannot be certain that it will receive regulatory approvals in any foreign country in which the Company plans to market the Company's products, or to obtain such approvals on a favorable schedule. If the Company fails to obtain or maintain regulatory approval in any foreign country in which the Company plans to market the Company's products, the Company's ability to generate revenue will be harmed.

Achievement of our business objectives is subject to compliance with regulatory requirements enacted by governmental authorities. We may incur costs and obligations related to regulatory compliance. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, thereunder, including orders issued by regulatory or judicial authorities causing the development and manufacture of products to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. We may be required to compensate those suffering loss or damage by reason of our operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Health Canada also regulates certain markets into which the Company intends to supply products or license its intellectual property. Although the Company believes its products will not require Health Canada, PMRA or CHPSD approval, there is no assurance that Health Canada or any other body will require the Company to obtain any license for sales into markets it regulates. Each foreign jurisdiction for the Company's products may also be regulated and there is no assurance that sales of products will be permitted without receipt of regulatory approvals or licenses. Any inability by the Company to obtain approval from Health Canada and/or international bodies could have a material adverse impact of the business of the Company.

Changes in environmental regulation, if any, may adversely impact the Company's operations and future potential profitability. The trend in most countries in environmental legislation and regulation generally is toward stricter standards.

The Company may also be subject to consumer protection laws that may impact its sales and marketing efforts. These laws, as well as any changes in these laws, could make it more difficult for the Company to sell and market its products. These laws and regulations may be subject to change over time and thus the Company must continue to monitor and dedicate resources to ensure continued compliance. Non-compliance with applicable regulations or requirements could subject the Company to investigations, sanctions, enforcement actions, disgorgement of profits, fines, damages, civil and criminal penalties, or injunctions. If any governmental sanctions are imposed, or if the Company does not prevail in any possible civil or criminal litigation, its business, operating results, and financial condition could be materially adversely affected. Additionally, in order for the Company to carry out its activities, any required licences and permits must be obtained and kept current. There can be no assurance, however, that the Company will obtain on reasonable terms or at all the permits and approvals, and the renewals thereof, which it may require for the conduct of its future operations or that compliance with applicable laws, regulations, permits and approvals will not have an adverse effect on the Company's business plans. Possible future legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delay on the Company's planned research and development and operations, the extent of which cannot be predicted. Failure to comply with applicable laws, regulations and other requirements may have an adverse material impact on the Company and its operations.

No guarantee of success. Even if we commercialize any of our product candidates, our success is dependent upon each product's acceptance in the market.

The Company's product candidate REPELWRAP™ (repel film) is in the formulation stage and is not yet

commercially viable. There is no guarantee that the Company's efforts to commercialize REPELWRAP™ will be successful and that it will achieve revenues. There is no assurance that broad successful commercial applications may be feasible for the Company. The Company is continuing to explore, develop, and test its current product candidates, and there can be no assurance that new products will be fully developed for commercial application, that scale-up and commercialization test results will be successful, if completed at all, that any necessary permits or approvals required in order to market such products will be obtained by the Company. The commercial success of our product candidates will depend upon their acceptance by the market and by various sectors, such as the healthcare industry or high-touch point retail venues. The degree of market acceptance will depend on a number of factors, including:

- demonstrated and perceived effectiveness compared to other products;
- limitations and drawbacks compared to other products;
- sales, marketing and distribution support;
- timing of market introduction;
- the degree of cost-effectiveness of our product candidates;
- competitive products;
- adverse publicity of our product candidates or favorable publicity about competitive products;
- convenience and ease of administration of our products; and
- potential product liability claims.

If the market opportunities for any product that we develop are smaller than we believe they are, our revenue may be adversely affected and our business may suffer.

Our projections of the markets in which we anticipate to operate in, are based on estimates. If our projections are inaccurate, the market opportunities for any of our product candidates could be significantly diminished and have an adverse material impact on our business.

Global economic instability may affect the Company's ability to execute its business plan.

Many industries, including out industry, are affected by global market conditions, and negative trends in global economic conditions, including but not limited to interest rates, consumer spending, employment rates, business conditions, inflation, energy costs, debt levels and credit availability. Changes in these conditions may adversely affect the Company's ability to obtain loans and other credit facilities, which could affect the Company's ability to develop and market its products and affect the trading price of the Company's shares in an adverse manner.

We may face product liability claims and lawsuits that could adversely impact our business.

If product liability lawsuits are brought against the Company, the Company may incur substantial liabilities and may be required to limit commercialization of any of its development programs, if approved.

The Company faces a potential risk of product liability if the Company commercializes its products. For example, the Company may be sued if any product candidate the Company develops allegedly causes injury or is found to be otherwise unsuitable during product testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability and a breach of warranties. Claims could also be asserted under state consumer protection acts. If the Company cannot successfully defend itself against product liability claims, the Company may incur substantial liabilities or be required to limit commercialization of the product candidate subject to such claims. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for any products that the Company may develop;
- injury to the Company's reputation;
- costs to defend any related litigation;
- a diversion of management's time and the Company's resources;
- substantial monetary awards to any trial participants or customers;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;

- loss of revenue;
- the inability to commercialize any of the Company's products, subject to any approvals;
- a decline in s stock price; and
- exposure to adverse publicity.

The Company's inability to obtain and retain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of product candidates the Company develops. The Company does not currently maintain product liability insurance given its current level of product development. Although the Company does maintain other forms of insurance, any claim that may be brought against the Company could result in a court judgment or settlement in an amount that is not covered, in whole or in part, by the Company's insurance or that is in excess of the limits of the Company's insurance coverage. The Company's insurance policies also have various exclusions, and the Company may be subject to a product liability claim for which the Company has no coverage. The Company may have to pay any amounts awarded by a court or negotiated in a settlement that exceed the Company's coverage limitations or that are not covered by the Company's insurance, and the Company may not have, or be able to obtain, sufficient capital to pay such amounts.

Risks Related to Management and Personnel

We rely on our management and need additional key personnel to grow our business, and the loss of key employees or inability to hire key personnel could harm our business.

We believe our success has depended, and continues to depend, on the efforts and talents of our executives and employees. Our future success depends on our continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand, and we may incur significant costs to attract and retain them. The Company's senior management team has expertise in many different aspects of development, licensing, and commercialization. Competition for skilled personnel in the Company's market is intense and competition for experienced personnel may limit the Company's ability to hire and retain highly qualified personnel on acceptable terms. Despite the Company's efforts to retain valuable executives and consultants, members of the Company's management and scientific team may terminate their employment or consulting arrangements with the Company on short notice. In addition, the loss of any of our senior management or key employees could materially adversely affect our ability to execute our business plan and strategy, and we may not be able to find adequate replacements on a timely basis, or at all. We do not maintain key person life insurance policies on any of our employees.

In addition, we are subject to a variety of business risks generally associated with growing companies, including capacity constraints and pressure on our internal systems and controls. Our ability to manage growth effectively will require us to continue to implement and improve our operational and financial systems and to expand, train and manage our employee base. Future growth and expansion could place significant strain on our management personnel and likely will require us to recruit additional management personnel.

There can be no assurance that we will be able to manage our expanding operations (including any acquisitions) effectively, that we will be able to sustain or accelerate our growth or that such growth, if achieved, will result in profitable operations, that we will be able to attract and retain sufficient management personnel necessary for continued growth, or that we will be able to successfully make strategic investments or acquisitions.

We may become subject to liability arising from any fraudulent or illegal activity by our employees, contractors and consultants.

We are exposed to the risk that our employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to us that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and provincial healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for us to identify and deter misconduct by our employees and other third parties, and the precautions taken by us to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such

actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could result in the imposition of civil, criminal and administrative penalties, damages, monetary fines or contractual damages on us, reputational harm, diminished profits and future earnings, and curtailment of our operations.

Our success is tied to management's efforts and abilities.

The success of the operations and activities of the Company is dependent to a significant extent on the efforts and abilities of our management team and other key personnel, including the Lead Researchers. Investors must be willing to rely to a significant extent on the discretion and judgment of the Company's management team.

There may be conflicts of interest.

The Company's directors and officers may serve as directors or officers of other similar companies or have significant shareholdings in other similar companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms in accordance with the BCBCA. In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Risks Related to Intellectual Property

We rely on intellectual property and may not be able to protect intellectual property rights throughout the world.

Our success is heavily dependent upon intangible property and technology that we own and/or license from others, including pursuant to the License Agreement. We rely upon copyrights, patents, trade secrets, unpatented proprietary know-how and continuing innovation to protect the intangible property, technology and information we consider important to the development and success of our business. We utilize various methods to protect our proprietary rights, including confidentiality agreements with consultants, service providers and management that contain terms and conditions prohibiting unauthorized use and disclosure of confidential information. However, despite efforts to protect intangible property rights, unauthorized parties may attempt to copy or replicate intangible property, technology or processes. Further, identifying the unauthorized use of intellectual property rights is difficult as we may be unable to effectively monitor and evaluate the products being distributed by our competitors. There can be no assurance that the steps taken by us to protect intangible property, technology and information will be adequate to prevent misappropriation or independent third-party development of our intangible property, technology or processes. Other companies may also be able to materially duplicate our proprietary technology. To the extent that any of the above would occur, this could reduce any competitive advantage the Company may have, reduce our market share otherwise harm our business and revenue could be negatively affected, and in the future, we may have to litigate to enforce our intangible property rights, which could result in substantial costs and divert management's attention and other resources.

Further, we may be unable to obtain registrations for our intellectual property rights for various reasons, including refusal by regulatory authorities to register trademarks or other intellectual property protections, prior registrations of which we are not aware, or we may encounter claims from prior users of similar intellectual property in areas where we operate or intend to conduct operations. In addition, effective patent, trade secret and other intellectual property protection may be unavailable or limited in some foreign countries. In some countries, the Company may not apply for patent or other intellectual property protection. The Company also relies on unpatented technological innovation and other trade secrets to develop and maintain its competitive position. Although the Company generally enters into confidentiality agreements with its employees and third parties to protect its intellectual property, these confidentiality agreements are limited in duration, could be breached and may not provide meaningful protection of its trade secrets. Adequate remedies may not be available if there is an unauthorized use or disclosure of the Company's trade secrets and manufacturing expertise. In addition, others may obtain knowledge about the Company's trade secrets through independent development or by legal means. The failure to protect the Company's processes, technology, trade secrets and proprietary manufacturing expertise, methods and compounds could have a material adverse effect on its business by jeopardizing critical intellectual property.

Where a product formulation or process is kept as a trade secret, third parties may independently develop or invent and patent products or processes identical to such trade secret products or processes. This could have a material adverse effect on the Company's ability to make and sell products or use such processes and could potentially result in costly litigation in which the Company might not prevail. The Company could face intellectual property infringement claims that could result in significant legal costs and damages and impede its ability to produce key products, which could have a material adverse effect on its business, financial condition, and results of operations.

In addition, we cannot be certain that issued patents will be enforceable or provide adequate protection or that pending or contemplated patent applications will result in issued patents. Competitors may independently develop similar products, duplicate our products, design around our patent rights, or obtain patents and proprietary rights that block or compete with our products.

Policing the unauthorized use of our current or future intellectual property rights could be difficult, expensive, time-consuming and unpredictable, as may be enforcing these rights against unauthorized use by others. Actions taken to protect or preserve intellectual property rights may require significant financial and other resources, and filing, prosecuting, and defending patents on all of our product candidates in all jurisdictions throughout the world would be prohibitively expensive. Therefore, we have filed applications and/or obtained patents only in key markets, such as the United States. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and their products may compete with ours.

In addition, if competitors infringe on our intellectual property, we may have to participate in litigation, interference or other proceedings that are expensive and divert management's attention to determine the right to a patent or other intellectual property or the validity of any patent granted. In any infringement proceeding, some or all of our current or future trademarks, patents or other intellectual property rights or other proprietary know-how, or arrangements or agreements seeking to protect the same for our benefit, may be found invalid, unenforceable, anti-competitive or not infringed. An adverse result in any litigation or defence proceedings could put one or more of our current or future trademarks, patents or other intellectual property rights at risk of being invalidated or interpreted narrowly and could put existing intellectual property applications at risk of not being issued.

The Company's performance and ability to compete are dependent to a significant degree on the proprietary technology licensed to it under the License Agreement. The Company relies on the patents and a combination of copyright and trade secret laws, as well as confidentiality agreements and technical measures, to establish and protect the proprietary rights of the Inventions. As part of its confidentiality procedures, the Company generally enters into agreements with its employees and consultants and limits access to and distribution of its documentation and other proprietary information. Accordingly, while the Company will endeavor to protect the intellectual property licensed to it under the License Agreement, there can be no assurance that the steps taken by the Company will prevent misappropriation of that technology or that agreements entered into for that purpose will be enforceable. The laws of other countries may afford the Company little or no effective protection of its intellectual property or the intellectual property of the Licensor.

The Company may not successfully secure patents relating to the Licensed Patent Rights.

Pursuant to the License Agreement, the Company has agreed to fund the Licensor's applications for patents under the Licensed Patent Rights. There can be no assurance that our pending patent applications or any future patent applications will result in issued patents in Canada, the U.S. or foreign jurisdictions in which such applications are pending. Even if patents do issue on any of these applications, there can be no assurance that a third party will not challenge their validity or enforceability, or that the Company will obtain sufficient claim scope or term in those patents to prevent a third party from competing successfully with the Company's product candidates. As a result, the Company could experience delays in its ability to distribute and commercialize REPELWRAP™, all of which would have a material adverse effect on the Company's business, results of operations and financial condition.

There are risks of infringement on third parties' intellectual property.

Although the Company does not believe that its proposed products infringe on the proprietary rights of any third parties, there can be no assurance that infringement or invalidity claims (or claims for indemnification resulting from infringement claims) will not be asserted or prosecuted against the Company or the Licensor or that any such assertions

or prosecutions will not materially adversely affect the Company's business, financial condition, or results of operations. Regardless of the validity or the successful assertion of such claims, the Company could incur significant costs and diversion of resources with respect to the defense thereof, which could have a material adverse effect on the Company's business, financial condition, or results of operations.

Risks Related to Ownership of Our Common Shares

Until the Common Shares are listed on a stock exchange, holders of the Common Shares may not be able to sell their Common Shares. Even if a listing is obtained, there can be no assurance that an active public market for the Common Shares will develop or be sustained. The holding of Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Common Shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

The market price of our Common Shares may be volatile, which could result in substantial losses for investors purchasing Common Shares.

The price of the Common Shares will fluctuate with market conditions and other factors. If a holder of Common Shares sells its Common Shares, the price received may be more or less than the original investment. Some of the factors that may cause the market price of our Common Shares to fluctuate include:

- actual or anticipated fluctuations in our quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which we operate;
- addition or departure of our executive officers and other key personnel;
- sales or perceived sales of additional Common Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors; and
- operating and share price performance of other companies that investors deem comparable to the Company or from a lack of market comparable companies.

There are risks associated with the potential dilution of our Common Shares.

We may raise additional funds in the future by issuing equity securities. Such equity securities could contain rights and preferences superior to those of the Common Shares and holders of Common Shares will have no pre-emptive rights in connection with such further issues. The Board of Directors has the discretion to determine if an issuance of equity securities is warranted, the price at which such issuance is effected and the other terms of issue of any equity securities, including Common Shares or equity securities convertible into Common Shares. In addition, additional Common Shares may be issued by us in connection with the exercise of options granted. To the extent holders of our options or other convertible securities convert or exercise their securities and sell the Common Shares they receive, the trading price of the Common Shares may decrease due to the additional number of Common Shares available in the market. Such additional equity issuances could, depending on the price at which such securities are issued, substantially dilute the interests of the holders of Common Shares. In addition, we cannot predict the size of future issuances of our equity securities, including Common Shares, or the effect, if any, that future issuances and sales of our equity securities, including Common Shares will have on the market price of our Common Shares. Sales of substantial amounts of our Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices for our Common Shares.

No Market for Securities.

There is currently no market through which any of the Common Shares, may be sold and there is no assurance that such securities of the Company will be listed for trading on a stock exchange, or if listed, will provide a liquid market for such securities. This may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Common Shares and the extent of issuer regulation. We cannot predict the prices at which the Common Shares will trade. If an active and liquid trading market for the Common Shares does not develop or is not maintained, investors may have difficulty selling their Common Shares. There can be no

assurance that there will be sufficient liquidity of the Common Shares on the trading market, or that we will continue to meet the listing requirements of the CSE or any other public listing exchange on which the Common Shares may subsequently be listed.

If securities or industry analysts do not publish research or publish inaccurate or unfavourable research about us or our business, our trading price and volume could decline.

The trading market for our Common Shares will depend, in part, on the research and reports that securities or industry analysts publish about us or our business. We do not currently have and may never obtain research coverage by securities and industry analysts. If no securities or industry analysts commence covering us, the trading price for our Common Shares could be negatively impacted. If we obtain securities or industry analyst coverage and one or more of the analysts who cover us downgrade our Common Shares or publish inaccurate or unfavourable research about our business, or more favourable relative recommendations about our competitors, our trading price may decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our Common Shares could decrease, which could cause our trading price and volume to decline.

We may not be able or willing to pay any dividends.

No dividends on the Common Shares have been paid to date and there is no assurance as to whether we will be profitable enough to pay dividends, or determine to do so even if sufficiently profitable. We anticipate that, for the foreseeable future, we will retain future earnings and other cash resources for the operation and development of our business. Payment of any future dividends will be at the discretion of the Board of Directors after considering many factors, including our earnings, operating results, financial condition, current and anticipated cash needs, and restrictions in financing agreements. Our ability to pay dividends is subject to our future financial position. Our Board must also approve any dividends at their sole discretion. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

Other Risks

The COVID-19 Public Health Crisis or another global health crisis could materially affect the Company's business, operations and financial condition.

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, on March 11, 2020, the World Health Organization declared the outbreak a global pandemic.

To date, there have been a large number of temporary business closures, quarantines and various reductions (and surges) in consumer activity worldwide, including in Canada. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While to date these effects have been temporary and sporadic, the duration of any future disruptions to businesses locally and internationally and the related financial impact may affect the Company's business, financial condition and results of operations.

Such public health crises can result in volatility and disruptions in global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations affected by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest.

To date the Company's business operations have not been substantially affected by the COVID-19 pandemic (save for requiring some company staff to work remotely). However, as discussed, as the COVID-19 pandemic continues, there is a risk that the effects of the COVID-19 pandemic, including governmental restrictions and vaccination requirements, market disruptions or volatility, or changed in economic conditions will materially affect the Company's business in the future. A future wave of COVID-19 in North America or a new global health pandemic may result in further disruptions due to: (i) restrictions that governments and communities impose to address the COVID-19 global

pandemic or a new global health pandemic; (ii) restrictions that the Company or any manufacturing and distributor partners impose to ensure the safety of employees and others; (iii) shortages of employees and/or unavailability of manufacturing and distributor partners; (iv) interruption of supplies from third-parties upon which the Company relies and/or (v) vaccination requirements.

There are risks related to the use of available funds.

The Company has prepared a detailed budget setting out the way it intends to use the available funds. However, the Company's management will have broad discretion concerning the use of the funds as well as the timing of their expenditures, and there can be no assurance as to how the funds will be allocated. However, the quantum and timing of expenditure will necessarily be dependent upon the Company's ultimate strategy of successfully developing and marketing REPELWRAP™. As the Company continues to develop REPELWRAP™, it is possible that circumstances may dictate a departure from the pre-existing budget. Further, the Company may, from time to time as opportunities arise, utilize part of its financial resources (including the funds raised) to participate in additional opportunities that arise and fit within the Company's broader objectives, as a means of advancing shareholder value. Until utilized, the funds will be held in cash balances in the Company's bank account or invested at the discretion of the directors and/or senior management of the Company. As a result, a purchaser will be relying on the judgment of management of the Company for the application of the available funds. The results and the effectiveness of the application of the funds are uncertain. If the available funds are not applied effectively, the Company's business, prospects, financial condition and results of operations may suffer, which could have material and adverse effect on the trading price of the Common Shares in the market.

The Company is subject to the effects of general economic and political conditions.

The business of the Company is subject to the impact of changes in Canadian, U.S. and international economic conditions, including but not limited to, recessionary or inflationary trends, equity market conditions, interest rates, consumers' disposable income and spending levels, job security and unemployment, and overall consumer confidence. These economic conditions may be further affected by political events throughout the world that cause disruptions in the financial markets, either directly or indirectly. Adverse economic and political developments could have a material adverse effect on the Company and its business, financial condition, results of operations and cash flows.

General

Although management believes that the above risks fairly and comprehensibly illustrate all material risks facing the Company, the risks noted above do not necessarily comprise all those potentially faced by the Company as it is impossible to foresee all possible risks.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the nine months ended September 30, 2022
As of January 31, 2023

This management discussion and analysis ("MD&A") of Fendx Technologies Inc. (the "Company" or "FendX") is for the nine months ended September 30, 2022. We have prepared this MD&A with reference to National Instrument 51-102 – Continuous Disclosure Obligations of the Canadian Securities Administrators. This MD&A should be read in conjunction with the Company's unaudited condensed interim financial statements for the nine month period ended September 30, 2022, and the related notes thereto ("Financial Statements"). The Company's Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain "forward looking information" within the meaning of applicable securities laws in Canada. Forward looking information may relate to our future financial 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" or "does not expect", "is expected", "an opportunity exists", "budget", "scheduled", "estimates", "outlook", "forecasts", "projection", "prospects", "strategy", "intends", "anticipates", "does not anticipate", "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will", "will be taken", "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 statements in this MD&A include but are not limited to statements relating to:

- our expectations regarding industry trends, overall market growth rates and our growth rates and growth strategies;
- our ability to obtain funding for our operations;
- the use of available funds;
- the performance of the Company's business and operations;
- our expectations regarding revenues, expenses and anticipated cash needs;
- the intention to grow our business and operations;
- the expected timing and completion of our near-term objectives;
- laws and regulations and any amendments thereto applicable to us;
- our competitive advantages and business strategies;
- our future product offerings;
- our research and development initiatives and expected results thereof;
- our ability to enter into distribution, manufacturing and other business relationships;
- our plans with respect to the payment of dividends; and
- the market price for the common shares.

The forward-looking information in this MD&A is 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.

In providing forward-looking information, we have made certain assumptions in respect of our ability to build our market share; the performance of the Company's business and operations; our ability to retain key personnel; our ability to maintain and expand geographic scope; our ability to execute on our expansion plans; our ability to continue investing in our product candidates to support our growth; our ability to obtain and maintain existing financing on acceptable terms; currency exchange and interest rates; the impact of competition; the changes and trends in our industry or the global economy; the size of the target markets for our product candidates; our ability to maintain, expand and protect our intellectual property; and the changes in laws, rules, regulations, and global standards.

The forward-looking information in this MD&A is subject to known and unknown risks and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied, including but not limited to the risks described below and the additional risks factors described under the heading "Risk Factors".

In evaluating forward-looking statements, current and prospective shareholders should specifically consider various factors, including the risks outlined below under the headings "Financial Instruments and Risk Management" and "Risk Factors".

The forward-looking statements contained in this MD&A reflect our views and assumptions only as of the date of this MD&A. The Company undertakes no obligation to update or revise any forward-looking statements after the date on which the statement is made, except as required by applicable laws, including the securities laws of Canada.

Actual results could differ materially from those anticipated in forward-looking statements stated within the MD&A.

OVERVIEW

The Company was incorporated under the Business Corporations Act (British Columbia) on July 28, 2020 under the name "1259192 B.C. LTD". It changed its name to "FendX Technologies Inc." on September 18, 2020. The Company does not have any subsidiaries.

FendX is an early-stage technology company focused on developing surface protection coating products that protect surfaces from pathogen contamination. The Company is currently developing its anticipated first product, REPELWRAP™ to protect high-contact surfaces from contamination to reduce the transmission of harmful pathogens. The Company's business strategy is to complete additional research and development work on its technology which it anticipates will lead to the commercial development of REPELWRAP™ and follow-on products that are enhancements to REPELWRAP™.

To-date, the technology has been shown to effectively repel certain pathogens that come into contact with its surface. Although this technology is still in the development stage, the Company believes this technology will be important to control the spread of pathogens on surfaces that are prone to contamination. This technology works by combining hierarchical wrinkled molecular structure with chemical functionalization to reduce pathogen adhesion and biofilm formation. It is flexible and can be applied to most surface shapes.

The Company's future performance depends on, among other things to: (i) fund the Company's research and development requirements pursuant to the CRA (as defined below); (ii) complete the development, scale-up and testing of REPELWRAP™; and (iii) enter into formal engagements with distribution and manufacturing partners.

NATURE OF OPERATIONS

The Company is focused on the development and commercialization of a surface protection coating technology licensed from McMaster University, Hamilton, Ontario, Canada ("McMaster"). The Company entered into a License

Agreement (as defined herein) with McMaster dated February 5, 2021, as amended July 14, 2021 and July 15, 2022, which provides the Company with an exclusive world-wide license to several patent applications and certain technology to develop and commercialize surface coating films (the "Licensed Technology"). The Company is conducting research and development activities using the Licensed Technology in collaboration with McMaster and Drs. Leyla Soleymani and Tohid Didar (the "Lead Researchers") pursuant to a research and development collaboration agreement (the "Collaborative Research Agreement" or "CRA") with McMaster with an effective date of August 1, 2021. The Company has engaged third parties to assist with prototype development and testing in order to assess the scalability of products being developed through the CRA.

McMaster created a surface coating film prototype using the Licensed Technology which has been shown to effectively repel certain pathogens that come into contact with its surface. Although this film is still in the development stage, the Company believes this film will be important to control the spread of pathogens on surfaces that are prone to contamination. This technology works by combining hierarchical wrinkled molecular structure with chemical functionalization to reduce pathogen adhesion and biofilm formation. It is flexible and can be applied to most surface shapes.

The Company believes this surface coating film is unique and differentiated from current protective coatings in the marketplace. McMaster's research and development efforts and results, as published in several journals to-date, have shown the original prototype to be effective in repelling and preventing biofilm formation of World Health Organization-designated priority pathogens such as Gram-positive methicillin-resistant Staphylococcus aureus, and Gram-negative Pseudomonas and Enterococci strains, as well as being effective in repelling SARS-CoV-2 related viruses.

The Company has been collaborating with consultants to assist in optimizing the scalability of the original lab prototype with McMaster. Scalability assessment by the Company and its consultants led to a recommendation to reformulate the original lab prototype to streamline the scale-up process. As a result, McMaster has developed a reformulated lab prototype that is showing similar repelling properties to the original lab prototype based on laboratory testing at McMaster. The Company is now focused on assessment of the scalability of this reformulated film with McMaster, referred to herein as the reformulated lab prototype. The Company intends to work with a third-party manufacturer (yet to be engaged) to commence the intermediate scaling up of the reformulated lab prototype, once the reformulated lab prototype is completed by McMaster. If intermediate scale-up can be demonstrated, the Company intends to move to the commercial scale-up phase with this third-party manufacturer to create a commercial product, which would be tested to ensure it meets the repelling, durability, and stability specifications. If successful, the Company intends to commercialize this product using manufacturing and distributor partnerships still to be entered into.

The Company plans to name its first product REPELWRAP™ and believes the REPELWRAP™ film will be the first product introduced to the Canadian market that repels pathogens. This differs from other currently available surface coating films which have antimicrobial properties (kill pathogens) on their surface that kills bacteria and viruses when they come in contact with the surface of these films. The Company has not generated any revenues to-date from any product sales as its products are in the development stage and has not entered into any distribution or manufacturing agreements.

Once fully developed, the Company intends to initially target REPELWRAP™ towards healthcare settings (i.e., hospitals, long-term care, senior's residences, clinics) and high traffic public touchpoints (i.e., transportation, hospitality, stadiums/arenas/malls, restaurants, schools, business offices) prone to high levels of surface contamination. The Company expects to launch REPELWRAP™ in the Canadian market in the first half of 2024, conditional on achieving successful product scale-up and commercial manufacturing.

The Company is also actively exploring additional applications of the Licensed Technology, including development of enhancements to the current reformulated lab prototype to create follow-on films including films with both repelling and killing properties (repel and kill version). In addition, the Company is assessing the Licensed Technology to develop a coating for catheters to prevent catheter-related bacterial biofilm formation and occlusion.

Q3 2022 HIGHLIGHTS – For the Nine Month Period Ended September 30, 2022

Highlights during and subsequent to the nine months ended September 30, 2022 include:

- On January 24, 2023, the Company received conditional approval to list its common shares on the Canadian Securities Exchange (the "CSE").

- On January 24, 2023 the Company granted 1,450,000 stock options with an exercise price of $0.30 per share and granted 150,000 restricted share units.

- The Company entered into a voluntary pooling agreement dated January 3, 2023 and amendment agreements with certain shareholders to revise the escrow restrictions related to an aggregate of 8,200,000 shares issued pursuant to a unit offering, such that 10% of the shares will be released on the Listing Date and 15% of the shares will be released on each of the dates that are 3, 6, 9, 12, 15 and 18 months from the Listing Date. In addition, pursuant to the amendment agreements, the voluntary escrow restrictions were removed from any warrant shares to be issued upon exercise of 9,200,000 warrants issued pursuant to this unit offering.

- On December 24, 2022, the Company granted 300,000 stock options with an exercise price of $0.30 per share.

- On December 22, 2022, 750,000 common shares were issued pursuant to the exercise of 750,000 share purchase warrants at $0.10 per common share for proceeds of $75,000.

- On November 11, 2022, the Company received a receipt for an amended and restated preliminary prospectus filed with the securities regulatory authorities in the provinces of Ontario, British Columbia, Alberta, and Manitoba.

- On October 21, 2022, the Company and the Escrow Agent (as defined herein) entered into an amending agreement to the subscription receipt agreement dated April 28, 2022, which amended the satisfaction date for the Escrow Release Condition (as defined herein) to February 17, 2023.

- On September 27, 2022, at the direction of the Company, McMaster filed non-provisional, extension of PCT/CA2020/050766 in Hong Kong.

- On August 18, 2022, at the direction of the Company, McMaster filed PCT/CA2022/051249 titled "Fluorine-free Superhydrophobic Surfaces, Methods of Making and Uses Thereof".

- On August 18, 2022, at the direction of the Company, McMaster filed PCT/CA2022/051259 titled "Methods of Making Omniphobic Materials with Hierarchical Structures and Uses Thereof".

- On August 17, 2022, the Company received a receipt for a preliminary prospectus filed with the securities regulatory authorities in the provinces of Ontario, British Columbia, Alberta, and Manitoba.

- The Company and McMaster entered into a second amendment to the License Agreement, dated July 15, 2022 with an effective date of May 5, 2022.

- The Company signed an extension agreement with Draganfly Inc. ("Draganfly"), a company listed on the CSE, which extended the expiry date of the original non-exclusive letter of intent ("LOI") entered into between the parties, to June 23, 2024. The LOI is for a collaboration whereby Draganfly will conduct real-world beta-testing of REPELWRAP™ when commercial prototypes are available.

- On May 9, 2022, NSERC provided one of the Lead Researchers at McMaster with notice of approval for an Alliance Grant of $361,520 over two years, for the Company's project entitled "Developing a pathogen repellant wrap-improving performance and manufacturing throughput and evaluating real-world potential" with the Company as the sponsor (the "NSERC Grant"). The NSERC Grant is payable to the Lead Researcher at McMaster as the applicant. The Company, as the sponsor, is required to make cash contributions of $93,500 for each of the two years and contribute in-kind contributions totaling $206,400 over two years. The NSERC Grant also requires other third parties (namely Draganfly and the Company's future manufacturer) to provide aggregate in-kind contributions totaling $334,000 over the two year period. The Company's obligations for its cash contributions will be satisfied by the Company's payments to McMaster payable pursuant to the CRA and the Company's in-kind services will be satisfied through time spent by its senior management and employees related to the project.

- On April 28, 2022, the Company closed a non-brokered private placement and issued an aggregate of 13,338,000 subscription receipts (each, a "Subscription Receipt") at $0.30 per Subscription Receipt, for proceeds of $4,001,400. The proceeds are being held in escrow by an escrow agent pursuant to a subscription receipt agreement dated April 28, 2022, as amended October 21, 2022, between the Company and Endeavor Trust Corporation (the "Escrow Agent") and upon obtaining the receipt for a final prospectus (the "Escrow Release Condition"), the funds will be released to the Company and each Subscription Receipt will automatically convert into one unit of the Company (each, a "Unit"). Each Unit will consist of one common share and one-half of one share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder to purchase an additional common share at an exercise price of $0.50 per share for a period of two years following the date of the satisfaction of the Escrow Release Condition, subject to an acceleration provision.

  Upon satisfaction of the Escrow Release Condition, the Company will pay a cash finder fee in the aggregate amount $112,752, will issue 609,680 Subscription Receipt broker shares and issue an aggregate of 985,520 Subscription Receipt broker warrants to certain finders in connection with funds raised pursuant to the Subscription Receipt offering. Broker warrants are exercisable at $0.30 per share for a period of two years from the date of satisfaction of the Escrow Release Condition. If the Escrow Release Condition is not satisfied by February 17, 2023 or such other date as the Subscription Receipt subscribers may agree to, subscribers will be entitled to receive a refund of the subscription amounts held in escrow, without interest thereon.

- On April 22, 2022, the Company issued an aggregate of 1,050,000 common shares at $0.15 per share to settle an aggregate of $157,500 of debts.

- On April 22, 2022, the Company granted an aggregate of 1,025,000 stock options with an exercise price of $0.15 per share.

- On January 20, 2022, the Company closed a non-brokered private placement and issued 300,000 common shares at $0.15 per share for proceeds of $45,000. In connection with the offering, the Company issued 24,000 finders shares at a deemed price of $0.15 per share and 24,000 broker warrants, each broker warrant is exercisable into one additional share at an exercise price of $0.15 per share for a period of two years from the date of issuance. Subsequently, on March 23, 2022, the Company cancelled 16,000 of these finders shares and 16,000 broker warrants. The broker warrants were valued at $560 using the residual method. Share issuance cost of $1,760 was recorded including $1,200 for 8,000 finder's shares issued and $560 for fair value of broker warrants.

R&D Project Update

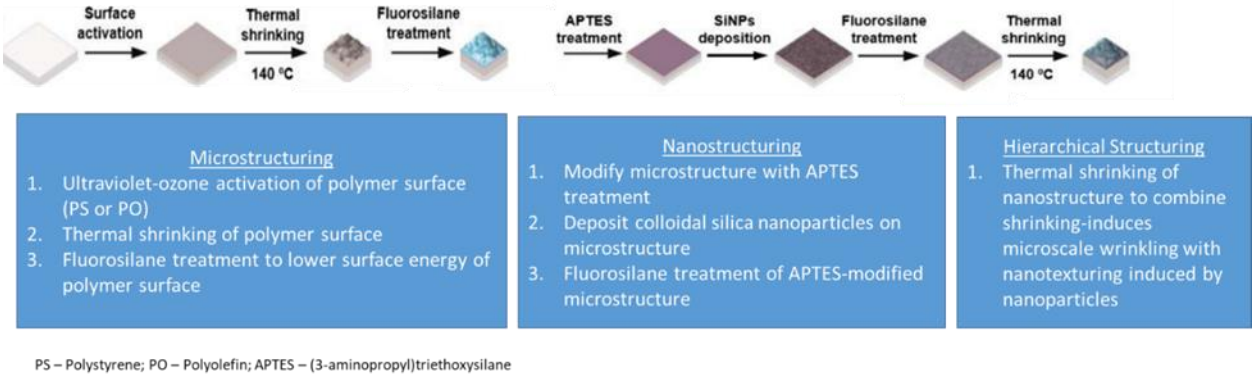
Description of Principal Product Under Development - *REPELWRAP™ Surface Coating Film*

The Company is researching and developing surface coatings using the Licensed Technology to protect against contamination of high touch surfaces. This technology works by combining a hierarchical wrinkled molecular structure with chemical functionalization to reduce pathogen adhesion and formation of bacterial colonies.

REPELWRAP™ film repels bacteria and viruses, protecting high-touch surfaces and reducing the risk of bacteria or virus transmission from that surface. REPELWRAP™ is flexible and can be applied to most surface shapes. The Company believes this film will be the first commercial product that effectively repels bacteria and viruses. The Company believes that current protective coatings in the marketplace (antimicrobial) require bacteria and viruses to adhere to these surfaces to be inactivated. Inactivation does not occur immediately or even within hours, leaving people at risk of being exposed to these contaminated surfaces before bacteria and viruses are killed.

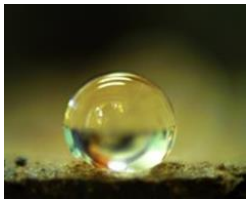
The original lab prototype of REPELWRAP™ has been shown to be broadly repellent to contamination and reduces the adhesion and proliferation of infective pathogens including drug-resistant bacteria and viruses (Imani S et al, ACS NANO, 2020, 14, 1, 454–465). It repels both high (e.g., water) and low surface tension (e.g., oil) liquids, and can be easily applied to surfaces that are prone to contamination. This technology is founded on hierarchically structured materials, materials that combine a range of structural features from the nanoscale to the macroscale, that are integrated into commercial plastics using solution-based surface coating and shrinking for the purpose of repelling pathogens from high touch surfaces. Its hierarchical structure results in a high surface tension which causes droplets to assume a spherical shape. This enables the contact area and the adhesion force between the surface and droplet to be significantly reduced.

The original REPELWRAP™ lab prototype was created through wrinkling (creating microstructures), self-assembly of nanoparticles (creating nanostructures) and their combination (hierarchically structured). The stepwise process for making it is detailed below:



PS – Polystyrene; PO – Polyolefin; APTES – (3-aminopropyl)triethoxysilane

After commencing research pursuant to the CRA, the Company's work on assessing scalability led to the recommendation in early 2022 to reformulate the original lab prototype to facilitate the potential for a more streamlined scale-up process. Under the direction of the Company, McMaster began reformulating the original lab prototype in March 2022 which has led to development of the reformulated lab prototype containing TiO_2. This reformulated lab prototype has since been tested at McMaster to confirm its repelling, durability and stability are similar to the original prototype and is currently being assessed for scalability by McMaster. While this reformulation work has delayed the commencement of certain activities included in the aims in the CRA, the Company believes it has an improved surface coating film that will be more amenable to scale-up by a third-party manufacturer. The Company expects this reformulated lab prototype will be ready for intermediate scale-up work by a third-party manufacturer in early 2023 and expects this reformulated repel version of REPELWRAP™ to be its first-to-market product.



Shown here is an example of the spherical nature that a droplet makes when it lands on a surface like REPELWRAP™. Due to the low surface energy of REPELWRAP™'s surface, liquids bounce off the surface when they come in contact with it. When a contaminated hand touches the surface of REPELWRAP™ film, the contamination stays on the contaminated hand and does not transfer to the surface.

Key results of the repelling properties of the original lab prototype REPELWRAP™ film include:

- Reduced viral titer more than 99% of SARS-CoV-2 related strains compared with control surfaces (ACS Appl. Mater. Interfaces 2022, 14, 11068-11077);
- Significantly reduced transfer to human skin of Escherichia coli contaminated REPELWRAP™ surfaces compared with control surfaces (ACS Appl. Mater. Interfaces 2022, 14, 11068-11077);
- Significantly reduced biofilm formation of methicillin-resistant Staphylococcus aureus and Pseudomonas aeruginosa compared with control surfaces (ACS Nano. 2020 Jan 28, 14 (1) 454-465):

	Repel Wrap Reduction in Biofilm Formation	Control Reduction in Biofilm Formation	
		Microstructure Only	Nanostructure Only
MRSA	~85%	66%	78%
P. aeruginosa	~85%	11%	62%

- Self-cleaning surface demonstrated from high repel rates of blood vs. control surfaces (ACS Nano. 2020 Jan 28, 14 (1) 454-465);
- Maintains robust repellent properties after being subjected to various physical/mechanical forces (i.e., vacuum & sonication) and chemicals (i.e., ethanol, bleach) (ACS Nano. 2020 Jan 28, 14 (1) 454-465); and
- Holds repellent properties under strain and while conforming to different form factors (bent or unbent) (ACS Nano. 2020 Jan 28, 14 (1) 454-465).

The reformulated lab prototype utilizes a titanium dioxide ("TiO_2") treatment which replaces a previously used (3-Aminopropyl) triethoxysilane (APTES) treatment. The TiO_2 treatment shares the same properties as the APTES treatment but with a faster reaction time which should result in a more efficient manufacturing process. Initial lab testing by the Lead Researchers has demonstrated that the TiO_2 prototype is demonstrating repellency, durability and stability properties equivalent to the APTES treated original lab formulation. The Company intends to advance the TiO_2 version of REPELWRAP™ and its current research and development plans are based on this reformulated version. McMaster is currently undertaking a scalability assessment. If successful, the formulation process would be transferred to a third-party manufacturer to commence high volume scale-up activities. The Company is looking to engage a new third-party manufacturer to conduct scale-up activities of the reformulated lab prototype. If successful, the Company will then move to the scale-up phase, consisting of two phases, with an end result to create a commercial product. The first phase of scale-up will be to create intermediate-sized commercial film prototypes that will be tested in the lab to confirm they meet similar repelling, durability and stability specifications of the reformulated lab prototype created at McMaster. All testing will be done by the third-party manufacturer. If successful, the next phase will be to produce commercial scaled films. These films will undergo similar testing as described for the intermediate prototype films by the manufacturer and an independent testing facility. In addition, these commercial scale films will be tested in real-world settings by third parties. If successful, the Company intends to commercialize their films through manufacturing and distributor partnerships. As of the date of this MD&A, the Company has not developed or begun testing an intermediate prototype nor entered into any manufacturing or distributor partnership agreements.

The Company expects to launch REPELWRAP™ in the Canadian market in the first half of 2024, conditional on achieving successful product reformulation, testing, product scale-up and entering into a commercial manufacturing partnership and distribution agreements. (See "*Risk Factors*").

During the work performed under the CRA, namely during the reformulation process of the original lab prototype as discussed above, an early-stage formulation was identified that both repels pathogens and kills any residual pathogens that adhere to the surface (repel and kill version). Initial testing has been performed at McMaster and the Company believes this film warrants further development and as such, it has been included in the Company's REPELWRAP™ development plan. The Company's research and development initiatives over the next 12 months will include further research and development of the repel and kill lab prototype film, testing (including repellency/kill effectiveness, stability and durability) and scalability assessment by McMaster, which the Company anticipates will be completed in Q3 2023. (See "*Risk Factors*").

McMaster has also identified other potential uses for the Licensed Technology including early-stage research to assess if the Licensed Technology can be used to coat medical catheters. Future work would entail the research of assessment of various coating formulations to protect medical catheters from occlusion and biofilm formation. As of the date of this MD&A, only preliminary work has been initiated on this research by McMaster which is at an early research stage. The Company anticipates commencing a more thorough assessment and research activities of this coating and intends to commence this work to assess the potential for the coating to lead to future development of a lab prototype.

Pursuant to the CRA dated August 1, 2021, McMaster performs research and development for the Company on the Licensed Technology. To September 30, 2022, the Company has incurred an aggregate of $189,886 in research and development expenses related to the Licensed Technology with McMaster.

The Company's project plan includes four main factors encompassing:

a) formulation assessment, development and testing of lab prototypes at McMaster;
b) scalability assessments and testing of lab prototypes at McMaster;
c) intermediate prototype scale-up and testing with third-party manufacturer;
d) commercial scale-up and testing with third-party manufacturer.

The chart below represents the Company's research and development status for its R&D project objectives:

R&D Project Objectives	**Project Plan Status and Achievements**
Development of REPELWRAP™ (repel version)	Lab prototypes complete and scalability assessment underway at McMaster.
Development of REPELWRAP™ (repel and kill version)	Formulation assessment, development and testing underway at McMaster.
Development of coating for catheters	Early stage research undertaken only and still in progress.

The Company intends to advance the Licensed Technology to develop films for commercialization, however, there can be no certainty that the research and development initiatives will result in successful prototypes or scale-up activities will result in successful commercial products or can the Company provide certainty as to the time and costs that will be involved to achieve such objectives. The Company is reliant on McMaster to conduct research and development of the Licensed Technology pursuant to the CRA to advance lab prototypes and the Company will be reliant on a third-party manufacturer (yet to be engaged) to scale-up and test the lab prototypes for commercialization.

The Company cannot at this time accurately estimate the cost of bringing the Company's REPELWRAP™ to market as much of the associated costs depend on various factors such as costs to complete R&D work with McMaster, the cost of scale-up activities with a future manufacturing partner, commercial manufacturing partnership financial terms and distributor agreement terms, among other factors. Further, there is no assurance that the aforementioned timelines will be met or that its project or any objective will advance to an intermediate prototype or commercial product at all. As of the date of this MD&A, the Company has not entered into any manufacturing or distribution agreements and there is no certainly the Company will be able to enter into any such agreements on terms acceptable o the Company or at all. See "*Risk Factors*".

SELECTED FINANCIAL INFORMATION

The following table sets forth selected financial information for the three and nine month periods ended September 30, 2022 and for the three and nine month periods ended September 30, 2021. The selected financial information set out below has been derived from the unaudited condensed interim financial statements and accompanying notes, in each case prepared in accordance with IFRS. The selected financial information set out below may not be indicative of the Company's future performance. The following discussion should be read in conjunction with the financial statements.

	Three months ended September 30, 2022 (unaudited)	Three months ended September 30, 2021 (unaudited)	Nine months ended September 30, 2022 (unaudited)	Nine months ended September 30, 2021 (unaudited)
Net loss for the period	$ (511,762)	$ (252,084)	$ (1,426,477)	$ (776,016)
Loss per share, basic and fully diluted	$ (0.01)	$ (0.01)	$ (0.04)	$ (0.06)

	As at September 30, 2022	As at December 31, 2021
Total assets	$ 4,381,519	$ 1,247,122
Total non-current liabilities	$ -	$ -
Working capital (deficit)	$ 336,463)	$ 855,681

DISCUSSION OF OPERATIONS

For the nine months ended September 30, 2022

The Company recorded a net loss of $1,426,477 for the nine months ended September 30, 2022 compared to a net loss of $776,016 for the comparative period in 2021. The increase in net loss in 2022 was mainly due to entering in the License Agreement and the CRA in 2021 and the Company had limited operations prior thereto. During the first nine months of 2021, the Company's activities primarily related to finalizing and entering into the License Agreement and negotiating and entering into the CRA, establishing agreements with various consultants, financing activities, building its management team, and building corporate infrastructure. Operations in the first nine months of 2022 were mainly focussed on conducting research and testing-related activities with McMaster pursuant to the License Agreement and CRA, financing activities including the closing of the Subscription Receipt financing in Q2 2022 and preparing for a public listing. To-date, the Company has not earned any revenues. The increase in net loss was primarily impacted by the following items:

- The Company incurred consulting fees of $358,365 for the nine months ended September 30, 2022 (2021 – $212,217). Consulting fees increased as the Company had an increased level of operations compared to 2021 as the Company incurred higher expenses for consultants and advisors in 2022 related to general corporate, financial advisory, scientific and administrative support.

- Directors' fees of $75,000 were incurred for the nine months ended September 30, 2022 (2021 – $28,741) as the Company appointed two independent board members in August, 2021 and entered into director service agreements with each of them which commenced upon their appointments.

- General and administrative expenses were $122,918 for the nine months ended September 30, 2022 (2021 - $15,354). The most significant components of G&A are salaries and related costs which increased in 2022 due to the hiring on an employee in late 2021, higher travel related expenses and general office expenses due to increased operations compared to the prior period.

- Management fees increased to $406,375 for the nine months ended September 30, 2022 (2021 - $257,716) due to fees charged by senior management which including the fees for the current CEO, current part-time CFO and COO. In May 2021, the Company engaged both a full-time COO and the former part-time CFO so the comparative period represented lower fees to the overall management group.

- Marketing expenses were $1,926 in the first nine months of 2022 which is comparable to expenses of $7,604 for the period ended September 30, 2021.

- The Company incurred aggregate professional fees of $242,992 for the nine months ended September 30, 2022 (2021 - $191,301). Professional fees consist of: $22,500 for audit fees accrued (2021 – $30,000); $117,597 for general and corporate related legal fees (2021 - $81,239); and intellectual property related legal fees and other professional fees of $102,895 (2021 - $80,062). Professional fees increased mainly due to higher general and corporate legal fees in 2022 compared to 2021 related to the Company's proposed public listing, offset by a decrease in audit fees accrued between the periods. Intellectual property related legal fees and other professional fees related to legal fees incurred for patent applications, trademark filings, contract negotiations and reimbursements to McMaster for legal costs related to patent applications and filings, which also increased from 2021 to 2022 mainly due to additional patent filings and related work incurred in 2022 compared to 2021.

- The Company incurred research and development ("R&D") and license expenses of $158,042 in the first nine months of 2022 compared to $74,831 for the same period in 2021. The majority of the increase was attributable to continued scientific research and related costs incurred with McMaster in 2022 pursuant to the CRA, whereas 2021 was mainly comprised of $71,750 in relation to the fair value of shares issued to McMaster in connection with the License Agreement as the CRA was not entered into until August 2021. During the nine months ended September 30, 2022, the Company incurred an aggregate of $153,042 (2021 – Nil) related to R&D costs with McMaster on its REPELWRAP^{TM} project and paid $5,000 as the first annual royalty fee pursuant to the License Agreement.

- The Company incurred share based payments of $60,467 in the first nine months of 2022, relating to 1,025,000 share purchase options granted and vested in 2022, compared to $Nil for the same period in 2021 where no options were granted during the comparative period in 2021.

- The Company realized other income of $11,180 in grant income in 2021 compared to Nil in 2022.

For the three months ended September 30, 2022

The Company recorded a net loss of $511,762 for the three month period ended September 30, 2022 ("Q3 2022") compared to a net loss of $252,084 for the three month period ended September 30, 2021 ("Q3 2021"). The increase in net loss in Q3 2022 was mainly due to entering in the License Agreement and CRA during 2021 and the Company had limited operations prior thereto. To-date, The Company has not earned any revenues. The increase in net loss was primarily impacted by the following items:

- The Company incurred consulting fees of $104,530 during Q3 2022 (Q3 2021 – $54,978). Consulting fees increased in Q3 2022 due to higher use of consultants in Q3 2022 compared to Q3 2021 which included scientific consulting fees not incurred in Q3 2021.

- Directors' fees of $25,000 were incurred in Q3 2022 which was consistent with Q3 2021 – $28,741. The Company appointed two independent board members in August 2021 and entered into director service agreements with each of them.

- General and administrative expenses were $44,249 in Q3 2022 (Q3 2021 - $8,571). The most significant components of G&A are employee salaries and related costs which increased in Q3 2022 due to the hiring on an employee in the fourth quarter of 2021, higher travel related expenses and general office expenses due to increased operations compared to the prior period.

- Management fees increased to $156,250 for Q3 2022 (Q3 2021 - $112,497) due to fees charged by senior management in Q3 2022 which including the fees for the CEO, current CFO and COO. Q3 2022 management fees increased mainly due to work related to the Company's proposed public listing.

- Marketing expenses were $865 in Q3 2022 and comparable to $700 incurred in Q3 2021.

- The Company incurred professional fees of $107,370 in Q3 2022 (Q3 2021 - $57,774). Professional fees consist of: $7,500 for audit fees accrued in Q3 2022 (Q3 2021 – $30,000); $71,588 for general and corporate related legal fees (Q3 2021 - $16,332); and intellectual property related legal fees and other professional fees of $28,282 (Q3 2021 - $11,442). Professional fees increased in Q3 2022 compared to 2021 mainly due to additional costs incurred associated with the Company's proposed public listing.

- The Company incurred research and development expenses ("R&D") of $60,009 in Q3 2022 compared to $nil in Q3 2021. Q3 2022 included continued scientific research and related costs incurred with McMaster pursuant to the CRA which was dated effective August 1, 2021 and there were no expenses incurred by McMaster in Q3, 2021 pursuant to the CRA.

- The Company incurred share based payment of $13,045 in Q3 2022, relating to 1,025,000 share purchase options granted in Q2 2022, compared to $Nil for the same period in 2021, where no options were granted in Q3, 2021.

QUARTERLY FINANCIAL INFORMATION

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements. All dollar amounts are in Canadian dollars.

	Quarter Ended	Revenue	Net Loss (unaudited)	Net loss per share (Basic and diluted)	Weighted average number of shares
Q3 2022	September 30, 2022	$ -	$ 511,762	$ (0.01)	37,215,773
Q2 2022	June 30, 2022	$ -	$ 428,208	$ (0.01)	36,973,465
Q1 2022	March 31, 2022	$ -	$ 486,507	$ (0.01)	36,111,773
Q4 2021	December 31, 2021	$ -	$ 347,066	$ (0.01)	29,881,945
Q3 2021	September 30, 2021	$ -	$ 252,084	$ (0.01)	26,910,134
Q2 2021	June 30, 2021	$ -	$ 331,712	$ (0.03)	9,530,441
Q1 2021	March 31, 2021	$ -	$ 192,220	$ (0.10)	1,955,557
Q4 2020	December 31, 2020	$ -	$ 243,333	$ (243,333)	1

Variations in the Company's net losses and expenses as well as notable trends for the eight quarters ended since incorporation were typical of an early-stage company. Spending on consulting, management expenses, general and administration, professional fees, marketing and R&D are expected to increase over the next year relative to historical spending due to the expected increased operations of the Company.

During the first year, in Q3 2020 and Q4 2020, the Company focussed on organizing the Company, strategic planning, branding, research of various third parties that it could use to assist with testing and scale-up work and negotiating the License Agreement with McMaster. During 2021, the Company's activities primarily related to finalizing and entering into the License Agreement and CRA, research and testing-related activities with McMaster, establishing agreements with various consultants, financing activities, building its board and management team, and building corporate

infrastructure. In 2022, the Company focussed on its operations and continued to perform R&D activities on its technology with McMaster as well as pursue financing activities including the closing of its Subscription Receipt financing as well as prepare for a proposed public listing.

LIQUIDITY AND CAPITAL RESOURCES

Since inception the Company has devoted its resources to securing intellectual property rights related to the Licensed Technology, furthering its research and development of the Licensed Technology and establishing personnel and processes required to execute its business plan. This has resulted in an accumulated deficit of $2,886,434 as at September 30, 2022. With no income from operations, losses are expected to continue while the Company's research and development programs are advanced.

The Company does not earn any revenues from its operations and is therefore considered to be in the development stage. As required, the Company will continue to finance its operations through the sale of equity or pursue non-dilutive funding sources available to the Company in the future. The continuation of its research and development activities and the commercialization of REPELWRAP™ is dependent upon the Company's ability to successfully finance and complete its research and development program and successfully complete the scale-up and commercialization of REPELWRAP™. As of the date of this MD&A the Company is not capable of sustaining its working capital requirements over the long term without additional capital, product commercialization or ultimately sales of products. In order to reach sustainable business operations, the Company will need to complete development and scale-up of REPELWRAP™ (repel version) and achieve other commercialization milestones which include engagement of a third-party manufacturer and entering into distribution agreements for the distribution of REPELWRAP™.

As at September 30, 2022, the Company had working capital deficit of $336,463 compared to working capital of $855,681 as of December 31, 2021. The Company has relied upon equity financings to finance its operations and meet its capital requirements. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure and the amount of cash, the Company may issue new shares or debt or acquire or dispose of assets. Management has forecasted that the Company's current level of cash will not be sufficient to execute its current planned expenditures for the next 12 months without further financing being obtained or the release of $4,001,400 raised pursuant to the Subscription Receipt Financing, which funds are held in escrow pending satisfaction of the Escrow Release Conditions. On August 17, 2022, the Company received a receipt for its preliminary prospectus that was filed with the securities regulators in Ontario, British Columbia, Alberta and Manitoba and on November 11, 2022, the Company received a receipt for an amended and restated preliminary prospectus. On August 19, 2022, the Company applied to list its shares for trading on the CSE and on January 24, 2023 was granted conditional listing approval. Management believes that it will satisfy the Escrow Release Condition in sufficient time to continue to execute its planned expenditures. However, there can be no assurance that the Escrow Release Condition will be satisfied by February 17, 2023 or such other date as the Subscription Receipt holders may agree to, or capital will be available as necessary to meet these continuing expenditures, or if the capital is available, that it will be on terms acceptable to the Company. The issuance of common shares by the Company could result in significant dilution in the equity interest of existing shareholders. There can be no assurance that the Company will be able to obtain sufficient financing to meet future operational needs which may result in the delay, reduction or discontinuation of ongoing development programs.

The Company's objectives when managing its liquidity and capital resources is to maintain a sufficient capital base to sustain and grow its overall operations, ensure adequate capital to meet its obligations under the CRA and License Agreement, and provide adequate capital to fund future developments of the business. The Company faces numerous risks and uncertainties, many of which are beyond its control, related to the development, scale-up and commercialization of its products including but not limited to timing delays, costs overruns, lack of success with its development initiatives and inability to enter into relationships with manufacturing and/or distribution partners (see "*Risk Factors*").

Summary of cash flows

	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021	Change
Cash (used in) operating activities	$ (914,006)	$ (549,479)	$ (364,527)
Cash provided by financing activities	$ 15,000	$ 642,000	$ (627,000)
Cash used in investing activities	$ -	$ (2,451)	$ 2,451
Net (decrease) in cash and cash equivalents	$ (899,006)	$ 90,070	$ (989,076)

Cash used in operating activities is comprised of net loss, add-back of non-cash expenses, and net change in non-cash working capital items. Cash used in operating activities increased to $914,006 for the nine month period ended September 30, 2022 compared to $549,479 in the first nine months of 2021. This increase is primarily due to increased overall expenses including consulting fees, management and director fees, R&D, administration and professional fees as the Company focussed on its ongoing operations and R&D activities.

Cash provided by financing activities decreased to $15,000 for the nine months ended September 30, 2022 compared to $642,000 for the nine months ended September 30, 2021. During the nine month period ended September 30, 2022 the Company completed a final tranche of a private placement which resulted in proceeds received of $15,000, compared to proceeds from financings of $642,000 received in the first nine months of 2021. In Q2 2022 the Company completed a Subscription Receipt financing and received proceeds of $4,001,400 which are held in escrow however are also included in subscription receipts payable until the Escrow Release Condition is met.

Cash used in investing activities for the nine months ended September 30, 2022 was $Nil compared to $2,451 used in the nine months ended September 30, 2021 related to the purchase of computer equipment for staff and management personnel.

The Company funded operations during the nine months ended September 30, 2022 through the net proceeds of securities issued and the use of existing cash. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and its success with its research and development initiatives, scale-up and product commercialization. Additional financing may not be available on terms favourable to the Company or at all. If the Company does not receive future financing, including achieving the Escrow Release Condition associated with the Subscription Receipts, it may not be possible for the Company to advance its business plans. The Company does not expect to generate positive cash flow from operations for the foreseeable future due to additional R&D expenses, scale-up and testing expenses 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 the Company commercializes any of its products under development and achieves sales from any such products should they exceed its expenses.

COMMITMENTS AND CONTINGENCIES

McMaster University

The Company entered into the License Agreement dated February 5, 2021 as amended, with McMaster for the Licensed Technology. Pursuant to the License Agreement, the Company agreed to the following key terms:

- the issuance to McMaster of common shares equal to 5% of its fully diluted share capital on achievement of certain funding thresholds, whereby 1,435,000 common shares were issued at a deemed price of $0.05 per share for fair value of $71,750 in Fiscal 2021;
- payment of a 4% royalty on net sales to be paid quarterly within 60 days following the close of the calendar quarter (as defined in the License Agreement);

- a minimum annual royalty commencing in the first 12-month period ending on the anniversary of the date of the License Agreement as to $5,000 in the first (paid) and second years, $10,000 in the third and fourth years and $20,000 in the fifth and subsequent years; and
- contribute an aggregate of $350,000 toward sponsored research projects in year one, of which $175,000 was due on signing the Collaborative Research Agreement and receipt of an invoice from McMaster (paid). In year two and year three, the Company is to contribute a minimum of $150,000 each year to a sponsored research project to further develop the Licensed Technology, provided the research aims are approved by the Company (see detailed CRA payment terms detailed below).

The Company entered into the CRA dated effective August 1, 2021 with McMaster which sets out the payment terms for the project to satisfy the research funding obligations under the License Agreement as further detailed below:

Year 1:	
On signing (invoice received and paid)	$175,000
At 4 month mark (invoice received and paid)	$87,500
At 8 month mark (invoice received)	$87,500
Years 2 and 3:	
On anniversary dates (invoices not yet received)	$75,000
At subsequent 4 month mark (invoices not yet received)	$37,500
At subsequent 8 month mark (invoices not yet received)	$37,500

NSERC Grant

On May 9, 2022, NSERC provided McMaster and Dr. Leyla Soleymani, one of the Lead Researchers, with notice of approval for an Alliance Grant of $361,520 over two years, for the Company's project entitled "Developing a pathogen repellant wrap-improving performance and manufacturing throughput and evaluating real-world potential" with the Company as the sponsor (the "NSERC Grant"). The Company, as the sponsor, is required to make cash contributions of $93,500 for each of the two years and contribute in-kind contributions totaling $206,400 over two years. The NSERC Grant also requires other third parties (namely Draganfly and the Company's future manufacturer) to provide aggregate in-kind contributions totaling $334,000 over the two-year period. The Company's obligations for the cash contributions will be satisfied by the Company's payments pursuant to the CRA (of which $87,500 has been paid in September 2022) and its in-kind contributions will be satisfied by time spent by its senior management and employees related to the project.

Subscription Receipt Offering

The gross proceeds raised pursuant to the Subscription Receipt offering are being held in escrow by the Escrow Agent and upon satisfaction of the Escrow Release Condition, the funds will be released to the Company and each Subscription Receipt will automatically convert into one Unit. Should the Escrow Release Condition not be satisfied by February 17, 2023, or such other date as the Subscription Receipt subscribers may agree to, subscribers will be entitled to receive a refund of the subscription amounts held in escrow, without interest thereon. Upon satisfaction of the Escrow Release Condition, the Company will pay a cash commission to registrants in the aggregate amount $112,752 and will issue 609,680 Subscription Receipt Broker Shares to the registrants and will also issue an aggregate of 985,520 Subscription Receipt Broker Warrants to registrants. See "Q3 2022 HIGHLIGHTS – For the Nine Month Period Ended September 30, 2022".

OUTSTANDING SHARE CAPITAL

Common Shares

As of the date of this MD&A, the Company had authorized an unlimited number of common shares without par value.

Common Shares issued and outstanding, and other securities convertible into Common Shares as summarized in the following table:

	Number Outstanding as of January 31, 2023	Number Outstanding as of December 31, 2021
Common Shares issued and outstanding	37,965,773	35,857,773
Share purchase options	2,775,000	-
Restricted share units	150,000	-
Common share purchase warrants	8,450,000	9,200,000
Broker warrants	696,107	688,107
Subscription Receipts	13,338,000	-

Subscription Receipts

As at the date of this MD&A, the Company had 13,338,000 Subscription Receipts issued and outstanding. Upon satisfaction of the Escrow Release Condition, each Subscription Receipt will automatically convert into one Unit of the Company. Each Unit will consist of one common share and one-half of one Warrant. See "Q3 2022 HIGHLIGHTS – For the Nine Month Period Ended September 30, 2022".

Warrants

A summary of the Company's issued and outstanding share purchase warrants at the date of this MD&A is as follows:

Expiry Date	Exercise Price	Number Outstanding
March 10, 2024	$ 0.10	8,450,000
		8,450,000

A summary of the Company's issued and outstanding broker warrants at the date of this MD&A is as follows:

Expiry Date	Exercise Price	Number Outstanding
August 16, 2023	$ 0.15	200,320
November 9, 2023	$ 0.15	45,120
December 23, 2023	$ 0.15	442,667
January 20, 2024	$ 0.15	8,000
		696,107

Share Purchase Options

A summary of the Company's share purchase options outstanding at the date of this MD&A is as follows:

Expiry Date	Exercise Price	Options Outstanding	Options Exercisable
April 22, 2027	$ 0.15	1,025,000	341,665
December 24, 2027	$ 0.30	300,000	100,000
January 24, 2028	$ 0.30	1,450,000	483,332
		2,775,000	924,997

Restricted Share Units

As at the date of this MD&A, the Company has granted 150,000 restricted share units ("RSU's") which fully vest on May 24, 2023.

Bonus Shares

As at the date of this MD&A, the Company has reserved for issuance 4,150,000 Bonus Shares (as defined herein), issuable upon achievement of certain milestones related to the Licensed Technology as set out in agreements entered into on June 19, 2021, (each, a "Bonus Share Agreement") with each of Dr. Tohid Didar and Dr. Leyla Soleymani, as the Lead Researchers related to the Licensed Technology. Pursuant to the Bonus Share Agreements, each of Dr. Didar and Dr. Soleymani may be entitled to receive up to 2,075,000 common shares of the Company (the "Bonus Shares") should certain milestones related to the development of the Licensed Technology be achieved. As at the date of this MD&A, no Bonus Shares have been issued.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no undisclosed off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of its operations, financial condition, revenue or expenses, liquidity, capital expenditures or capital resources that is material to investors.

RELATED PARTY DISCLOSURE

Related parties of the Company include key management personnel, companies controlled by key management personnel and close family members of key management personnel. Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (whether executive or otherwise) of the Company. Key management personnel are composed of the board of directors and executive leadership team.

The following fees and expenses were incurred with current and former key management personnel and companies controlled by them:

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
	$	$	$	$
Directors' fees [1]	25,000	28,741	75,000	28,741
Management fees [2, 3,4, 5]	156,250	109,642	406,375	254,861
Consulting fees [5]	-	6,575	-	26,299
Share based payment [6]	7,636	-	35,595	-
Total	188,886	144,958	516,770	309,901

Notes:

(1) The Company entered into director services agreements with each of two directors, Dr. Ian Mark Landy and Prakash Gowd for their 2022 and 2021 director services. During the nine-month period ended September 30, 2022, Mark Landy incurred director fees of $37,500 (2021 - $15,216) and Prakash Gowd incurred directors fees of $37,500 (2021 - $13,525). An aggregate of $160,000 in outstanding directors' fees was included in accounts payable and accrued liabilities as at September 30, 2022 (December 31, 2021 - $85,000).

(2) BioEnsemble Inc. ("BioEnsemble"), a company controlled by Carolyn Myers, the Company's Chief Executive Officer ("CEO"), charges CEO management consulting fees at a monthly fee of $20,000 starting January 1, 2022, where previously fees were charged directly by the CEO. During the nine months ended September 30, 2022, BioEnsemble earned $180,000 (2021- $nil) in management consulting fees. During the nine months ended September 30, 2022, management fees earned by the CEO directly were $Nil (2021 - $180,000). As at September 30, 2022, $180,000 was owing to BioEnsemble and $80,000 was owing to the CEO. As at December 31, 2021, $Nil was owing to BioEnsemble and $120,000 was owing to the CEO. On

June 21, 2021 the Company settled management fees of $7,500 owing to the CEO from 2020 through the issuance of 1,500,000 common shares. The common shares were issued at a fair value of $0.005 per share.

(3) Effective May 17, 2021, the Company engaged Andrea Mulder as COO pursuant to an employment contract with the Company. The COO was compensated at an annual rate of $165,000 payable semi-monthly in arrears with a discretionary year-end bonus payable of up to 20%. During the nine months ended September 30, 2022, the COO earned an aggregate of $123,750 (2021 - $62,269) in salaries. As at September 30, 2022, $nil was owing to the COO (December 31, 2021 - $28,549).

(4) Effective February 17, 2022, the Company entered into a consulting agreement with RCF Advisors Ltd. ("RCF"), a company controlled by Rose Zanic, the Company's CFO, and Rose Zanic to provide part-time CFO services to the Company at a rate of $250 per hour plus applicable taxes. During the nine months ended September 30, 2022, RCF earned an aggregate of $102,625 in management consulting fees (2021 - $nil). As at September 30, 2022, $14,734 was owing to RCF (December 31, 2021 - $Nil). On April 22, 2022, the Company settled $7,500 of fees owed to RCF through the issuance of 50,000 common shares at a fair value of $0.15 per common share.

(5) The Company entered into a consulting service agreement with A. Fehr & Associates Ltd. ("Fehr & Associates"), a company controlled by Ann Fehr, the former CFO of the Company. Pursuant to this consulting agreement, during the nine months ended September 30, 2022, Fehr & Associates charged CFO management fees of $Nil (2021- $12,592) and consulting fees of $Nil (2021- $26,299) for CFO and outsourced accounting services respectively. Included in related party amounts, as at September 30, 2022 $Nil (December 31, 2021, $9,725) was owing to Fehr & Associates.

(6) On April 22, 2022, the Company issued an aggregate of 1,025,000 share purchase options to certain directors, officers, employees and consultants with an exercise price of $0.15 per share with an expiry date of five (5) years from the date of grant. The share purchase options are subject to standard vesting provisions of 1/3 vesting on the date of grant and 1/3 vesting on the date that is 12 months and 24 months from the date of grant, such that all share purchase options fully vest over 24 months from the date of grant. During the nine months ended September 30, 2022, share based payment related to stock options granted to the CEO and COO amounted to $35,395 (2021 - $Nil)

Included in accounts payable and accrued liabilities at September 30, 2022, were amounts totaling $434,734 (December 31, 2021 - $243,274) due to current and former key management personnel and companies controlled by them.

SEGMENTED INFORMATION

The Company operates in one reportable segment, involving the research and development of its Licensed Technology. All the Company's assets are located in Canada.

TRENDS

The Company's business is not cyclical or seasonal.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

The Company's financial instruments at September 30, 2022 include cash, cash in escrow, amounts receivable, accounts payable and accrued liabilities and subscription receipts payable. The fair values of these instruments approximate their carrying values due to their short-term nature.

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs used in making fair value measurements as follows:

Level 1 - quoted prices in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., from derived prices); and

Level 3 - inputs for the asset or liability that are not based upon observable market data.

The fair value of cash is based on Level 1 inputs.

[a] Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises for the Company from its cash, cash in escrow and amounts receivable. The Company has adopted practices to mitigate the deterioration of principal, to enhance the Company's ability to meet its liquidity needs and to optimize yields within those parameters. The Company regularly reviews the collectability of its accounts receivable and would establish an allowance account for credit losses based on its best estimate of any potentially uncollectible accounts receivable. As of September 30, 2022 and December 31, 2021, the balance of the allowance account for credit losses was $0.

[b] Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's exposure to liquidity risk is dependent on its purchasing commitments and obligations and its ability to raise funds to meet commitments and sustain operations. The Company manages liquidity risk by continuously monitoring its actual and forecasted working capital requirements, and actively managing its financing activities. As of September 30, 2022, the Company had a working capital deficit of $336,463 (December 31, 2021 working capital of $855,681). As at September 30, 2022, the Company's financial liabilities were comprised of accounts payable and accrued liabilities totalling $714,136 (December 31, 2021 - $387,629) all of which have contractual maturities less than 3 months and $4,001,400 of subscription receipts payable (December 31, 2021 - $Nil), which will be payable to subscribers of the Subscription Receipt offering from cash held in escrow of $4,001,400 (December 31, 2021 - $Nil) if the Escrow Release Condition is not met by February 17, 2023.

[c] Market risk

a. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. The Company has cash balances and no interest-bearing investments or debt. If the Company had excess cash to invest, the Company's policy would be to invest the excess cash in guaranteed investment certificates issued by its banking institutions.

b. Currency risk

The Company is exposed to financial risk related to the fluctuation of foreign exchange rates. The Company has a portion of its operating expenses in US dollars. The Company has not entered into foreign exchange derivative contracts.

As at September 30, 2022 and December 31, 2021, the Company had the following assets and liabilities denominated in US dollars:

	September 30, 2022 US$	December 31, 2021 US$
Cash and cash equivalents	-	-
Accounts payable and accrued liabilities	11,029	12,923
Total	11,029	12,923

[d] Capital disclosure

The Company's objective when managing capital is to ensure its ability to continue as a going concern in order to pursue the development of its product candidates for ultimate sale or out-licensing. The Company attempts to maximize return to shareholders by minimizing shareholder dilution and, when possible, utilizing non-dilutive funding arrangements, such as collaborative partnership arrangements.

The Company defines its capital as share capital and reserves. The Company has financed its capital requirements primarily through equity share issuances since inception.

The Company manages its capital structure and adjusts it based on changes in economic conditions and risk characteristics of the underlying assets. The Company may issue new securities. The Company is not subject to any externally imposed capital requirements.

SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND CHANGES IN POLICIES

In applying the Company's accounting policies, management makes several judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. Actual results may differ from the judgments, estimates and assumptions made by management and will seldom equal the estimated results.

CRITICAL JUDGMENTS

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

i. Research costs and license costs are recognized as an expense when incurred, but development costs may be capitalized as intangible assets if certain conditions are met, as described in International Accounting Standard ("IAS") 38 *Intangible Assets*. Management has determined that development costs do not meet the conditions for capitalization under IAS 38, and all research and development costs and license costs have been expensed.

ii. Management is required to assess the functional currency of the Company. In concluding that the Canadian dollar is the functional currency of the Company, management considered the currency that mainly influences the operating expenditures in the jurisdiction in which the Company and its subsidiary operate.

iii. The determination of categories of financial assets and financial liabilities have been identified as an accounting policy, which involves judgments or assessments made by management.

iv. Management is required to determine whether the going concern assumption is appropriate for the Company at the end of each reporting period. Considerations taken into account include available information about the future, including the availability of financing and revenue projection, as well as the current working capital balance and future commitments of the Company.

ESTIMATION UNCERTAINTY

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

i. Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxation authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

ii. The fair value of accrued liabilities at the time of initial recognition is made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors.

CHANGES IN ACCOUNTING POLICIES

There were no new accounting policies adopted during the period ended September 30, 2022.

RISK FACTORS

An investment in the Company is speculative and involves a high degree of risk. Current and prospective shareholders should specifically consider various factors, including the risk factors outlined below. The Directors consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Company's business.

Should one or more of these risk factors or uncertainties, including the risks listed below, or a risk that is not currently known to us materialize, or should assumptions underlying those forward-looking statements prove incorrect, the Company's business, financial condition, capital resources, results or future operations could be materially adversely affected.

Risks Related to Our Business and the Development of Our Product Candidates

Performance depends primarily on the success of product candidates, which is in early formulation/reformulation and have not yet been field tested or received regulatory approval in any country.

We currently have no products approved or ready for sale or marketing in any country, and may never be able to commercialize our proposed products or obtain regulatory approval for any of our product candidates, including REPELWRAP™, if required by any jurisdiction. Our product candidates are in the early stages of formulation and reformulation and have not yet been field tested. Completing field testing and receiving any required regulatory approval for our product candidates will depend on many factors, including, but not limited to the following:

- Successfully completing stability and pathogen testing;
- Successfully scaling product candidates for high volume manufacturing;
- Preparing and submitting applications for approvals to appropriate regulatory authorities, if required; and
- Launching commercial sales, marketing and distribution operations.

Many of these factors are wholly or partially beyond our control, including the regulatory submission process and changes in the competitive landscape. Although the Company believes REPELWRAP™ would not require Health Canada or the Pest Control Board approvals for sales in Canada as it believes REPELWRAP™ will be considered a coating which would not require such approvals, there is no certainty that such approvals may not be required or that it will be successful in obtaining any required approvals or licenses in Canada or any other jurisdiction the Company that the Company intends to sell its products. If we do not achieve one or more of these factors in a timely manner, we could experience significant delays or an inability to commercialize our products.

The Company has a limited operating history and has not yet generated revenues. Availability of future financing is uncertain.

The Company has no history of earnings, has generated no revenues since commencing operations, and has no source of operating cash flow.

The Company will require significant additional capital to execute its business plan and fund its operations that will likely require the involvement of multiple capital sources and participants. Although the Company has been successful

to date in financing its activities through the sale of equity securities, there can be no assurance that it will be able to obtain sufficient financing in the future to fund its operations and research and development objectives. The actual availability of financing, the involvement of any or all of the potential participant groups and their level of participation, and the details and terms of any eventual financing will be dependent on numerous conditions, including, but not limited to, general market conditions and other economic considerations at the time. While the Company anticipates that financing for development of its products can be arranged, such financing is highly dependent on factors outside of the Company's control and there can be no assurance that the Company will be successful in arranging financing at all, or if so, under acceptable terms and conditions. Even if the Company begins licensing or selling its products, there is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future. There can be no assurance that any future financing will be available on reasonable terms, if at all, and if available, may be dilutive to existing shareholders. Failure to obtain such additional financing could result in delay or indefinite postponement of further research and development activities with the possible loss of the Licensed Technology should the Company not be able to meet its commitments pursuant to the License Agreement or the CRA.

Negative Cash Flow

The Company had negative operating cash flow as at December 31, 2021 and September 30, 2022, and the Company will continue to have negative operating cash flow for the foreseeable future. No assurance can be given that the Company will ever attain positive cash flow or profitability or that additional funding will be available for operations.

No production history and no assurances of future profitability.

To date, the Company does not have a commercial product available for sale and has recorded no revenue from product sales and there is no assurance that it will generate revenue in the future. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's business operations are at an early stage of development and its success will be largely dependent upon the outcome of its ultimate strategy of successfully developing, marketing and generating sales of its products. The Company's operating expenses and capital expenditures may increase in subsequent years. The Company expects to continue to incur losses unless and until such time as it completes scale-up and commercialization of its products and enters into long term and large volume distribution and manufacturing agreements and generates sufficient revenues to fund its continuing operations.

The Company operates in a highly competitive industry.

The Company faces competition from a number of manufacturers and suppliers of different products to protect surfaces from pathogens. Significant product innovations, technical advances or competitive pricing could adversely affect the Company's operations and future revenues. We are currently developing products that will compete with other antimicrobial products that currently already exist or are being developed. Products we may develop in the future are also likely to face competition, some of which we may not currently be aware of. We have competitors in North America and internationally, including companies that are more established than FendX. Many of our competitors have significantly greater financial, manufacturing, marketing, development, technical and human resources than we do. Large companies, in particular, have extensive experience in product development and manufacturing, as well as obtaining regulatory approvals. These companies also have significantly greater research and marketing capabilities than we do and may also have products that have been approved or are in late stages of development. Established competitors may also invest heavily to accelerate development of novel products or to license novel products in the Company's target markets, which could make the product candidates that we develop obsolete. Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are more effective, affordable or convenient than products that we may develop. Our competitors may also obtain regulatory approvals for their products more rapidly, which could result in our competitors establishing a strong market position before we are able to enter the market.

Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing manufacturing, as well as in acquiring technologies or intellectual property complementary to, or necessary for, our product candidates. In addition, our industry is characterized by rapid technological change. If we fail to stay at the forefront of technological change, we

may be unable to compete effectively. Technological advances or products developed by our competitors may render our technologies or product candidates obsolete, less competitive or not economical.

The ability of the Company to satisfy the terms of the License Agreement and the Collaborative Research Agreement and maintain the License in good standing.

The Company has been granted an exclusive license to the Licensed Technology pursuant to the License Agreement. The Company's rights and obligations are outlined in the License Agreement. The License Agreement requires the Company to complete certain milestones (the "License Agreement Milestones")). Failure to complete the License Agreement Milestones could allow the Licensor to terminate the License Agreement. The License Agreement may also be terminated by the Licensor if certain other conditions occur. Under the Collaborative Research Agreement, the Company is obligated to make certain payments to the Licensor, and the Collaborative Research Agreement could be terminated by the Licensor if the Company breaches this agreement. If the Company's relationship with the Licensor were to terminate, the Company would not be able to distribute and commercialize its products and might not be able to enter into another license agreement with an entity with similar technologies on acceptable terms or at all. As a result, the Company could experience delays in its ability to distribute and commercialize its products or a similar technology, all of which would have a material adverse effect on the Company's business, results of operations and financial condition.

The ability of the Licensor to satisfy the terms of the License Agreement and the Collaborative Research Agreements.

Pursuant to the License Agreement, the Licensor is, among other things, involved in the ongoing research and development activities being conducted on the Licensed Technology. Pursuant to the Collaborative Research Agreement, the Licensor has agreed to conduct research and development work on behalf of the Company on the Licensed Technology and provide the human resources, materials, facilities and equipment as needed to conduct the sponsored project work. The Company is reliant on McMaster to conduct research and development of the Licensed Technology to advance product candidates for manufacturing scale-up and ultimate commercialization. The Company will be at risk should McMaster not be able to discharge its obligations to conduct research and development funded by the Company.

McMaster, on behalf of the Company, is responsible to file provisional patent applications for new inventions arising from research and development work on the License Technology. In addition, under the direction of the Company, McMaster is responsible to file Patent Cooperation Treaty (PCT), as well as file and prosecute national patent applications. Should McMaster not file new provisional patents, PCT applications and/or file or prosecute national applications, this would materially adversely affect the Company's business, as its products may not have robust enough protection impacting commercialization, and overall operations.

McMaster may not be able to discharge its obligations pursuant to the License Agreement or the Collaborative Research Agreement and thereby the Company's development timeline, regulatory approval and commercialization prospects for its product candidates would be materially adversely affected which may have materially adverse impact on the Company's business.

The ability of the Company to complete scale-up and/or testing of an intermediate prototype of REPELWRAP™.

Given the early stage of development of REPELWRAP™, the Company can make no assurance that it can develop viable prototypes for commercial scale-up and/or meet certain product specifications including high repel rates of pathogens or demonstrate long-term durability and stability. Unsatisfactory results may cause the Company or its collaborators to abandon commitments to that program. The early stage of product development makes it particularly uncertain whether any of its product development efforts will prove to be successful. If the Company fails to develop viable prototypes for scale-up or they fail testing, the development timeline and commercialization prospects may be materially adversely affected which may have a material adverse impact on the Company's business.

Research and development activities may not be successful.

Given the early stage of product development, the Company can make no assurance that its research and development

programs will result in commercially viable products or obtain regulatory approval, as needed. To achieve profitable operations, the Company, alone or with others, must successfully develop and market its future products, and obtain regulatory approval, as needed. To achieve commercial success, sufficient testing must demonstrate that the product candidates demonstrate efficacy and that products can be successfully scaled up for production, in addition to other factors. Unsatisfactory results obtained from testing relating to a research and development program may cause the Company or its collaborators to abandon commitments to that program. The early stage of product development makes it particularly uncertain whether any of its product development efforts will prove to be successful and meet any applicable regulatory requirements, and whether any of its products will receive any requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. If the Company fails to produce positive results in its future testing of its products or fails to produce test results that demonstrate similar efficacy as any initial testing by McMaster, the development timeline and regulatory approval, if required and commercialization prospects for its products, would be materially adversely affected which may have a material adverse impact on the Company's business.

Our revenues will be highly dependent on a limited number of products.

The Company will initially generate revenues from a limited number of products that it intends to commercialize. The loss of a single source of revenue for any reason could have a material adverse effect on our business, financial condition and results of operations. In addition, each of these products may face competition and the ability to grow the market and our market share may be limited.

The Company is dependent on current and future collaborative partners, manufacturers, distributors, licensors and others.

The Company has no history of manufacturing, distribution or sales. The Company's success will be dependent upon its ability to enter into distribution and manufacturing agreements with third parties. The Company does not intend to manufacture or sell its products directly but will rely on third party distributors and manufacturers to sell and manufacture its products. To-date, the Company has not entered into any formal distribution or manufacturing agreements.

The Company may be unable to enter into agreements with third parties to market and sell REPELWRAP™, upon successful scaleup and testing, for commercialization within and outside of Canada. The Company is seeking to engage third-party distribution partners to sell REPELWRAP™. If the Company is successful in entering into a commercialization agreement for sales within and outside of Canada, the Company may have limited or no control over sales, marketing and distribution activities of these third parties. The Company's future revenues may depend on the success of the efforts of these third parties. To the extent that the Company relies on, or partners with, third parties to launch, manufacture and commercialize REPELWRAP™ if approved, or any other product for which the Company develops in the future, the Company may receive less revenue than if the Company manufactured or sold these products itself. In the event that the Company is unable to partner with a third-party marketing and sales organization, the Company's ability to generate product revenues may be limited, if any. A variety of risks associated with potential international business relationships could materially adversely affect the Company's business. The Company may enter into agreements with third parties for the development and commercialization of future products in international markets. If the Company does so, the Company would be subject to additional risks related to entering into international business relationships.

Any collaboration arrangements that the Company may enter into in the future may not be successful, which could adversely affect the Company's ability to develop and commercialize the Company's products. The Company may seek partnerships, collaborations and other strategic transactions to maximize the commercial potential its products and the Company's proprietary technologies in Canada, the U.S. and other territories throughout the world. The Company may enter into such arrangements on a selective basis depending on the merits of retaining commercialization rights for itself as compared to entering into selective collaboration arrangements with leading distribution companies for each of the Company's products, both in Canada and internationally. The Company faces competition in seeking appropriate collaborators. Moreover, collaboration arrangements are complex and time consuming to negotiate, document and implement. The Company may not be successful in its efforts to establish and implement collaborations or other alternative arrangements should the Company choose to enter into such arrangements. The terms of any collaborations or other arrangements that the Company may establish may not be

favourable to the Company. Any future collaborations that the Company enters into may not be successful. The success of the Company's collaboration arrangements will depend heavily on the efforts and activities of the Company's collaborators. Collaborators generally have significant discretion in determining the efforts and resources that they will apply to these collaborations. Disagreements between parties to a collaboration arrangement regarding sales and commercialization matters could lead to delays in the commercialization of the Company's products and, in some cases, termination of the collaboration arrangement. These disagreements can be difficult to resolve if neither of the parties has final decision-making authority. Collaborations with third parties often are terminated or allowed to expire by the other party. Any such termination or expiration could adversely affect the Company financially and could harm the Company's business reputation.

The Company does not own or operate, and has no plans to establish, any manufacturing facilities for the Company's products. The Company will rely on key strategic collaborators and manufacturers to develop and test its prototypes as well as manufacture commercial supplies of finished goods, once its product is fully developed.

The Company plans to negotiate one or more manufacturing agreements with third parties to produce REPELWRAP™ samples, prototypes and ultimately, end products on behalf of the Company for the Canadian and international markets. The facilities used by any third-party manufacturer must be approved by the relevant regulatory body. The Company does not control the manufacturing process of, and is completely dependent on, the Company's contract manufacturing partners for compliance with the regulatory requirements, for manufacture of the Company's prototypes and products, if and when finalized. If contract manufacturers that the Company may use cannot successfully manufacture material that conforms to the Company's specifications and any regulatory requirements that may be required, the Company could face material adverse impacts on its operations and cash flow. In addition, the Company has no control over the ability of the Company's contract manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If any regulatory authority does not approve these facilities for the manufacture of the Company's products or product candidates or if it withdraws any such approval in the future, the Company may need to find alternative manufacturing facilities, which would significantly impact the Company's ability to develop, obtain regulatory approval for or market the Company's products or product candidates, if approved. Moreover, if the Company's contract manufacturer cannot successfully manufacture materials that conform to the Company's specifications and any regulatory requirements the Company may be subject to, recalls, product seizures, fines, refusal to permit import or export of the product and injunction against manufacture or distribution or regulatory enforcement action. The machinery to produce the commercial supply of our commercial products and product candidates must be qualified and validated, which is time consuming and expensive, and this machinery is located within one manufacturing site and is customized to the particular manufacturing specifications of each product or product candidate. If any manufacturer is unable to qualify and validate this equipment in a timely manner, the Company's ability to supply or launch and commercialize, as applicable, any of its products, will be compromised. If this customized equipment malfunctions at any time during the production process, the time it may take the manufacturer to secure replacement parts, to undertake repairs and to revalidate the equipment and process could limit The Company's ability to meet the commercial demand for its products. This may increase the risk that the third party manufacturer may not manufacture the product or product candidate in accordance with the applicable regulatory requirements, that the Company may not have sufficient quantities of that product or that the Company may not have such quantities at an acceptable cost, any of which could delay, prevent, or impair the sale or commercialization of any of our commercial products or product candidates, if approved, and the development of the Company's other product candidates. Reliance on a third-party manufacturer subjects the Company to risks that would not affect the Company if the Company manufactured the commercial product or product candidates itself, including:

- reliance on the third party for regulatory compliance and quality assurance;
- reduced control over the manufacturing process for the Company's products and product candidates;
- the possible breach of the manufacturing agreements by the third party because of factors beyond the Company's control;
- the possibility of termination or nonrenewal of the agreements by the third party because of the Company's breach of the manufacturing agreement or based on their own business priorities;
- the disruption and costs associated with changing suppliers; and
- potential theft of know-how and trade secrets.

The Company's commercial products and product candidates may compete with other products and product candidates for access to manufacturing resources and facilities. There may be a limited number of manufacturers that are both

capable of manufacturing for the Company and willing to do so. If the third parties that the Company may engage in the future to manufacture a product for commercial sale should cease to continue to manufacture the Company's products for any reason, the Company likely would experience delays in obtaining sufficient quantities of its products to meet commercial demand or to advance the Company's scale-up and commercialization efforts while the Company identifies and qualifies replacement suppliers. If for any reason the Company is unable to obtain adequate supplies of the Company's products or the substances used to manufacture them, it will be more difficult for the Company to develop its products and compete effectively.

The Company faces legal and regulatory requirements that may change or restrict the Company's ability to develop, manufacture and supply products.

The Company's future operations, including development, and commencement and continuation of commercial production, may require licenses, permits or other approvals from various federal, provincial, local and potentially foreign governmental authorities, and such operations are or will be governed by laws and regulations relating to production, exports, taxes, labor standards, occupational health and safety, the environment and other matters, Furthermore, in certain foreign jurisdictions, these regulatory requirements may be more stringent than those in Canada. Although the Company believes REPELWRAP™ would not require Health Canada Therapeutic Products Directorate ("TPD"), Pest Management Regulatory Agency ("PMRA") or Consumer and Hazardous Products Safety Directorate ("CHPSD") approvals for sales in Canada as it believes REPELWRAP™ will be considered a coating which would not require such approvals, there is no certainty that such approvals may not be required or that it will be successful in obtaining any required approvals or licenses in Canada or any other jurisdiction the Company that the Company intends to sell its products. Should the Company be successful in developing an enhanced repel and kill version of REPELWRAP™, a catheter coating or other new products or enhancements which require approval, the Company will be required to obtain all necessary approvals.

To be able to provide the Company's products in other countries, the Company may need to obtain regulatory approvals and comply with the regulations of those countries which may differ substantially from those of Canada. These regulations, including any requirements for approvals and the time required for regulatory review, vary from country to country. Obtaining and maintaining foreign regulatory approvals is complex, and the Company cannot be certain that it will receive regulatory approvals in any foreign country in which the Company plans to market the Company's products, or to obtain such approvals on a favorable schedule. If the Company fails to obtain or maintain regulatory approval in any foreign country in which the Company plans to market the Company's products, the Company's ability to generate revenue will be harmed.

Achievement of our business objectives is subject to compliance with regulatory requirements enacted by governmental authorities. We may incur costs and obligations related to regulatory compliance. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, thereunder, including orders issued by regulatory or judicial authorities causing the development and manufacture of products to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. We may be required to compensate those suffering loss or damage by reason of our operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Health Canada also regulates certain markets into which the Company intends to supply products or license its intellectual property. Although the Company believes its products will not require Health Canada, PMRA or CHPSD approval, there is no assurance that Health Canada or any other body will require the Company to obtain any license for sales into markets it regulates. Each foreign jurisdiction for the Company's products may also be regulated and there is no assurance that sales of products will be permitted without receipt of regulatory approvals or licenses. Any inability by the Company to obtain approval from Health Canada and/or international bodies could have a material adverse impact of the business of the Company.

Changes in environmental regulation, if any, may adversely impact the Company's operations and future potential profitability. The trend in most countries in environmental legislation and regulation generally is toward stricter standards.

The Company may also be subject to consumer protection laws that may impact its sales and marketing efforts. These laws, as well as any changes in these laws, could make it more difficult for the Company to sell and market its products.

These laws and regulations may be subject to change over time and thus the Company must continue to monitor and dedicate resources to ensure continued compliance. Non-compliance with applicable regulations or requirements could subject the Company to investigations, sanctions, enforcement actions, disgorgement of profits, fines, damages, civil and criminal penalties, or injunctions. If any governmental sanctions are imposed, or if the Company does not prevail in any possible civil or criminal litigation, its business, operating results, and financial condition could be materially adversely affected. Additionally, in order for the Company to carry out its activities, any required licences and permits must be obtained and kept current. There can be no assurance, however, that the Company will obtain on reasonable terms or at all the permits and approvals, and the renewals thereof, which it may require for the conduct of its future operations or that compliance with applicable laws, regulations, permits and approvals will not have an adverse effect on the Company's business plans. Possible future legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delay on the Company's planned research and development and operations, the extent of which cannot be predicted. Failure to comply with applicable laws, regulations and other requirements may have an adverse material impact on the Company and its operations.

No guarantee of success. Even if we commercialize any of our product candidates, our success is dependent upon each product's acceptance in the market.

The Company's product candidate REPELWRAP™ (repel film) is in the formulation stage and is not yet commercially viable. There is no guarantee that the Company's efforts to commercialize REPELWRAP™ will be successful and that it will achieve revenues. There is no assurance that broad successful commercial applications may be feasible for the Company. The Company is continuing to explore, develop, and test its current product candidates, and there can be no assurance that new products will be fully developed for commercial application, that scale-up and commercialization test results will be successful, if completed at all, that any necessary permits or approvals required in order to market such products will be obtained by the Company. The commercial success of our product candidates will depend upon their acceptance by the market and by various sectors, such as the healthcare industry or high-touch point retail venues. The degree of market acceptance will depend on a number of factors, including:

- demonstrated and perceived effectiveness compared to other products;
- limitations and drawbacks compared to other products;
- sales, marketing and distribution support;
- timing of market introduction;
- the degree of cost-effectiveness of our product candidates;
- competitive products;
- adverse publicity of our product candidates or favorable publicity about competitive products;
- convenience and ease of administration of our products; and
- potential product liability claims.

If the market opportunities for any product that we develop are smaller than we believe they are, our revenue may be adversely affected and our business may suffer.

Our projections of the markets in which we anticipate to operate in, are based on estimates. If our projections are inaccurate, the market opportunities for any of our product candidates could be significantly diminished and have an adverse material impact on our business.

Global economic instability may affect the Company's ability to execute its business plan.

Many industries, including out industry, are affected by global market conditions, and negative trends in global economic conditions, including but not limited to interest rates, consumer spending, employment rates, business conditions, inflation, energy costs, debt levels and credit availability. Changes in these conditions may adversely affect the Company's ability to obtain loans and other credit facilities, which could affect the Company's ability to develop and market its products and affect the trading price of the Company's shares in an adverse manner.

We may face product liability claims and lawsuits that could adversely impact our business.

If product liability lawsuits are brought against the Company, the Company may incur substantial liabilities and may be required to limit commercialization of any of its development programs, if approved.

The Company faces a potential risk of product liability if the Company commercializes its products. For example, the Company may be sued if any product candidate the Company develops allegedly causes injury or is found to be otherwise unsuitable during product testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability and a breach of warranties. Claims could also be asserted under state consumer protection acts. If the Company cannot successfully defend itself against product liability claims, the Company may incur substantial liabilities or be required to limit commercialization of the product candidate subject to such claims. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for any products that the Company may develop;
- injury to the Company's reputation;
- costs to defend any related litigation;
- a diversion of management's time and the Company's resources;
- substantial monetary awards to any trial participants or customers;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenue;
- the inability to commercialize any of the Company's products, subject to any approvals;
- a decline in s stock price; and
- exposure to adverse publicity.

The Company's inability to obtain and retain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of product candidates the Company develops. The Company does not currently maintain product liability insurance given its current level of product development. Although the Company does maintain other forms of insurance, any claim that may be brought against the Company could result in a court judgment or settlement in an amount that is not covered, in whole or in part, by the Company's insurance or that is in excess of the limits of the Company's insurance coverage. The Company's insurance policies also have various exclusions, and the Company may be subject to a product liability claim for which the Company has no coverage. The Company may have to pay any amounts awarded by a court or negotiated in a settlement that exceed the Company's coverage limitations or that are not covered by the Company's insurance, and the Company may not have, or be able to obtain, sufficient capital to pay such amounts.

Risks Related to Management and Personnel

We rely on our management and need additional key personnel to grow our business, and the loss of key employees or inability to hire key personnel could harm our business.

We believe our success has depended, and continues to depend, on the efforts and talents of our executives and employees. Our future success depends on our continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand, and we may incur significant costs to attract and retain them. The Company's senior management team has expertise in many different aspects of development, licensing, and commercialization. Competition for skilled personnel in the Company's market is intense and competition for experienced personnel may limit the Company's ability to hire and retain highly qualified personnel on acceptable terms. Despite the Company's efforts to retain valuable executives and consultants, members of the Company's management and scientific team may terminate their employment or consulting arrangements with the Company on short notice. In addition, the loss of any of our senior management or key employees could materially adversely affect our ability to execute our business plan and strategy, and we may not be able to find adequate replacements on a timely basis, or at all. We do not maintain key person life insurance policies on any of our employees.

In addition, we are subject to a variety of business risks generally associated with growing companies, including capacity constraints and pressure on our internal systems and controls. Our ability to manage growth effectively will require us to continue to implement and improve our operational and financial systems and to expand, train and manage our employee base. Future growth and expansion could place significant strain on our management personnel and likely will require us to recruit additional management personnel.

There can be no assurance that we will be able to manage our expanding operations (including any acquisitions) effectively, that we will be able to sustain or accelerate our growth or that such growth, if achieved, will result in profitable operations, that we will be able to attract and retain sufficient management personnel necessary for continued growth, or that we will be able to successfully make strategic investments or acquisitions.

We may become subject to liability arising from any fraudulent or illegal activity by our employees, contractors and consultants.

We are exposed to the risk that our employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to us that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and provincial healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for us to identify and deter misconduct by our employees and other third parties, and the precautions taken by us to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could result in the imposition of civil, criminal and administrative penalties, damages, monetary fines or contractual damages on us, reputational harm, diminished profits and future earnings, and curtailment of our operations.

Our success is tied to management's efforts and abilities.

The success of the operations and activities of the Company is dependent to a significant extent on the efforts and abilities of our management team and other key personnel, including the Lead Researchers. Investors must be willing to rely to a significant extent on the discretion and judgment of the Company's management team.

There may be conflicts of interest.

The Company's directors and officers may serve as directors or officers of other similar companies or have significant shareholdings in other similar companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms in accordance with the BCBCA. In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Risks Related to Intellectual Property

We rely on intellectual property and may not be able to protect intellectual property rights throughout the world.

Our success is heavily dependent upon intangible property and technology that we own and/or license from others, including pursuant to the License Agreement. We rely upon copyrights, patents, trade secrets, unpatented proprietary know-how and continuing innovation to protect the intangible property, technology and information we consider important to the development and success of our business. We utilize various methods to protect our proprietary rights, including confidentiality agreements with consultants, service providers and management that contain terms and conditions prohibiting unauthorized use and disclosure of confidential information. However, despite efforts to protect intangible property rights, unauthorized parties may attempt to copy or replicate intangible property, technology or processes. Further, identifying the unauthorized use of intellectual property rights is difficult as we may be unable to effectively monitor and evaluate the products being distributed by our competitors. There can be no assurance that the steps taken by us to protect intangible property, technology and information will be adequate to prevent misappropriation or independent third-party development of our intangible property, technology or processes. Other companies may also be able to materially duplicate our proprietary technology. To the extent that any of the above would occur, this could reduce any competitive advantage the Company may have, reduce our market share otherwise harm our business and revenue could be negatively affected, and in the future, we may have to litigate to enforce our

intangible property rights, which could result in substantial costs and divert management's attention and other resources.

Further, we may be unable to obtain registrations for our intellectual property rights for various reasons, including refusal by regulatory authorities to register trademarks or other intellectual property protections, prior registrations of which we are not aware, or we may encounter claims from prior users of similar intellectual property in areas where we operate or intend to conduct operations. In addition, effective patent, trade secret and other intellectual property protection may be unavailable or limited in some foreign countries. In some countries, the Company may not apply for patent or other intellectual property protection. The Company also relies on unpatented technological innovation and other trade secrets to develop and maintain its competitive position. Although the Company generally enters into confidentiality agreements with its employees and third parties to protect its intellectual property, these confidentiality agreements are limited in duration, could be breached and may not provide meaningful protection of its trade secrets. Adequate remedies may not be available if there is an unauthorized use or disclosure of the Company's trade secrets and manufacturing expertise. In addition, others may obtain knowledge about the Company's trade secrets through independent development or by legal means. The failure to protect the Company's processes, technology, trade secrets and proprietary manufacturing expertise, methods and compounds could have a material adverse effect on its business by jeopardizing critical intellectual property.

Where a product formulation or process is kept as a trade secret, third parties may independently develop or invent and patent products or processes identical to such trade secret products or processes. This could have a material adverse effect on the Company's ability to make and sell products or use such processes and could potentially result in costly litigation in which the Company might not prevail. The Company could face intellectual property infringement claims that could result in significant legal costs and damages and impede its ability to produce key products, which could have a material adverse effect on its business, financial condition, and results of operations.

In addition, we cannot be certain that issued patents will be enforceable or provide adequate protection or that pending or contemplated patent applications will result in issued patents. Competitors may independently develop similar products, duplicate our products, design around our patent rights, or obtain patents and proprietary rights that block or compete with our products.

Policing the unauthorized use of our current or future intellectual property rights could be difficult, expensive, time-consuming and unpredictable, as may be enforcing these rights against unauthorized use by others. Actions taken to protect or preserve intellectual property rights may require significant financial and other resources, and filing, prosecuting, and defending patents on all of our product candidates in all jurisdictions throughout the world would be prohibitively expensive. Therefore, we have filed applications and/or obtained patents only in key markets, such as the United States. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and their products may compete with ours.

In addition, if competitors infringe on our intellectual property, we may have to participate in litigation, interference or other proceedings that are expensive and divert management's attention to determine the right to a patent or other intellectual property or the validity of any patent granted. In any infringement proceeding, some or all of our current or future trademarks, patents or other intellectual property rights or other proprietary know-how, or arrangements or agreements seeking to protect the same for our benefit, may be found invalid, unenforceable, anti-competitive or not infringed. An adverse result in any litigation or defence proceedings could put one or more of our current or future trademarks, patents or other intellectual property rights at risk of being invalidated or interpreted narrowly and could put existing intellectual property applications at risk of not being issued.

The Company's performance and ability to compete are dependent to a significant degree on the proprietary technology licensed to it under the License Agreement. The Company relies on the patents and a combination of copyright and trade secret laws, as well as confidentiality agreements and technical measures, to establish and protect the proprietary rights of the Inventions. As part of its confidentiality procedures, the Company generally enters into agreements with its employees and consultants and limits access to and distribution of its documentation and other proprietary information. Accordingly, while the Company will endeavor to protect the intellectual property licensed to it under the License Agreement, there can be no assurance that the steps taken by the Company will prevent misappropriation of that technology or that agreements entered into for that purpose will be enforceable. The laws of other countries may afford the Company little or no effective protection of its intellectual property or the intellectual

property of the Licensor.

The Company may not successfully secure patents relating to the Licensed Patent Rights.

Pursuant to the License Agreement, the Company has agreed to fund the Licensor's applications for patents under the Licensed Patent Rights. There can be no assurance that our pending patent applications or any future patent applications will result in issued patents in Canada, the U.S. or foreign jurisdictions in which such applications are pending. Even if patents do issue on any of these applications, there can be no assurance that a third party will not challenge their validity or enforceability, or that the Company will obtain sufficient claim scope or term in those patents to prevent a third party from competing successfully with the Company's product candidates. As a result, the Company could experience delays in its ability to distribute and commercialize REPELWRAP^{TM}, all of which would have a material adverse effect on the Company's business, results of operations and financial condition.

There are risks of infringement on third parties' intellectual property.

Although the Company does not believe that its proposed products infringe on the proprietary rights of any third parties, there can be no assurance that infringement or invalidity claims (or claims for indemnification resulting from infringement claims) will not be asserted or prosecuted against the Company or the Licensor or that any such assertions or prosecutions will not materially adversely affect the Company's business, financial condition, or results of operations. Regardless of the validity or the successful assertion of such claims, the Company could incur significant costs and diversion of resources with respect to the defense thereof, which could have a material adverse effect on the Company's business, financial condition, or results of operations.

Risks Related to Ownership of Our Common Shares

Until the Common Shares are listed on a stock exchange, holders of the Common Shares may not be able to sell their Common Shares. Even if a listing is obtained, there can be no assurance that an active public market for the Common Shares will develop or be sustained. The holding of Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Common Shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment

The market price of our Common Shares may be volatile, which could result in substantial losses for investors purchasing Common Shares.

The price of the Common Shares will fluctuate with market conditions and other factors. If a holder of Common Shares sells its Common Shares, the price received may be more or less than the original investment. Some of the factors that may cause the market price of our Common Shares to fluctuate include:

- actual or anticipated fluctuations in our quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which we operate;
- addition or departure of our executive officers and other key personnel;
- sales or perceived sales of additional Common Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors; and
- operating and share price performance of other companies that investors deem comparable to the Company or from a lack of market comparable companies.

There are risks associated with the potential dilution of our Common Shares.

We may raise additional funds in the future by issuing equity securities. Such equity securities could contain rights and preferences superior to those of the Common Shares and holders of Common Shares will have no pre-emptive rights in connection with such further issues. The Board of Directors has the discretion to determine if an issuance of equity securities is warranted, the price at which such issuance is effected and the other terms of issue of any equity securities, including Common Shares or equity securities convertible into Common Shares. In addition, additional

Common Shares may be issued by us in connection with the exercise of options granted. To the extent holders of our options or other convertible securities convert or exercise their securities and sell the Common Shares they receive, the trading price of the Common Shares may decrease due to the additional number of Common Shares available in the market. Such additional equity issuances could, depending on the price at which such securities are issued, substantially dilute the interests of the holders of Common Shares. In addition, we cannot predict the size of future issuances of our equity securities, including Common Shares, or the effect, if any, that future issuances and sales of our equity securities, including Common Shares will have on the market price of our Common Shares. Sales of substantial amounts of our Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices for our Common Shares.

No Market for Securities.

There is currently no market through which any of the Common Shares, may be sold and there is no assurance that such securities of the Company will be listed for trading on a stock exchange, or if listed, will provide a liquid market for such securities. This may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Common Shares and the extent of issuer regulation. We cannot predict the prices at which the Common Shares will trade. If an active and liquid trading market for the Common Shares does not develop or is not maintained, investors may have difficulty selling their Common Shares. There can be no assurance that there will be sufficient liquidity of the Common Shares on the trading market, or that we will continue to meet the listing requirements of the CSE or any other public listing exchange on which the Common Shares may subsequently be listed.

If securities or industry analysts do not publish research or publish inaccurate or unfavourable research about us or our business, our trading price and volume could decline.

The trading market for our Common Shares will depend, in part, on the research and reports that securities or industry analysts publish about us or our business. We do not currently have and may never obtain research coverage by securities and industry analysts. If no securities or industry analysts commence covering us, the trading price for our Common Shares could be negatively impacted. If we obtain securities or industry analyst coverage and one or more of the analysts who cover us downgrade our Common Shares or publish inaccurate or unfavourable research about our business, or more favourable relative recommendations about our competitors, our trading price may decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our Common Shares could decrease, which could cause our trading price and volume to decline.

We may not be able or willing to pay any dividends.

No dividends on the Common Shares have been paid to date and there is no assurance as to whether we will be profitable enough to pay dividends, or determine to do so even if sufficiently profitable. We anticipate that, for the foreseeable future, we will retain future earnings and other cash resources for the operation and development of our business. Payment of any future dividends will be at the discretion of the Board of Directors after considering many factors, including our earnings, operating results, financial condition, current and anticipated cash needs, and restrictions in financing agreements. Our ability to pay dividends is subject to our future financial position. Our Board must also approve any dividends at their sole discretion. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

Other Risks

The COVID-19 Public Health Crisis or another global health crisis could materially affect the Company's business, operations and financial condition.

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, on March 11, 2020, the World Health Organization declared the outbreak a global pandemic.

To date, there have been a large number of temporary business closures, quarantines and various reductions (and

surges) in consumer activity worldwide, including in Canada. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While to date these effects have been temporary and sporadic, the duration of any future disruptions to businesses locally and internationally and the related financial impact may affect the Company's business, financial condition and results of operations.

Such public health crises can result in volatility and disruptions in global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations affected by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest.

To date the Company's business operations have not been substantially affected by the COVID-19 pandemic (save for requiring some company staff to work remotely). However, as discussed, as the COVID-19 pandemic continues, there is a risk that the effects of the COVID-19 pandemic, including governmental restrictions and vaccination requirements, market disruptions or volatility, or changed in economic conditions will materially affect the Company's business in the future. A future wave of COVID-19 in North America or a new global health pandemic may result in further disruptions due to: (i) restrictions that governments and communities impose to address the COVID-19 global pandemic or a new global health pandemic; (ii) restrictions that the Company or any manufacturing and distributor partners impose to ensure the safety of employees and others; (iii) shortages of employees and/or unavailability of manufacturing and distributor partners; (iv) interruption of supplies from third-parties upon which the Company relies and/or (v) vaccination requirements.

There are risks related to the use of available funds.

The Company has prepared a detailed budget setting out the way it intends to use the available funds. However, the Company's management will have broad discretion concerning the use of the funds as well as the timing of their expenditures, and there can be no assurance as to how the funds will be allocated. However, the quantum and timing of expenditure will necessarily be dependent upon the Company's ultimate strategy of successfully developing and marketing REPELWRAP™. As the Company continues to develop REPELWRAP™, it is possible that circumstances may dictate a departure from the pre-existing budget. Further, the Company may, from time to time as opportunities arise, utilize part of its financial resources (including the funds raised) to participate in additional opportunities that arise and fit within the Company's broader objectives, as a means of advancing shareholder value. Until utilized, the funds will be held in cash balances in the Company's bank account or invested at the discretion of the directors and/or senior management of the Company. As a result, a purchaser will be relying on the judgment of management of the Company for the application of the available funds. The results and the effectiveness of the application of the funds are uncertain. If the available funds are not applied effectively, the Company's business, prospects, financial condition and results of operations may suffer, which could have material and adverse effect on the trading price of the Common Shares in the market.

The Company is subject to the effects of general economic and political conditions.

The business of the Company is subject to the impact of changes in Canadian, U.S. and international economic conditions, including but not limited to, recessionary or inflationary trends, equity market conditions, interest rates, consumers' disposable income and spending levels, job security and unemployment, and overall consumer confidence. These economic conditions may be further affected by political events throughout the world that cause disruptions in the financial markets, either directly or indirectly. Adverse economic and political developments could have a material adverse effect on the Company and its business, financial condition, results of operations and cash flows.

General

Although management believes that the above risks fairly and comprehensibly illustrate all material risks facing the Company, the risks noted above do not necessarily comprise all those potentially faced by the Company as it is impossible to foresee all possible risks.

CERTIFICATE OF THE ISSUER

Dated: January 31, 2023

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of the provinces of British Columbia, Alberta, Manitoba and Ontario.

(Signed) "*Carolyn Myers*"	(Signed) "*Rose Zanic*"
Chief Executive Officer	Chief Financial Officer

On behalf of the Board of Directors

(Signed) "*Stephen Randall*"	(Signed) "*Pierre Soulard*"
Director	Director

CERTIFICATE OF THE PROMOTER

Dated: January 31, 2023

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of the provinces of British Columbia, Alberta, Manitoba and Ontario.

(Signed) "*Carolyn Myers*"

Carolyn Myers

SCHEDULE “B”

Form 2A, Section 14 – Capitalization Tables

Please see attached.

14. Capitalization

14.1 Prepare and file the following chart for each lass of securities to be listed:

Issued Capital[1]

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	%of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	51,913,453	75,789,080	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	13,550,001	20,975,001[3]	26.1%	27.7%
Total Public Float (A-B)	38,363,452	54,814,079	73.9%	72.3%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	35,649,666[2]	41,799,669[4]	68.7%	55.2%
Total Tradeable Float (A-C)	16,263,787	33,989,411	31.3%	44.8%

(1) Figures are reported to the best of the knowledge of management of the Company.
(2) Comprised of:

(i) 16,500,001 common shares (including 1,500,001 common shares which are also subject to escrow pursuant to National Policy 46-201) are subject to voluntary escrow and the following restrictions: 55% will be released on the date that is 18 months after the Listing Date and an additional 15% will be released on each of 24 months, 30 months, and 36 months after the Listing Date;
(ii) 7,380,000 common shares are subject to voluntary escrow and the following restrictions: 1/6th will be released on each of 3 months, 6 months, 9 months, 12 months, 15 months and 18 months after the Listing Date (820,000 additional common shares were subject to the same voluntary escrow and were released on the Listing Date);
(iii) 1,435,000 common shares are subject to voluntary escrow and the following restrictions: 100% will be released on the date that is 18 months after the Listing Date; and
(iv) 10,334,665 common shares are subject to voluntary escrow and the following restrictions: 20% will be released on the date that is 4 months and one day after the Listing Date, 20% will be released on the date that is 6 months and one day after the Listing Date, 30% will be released on the date that is 9 months and one day after the Listing Date and 30% will be released on the date that is 12 months and one day after the Listing Date.

(3) Does not include 3,000,000 common shares and 400,000 stock options held by one holder, which would represent a 4.4% voting position on a fully-diluted basis. The 3,000,000 common shares held by such holder represent a 5.8% voting position on a non-diluted basis and are included in the non-diluted column. If the 3,000,000 common shares and 400,000 stock options were included to the fully-diluted column, Held by Related Persons (B) would equal 24,375,001 and Total Public Float (A-B) would equal 51,414,079.

(4) Comprised of:
(i) the common shares noted in footnote 2 above;
(ii) 1,850,003 options, which are not vested as of the Listing Date;
(iii) 150,000 Restricted Stock Units, which are not vested as of the Listing Date; and
(iv) 4,150,000 Bonus Shares (as described below under Item 14.3), which if issued, would be subject to a four month resale restriction from the date of issuance.

Public Securityholders (Registered)

Instruction: For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		

5,000 or more securities	29	38,363,452
TOTAL:	29	38,363,452

Public Securityholders (Beneficial)

Instruction: Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities	200	38,363,452
Unable to confirm		
TOTAL:	200	38,363,452

Non-Public Securityholders (Registered)

Instruction: For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities	5	13,550,001
	TOTAL:	13,550,001

14.2 Provide the following details for any securities convertible or exchangeable into any class of listed securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Options with an exercise price of $0.15 and 1/3rd of the Options vest on each of April 22, 2022, April 22, 2023, and April 22, 2024 and have an expiry date of April 22, 2027	1,025,000	1,025,000
Options have an exercise price of $0.30 and 1/3rd of the Options vest on each of	300,000	300,000

December 24, 2022, December 24, 2023, and December 24, 2024 and have an expiry date of December 24, 2027		
Options with an exercise price of $0.30 and 1/3rd of the Options vest on each of January 24, 2023, January 24, 2024, and January 24, 2025 and have an expiry date of January 24, 2028	1,450,000	1,450,000
Restricted Stock Units, 100% of which vest on May 24, 2023	150,000	150,000
Warrants with an exercise price of $0.10 and an expiry date of March 10, 2024	8,450,000	8,450,000
Warrants with an exercise price of $0.50 and an expiry date of February 1, 2025, subject to an acceleration clause	6,669,000	6,669,000
Broker Warrants with an exercise price of $0.15, of which 200,320 have an expiry date of August 16, 2023, 45,120 have an expiry date of November 9, 2023, 442,667 have an expiry date of December 23, 2023 and 8,000 have an expiry date of January 20, 2024	696,107	696,107
Broker Warrants with an exercise price of $0.30 with an expiry date of February 1, 2025	985,520	985,520

14.3 Provide details of any listed securities reserved for issuance that are not included in section 14.2.

Up to 4,150,000 Bonus Shares are issuable at a deemed price equal to the then-current market price of a common share should certain milestones related to the development of the Licensed Technology (as defined in the Company's prospectus dated January 31, 2023) be achieved.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, FendX Technologies Inc., hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to FendX Technologies Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated this 15th day of March, 2023.

"Carolyn Myers"

Carolyn Myers
Chief Executive Officer

"Rose Zanic"

Rose Zanic
Chief Financial Officer

"Carolyn Myers"

Carolyn Myers
Promoter

"Stephen Randall"

Stephen Randall
Director

"Pierre Soulard"

Pierre Soulard
Director