ME Therapeutics Holdings Inc.

Consolidated Financial Statements

For the year ended August 31, 2024

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
ME Therapeutics Holdings Inc.

Opinion

We have audited the accompanying consolidated financial statements of ME Therapeutics Holdings Inc. (the "Company"), which comprise the consolidated statements of financial position as at August 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 on the consolidated financial statements, which indicates the Company does not have revenues and has recurring operating losses from incorporation. As stated in Note 1, these conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Stephen Hawkshaw.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

November 26, 2024

ME Therapeutics Holdings Inc.

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

As at August 31, 2024 and August 31, 2023

	Note	**August 31, 2024 $**	August 31, 2023 $
Assets			
Current assets			
Cash		1,496,725	647,145
Sales tax receivable		16,579	7,209
Prepaid expenses		25,183	17,310
		1,538,487	671,664
Non-current assets			
Equipment	4	157	196
Intangible asset	5	1	1
Total assets		**1,538,645**	671,861
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		46,138	106,716
Due to related parties	7	16,780	1,757
Government loans	12	-	40,000
Total liabilities		**62,918**	148,473
Shareholders' equity			
Share capital	6	6,111,869	4,523,869
Commitment to issue shares	6,7	-	31,917
Reserves	6	3,899,359	3,208,468
Deficit		(8,535,501)	(7,240,866)
Total shareholders' equity		**1,475,727**	523,388
Total liabilities and shareholders' equity		**1,538,645**	671,861
Nature of operations and going concern	**1**		
Reverse acquisition	**3**		
Event after the reporting period	**13**		

Approved on behalf of the Board of Directors on November 26, 2024:

"Salim Dhanji" **Director** *"John Priatel"* **Director**

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

ME Therapeutics Holdings Inc.

Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

(Expressed in Canadian Dollars)

For the years ended August 31, 2024 and August 31, 2023

	Common shares #	Share capital $	Commitment to issue shares $	Convertible debentures $	Reserves $	Deficit $	Total shareholders' equity (deficiency) $
September 1, 2022	8,488,458	513,082	-	18,263	57,649	(720,476)	(131,482)
Conversion of convertible debentures	6,511,536	158,262	-	(18,263)	-	-	139,999
Reverse acquisition transaction (note 3):							
Equity of ME Therapeutics Holdings Inc.	8,304,445	3,737,000	-	-	-	-	3,737,000
Fair value of retained warrants	-	-	-	-	2,562,600	-	2,562,600
Common share financing	256,722	115,525	-	-	-	-	115,525
Share-based compensation	-	-	-	-	588,219	-	588,219
Commitment to issue shares	-	-	31,917	-	-	-	31,917
Loss and comprehensive loss for the year	-	-	-	-	-	(6,520,390)	(6,520,390)
August 31, 2023	23,561,161	4,523,869	31,917	-	3,208,468	(7,240,866)	523,388
September 1, 2023	23,561,161	4,523,869	31,917	-	3,208,468	(7,240,866)	523,388
Unit offering completed	1,555,000	1,555,000	-	-	-	-	1,555,000
Partial settlement of commitment	73,333	33,000	(33,000)	-	-	-	-
Share-based compensation	-	-	-	-	690,891	-	690,891
Commitment to issue shares	-	-	8,583	-	-	-	8,583
Settlement of commitment to issue shares in cash	-	-	(7,500)	-	-	-	(7,500)
Loss and comprehensive loss for the year	-	-	-	-	-	(1,294,635)	(1,294,635)
August 31, 2024	**25,189,494**	**6,111,869**	**-**	**-**	**3,899,359**	**(8,535,501)**	**1,475,727**

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

ME Therapeutics Holdings Inc.

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

For the years ended August 31,

	Note	**2024** **$**	2023 $
Operating expenses			
Consulting	7	55,000	1,250
Depreciation	4	39	49
General and administrative		111,233	24,766
Interest/accretion - convertible debentures	6	-	7,462
Professional fees	7	204,050	335,970
Research costs		312,021	27,117
Share-based compensation	6,7	690,891	588,219
Loss from operating expenses		**(1,373,234)**	(984,833)
Transaction expense	3	-	(5,566,968)
Interest income		31,817	11,411
Government assistance	12	46,782	-
Other income	12	-	20,000
Loss and comprehensive loss for the year		**(1,294,635)**	(6,520,390)
Loss per share			
Weighted average number of common shares outstanding			
- Basic #		**24,361,097**	15,625,942
- Diluted #		**24,361,097**	15,625,942
Basic loss per share $		**(0.05)**	(0.42)
Diluted loss per share $		**(0.05)**	(0.42)

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

ME Therapeutics Holdings Inc.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

For the years ended August 31,

	Note	**2024**	2023
		$	$
Operating activities			
Loss for the year		(1,294,635)	(6,520,390)
Adjustments for non-cash items:			
Depreciation		39	49
Interest/accretion - convertible debentures		-	7,462
Share-based compensation		690,891	588,219
Commitment to issue shares - services		8,583	31,917
Transaction expense		-	5,566,968
Other income		-	(20,000)
Working capital adjustments:			
Government assistance receivable		-	17,000
Sales tax receivable		(9,370)	(1,578)
Prepaid expenses		(7,873)	(15,102)
Accounts payable and accrued liabilities		(60,578)	58,289
Due to related parties		15,023	(16,029)
		(657,920)	(303,195)
Financing activities			
Unit/share offering completed		1,555,000	115,525
Settlement of share commitment for cash	6,7	(7,500)	-
Repayment of Government loans	12	(40,000)	-
		1,507,500	115,525
Investing activities			
Cash acquired on reverse acquisition	3	-	757,438
		-	757,438
Net change in cash		**849,580**	569,768
Cash, beginning of year		**647,145**	77,377
Cash, end of year		**1,496,725**	647,145
Supplemental cash flow information	10		

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

1. Nature of operations and going concern

Nature of operations

ME Therapeutics Holdings Inc. (the “Company” or “METX”) is a preclinical stage biotechnology company working on cancer fighting drugs in the field of Immuno Oncology. The Company was incorporated on November 9, 2021 under the laws of the Province of British Columbia. The Company’s head office is located at 177 Robson Street, Vancouver, British Columbia, Canada, V6B 0N3. Its records office is located at 2700 – 1133 Melville Street, Vancouver, British Columbia, Canada, V6E 4E5. On March 9, 2023, the Company changed its name from “Metx Research Corp.” to “ME Therapeutics Holdings Inc.” and changed its year end from September 30 to August 31.

On March 9, 2023, the Company completed the acquisition of all of the issued and outstanding securities in the capital of ME Therapeutics Inc. (“METI”), a private company incorporated on September 16, 2014 under the laws of the Province of British Columbia, in exchange for the issuance of an aggregate of 14,999,994 common shares in the capital of the Company to the shareholders of METI pursuant to the terms of an Securities Exchange Agreement (the “Agreement”) dated October 4, 2022 (and as amended on October 12, 2022, and March 7, 2023) between the Company and METI (collectively, the “Transaction”) (note 3).

The Transaction constituted a reverse acquisition (“RTO”) of the Company by METI.

Effective October 4, 2023, the Company was issued a receipt for its final long-form prospectus dated September 29, 2023. Effective October 12, 2023, the Company’s securities commenced trading on the Canadian Securities Exchange, and in December 2023, the Company’s shares were listed on the Frankfurt Stock Exchange.

Going concern

These consolidated financial statements (the “financial statements”) are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As at August 31, 2024, the Company had a working capital surplus of $1,475,569 (August 31, 2023 – $523,191) and shareholders’ equity of $1,475,727 (August 31, 2023 – $523,388). However, the Company does not have revenues and has recurring operating losses from incorporation. This indicates the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs with equity financings, or loans from related parties. If the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its consolidated statements of financial position.

2. Material accounting policy information

Basis of presentation

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

These financial statements have been prepared on a historical cost basis, except for financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies set out below have been applied consistently by the Company.

All amounts on these financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiary.

Principles of consolidation

These financial statements include the accounts of the Company, and its wholly-owned subsidiary as follows:

Name	Jurisdiction	Relationship
ME Therapeutics Holdings Inc.	Canada	Legal parent company
ME Therapeutics Inc.	Canada	Legal subsidiary company

A subsidiary is an entity controlled by the Company and is included in the financial statements from the date that control commences until the date that control ceases. The accounting policies of a subsidiary are changed where necessary to align them with the policies adopted by the Company.

All intercompany balances are eliminated on consolidation.

The financial statements account for METX as a controlled entity requiring consolidation since the date of the RTO (notes 1 and 3), effective March 9, 2023 onwards, except for capital which has been retroactively adjusted to reflect the capital of the Company.

New accounting policies

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2023.

i. Disclosure of accounting policy information (amendments to IAS 1); and
ii. Definition of accounting estimates (amendments to IAS 8).

With the exception of changing the Company’s note heading for the accounting policies from “significant” to “material”, the Company has reviewed all other updates and determined that these updates are not applicable to or consequential to the Company and have no impact on the material accounting policies.

Estimates and critical judgments by management

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues, and expenses. Management continually evaluates these judgments, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgments which may cause a material adjustment to the carrying amounts of assets and liabilities.

2. Material accounting policy information (continued)

Estimates and critical judgments by management (continued)

The areas which require management to make critical judgments include:

- *Deferred income taxes*

  The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

- *Going concern*

  The assessment of the Company's ability to continue as a going concern, as discussed in note 1, involves judgment regarding future funding available for its operating and working capital requirements.

The areas which require management to make significant estimates and assumptions include:

- *Share-based compensation*

  The determination of the fair value of stock options using stock pricing models requires the input of highly subjective variables, including expected price volatility. Wide fluctuations in the variables could materially affect the fair value estimate; therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

Financial instruments

All financial instruments are recognized initially at fair value on the date at which the Company becomes a party to the contractual provisions of the instrument.

<u>Classification and measurement of financial assets and liabilities</u>

The Company classifies its financial instruments based on the purpose for which they were acquired, in one of the following categories: amortized cost; fair value through other comprehensive income (loss) ("FVOCI") or fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured at FVTPL (an irrevocable election at the time of recognition). Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method. Interest expense is recorded to profit or loss. For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income (loss). The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

2. Material accounting policy information (continued)

Financial instruments (continued)

The Company classifies its financial instruments in the following categories based on the purpose for which the asset was acquired: FVTPL, amortized cost, and FVOCI. The Company's financial assets and financial liabilities are classified and measured as follows:

Asset/Liability	Measurement Category	Subsequent measurement
Cash	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Due to related parties	Amortized cost	Amortized cost
Government loans	Amortized cost	Amortized cost

Impairment

Financial assets

An 'expected credit loss' ("ECL") model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

Financial assets, other than those classified at FVTPL, are assessed for indicators of impairment at each reporting date. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset (a "loss event"), and that loss event has an impact on the estimated future cash flows of that asset. Objective evidence may include significant financial difficulty of obligor and/or delinquency in payment. When impairment has occurred, the cumulative loss is recognized in profit or loss.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. Impairment losses may be reversed in subsequent periods.

Non-financial assets

Non-financial assets are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. For purposes of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or "CGU"). The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value in use. Value in use is based on the estimated cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. If the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

Cash

Cash is comprised of deposits in financial institutions.

2. Material accounting policy information (continued)

Equipment

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Depreciation is calculated on a declining balance basis, with one-half year rule applied to any additions in the year, using the following terms and methods:

- Computer equipment 20%

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting year, with the effect of any changes in estimates accounted for on a prospective basis. The determination of appropriate useful lives and residual values are based on management's judgement; therefore, the resulting depreciation is subject to estimation uncertainty.

Items of equipment are derecognized upon disposal or when no future economic benefits are expected to arise from their continued use. Any gain or loss arising from disposal or retirement is determined as the difference between the consideration received and the carrying amount of the asset and is recognized in profit or loss.

Compound financial instruments

Compound financial instruments issued by the Company comprise convertible debentures that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Share purchase warrants issued in conjunction with a convertible debt are allocated a proportionate value of the equity component and included within reserves.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within the non-financial assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense.

2. Material accounting policy information (continued)

Income taxes

Income tax expense is comprised of current and deferred income taxes. Current income tax and deferred income tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or equity investments.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred income tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company’s common shares, share purchase warrants, and options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares, warrants or options are recognized as a deduction from equity, net of tax.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a unit private placement to be the more easily measurable component. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Share-based compensation transactions

The Company has a stock option plan that provides for the granting of options to Officers, Directors, employees, and consultants to acquire shares of the Company.

Options granted to employees and others providing similar services are measured at grant date at the fair value of the instruments issued. Fair value is determined using the Black-Scholes option pricing model considering the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of options that are expected to vest. Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis.

Options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received. Over the vesting period, share-based compensation is recorded as an expense and as reserves. When options are exercised the consideration received is recorded as share capital and the related share-based compensation originally recorded as reserves is transferred to share capital. When an option is cancelled or expires, the initial recorded value is reversed from reserves and credited to deficit.

2. Material accounting policy information (continued)

Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by dividing the profit or loss attributable to common shareholders by the weighted average number of common shares outstanding, adjusted for own shares held, and for the effects of all potential dilutive common shares related to outstanding stock options and warrants issued by the Company for the years presented, except if their inclusion proves to be anti-dilutive.

Government assistance

Government assistance consisting of investment tax credits are recorded separately within profit or loss when they relate to an item(s) of expense. Amounts are recognized when the grant is received, or when there is reasonable assurance that the Company has met the requirements of the approved grant program and there is reasonable assurance that the grant will be received.

Research costs

Expenditures on research and development activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss (research) as incurred. Investment tax credits related to current expenditures are included in the determination of profit or loss as the expenditures are incurred when there is reasonable assurance they will be realized. The Company expenses legal fees incurred on application costs relating to its pending patents as incurred.

Intangible assets

Intangible assets with finite lives are measured at cost less accumulated amortization and impairment losses. These intangible assets are amortized on a straight-line basis over their estimated useful lives. Useful lives, residual values, and amortization methods for intangible assets with finite useful lives are reviewed at least annually.

Indefinite life intangible assets are measured at cost less any impairment losses. These intangible assets are tested for impairment on an annual basis or more frequently if there are indicators that intangible assets may be impaired. The Company does not have any intangible assets with indefinite lives.

Standards issued but not yet effective

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

The Company has not yet determined the impact of this amendment on its financial statements.

(Expressed in Canadian Dollars)

3. Reverse acquisition

As described in note 1, on March 9, 2023, the Company (METX) and METI completed a Transaction which constituted a reverse acquisition, with METI shareholders receiving 1.395 shares of METX for every share of METI held. This resulted in METI shareholders controlling approximately 64.4% of the issued and outstanding shares of the Company.

The Transaction resulted in the shareholders of METI obtaining control of the combined entity by obtaining control of the voting rights, governance, and management decision-making processes, and the resulting power to govern the financial and operating policies of the combined entities.

The Transaction constituted an RTO of METX by METI and had been accounted for as a reverse acquisition transaction in accordance with the guidance provided in IFRS 2, *Share-based Payments* and IFRS 3, *Business Combinations*. As METX did not qualify as a business according to the definition in IFRS 3, the RTO did not constitute a business combination; rather it was treated as an issuance of common shares by METI for the net assets of METX, with METI as the continuing entity. Accordingly, no goodwill or intangible assets were recorded with respect to the Transaction as it does not constitute a business.

For accounting purposes, METI was treated as the accounting parent company (legal subsidiary) and METX as the accounting subsidiary (legal parent) in the financial statements. As METI was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation were included in the financial statements at their historical carrying values. METX's results of operations were included from March 9, 2023, except for capital which had been retroactively adjusted to reflect the capital of the Company.

On closing of the Transaction, METI's nominees comprised the entirety of the Board of the combined entity with the exception of one Director being appointed by METX. Further, METI's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") remain as CEO and CFO of the combined entity.

A summary of the net assets (liabilities) acquired versus the consideration paid was as follows:

	March 9, 2023
Net assets (liabilities) of ME Therapeutics Holdings Inc. acquired:	**$**
Cash	757,438
Accounts payable and accrued liabilities	(23,611)
Due to to related parties	(1,195)
Net assets acquired	**732,632**
Consideration paid on RTO:	**$**
Common shares (fair value of 8,304,445 common shares at $0.45 per share)	3,737,000
Fair value of retained warrants	2,562,600
Total consideration paid	**6,299,600**
Transaction expense	**5,566,968**

The Transaction was measured at the fair value of the shares that METI would have had to issue to the shareholders of METX, to give the shareholders of METX the same percentage equity interest in the combined entity that results from the reverse acquisition had it taken the legal form of METI acquiring METX. On March 1, 2023, prior to the completion of the RTO, METX had completed a unit offering whereby a total of 694,444 units were issued at a price of $0.45 per unit for gross proceeds of $312,500. Each unit was comprised of one common share and one half of one share purchase warrant, with each whole warrant being exercisable into an additional common share at an exercise price of $1.00 for a period of three years expiring on March 1, 2026.

Additionally, 7,975,220 METX warrants were retained on completion of the RTO (the "Retained Warrants"), with a fair value of $2,562,600 (see note 6 for details).

4. Equipment

As at August 31, 2024, the Company owns computer equipment with a cost of $829 (August 31, 2023 - $829) and a net book value of $157 (August 31, 2023 - $196).

Depreciation charges of $39 were recorded during the year ended August 31, 2024 (2023 - $49).

5. Intangible asset

As at August 31, 2024, and August 31, 2023, the Company has recognized a nominal amount of $1 in respect of capitalized intangible asset costs, representing the Company's work with respect to its novel antibody sequences.

The Company has expensed all patent application costs to date, in accordance with its stated material accounting policy.

6. Share capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. All issued shares are fully paid. From incorporation to August 31, 2024, no preferred shares have been issued.

Escrowed shares

On completion of a public listing (note 1), 18,477,772 common shares were subject to escrow provisions and will have different (and in some cases multiple) escrow release schedules applied. These shares will be released from escrow as follows: (a) an aggregate of 2,727,778 shares will be released over a period of 36 months from the listing date with 10% being released on the listing date and 15% being released every 6 months thereafter (the "NP 46-201 Escrow"), (b) an aggregate of 750,000 will be released from escrow on the date that is 6 months from listing, (c) an aggregate of 2,474,565 shares will be released over 27 months from listing with 10% released on listing, 30% released 9 months from listing, 30% released 18 months from listing and the remaining shares released 27 months from listing (the "Target Voluntary Escrow"); and (d) an aggregate of 12,525,429 shares are subject to both NP 46-201 Escrow and the Target Voluntary Escrow and released over a period of 36 months from listing with 10% released on listing, 15% released 9 months from listing, 15% released 12 months from listing, 15% released 18 months from listing, 15% released 24 months from listing, 15% released 30 months from listing, and the remaining shares released 36 months from listing.

Transactions for the issue of share capital during the year ended August 31, 2024:

On January 26, 2024, the Company issued 73,333 common shares pursuant to an accrued commitment to issue shares. The shares were recorded at a value of $33,000 ($0.45 per share).

On March 6, 2024, the Company completed a unit offering whereby a total of 1,555,000 units were issued at a price of $1.00 per unit for gross proceeds of $1,555,000. Each unit is comprised of one common share and one warrant exercisable at a price of $1.50 for a period of two years. The warrants are subject to an acceleration clause whereby if the daily trading price of the Company's common shares equals or exceeds $2.00 for a period of ten consecutive trading days, the Company may accelerate the warrants, which will then expire on the 30th day after the date on which the news release is disseminated. No value was allocated to the warrant component of the units sold.

Transactions for the issue of share capital during the year ended August 31, 2023:

On March 9, 2023, and in connection with the closing of the RTO, METI issued 6,511,536 common shares pursuant to the conversion of all outstanding convertible debentures.

On August 9, 2023, the Company completed the first tranche of a private placement whereby a total of 212,222 common shares were sold at $0.45 per share for gross proceeds of $95,500.

(Expressed in Canadian Dollars)

6. Share capital (continued)

Transactions for the issue of share capital during the year ended August 31, 2023 (continued)**:**

On August 18, 2023, the Company completed the second tranche of a private placement whereby a total of 44,500 common shares were sold at $0.45 per share for gross proceeds of $20,025.

Warrants

As an incentive to complete private placements the Company may issue units which include common shares and common share purchase warrants. Using the residual value method, the Company determines whether a value should be allocated to the warrants attached to the units sold in completed private placements.

A summary of the status of the Company's warrants as at August 31, 2024 and August 31, 2023, and changes during the years then ended are as follows:

	Year ended August 31, 2024		Year ended August 31, 2023	
	Warrants #	Weighted Avg. Exercise price $	Warrants #	Weighted Avg. Exercise price $
Warrants outstanding, beginning of year	7,957,220	0.29	-	-
Issued in connection with RTO	-	-	7,957,220	0.29
Issued in connection with unit offering	1,555,000	1.50	-	-
Warrants outstanding, end of year	**9,512,220**	**0.49**	7,957,220	0.29

The Company measured the fair value of the Retained Warrants (note 3) using the Black-Scholes option pricing model using the following weighted average assumptions: expected life of the warrants – 2.0 years, expected stock price volatility – 120.00%, no dividend yield, and a risk-free interest rate yield of 3.00%. Using the above assumptions, the fair value of Retained Warrants was approximately $0.32 per warrant for a total of $2,562,600.

On August 18, 2023, the Company extended the expiration date of certain share purchase warrants as follows: 1,250,000 with an original expiration date of January 13, 2025 were extended to January 13, 2027, 800,000 with an original expiration date of January 26, 2025 were extended to January 26, 2027, and 500,000 with an original expiration date of October 21, 2025 were extended to October 21, 2027. All other terms of the warrants remained unchanged.

As at August 31, 2024, the Company has warrants outstanding and exercisable as follows:

Warrants outstanding #	Warrants exercisable #	Exercise price $	Weighted average remaining life (years)	Expiry date
1,000,000	1,000,000	0.20	0.37	January 13, 2025
3,400,000	3,400,000	0.25	0.41	January 26, 2025
660,000	660,000	0.40	1.14	October 21, 2025
347,220	347,220	1.00	1.50	March 1, 2026
1,555,000	1,555,000	1.50	1.51	March 6, 2026
1,250,000	1,250,000	0.20	2.37	January 13, 2027
800,000	800,000	0.25	2.41	January 26, 2027
500,000	500,000	0.40	3.14	October 21, 2027
9,512,220	**9,512,220**		**1.24**	

(Expressed in Canadian Dollars)

6. Share capital (continued)

Stock options

The Company has an incentive stock option plan (the "Plan") which provides for the granting of options. Under the Plan the maximum number of stock options issued cannot exceed 15% of the Company's currently issued and outstanding common shares. Options granted under the Plan may have a maximum term of ten years. A participant, who is not a consultant conducting investor relations activities, who is granted an option that is exercisable at the market price at the date of grant, will have their options vest immediately, unless otherwise determined by the Board of Directors.

A participant who is a consultant conducting investor relations activities who is granted an option under the Plan will become vested with the right to exercise one-quarter of the option upon conclusion of every three months subsequent to the grant date. All options are to be settled by physical delivery of common shares.

A summary of the status of the Company's stock options as at August 31, 2024 and August 31, 2023, and changes during the years then ended is as follows:

	Year ended August 31, 2024		Year ended August 31, 2023	
	Options \#	Weighted Avg. Exercise price $	Options \#	Weighted Avg. Exercise price $
Options outstanding, beginning of year	2,546,670	0.45	121,670	0.75
Granted	250,000	3.51	2,425,000	0.45
Options outstanding, end of year	**2,796,670**	**0.72**	2,546,670	0.45

As at August 31, 2024, the Company has stock options outstanding and exercisable as follows:

Options outstanding \#	Options exercisable \#	Exercise price $	Weighted average remaining life (years)	Expiry date
2,175,000	2,175,000	0.45	1.58	March 31, 2026
250,000	250,000	0.45	1.77	June 7, 2026
250,000	62,500	3.51	2.60	April 8, 2027
121,670	121,670	0.40	3.52	March 9, 2028
2,796,670	**2,609,170**		**1.77**	

On April 8, 2024, the Company granted 250,000 stock options to a consultant. The stock options are exercisable at $3.51 each until April 8, 2027, and vest as follows: (a) 25% on the date of grant, (b) 50% six months from the date of grant, and (c) 25% nine months from the date of grant.

The Company measured the fair value of the options granted using the Black-Scholes option pricing model on a graded basis. Share-based payment expense was calculated using the following weighted average assumptions: expected life of the options – 3.0 years, expected stock price volatility – 125.00%, no dividend yield, and a risk-free interest rate yield of 3.99%. Using the above assumptions, the fair value of options granted was approximately $2.59 per option for a total of $646,941.

On March 31, 2023, 2,175,000 stock options were granted to Directors, Officers, and a consultant. The stock options are exercisable at $0.45 each until March 31, 2026, and vest as follows: (a) 25% on the date of grant, (b) 50% six months from the date of grant, and (c) 25% nine months from the date of grant.

On June 7, 2023, the Company granted 250,000 stock options to a Director. The stock options are exercisable at $0.45 each until June 7, 2026, and vest as follows: (a) 25% on the date of grant, (b) 50% six months from the date of grant, and (c) 25% nine months from the date of grant.

6. Share capital (continued)

Stock options (continued)

The Company measured the fair value of the options granted using the Black-Scholes option pricing model on a graded basis. Share-based payment expense was calculated using the following weighted average assumptions: expected life of the options – 3.0 years, expected stock price volatility – 125.00%, no dividend yield, and a risk-free interest rate yield of 3.58%. Using the above assumptions, the fair value of options granted was approximately $0.33 per option for a total of $802,743.

The total share-based payment expense for the year ended August 31, 2024, was $690,891 (2023 - $588,219), which is presented as an operating expense.

Convertible debentures

Between January 27, 2022 and February 10, 2022, METI closed a convertible debenture offering whereby gross proceeds of $140,000 was raised. Each debenture consisted of an interest-free, unsecured convertible debenture with a maturity of one year from the date of issuance. At the option of the holder, the debentures were convertible into common shares of the Company at an initial conversion price of $0.01, which was subsequently amended to $0.03 based on completion of the Agreement with METX (note 3). Pursuant to the Agreement, all of the debentures were automatically converted immediately prior to completion of the Transaction.

As the debentures were convertible into common shares, the liability and equity components were presented separately on the consolidated statements of financial position. The initial carrying amount of the financial liability was determined by discounting the stream of future payments of interest and principal at a market interest rate of 15% totaling $121,737. Using the residual method, the carrying amount of the conversion feature was the difference between the principal amount and the initial carrying value of the financial liability.

The equity component was recorded within equity on the consolidated statement of financial position totaling $18,263. The debentures, net of the equity component were accreted using the effective interest method over the term of the debentures, such that the carrying amount of the financial liability equaled the principal balance at maturity.

The Company recorded interest/accretion expense of $nil related to the convertible debentures during the year ended August 31, 2024 (2023 - $7,462).

Commitment to issue shares

As at August 31, 2024, the Company has accrued $nil for amounts owing to a related party (note 7) that is payable through the issuance of common shares (August 31, 2023 - $31,917). During the year ended August 31, 2024, $33,000 was settled through the issuance of 73,333 common shares at a value of $0.45 per share, associated with professional services rendered prior to the Company obtaining a public listing in October 2023. Furthermore, during the year ended August 31, 2024, an additional commitment to issue common shares totaling $7,500 was settled in cash. The Company has no continuing obligations that would result in a commitment to issue common shares as at August 31, 2024.

7. Related party transactions and balances

Key management personnel are the persons responsible for the planning, directing, and controlling the activities of the Company and includes both executive and non-executive Directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

During the year ended August 31, 2024, the Company paid or accrued $50,000 in consulting fees to a company controlled by the Company's CEO (2023 - $nil).

During the year ended August 31, 2024, the Company paid or accrued $37,500 in professional fees to DBM CPA Inc. ("DBM"), a company in which the Company's CFO is a principal and exerts significant influence (2023 - $47,833).

(Expressed in Canadian Dollars)

7. Related party transactions and balances (continued)

During the year ended August 31, 2023, the Company granted a total of 1,925,000 stock options to Directors and Officers, having a fair value on issuance of $637,291. Share-based payment expense associated with these stock options totalled $173,160 for the year ended August 31, 2024 (2023 - $464,130).

As at August 31, 2024, $12,580 is owing to the Company's CEO (or a company controlled by the CEO) (August 31, 2023 - $382), and $4,200 is owing to DBM (August 31, 2023 - $1,375). Further, as at August 31, 2024, $nil is owing to DBM as a commitment to issue shares (August 31, 2023 - $31,917).

8. Income taxes

Income tax recovery for the years ended August 31, 2024 and August 31, 2023, varies from the amount that would be computed from applying the combined federal and provincial income tax rate to loss before income taxes as follows:

	August 31, 2024 $	August 31, 2023 $
Loss before income taxes	(1,294,635)	(6,520,390)
Statutory Canadian corporate tax rate	27.0%	27.0%
Anticipated income tax recovery	350,000	1,761,000
Change in statutory tax rates, adjustments to prior years, other	42,000	(2,000)
Permanent differences	(187,000)	(1,657,000)
Impact of RTO	-	32,000
Change in unrecognized deductible temporary differences	(205,000)	(134,000)
Net deferred income tax recovery	-	-

The significant components of the Company's unrecognized deferred income tax asset are as follows:

	August 31, 2024 $	August 31, 2023 $
Scientific Research and Experimental Development credits	159,000	37,000
Non-capital losses available for future periods	320,000	237,000
Equipment and intangible asset	17,000	17,000
Unreocgnized deferred income tax assets	(496,000)	(291,000)
Net deferred income tax asset	-	-

As at August 31, 2024, the Company has non-capital loss carry forwards of approximately $1,188,000 (August 31, 2023 - $877,000) of which $13,000 will expire in 2035, $30,000 in 2036, $58,000 in 2037, $70,000 in 2038, $80,000 in 2039, $16,000 in 2040, $42,000 in 2041, $144,000 in 2042, $400,000 in 2043, and $335,000 in 2044.

As at August 31, 2024, the Company also has a Scientific Research and Experimental Development pool balance of approximately $433,000 (August 31, 2023 - $136,000) which have not been claimed for income tax purposes. The balance does not have an expiry date.

Income tax attributes are subject to review, and potential adjustments, by tax authorities.

(Expressed in Canadian Dollars)

9. Capital management

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to maintain operations. The Board of Directors which comprises members of management, does not establish quantitative return on capital criteria, but rather relies on their expertise to sustain future development of the business. The Company defines capital that it manages as shareholders' equity.

The Company does not expect to enter into additional debt financing. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new units or common shares. The Company's capital structure as at August 31, 2024, is comprised of shareholders' equity of $1,475,727 (August 31, 2023 – $523,388).

The Company is not subject to any externally imposed capital requirements and there were no changes to the Company's approach to managing capital during the year ended August 31, 2024.

10. Supplemental cash flow information

The Company incurred non-cash financing activities during the years ended August 31, 2024, and August 31, 2023, as follows:

	August 31, 2024	August 31, 2023
	$	$
Non-cash financing activities:		
Conversion of convertible debentures	-	140,000
Common shares issued to partially settle commitment to issue shares	33,000	-
	33,000	140,000

There were no non-cash investing activities during the years ended August 31, 2024, and August 31, 2023.

During the years ended August 31, 2024 and August 31, 2023, the Company did not pay any amounts pertaining to interest or income taxes.

11. Financial risk management and financial instruments

Fair value of financial instruments

IFRS 13 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The carrying values of cash, accounts payable and accrued liabilities, due to related parties, and government loans approximate their respective fair values due to the short-term nature of these instruments.

11. Financial risk management and financial instruments (continued)

Financial instruments - risk

The Company is exposed to varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) Credit risk

Credit risk is the risk of a potential loss to the Company if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum credit exposure to the Company is the carrying amount of cash. All of the Company's cash is held with a major Canadian financial institution, and management believes the exposure to credit risk with respect to the financial institution is not significant. The Company has minimal receivables exposure as its refundable credits are due from the Canadian Government.

(b) Interest rate risk

The Company is exposed to interest rate risk because of fluctuating interest rates on its cash balances held on deposit in the financial institution. Further, the government loans (note 12) did not bear interest. Accordingly, management does not feel as though the Company's exposure to interest rate risk is significant.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with financial liabilities as they come due. The Company manages its liquidity risk by reviewing on an ongoing basis its capital requirements. As at August 31, 2024, the Company has $1,496,725 of cash to settle current liabilities in the amount of $62,918. The Company will require additional funding to meet its ongoing obligations, as discussed in note 1.

12. Government assistance

Scientific Research and Experimental Development ("SRED")

SRED is a federal tax incentive program designed to encourage Canadian businesses of all sizes and in all sectors to conduct research and development in Canada.

During the year ended August 31, 2024, the Company accrued $nil (2023 - $nil) in government assistance proceeds associated with the SRED program.

As at August 31, 2022, the Company had accrued $17,000 in government assistance proceeds associated with the SRED program. These funds were received during the year ended August 31, 2023.

Canadian Emergency Business Account ("CEBA")

During the year ended August 31, 2020, the Company qualified for a government-guaranteed line of credit (government loan) of $40,000 which was free of interest and to be repaid by January 18, 2024, at which time a 25% balance forgiveness ($10,000) would apply.

During the year ended August 31, 2021, the Company qualified for an additional government-guaranteed line of credit (government loan) of $20,000 which was free of interest and to be repaid by January 18, 2024, at which time a 50% balance forgiveness ($10,000) would apply.

During the year ended August 31, 2024, all amounts were repaid.

12. **Government assistance** (continued)

NRC Industrial Research Assistance Program ("NRC-IRAP")

NRC-IRAP is a federal research assistance program designed to provide funding assistance to small and medium-sized businesses to conduct research and development in Canada.

During the year ended August 31, 2024, the Company received $46,782 (2023 - $nil) in government assistance proceeds associated with the NRC-IRAP program.

13. **Events after the reporting period**

On October 1, 2024, the Company entered into a Sublease Agreement with an arm's length party (the "Lease") for new lab and office space in Vancouver. The lease has a term of two years, and expires on September 30, 2026.