GENIX PHARMACEUTICALS CORPORATION

(FORMERLY: ALTA NATURAL HERBS & SUPPLEMENTS LTD.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED JULY 31, 2019

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

UNAUDITED FINANCIAL STATEMENTS: In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the three and nine months ended July 31, 2019 and 2018.

Amended and Restated

GENIX PHARMACEUTICALS CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
For the three and nine months ended July 31, 2019 and 2018
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

		July 31, 2019		October 31, 2018
ASSETS				
Current				
Cash	$	8,982	$	69,897
Receivables (Note 4)		9,525		115,890
Deposit on inventory		-		14,558
Inventory (Note 5)		47,486		31,121
		70,992		231,466
Equipment		196		253
	$	71,188	$	231,719
LIABILITIES AND EQITY				
Current				
Accounts payable and accrued liabilities (Note 6)	$	111,733	$	104,431
Loans		10,000		-
Sales tax payable		2,693		4,722
		124,426		109,153
Equity				
Share capital (Note 8)		4,192,298		4,192,298
Reserves		55,519		55,519
Deficit		(4,301,055)		(4,125,251)
		(53,238)		122,566
	$	71,188	$	231,719

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on December 19, 2019.

"Dr. Conny Lin"	Director	*"Kevin Bottomley"*	Director
Dr. Conny Lin		Kevin Bottomley	

Amended and Restated

GENIX PHARMACEUTICALS CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS) COMPREHENSIVE LOSS
For the three and nine months ended July 31, 2019 and 2018
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the three months ended July 31		For the nine months ended July 31	
	2019	2018	2019	2018
	$	$	$	$
SALES	-	71,388	135,003	311,376
COST OF GOODS SOLD	(23,870)	(16,908)	165,548	256,087
GROSS LOSS	(23,870)	88,296	(30,545)	55,289
ADMINISTRATIVE EXPENSES				
Amortization	18	27	57	81
Bank charges and interest	244	178	725	590
Corporate and public relations expense	-	1,809	728	8,694
Filing fees	-	-	2,984	1,250
Meals and entertainment	-	841	4,195	3,939
Office and miscellaneous	1,065	21	22,017	2,390
Professional fees	5,000	5,156	35,991	36,958
Rent and storage	788	1,800	13,811	5,400
Salaries and wages	7,847	3,900	18,870	11,864
Telephone	-	1,237	2,795	3.085
Travel and vehicle	-	4,956	5,947	10,539
	14,962	19,925	108,119	84,790
INCOME (LOSS) BEFORE OTHER ITEMS	(38,832)	68,371	(138,664)	(29,501)
OTHER INCOME				
Exchange gain	-	(4,087)	623	(4,987)
Net (loss) for the period from continuing operations	(38,832)	64.284	(138,041)	(34,488)
Net income for the period from discontinued operations	-	142,690	-	158,503
Net (loss) for the period	(38,832)	206,974	(138,041)	124,075
OTHER COMPREHENSIVE INCOME (LOSS)				
Exchange differences on transition of foreign operations	-	-	-	-
Comprehensive net (loss) for the period	**(38,832)**	**206,974**	**(138,041)**	**124,075**
Basic and diluted loss per common share				
Continuing operations	$(0.00)	$(0.00)	$(0.00)	$(0.00)
Discounted operations	$(0.00)	$(0.00)	$(0.00)	$(0.00)
All operations	$(0.00)	$(0.00)	$(0.00)	$(0.00)
Weighted average number of common shares outstanding	**37,514,237**	**37,514,237**	**37,514,237**	**37,514,237**

Amended and Restated

GENIX PHARMACEUTICALS CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the nine months ended July 31, 2019 and 2018
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the nine months ended July 31	
	2019	2018
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Continuing Operations		
Loss from continuing operations for the period	(138,041)	(34,488)
Items not affecting cash:		
Amortization	57	82
Changes in non-cash working capital items:		
Receivables	72,074	(11,441)
Inventory	(14,336)	37,002
Accounts payable and accrued liabilities	9,331	3,099
Loans	10,000	
Net cash used in operating activities from continuing operations	(60,915)	(5,746)
Discontinued Operations		
Income from discontinued operations for the period	-	-
Items not affecting cash:		
Amortization	-	-
Foreign currency adjustments	-	-
Changes in non-cash working capital items:		
Receivables	-	-
Accounts payable and accrued liabilities	-	-
Net cash provided by operating activities from continuing operations	-	-
Total cash (used in) provided by operating activities	(60,915)	(5,746)
CHANGE IN CASH	(60,915)	(5,746)
Effect of foreign exchange on cash		
Cash, beginning of period	69,897	44,245
Cash, end of period	8,982	38,499
Cash paid during the period for interest	-	-
Cash paid during the period for income tax	-	-

Supplementary disclosure with respect to cash flows (Note 10)

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

(Expressed in Canadian Dollars)

	Share Capital			**Accumulated foreign currency translation differences**		
	Number	**Amount**	**Reserves**		**Deficit**	**Total**
Balance at October 31, 2017	37,514,237	$ 4,192,298	$ 55,519	$ 132,473	$ (4,259,322)	$ 120,968
Foreign currency translation	-	-	-	(132,473)	-	(132,473)
Income for the period	-	-	-	-	124,075	124,075
Balance at July 31, 2018	37,514,237	4,192,298	55,519	-	(4,135,247)	112,570.
Balance at October 31, 2018	37,514,237	4,192,298	55,519	-	(4,125,251)	122,566
Foreign currency translation	-	-	-	-	(37,763)	(37,763)
Income for the period				-	(138,041)	(138,041)
Balance at July 31, 2019	37,514,237	$ 4,192,298	$ 55,519	-	$(4,301,055)	$(53,238)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Genix Pharmaceuticals Corporation (Formerly Alta Natural Herbs & Supplements Ltd.) (the "**Company**" or "**Genix**") was incorporated under the Alberta Business Corporations Act on July 12, 1993 and is currently a publicly traded company listed on the TSX Venture Exchange under the symbol "GENX". The Company is a formulator, manufacturer and marketer of life sciences related products for dietary supplements, nutraceuticals and pharmaceuticals. The Company's registered office, principal address and registered and records office is Suite 403, 4665 West 10th Ave, Vancouver, British Columbia, Canada, V6R 2J4.

On July 31, 2018, the Company sold its former wholly-owned subsidiary EcoEntity Inc. (see Note 11) - which operated the Alta Healthy Café, serving health meals, drinks, function foods and supplied nutrition supplements out of Kirkland, Washington State.

Since its inception the Company has been involved in the manufacturing and marketing of both nutraceutical and pharmaceutical products. From 1996 until 2012, the Company's primary product was HEPATICO, an over the counter (OTC) pharmaceutical product with a Drug Identification Number (DIN) issued by Health Canada for the treatment of Hepatitis C. More recently, the Company has been marketing and selling other nutraceuticals and some pharmaceutical products, such as bee propolis capsules, calcium liquid softgels, seal oil softgels, marine lipid softgels, Lecithin softgels, fish oil softgels, EPO softgels and spirulina powder.

The Company shall continue this traditional line of business, marketing and selling both nutraceuticals and pharmaceuticals, in keeping with the evolving nature of the health care industry towards Integrative Medicine and Health (IMH) and Complementary and Alternative Medicine (CAM) while continuing its plan to converge its business of the pharmaceutical and nutraceutical fields. Management believes this convergence is based on certain new trends in the market and the increased willingness of people to try non-traditional "medications" to heal themselves.

Accordingly, the Company shall continue to explore acquisitions and/or in-licensing agreements with various life science companies for novel nutraceutical/pharmaceutical products which fit into the Company's IMH and CAM objectives.

The consolidated financial statements were authorized by the Board of Directors on December 19, 2019.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company's continuing operations are dependent upon its ability to raise capital and generate cash flow. At July 31, 2019, the Company had negative working capital of $53,434, had not generated sufficient revenues to cover expenses and had an accumulated deficit of $4,301,055. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue in existence. The continuation of the Company as a going concern is dependent on generating future cash flows and obtaining necessary financing to fund ongoing operations. These factors indicate the existence of material uncertainties which may cast significant doubt upon the Company's ability to continue as a going concern.

2. BASIS OF PREPARATION

Statement of Compliance

The Company is considered to be in the development stage and is currently seeking additional capital, mergers, acquisitions, joint ventures, partnerships and other business arrangements to expend its product offering in the dietary supplements, nutraceuticals and pharmaceuticals.

These unaudited condensed interim consolidated financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. In the event that cash flow from operations, if any, together with the proceeds from any future financings are insufficient to meet the Company's current operating expenses, the Company will be required to re-evaluate its planned expenditures and allocate its total resources in such a manner as the Board of Directors and management deems to be in the Company's best interest. This may result in a substantial reduction of the scope of existing and planned operations.

These condensed consolidated interim financial statements do not reflect any adjustments, which could be material, to the carrying values of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed interim consolidated financial statements should be read in conjunction with the Company's October 31, 2018 audited financial statements as certain disclosures that are required to be included in annual financial statements prepared in accordance with IFRS are not included in these condensed consolidated interim financial statements.

Basis of Presentation

The condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

These unaudited condensed interim consolidated financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. In the event that cash flow from operations, if any, together with the proceeds from any future financings are insufficient to meet the Company's current operating expenses, the Company will be required to re-evaluate its planned expenditures and allocate its total resources in such a manner as the Board of Directors and management deems to be in the Company's best interest. This may result in a substantial reduction of the scope of existing and planned operations.

These condensed consolidated interim consolidated financial statements do not reflect any adjustments, which could be material, to the carrying values of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

2. BASIS OF PREPARATION (CONT'D)

The consolidated financial statements include the financial statements of the Company and its former wholly-owned subsidiary, EcoEntity Inc. (See Note 11). Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control is obtained to the date control ceases. All inter-company transactions, balances, income and expenses are eliminated in full upon consolidation.

Significant Accounting Judgments and Estimates

The preparation of the Company's condensed consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated financial statements and reported revenues and expenses during the reporting period. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the recoverability of receivables, valuation of inventory and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's annual financial statements for the year ended October 31, 2018.

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 9, Financial Instruments: Classification and Measurement
IFRS 9 was issued in December 2009, effective for annual periods beginning on or after January 1, 2018, with early adoption permitted if the date of initial application is before February 1, 2015, introduces new requirements for the classification and measurement of financial instruments. Management anticipates that this standard will be adopted in the Company's consolidated financial statements for the period beginning November 1, 2018. The Company is currently evaluating the impact of the adoption of this standard on its consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

(Expressed in Canadian Dollars)

IFRS 16 Leases

On January 13, 2016, the IASB issued IFRS 16 *Leases* which requires entities to recognize lease assets and lease obligations on the balance sheet. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead leases are "capitalized" by recognizing the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, a company also recognizes a financial liability representing its obligations to make future lease payments. This standard is effective for reporting periods beginning on or after January 1, 2019.

4. RECEIVABLES

The Company's receivables are as follows:

	July 31, 2019	October 31, 2018
	$	$
Trade receivables	9,525	115,890
GST/HST receivable	-	-
Total	9,525	115,890

5. INVENTORY

	July 31, 2019	October 31, 2018
	$	$
Raw Materials	47,486	29,204
Work in progress	-	1,917
Total	47,486	31,121

6. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are as follows:

	July 31, 2019	October 31, 2018
	$	$
Trade payables	87,706	81,681
Accrued liabilities	24,027	22,750
Loans	10,000	-
Total	121,733	104,431

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS

Executive Compensation

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel of the Company include executive officers and the board of directors.

The following compensation has been provided to key management personnel for the nine months ended July 31, 2019 and 2018:

	July 31, 2019	July 31, 2018
	$	$
Salaries and wages – Haofang Song, Director	18,870	11,864
Rent	13,811	5,400
Total	32,681	17,264

As at July 31, 2019, the Company owed $11,023 (October 31, 2018 - $17,047) to various directors which is included in accounts payable and accrued liabilities.

The transactions are in the normal course of operations and measured at the exchange rate amount established and agreed to by all parties.

8. SHARE CAPITAL AND RESERVES

a) Authorized share capital

As at July 31, 2019 the authorized share capital of the Company is an unlimited number of common shares without nominal or par value. All issued shares, consisting only of common shares are fully paid.

b) Issued share capital:

As at July 31, 31, 2019 and October 31, 2018 the Company had issued 37,514,237 common shares.

c) Stock options

The Company's stock option plan provides that the board of directors may from time to time, in its discretion, and in accordance with the TSX Venture Exchange (the "Exchange") requirements, grant to directors, officers, employees and technical consultants of the Company, non-transferable options to purchase the Company's shares, provided that the aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 10% of the total issued and outstanding common shares of the Company. The exercise price of options granted under the Plan will not be less than the closing price of the Company's shares on the Exchange on the trading day immediately before the date of grant, less the discount permitted under the Exchange's policies.

As at July 31, 2019, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

July 31, 2019	October 31, 2018	Exercise Price	Expiry Date
--	180,000	0.20	December 11, 2018
--	180,000		

During the nine months ending July 31, 2019, the stock options expired unexercised. There were no stock options granted during the nine months ended July 31, 2019.

9. FINANCIAL AND CAPITAL RISK MANAGEMENT

Designation and valuation of financial instruments. The three

levels of the fair value hierarchy are:

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 Company enters into financial instruments to finance its operations in the normal course of business. The fair values of cash, trade receivables and trade payables approximate their carrying values due to the short-term maturity of these instruments.

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at July 31, 2019 as follows:

	Level 1	Level 2	Level 3	Total
Financial Assets				
Cash	$ 8,982	$ --	$ --	$8,982

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Foreign exchange risk

The Company's functional and reporting currency is the Canadian dollar and while some major purchases are transacted in United States dollars, the Company has been able to pass any currency fluctuations onto the customer. As a result, the Company's exposure to foreign currency risk is minimal.

9. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONT'D)

Credit risk

The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company performs ongoing credit evaluations of its trade receivables, but does not require collateral. The Company establishes an allowance for doubtful accounts based on the credit risk applicable to particular customers and historical data. The Company maintains cash deposits with Schedule A financial institutions, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Capital management

The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the growth and development of its operations and safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company does prepare annual expenditure budgets that are updated as necessary. The annual and updated budgets are approved by the Company's Board of Directors. The Company has historically relied on financings and debt to fund its activities. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

10. SUPPLEMENTARY DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no significant non-cash investing or financing transactions during the nine month period ended July 31, 2019 and 2018.

(Expressed in Canadian Dollars)

11. DISCONTINUED OPERATIONS

On July 31, 2018, the Company sold 100% of the shares of its former wholly-owned subsidiary, EcoEntity Inc., for total consideration of $1 and forgave all outstanding loans to EcoEntity Inc.

The net income (loss) from discontinued operations for the nine months ended July 31, 2019 and 2018 are as follows:

	Nine Months Ended **July 31**, 2019	Nine Months Ended **July 31** 2018
	$	$
Revenue	--	311,846
Cost of Goods	--	(60,373)
Expenses	--	(258,399)
Net income for the period	--	(6,926)

12. SUBSEQUENT EVENTS

Prior to a special resolution at the AGM held September 05, 2019, Genix Pharmaceuticals Corporation was domiciled in Alberta, subsequently will be continuing as a British Columbia corporation.

The Company sold the remaining inventory and product rights of various nutraceutical products to Alta Natural Herbs and Supplements Ltd. controlled by a former Director for $47,486.

On September 19, 2019 the Company entered into an agreement with Canagen Pharmaceuticals Inc. (“Canagen”) to acquire, subject to acceptance of the TSX Venture Exchange (“TSXV”), thirty (30) World Health Organization approved generic prescription ophthalmic drugs and their Common Technical Document Dossiers together with concomitant global sales and marketing rights (excluding India) to such products. The consideration for this acquisition is the issuance of 15,000,000 common shares (the “Vend-In Shares”) in the capital of the Company valued at $.05 per Vend-In Share for a total value of CAD$750,000 (the “Transaction”). Under the terms of the Agreement, the Vend-In Shares will be distributed directly to the shareholders of Canagen and no shareholder shall have more 10% of the issued and outstanding shares of Genix pursuant to this Transaction. It is not anticipated that the Transaction will constitute a Change of Business (as that term is defined in the policies of the TSXV).

It should be noted that prior to being able to market, sell and distribute the Ophthalmic Drugs the Company is required to review and reformat the Product Dossiers and prepare and submit Abbreviated New Drug Submissions to Health Canada for their respective generic drug approvals by Health Canada. The receipt of regulatory approval from Heath Canada is evidenced by the issuance of Drug Identification Numbers (“DIN’s”) for each particular Ophthalmic Drug. The Company understands that the approval process can take between 18-24 months such that the Company does not expect to derive revenue from the sale of the Ophthalmic Drugs until 2022.

Genix is an innovative Canadian life sciences company focused on research, development, manufacture and sales of novel and innovative healthcare products-proprietary over the counter (“OTC”) nutraceutical and generic pharmaceuticals that have shown to deliver consistent and verifiable results in various therapeutic areas. The Company has always deployed a pharmaceutical model for product development and selection including rigorous active ingredient discovery and clinical testing for all its nutraceutical and pharmaceutical products.