



GENIX PHARMACEUTICALS CORPORATION

Condensed Interim Financial Statements

For the Six Months ended April 30, 2025 and 2024
(Expressed in Canadian Dollars - Unaudited)

NOTICE TO READER

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. In accordance with National Instrument 51-102, the Company discloses that its independent auditors have not reviewed the condensed interim financial statements for the period ended April 30, 2025.

GENIX PHARMACEUTICALS CORPORATION

Condensed Interim Statements of Financial Position

(Expressed in Canadian dollars - Unaudited)

	Note	April 30, 2025	October 31, 2024
Assets			
Current assets			
Cash		\$ 4,301	\$ 11,480
Receivables		2,751	5,784
Prepaid expense		28,410	21,513
		35,462	38,777
Non-current assets			
Intellectual property	4	5	5
Website	5	6,204	6,770
		\$ 41,671	\$ 45,552

Liabilities and Equity (Deficiency)

Current liabilities			
Trade and other payables	6	\$ 177,317	\$ 169,559
Loans from shareholders	7	965,078	815,663
Obligation - current portion	4	241,710	243,530
		1,384,105	1,228,752
Equity			
Share capital	9	9,700,762	9,700,762
Warrants reserve	9	40,087	40,087
Share options reserve	9	1,279,850	1,279,850
Accumulated deficit		(12,363,133)	(12,203,899)
		(1,342,434)	(1,183,200)
		\$ 41,671	\$ 45,552

Corporate Information and Nature of Operations (Note 1)

Subsequent Event (Note 13)

Approved by the Board of Directors on June 18, 2025

Paul ChowKevin Bottomley

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

GENIX PHARMACEUTICALS CORPORATION
Condensed Interim Statements of Comprehensive Loss
(Expressed in Canadian dollars - Unaudited)

	Note	Three Months ended April 30,		Six Months ended April 30,	
		2025	2024	2025	2024
Sales					
Nutraceuticals		\$ -	\$ 2,913	\$ -	\$ 2,984
Total Sales		-	2,913	-	2,984
Cost of Goods Sold					
Nutraceuticals		-	1,311	-	1,324
Total Cost of Goods Sold		-	1,311	-	1,324
Gross Profit		\$ -	\$ 1,602	\$ -	\$ 1,660
Operating expenses					
Amortization	5	\$ 283	\$ 283	\$ 566	\$ 566
Bank charges and interest expense		253	371	607	631
Commission		-	365	-	365
Consulting and management fees	8	10,500	15,500	21,000	30,000
Insurance		9,382	12,790	19,048	25,831
Interest expense		872	-	2,342	-
Investor relations		-	230	-	550
Marketing		-	1,141	-	1,441
Office and miscellaneous		1,576	1,156	5,019	4,750
Professional fees	8	5,994	5,250	8,994	10,250
Regulatory		(5,285)	9,292	15,948	15,864
Rent	8	3,723	2,711	7,434	6,422
Transfer agent		1,597	150	1,597	150
Travel		-	849	-	849
		\$ 28,895	\$ 50,088	\$ 82,555	\$ 97,669
Loss before other items		(28,895)	(48,486)	(82,555)	(96,009)
Other items					
Foreign exchange gain (loss)		18,281	(8,872)	2,506	3,194
Interest on shareholder loans	7	(41,402)	(28,650)	(79,253)	(52,284)
Interest income		36	65	68	98
		(23,085)	(37,457)	(76,679)	(48,992)
Comprehensive and net loss for the period		\$ (51,980)	\$ (85,943)	\$ (159,234)	\$ (145,001)
Basic and diluted loss per share					
Comprehensive and net loss for the period		(0.00)	(0.00)	(0.00)	(0.00)
Weighted average common shares outstanding		59,224,129	59,224,130	59,224,131	59,224,131

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

GENIX PHARMACEUTICALS CORPORATION

Condensed Interim Statements of Cash Flows

(Expressed in Canadian dollars - Unaudited)

	Six Months ended April 30,	
	2025	2024
Operating activities		
Net loss for the period	\$ (159,234)	\$ (145,001)
Items not affecting cash and cash equivalents		
Amortization	566	566
Interest on shareholder loans	79,253	50,404
Foreign exchange on obligation	(1,820)	(2,188)
Changes in non-cash working capital		
Receivables	3,033	(2,302)
Prepays	(6,897)	(23,102)
Inventory	-	(1,154)
Accounts payable and accrued liabilities	7,758	21,717
Total cash outflows from operating activities	\$ (77,341)	\$ (101,060)
Financing activities		
Loans from shareholders	70,162	98,975
Total cash inflows from financing activities	\$ 70,162	\$ 98,975
Net change in cash and cash equivalents	\$ (7,179)	\$ (2,085)
Cash, beginning of period	11,480	11,631
Cash, end of period	\$ 4,301	\$ 9,546

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

GENIX PHARMACEUTICALS CORPORATION

Condensed Interim Statements of Changes in Equity (Deficiency)

(Expressed in Canadian dollars - Unaudited)

	Number of shares	Share capital	Warrants reserve	Share options reserve	Accumulated deficit	Total
Balance, October 31, 2023	59,224,131	\$ 9,700,762	\$ 12,730	\$ 1,279,850	\$ (12,130,703)	\$ (1,137,361)
Net loss for the period	-	-	-	-	(145,001)	(145,001)
Balance, April 30, 2024	59,224,131	\$ 9,700,762	\$ 12,730	\$ 1,279,850	\$ (12,275,704)	\$ (1,282,362)
Share based payments	-	-	27,357	-	-	27,357
Net income for the period	-	-	-	-	71,805	71,805
Balance, October 31, 2024	59,224,131	\$ 9,700,762	\$ 40,087	\$ 1,279,850	\$ (12,203,899)	\$ (1,183,200)
Net loss for the period	-	-	-	-	(159,234)	(159,234)
Balance, April 30, 2025	59,224,131	\$ 9,700,762	\$ 40,087	\$ 1,279,850	\$ (12,363,133)	\$ (1,342,434)

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

GENIX PHARMACEUTICALS CORPORATION

Notes to Condensed Interim Financial Statements

(Expressed in Canadian dollars - Unaudited)

For the Six Months ended April 30, 2025 and 2024

1. CORPORATE INFORMATION AND NATURE 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” and also trades on the OTCQB® in the United States (OTCQB: GENPF). The Company is a formulator, manufacturer, licensor and marketer of life sciences related products with a focus on nutraceuticals and pharmaceuticals.

The Company’s registered office, principal address and registered and records office is 10022 – 102 Avenue, Grand Prairie, Alberta, T8V 0Z7.

The condensed interim financial statements were authorized by the Board of Directors on June 18, 2025.

These condensed interim 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.

These condensed interim 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.

The Company’s continuing operations are dependent upon its ability to raise capital and generate cash flow. At April 30, 2025, the Company had a working capital deficiency of \$1,348,643 (October 31, 2024 – \$1,189,975), had not generated sufficient revenues to cover expenses and had an accumulated deficit of \$12,363,133 (October 31, 2024 – \$12,203,899). 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 condensed 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.

2. BASIS OF PRESENTATION

Statement of compliance

The condensed interim financial statements of the Company have been prepared in accordance 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”).

Basis of presentation

The condensed 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.

GENIX PHARMACEUTICALS CORPORATION

Notes to Condensed Interim Financial Statements

(Expressed in Canadian dollars - Unaudited)

For the Six Months ended April 30, 2025 and 2024

2. BASIS OF PRESENTATION (continued...)

Significant accounting judgements and estimates

Significant accounting judgments

Going concern

The ability to continue as a going concern as discussed in Note 1 requires a degree of judgment and is assessed 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 current working capital balance and future commitments of the Company.

Impairment

Assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts and also at each reporting period. Recoverability is dependent upon assumptions and judgments regarding market conditions, cost of operations and sustaining capital requirements. If an asset is impaired, judgment is required in assessing the available information in regard to the amount of impairment.

Significant accounting estimates

Share-based payments

Estimating the fair value for granted stock options and compensatory warrants requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. The estimate also requires determining the most appropriate model including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

Carrying values of intangible assets

The Company assesses the carrying value of its intangible assets annually or more frequently if warranted by a change in circumstances. If it is determined that carrying values of assets cannot be recovered, the unrecoverable amounts are charged against current earnings. Recoverability is dependent upon assumptions and judgments regarding market conditions, cost of operations and sustaining capital requirements. Other assumptions used in the calculation of recoverable amounts are discount rates and future cash flows. A material change in the assumptions may significantly impact the potential impairment of these assets.

Impairment

Assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts and also at each reporting period. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, future capital requirements and future operating performance.

Useful lives of intangible assets

Estimates of the useful lives of intangible assets are based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed annually and are updated if expectations differ from previous estimates due to technical or commercial obsolescence, and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of the relevant assets may be based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

GENIX PHARMACEUTICALS CORPORATION

Notes to Condensed Interim Financial Statements

(Expressed in Canadian dollars - Unaudited)

For the Six Months ended April 30, 2025 and 2024

2. BASIS OF PRESENTATION (continued...)

Significant accounting estimates (continued...)

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from un-utilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future years, to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future years.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed 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, 2024.

Upcoming standards

There are no upcoming standards that will have a material impact on the Company's condensed interim financial statements.

4. Intellectual Property and Obligation

	Ophthalmic Drugs				Sucanon®	Rechlor®	Flu-X®	Levothyroxine Sodium		Total
Cost:										
Balance, October 31, 2022	\$	1	1	1	1	1	1	\$	5	
No activity for the year		-	-	-	-	-	-		-	
Balance, October 31, 2024		1	1	1	1	1	1		5	
No activity for the period		-	-	-	-	-	-		-	
Balance, April 30, 2025		1	1	1	1	1	1		5	
Accumulated amortization:										
Balance, October 31, 2022		-	-	-	-	-	-		-	
No activity for the year		-	-	-	-	-	-		-	
Balance, October 31, 2023		-	-	-	-	-	-		-	
No activity for the period		-	-	-	-	-	-		-	
Balance, April 30, 2025		-	-	-	-	-	-		-	
Net book value:										
As at October 31, 2024		1	1	1	1	1	1		5	
Balance, April 30, 2025	\$	1	\$	1	\$	1	\$	1	\$	5

Ophthalmic Drugs

On February 14, 2020, the Company completed the acquisition of 30 World Health Organization approved ophthalmic drugs and product dossiers from Canagen Pharmaceuticals Inc. ("Canagen") in exchange for 15,000,000 common shares. These shares were issued at a deemed price of \$0.30 per share for a total of \$4,535,000 based on the fair value of the asset at the time of acquisition.

GENIX PHARMACEUTICALS CORPORATION

Notes to Condensed Interim Financial Statements

(Expressed in Canadian dollars - Unaudited)

For the Six Months ended April 30, 2025 and 2024

4. Intellectual Property and Obligation (continued...)

Sucanon® and Rechlor®.

On January 10, 2020 the Company entered into an acquisition agreement with Canagen, to purchase sole and exclusive distribution, sales and marketing rights and interest for Canada, (excluding intellectual property rights) for an initial term of ten years to two nutraceutical products under the brand names Sucanon® and Rechlor®.

Sucanon® is a herbal health supplement that has been shown in clinical and scientific studies to help manage blood sugar levels and improve insulin sensitivity in non-insulin dependent adults.

Rechlor® is a patented dietary supplement that has been shown to support kidney health in several clinical and scientific studies. Made with all-natural, sugar-free ingredients, Rechlor® is a powerful antioxidant that is sourced from natural ingredients.

During the year ended October 31, 2024, Canagen has forgiven the remaining payments due from the Company totaling \$262,500, as agreed by both parties. The distribution, sales and marketing rights of the products were reverted back to Canagen.

Flu-X®

On March 24, 2020, the Company entered into an agreement, with Canagen to purchase the sole and exclusive global distribution, sales and marketing rights and interest for Flu-X®, a novel and proprietary, anti-viral, anti-flu and common colds coronavirus oral and spray herbal product. The Company acquired the global rights for a term of ten years, extendable by mutual agreement, by making cash payments to Canagen totaling \$100,000, comprising \$25,000 paid within four months of closing, and \$75,000 within the first anniversary thereafter. Canagen has been paid the first installment of \$25,000. The second installment of \$75,000 was forgiven during the year ended October 31, 2024, as agreed by both parties and the distribution, sales and marketing rights of the products were reverted back to Canagen.

Levothyroxine Sodium (Synthroid®)

On March 26, 2021, the Company entered into an exclusive Canadian licensing and supply agreement (the "Agreement") with Acme Generics LLP ("ACME") for the manufacture, sale, marketing and distribution of Canada's first available generic version of Levothyroxine sodium (Synthroid®). The Company will pay ACME a total licensing fee of \$433,440 (US \$350,000) (the "Transaction") for the exclusive Canadian rights which includes eleven dosages of Levothyroxine sodium. ACME will assist the Company and its regulatory consultants to file Abbreviated New Drug Submissions (ANDS) with Health Canada to obtain regulatory approvals for legal sale of the drugs in Canada.

The first payment of \$108,360 (US \$87,500) was paid upon signing the agreement. The second payment of \$108,360 (US \$87,500) is payable upon completion of the satisfactory review and gap analysis of the drug dossier by the Company's regulatory consultants and the consultants' written positive opinion of the dossier being acceptable by Health Canada. The third payment of \$242,743 (US \$175,000) is payable upon Health Canada's approval and issuance of the Notice of Compliance (NOC), marketing authorization for Canada and Health Canada's issuance of Drug Identification Numbers (DINs) for the products. The initial term of the Agreement is for an eight-year period from the date of product approval by Health Canada, which is expected to take between 18-24 months, and will renew automatically for two year terms thereafter. During the year ended October 31, 2022, the Company made a payment of \$54,994 (US \$43,750) towards the second payment and paid the remaining balance of the second payment of \$58,839 (US \$43,750) during the year ended October 31, 2023.

The remaining payment obligations for Levothyroxine sodium are summarized below:

	Levothyroxine Sodium	
Current portion (due in less than 12 months)	\$	241,710
Long term portion		-
	\$	241,710

GENIX PHARMACEUTICALS CORPORATION

Notes to Condensed Interim Financial Statements

(Expressed in Canadian dollars - Unaudited)

For the Six Months ended April 30, 2025 and 2024

5. Website

	Website	
Cost:		
Balance, October 31, 2023	\$	11,339
Additions for the year		-
Balance, October 31, 2024		11,339
Additions for the period		-
Balance, April 30, 2025		11,339
Accumulated amortization:		
Balance, October 31, 2023		3,437
Amortization during the period		1,132
Balance, October 31, 2024		4,569
Amortization during the period		566
Balance, April 30, 2025	\$	5,135
Net book value:		
As at October 31, 2024		6,770
Balance, April 30, 2025	\$	6,204

6. Trade and Other Payables

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

	April 30, 2025	October 31, 2024
Trade payables	\$ 167,317	\$ 149,559
Accrued liabilities	10,000	20,000
	\$ 177,317	\$ 169,559

7. Loans from Shareholders

	April 30, 2025	October 31, 2024
Shareholder loans	\$ 965,078	\$ 815,663
	\$ 965,078	\$ 815,663

The loans are from two shareholders who are also directors, bear interest at 10% per annum and are repayable at the earlier of one year or the Company's next private placement, with an additional 1.5% per month for every month extending beyond the maturity. There was no collateral pledged against these loans. The amount of shareholder loans outstanding includes accrued interest of \$253,615 (October 31, 2024 - \$174,362).

8. Related Party Transactions

Compensation of key management personnel:

Key management personnel include members of the Board, the President and Chief Executive Officer and the Chief Financial Officer. The aggregate total compensation paid, or payable to key management for management and employee services during the six months ended April 30 was as follows:

	2025	2024
Lease payments	\$ 6,000	\$ 5,000
Consulting fees paid to key management	21,000	18,000
	\$ 27,000	\$ 23,000

GENIX PHARMACEUTICALS CORPORATION

Notes to Condensed Interim Financial Statements

(Expressed in Canadian dollars - Unaudited)

For the Six Months ended April 30, 2025 and 2024

8. Related Party Transactions (continued...)

During the six months ended April 30, 2025, Genix entered into the following transactions with related parties:

- a) Paid or incurred consulting and management fees of \$3,000 (2024 - \$3,000) to a company controlled by an officer of the Company. As at April 30, 2025, \$nil (October 31, 2024 - \$nil) was included in trade and other payables for consulting fees.
- b) Paid or incurred in consulting fees of \$18,000 (2024 - \$18,000) to an officer of the Company. As at April 30, 2025, \$35,783 (October 31, 2024 - \$26,333) was included in trade and other payables for management fees.
- c) Paid or incurred lease payments of \$6,000 (2024 - \$6,000) to a company that is owned by an officer and director of the Company. As at April 30, 2025, \$34,230 (October 31, 2024 - \$27,930) was included in trade and other payables.
- d) As at April 30, 2025, the Company owed \$354,897 (October 31, 2024 - \$325,695) to a director of the Company for shareholder loans. The Company also owed \$130,096 (October 31, 2024 - \$90,177) in accrued interest (Note 8). The Company also owed \$15,183 (October 31, 2024 - \$15,183) to a company wholly owned by the same director that was included in trade and other payables for expenses incurred on behalf of the Company.
- e) As at April 30, 2025, the Company owed \$356,567 (October 31, 2024 - \$315,606) to an officer and director of the Company for shareholder loans. The Company also owed \$123,518 (October 31, 2024 - \$84,185) in accrued interest (Note 8). The Company also owed \$9,808 (October 31, 2024 - \$9,808) that was included in trade and other payables for expenses incurred on behalf of the Company.

All related party amounts were incurred in the normal course of operations. All amounts, except for loans from shareholders and obligations, bear no interest and have no fixed terms of repayment.

9. Share Capital and Reserves

Authorized Share Capital – Unlimited common shares without par value

Issued Share Capital

	Number of shares	Share capital - gross	Share issue - costs	Share capital - net
Balance, October 31, 2023	59,224,131	\$ 9,745,699	\$ 44,937	\$ 9,700,762
No activity during the year	-	-	-	-
Balance, October 31, 2024	59,224,131	9,745,699	44,937	9,700,762
No activity during the period	-	-	-	-
Balance, April 30, 2025	59,224,131	\$ 9,745,699	\$ 44,937	\$ 9,700,762

Warrants

A summary of the warrant activities is as follows:

	Number of warrants	Weighted average exercise price
Balance, October 31, 2023	3,354,945	\$ 0.15
No activity during the year	-	-
Balance, October 31, 2024	3,354,945	0.15
No activity during the period	-	-
Balance, April 30, 2025	3,354,945	\$ 0.15

GENIX PHARMACEUTICALS CORPORATION

Notes to Condensed Interim Financial Statements

(Expressed in Canadian dollars - Unaudited)

For the Six Months ended April 30, 2025 and 2024

9. Share Capital and Reserves (continued...)**Warrants (continued...)**

The following share purchase warrants were outstanding as at April 30, 2025:

Expiry date	Number of warrants	Exercise price	Remaining contractual life (years)
July 24, 2025	2,101,612	0.15	0.23
August 13, 2025	1,253,333	0.15	0.29
	3,354,945	\$ 0.15	0.25

The weighted average life of warrants outstanding as at April 30, 2025 is 0.25 years. On February 6, 2024, the terms of the warrants were amended with the expiry dates extended to 18 months and the exercise prices revised to \$0.15 from \$0.30. The extension and repricing of the warrants resulted in a fair value of \$27,357 of share based compensation expense attributed to this extension during the year using the Black Scholes option pricing model. The assumptions used were as follows:

	Year ended October 31, 2024
Risk-free interest rate	4.33%
Expected life	1.46 to 1.52 years
Annualized volatility	120% to 123%
Dividend rate	n/a
Grant date fair value	\$0.0081 to \$0.0083

Stock Options

The Company has a fixed stock-based compensation plan (the "Plan") providing for the grant of stock options to purchase a maximum of 10% of the issued and outstanding common shares outstanding.

During the six months ended April 30, 2025:

- a. There was no stock option activity during the period.

During the year ended October 31, 2024:

- b. There was no stock option activity during the year.

A summary of the stock options activities is as follows:

	Number of options	Weighted average exercise price
Balance, October 31, 2023	4,800,000	\$ 0.12
No activity for the year	-	-
Balance, October 31, 2024	4,800,000	0.12
No activity for the period	-	-
Balance, April 30, 2025	4,800,000	\$ 0.12

GENIX PHARMACEUTICALS CORPORATION

Notes to Condensed Interim Financial Statements

(Expressed in Canadian dollars - Unaudited)

For the Six Months ended April 30, 2025 and 2024

9. Share Capital and Reserves (continued...)

Stock Options (continued...)

The following table summarizes information about the options outstanding and exercisable at April 30, 2025:

Expiry date	Options outstanding	Options exercisable	Exercise price	Remaining contractual life (years)
August 5, 2025	1,400,000	1,400,000	\$ 0.12	0.27
December 14, 2025	150,000	150,000	\$ 0.12	0.62
December 15, 2025	400,000	400,000	\$ 0.12	0.63
March 22, 2026	2,850,000	2,850,000	\$ 0.12	0.89
	4,800,000	4,800,000		0.68

Loss per share

The effect of dilutive securities including options and warrants has not been shown as the effect of all such securities is anti-dilutive.

10. Segmented information

Operating segment:

The Company operated in one operating segment consisting of nutraceutical and pharmaceutical products.

Geographic segments:

The Company operated only in Canada for the six months ended April 30, 2025 and 2024.

11. Financial Instruments and Risk Management

The fair value of the Company's receivables and payables approximate their carrying value, due to their short-term nature. The Company's cash is measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

The Company's financial instruments are exposed to certain financial risks, including, credit risk, liquidity risk, interest rate risk and price risk, and currency risk.

Credit

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company is exposed to credit risk on its cash and receivables. The Company limits its exposure to credit risk by holding its cash 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.

GENIX PHARMACEUTICALS CORPORATION

Notes to Condensed Interim Financial Statements

(Expressed in Canadian dollars - Unaudited)

For the Six Months ended April 30, 2025 and 2024

11. Financial Instruments and Risk Management (continued...)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through its capital management as outlined in Note 12. 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. As at April 30, 2025, management is actively reviewing its options to raise additional working capital for the Company to support ongoing operations and meet its liabilities as they fall due.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

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. 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, as these variable interest rates are minimal.

Price risk

Price risk is the risk associated with equity prices. The Company closely monitors equity prices to determine the appropriate course of action to be taken by the Company.

Foreign exchange risk

The Company's functional and reporting currency is the Canadian dollar. The Company is exposed to foreign currency risk from fluctuations in foreign exchange rates and the degree of volatility in these rates due to the timing of their trade payable and obligation balances. The risk is mitigated by timely payment of creditors and monitoring of foreign exchange fluctuations by management. As at April 30, 2025, the Company did not use derivative instruments to hedge its exposure to foreign currency risk.

12. Capital Disclosure and Management

The Company's capital management policy is to maintain a strong, but flexible capital structure that optimizes the cost of capital, creditor and market confidence while sustaining the future development of the business.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Company's capital structure includes shareholders' deficiency of \$1,342,434 (October 31, 2024 – \$1,183,200). In order to maintain or adjust the capital structure, the Company may from time to time issue shares, seek additional debt financing and adjust its capital spending to manage current and projected debt levels. The Company is not subject to externally imposed capital requirements other than as noted above. There were no changes to the Company's approach to capital management during the six months ended April 30, 2025.

13. Subsequent Event

A director of the Company loaned a total of \$8,000 to the Company to fund ongoing operations. The loans carry an interest rate of 10% per annum. There was no collateral pledged against these loans.