
**THERMA BRIGHT INC. (FORMERLY THE JENEX
CORPORATION)**
CONDENSED INTERIM FINANCIAL STATEMENTS
THREE AND SIX MONTHS ENDED
JANUARY 31, 2019
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim financial statements of Therma Bright Inc. (formerly The Jenex Corporation) (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

Therma Bright Inc. (formerly The Jenex Corporation)**Condensed Interim Statements of Financial Position****(Expressed in Canadian Dollars)****Unaudited**

	As at January 31, 2019	As at July 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	\$ 34,727	\$ 224,701
Prepaid expenses	18,363	34,758
Sales taxes recoverable	5,664	32,293
Total current assets	58,754	291,752
Non-current assets		
Equipment (note 3)	2,824	-
Intangible asset (note 4)	42,066	49,490
Total assets	\$ 103,644	\$ 341,242
LIABILITIES AND EQUITY (DEFICIENCY)		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	\$ 352,385	\$ 217,316
Loans from directors (note 6)	6,999	8,499
Total current liabilities	359,384	225,815
Non-current liabilities		
Long term debt (note 7)	85,837	187,019
Total liabilities	445,221	412,834
Equity (Deficiency)		
Share capital (note 8)	10,977,368	10,848,368
Warrant reserve (note 9)	3,361,218	3,340,218
Share-based payments reserve (note 10)	2,057,965	1,889,118
Equity portion of convertible debentures	291,192	320,572
Deficit	(17,029,320)	(16,469,868)
Total equity (deficiency)	(341,577)	(71,592)
Total equity and liabilities	\$ 103,644	\$ 341,242

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

Nature of operations and going concern (note 1)

Approved on behalf of the Board:

(Signed) "Rob Fia" _____ Director

(Signed) "Joe Heng" _____ Director

Therma Bright Inc. (formerly The Jenex Corporation)**Condensed Interim Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****Unaudited**

	Three Months Ended January 31, 2019	Three Months Ended January 31, 2018	Six Months Ended January 31, 2019	Six Months Ended January 31, 2018
Revenue	\$ 2,382	\$ 1,584	\$ 3,147	\$ 8,100
Operating expenses				
General and administrative	\$ 227,070	\$ 111,253	\$ 301,947	\$ 154,430
Research and development	8,012	-	57,594	-
Stock-based compensation expense	76,148	-	168,847	217,000
Total Operating expenses	311,230	111,253	528,388	371,430
Loss from operations	(308,848)	(109,669)	(525,241)	(363,330)
Other expenses				
(Loss) on foreign exchange	197	(667)	(123)	(667)
Accretion expense	(7,352)	-	(14,704)	-
(Loss) on conversion	-	-	(11,704)	-
Amortization	(3,917)	-	(7,680)	-
Total comprehensive loss for the period	\$ (319,920)	\$ (110,336)	\$ (559,452)	\$ (363,997)
Basic and diluted net loss per share (note 11)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	163,755,622	140,534,965	162,793,665	140,534,965

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

Therma Bright Inc. (formerly The Jenex Corporation)**Condensed Interim Statements of Cash Flows****(Expressed in Canadian Dollars)****Unaudited**

	Six Months Ended January 31, 2019	Six Months Ended January 31, 2018
Operating activities		
Net loss for the period	\$ (559,452)	\$ (363,997)
Adjustments for:		
Stock-based compensation expense	168,847	217,000
Accretion expense	14,704	-
(Loss) on conversion	11,704	-
Amortization	7,680	-
Changes in non-cash working capital items:		
Prepaid expenses	16,395	(56,730)
Sales tax recoverable	26,629	43,818
Amounts payable and other liabilities	128,100	85,562
Net cash used in operating activities	(185,393)	(74,347)
Investing activities		
Purchase of equipment	(3,081)	-
Net cash used in investing activities	(3,081)	-
Financing activities		
Loans from directors received (repaid)	(1,500)	(16,000)
Proceeds from exercise of warrants	-	28,000
Net cash provided by (used in) financing activities	(1,500)	12,000
Net change in cash and cash equivalents	(189,974)	(62,347)
Cash and cash equivalents, beginning of period	224,701	65,499
Cash and cash equivalents, end of period	\$ 34,727	\$ 3,152
Other information		
Non-cash on conversion of debt	\$ 150,000	\$ -

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

Therma Bright Inc. (formerly The Jenex Corporation)**Condensed Interim Statements of Changes in Equity (Deficiency)****(Expressed in Canadian Dollars)****Unaudited**

	Share capital	Warrant reserve	Share based payments reserve	Equity portion of convertible debenture	Deficit	Total
Balance, July 31, 2017	\$ 9,644,189	\$ 3,149,775	\$ 1,274,451	\$ 271,454	\$ (15,233,714)	\$ (893,845)
Shares issued for debt	800,432	-	-	-	-	800,432
Warrants exercised	45,307	(17,307)	-	-	-	28,000
Stock-based compensation expense	-	-	217,000	-	-	217,000
Net loss for the period	-	-	-	-	(363,997)	(363,997)
Balance, January 31, 2018	\$ 10,489,928	\$ 3,132,468	\$ 1,491,451	\$ 271,454	\$ (15,597,711)	\$ (212,410)
Balance, July 31, 2018	\$ 10,848,368	\$ 3,340,218	\$ 1,889,118	\$ 320,572	\$ (16,469,868)	\$ (71,592)
Fair value of warrants issued	(21,000)	21,000	-	-	-	-
Convertible debenture	150,000	-	-	(29,380)	-	120,620
Stock-based compensation expense	-	-	168,847	-	-	168,847
Net loss for the period	-	-	-	-	(559,452)	(559,452)
Balance, January 31, 2019	\$ 10,977,368	\$ 3,361,218	\$ 2,057,965	\$ 291,192	\$ (17,029,320)	\$ (341,577)

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

Therma Bright Inc. (formerly The Jenex Corporation)

Notes to Condensed Interim Financial Statements

Three and Six Months Ended January 31, 2019

(Expressed in Canadian Dollars)

Unaudited

1. Nature of operations and going concern

Therma Bright Inc. (formerly The Jenex Corporation) (the "Company") was incorporated under the Business Corporations Act (Alberta) on March 5, 2001. The Company has a proprietary thermal therapy technology that provides topical relief to certain skin irritations resulting from insect bites, stings and prevention of cold sores. Since inception, the efforts of the Company have been devoted to developing and marketing this technology.

On February 7, 2018, the Company announced that it would change its name to "Therma Bright Inc." effective February 8, 2018.

Going concern

During the six months ended January 31, 2019, the Company incurred a loss of \$559,452 (January 31, 2018 - loss of \$363,997) and as of January 31, 2019, the Company had an accumulated deficit of \$17,029,320 (July 31, 2018 - \$16,469,868) and a net working capital deficiency of \$300,630 (July 31, 2018 - working capital of \$65,937).

To this point, all operational activities and the overhead costs have been funded from the available cash and by equity and debt issuances, as well as loans from directors. The Company has been working, through third party service providers in marketing, sales, engineering and distribution, to sell its products online. In the future the Company intends to sell InterceptCS™ to Canadian retailers. The Company has been focused on making sales online for its existing inventory of InterceptCS™. Those sales, if completed, would reestablish revenue for the Company and would be expected to lead to additional recurring revenue from the sale of activators on an ongoing basis.

The revenue from the sale of the existing inventory of InterceptCS™ will have a positive impact on the income statement and balance sheet due to the low cost base for that inventory. This revenue will create a source of capital for the Company to allow the Company to run its business, expand sales and meet reporting and disclosure requirements.

The Company has re-launched its corporate website and a new sale and marketing website with e-commerce capabilities. The e-commerce website has created another channel for the Company to sell its inventory utilizing a third-party marketing specialist, which incorporates social media. The Company expects to generate meaningful sales from this direct to consumer approach and will use the cash flow generated to expand sales within this sales channel.

The Company will continue to secure new cash resources to meet its obligations. Management is currently evaluating and pursuing funding alternatives, including new equity and debt issuances. While management has so far been successful in raising the required equity and debt financing, there is no assurance that these initiatives will continue to be successful. Uncertainty in global capital markets could have a negative impact on the Company's ability to access capital in the future.

The Company's ability to continue as a going concern is dependent upon its ability to reach a profitable level of operations and obtain adequate financing. The accompanying condensed interim financial statements do not include any adjustments relating to the recoverability of assets and to the re-classification of assets and liabilities amounts that might be necessary should the Company be unable to continue its operations. These adjustments could be material.

Therma Bright Inc. (formerly The Jenex Corporation)

Notes to Condensed Interim Financial Statements

Three and Six Months Ended January 31, 2019

(Expressed in Canadian Dollars)

Unaudited

2. Significant accounting policies

Statement of compliance

The Company applies 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 unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim financial statements are based on IFRS's issued and outstanding as of March 28, 2019, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended July 31, 2018. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending July 31, 2019 could result in restatement of these unaudited condensed interim financial statements.

New accounting standards adopted

IFRS 9 Financial instruments

On July 24, 2014, the IASB issued the completed IFRS 9, Financial Instruments, ("IFRS 9") to come into effect on January 1, 2018 with early adoption permitted.

IFRS 9 (2014) includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in IAS 39 Financial Instruments: recognition and measurement, for the classification and measurement of financial liabilities.

The Company adopted IFRS 9 in its financial statements on August 1, 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on August 1, 2018. The impact on the classification and measurement of its financial instruments is set out below.

All financial assets not classified at amortized cost or FVTOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- ♦ It is held within a business model whose objective is to hold the financial asset to collect the contractual cashflows associated with the financial asset instead of selling the financial asset for a profit or loss;
- ♦ Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the statement of loss and comprehensive loss for the year. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

Therma Bright Inc. (formerly The Jenex Corporation)

Notes to Condensed Interim Financial Statements

Three and Six Months Ended January 31, 2019

(Expressed in Canadian Dollars)

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2. Significant accounting policies (continued)

New accounting standards adopted (continued)

IFRS 9 Financial instruments (continued)

The following table summarizes the classification and measurement changes under IFRS 9 for each financial instrument:

Classification	IAS 39	IFRS 9
Cash and cash equivalents	FVTPL	FVTPL
Sales taxes recoverable	Loans and receivables (amortized cost)	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities (amortized cost)	Amortized cost
Loans from directors	Other financial liabilities (amortized cost)	Amortized cost
Long term debt	Other financial liabilities (amortized cost)	Amortized cost

The original carrying value of the Company's financial instruments under IAS 39 has not changed under IFRS 9.

IFRS 15 Revenue from contracts with customers

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers, which establishes principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. The core principle of IFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. IFRS 15 also includes a cohesive set of disclosure requirements that would result in an entity providing comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. At August 1, 2018, the Company adopted this standard and there was no material impact on the Company's financial statements.

New accounting standards and interpretations not adopted yet

IFRS 16 Leases

IFRS 16, Leases ("IFRS 16") was issued by the IASB on January 13, 2016, and will replace IAS 17 Leases ("IAS 17"). IFRS 16 eliminates the classification by a lessee of leases as either operating or finance. Instead all leases are treated in a similar way to finance leases in accordance with IAS 17. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company is in the process of evaluating the impact of IFRS 16 on its financial statements.

Therma Bright Inc. (formerly The Jenex Corporation)

Notes to Condensed Interim Financial Statements

Three and Six Months Ended January 31, 2019

(Expressed in Canadian Dollars)

Unaudited

3. Equipment

Cost	Office equipment	Total
Balance, July 31, 2017 and July 31, 2018	\$ -	\$ -
Additions	3,081	3,081
Balance, January 31, 2019	\$ 3,081	\$ 3,081

Accumulated Depreciation	Office equipment	Total
Balance, July 31, 2017 and July 31, 2018	\$ -	\$ -
Depreciation for the period	257	257
Balance, January 31, 2019	\$ 257	\$ 257

Carrying Value	Office equipment	Total
Balance, July 31, 2018	\$ -	\$ -
Balance, January 31, 2019	\$ 2,824	\$ 2,824

4. Intangible assets

Cost	Domain name	Total
Balance, July 31, 2017	\$ -	\$ -
Additions	49,490	49,490
Balance, July 31, 2018 and January 31, 2019	\$ 49,490	\$ 49,490

Accumulated Amortization	Domain name	Total
Balance, July 31, 2017 and July 31, 2018	\$ -	\$ -
Depreciation for the period	7,424	7,424
Balance, January 31, 2019	\$ 7,424	\$ 7,424

Carrying Value	Domain name	Total
Balance, July 31, 2018	\$ 49,490	\$ 49,490
Balance, January 31, 2019	\$ 42,066	\$ 42,066

Intangible asset represents the domain name "coldsores.com".

Therma Bright Inc. (formerly The Jenex Corporation)

Notes to Condensed Interim Financial Statements

Three and Six Months Ended January 31, 2019

(Expressed in Canadian Dollars)

Unaudited

5. Accounts payable and accrued liabilities

	As at January 31, 2019	As at July 31, 2018
Accounts payable and accrued liabilities	\$ 332,281	\$ 206,397
Amounts due to related parties	20,104	10,919
Total accounts payable and accrued liabilities	\$ 352,385	\$ 217,316

During the six months ended January 31, 2019, the Company settled \$nil (period ended July 31, 2018 - \$775,135) of accounts payable balances by the issuance of common shares.

6. Loans from directors

	As at January 31, 2019	As at July 31, 2018
Notes payable	\$ 6,999	\$ 8,499

The loans from directors are unsecured, non-interest bearing, and repayable on demand. During the six months ended January 31, 2019, the Company settled \$nil (period ended July 31, 2018 - \$46,880) of loans by the issuance of common shares.

7. Long term debt

	As at January 31, 2019	As at July 31, 2018
8% convertible debenture payable ⁽ⁱ⁾	\$ 85,837	\$ 187,019

i) 8% convertible debentures

On April 27, 2018, the Company completed a first tranche closing of its convertible debenture ("Debenture") financing for gross proceeds of \$250,000. The Company offered three-year debentures in principal amounts of \$1,000 per Debenture, with 8% interest payable thereon. A minimum of 12 months' interest on the full principal amount would be payable, regardless of whether the Debenture was converted prior to such time. Subject to TSX Venture Exchange ("TSXV") approval, interest might be paid in shares at the market price of the Company's common shares at the time of conversion. A finder's fee of \$17,500 cash, and 150,000 finder's warrants ("Broker Warrant") was paid in relation to this issuance of convertible debenture and these financing fees was allocated pro-rata between against deferred financing charges and the equity portion of the convertible debenture and against the purchase warrants respectively. Each Broker Warrant will entitle the holder thereof to purchase one Unit at an exercise price of \$0.05 for a period of 12 months following the closing date of the Offering. Each whole Unit entitles the holder to purchase one common share until April 26, 2021 at a exercise price of \$0.05 per share in the first year and thereafter at \$0.10 per share. The Broker warrants are subject to acceleration in the event that the common shares trade at or above \$0.13 per common share for a full 10 consecutive trading days. The Broker warrants were assigned a value of \$5,100 using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%; share price of \$0.045; expected volatility of 150% using the historical price history of the Company; risk-free interest rate of 2.01%; and an expected average life of 36 months.

Therma Bright Inc. (formerly The Jenex Corporation)

Notes to Condensed Interim Financial Statements

Three and Six Months Ended January 31, 2019

(Expressed in Canadian Dollars)

Unaudited

7 Long term debt (continued)

i) 8% convertible debentures (continued)

The Debentures would be convertible into Units of the Company at a conversion price of \$0.05 per unit if converted in the first year and thereafter at \$0.10 per unit. Each Unit would be comprised of one common share and one-fifth (1/5) of one common share purchase warrant. Each whole warrant would be exercisable for one common share for a period of two years from the date of issue of the warrant at an exercise price of \$0.05 if exercised on or before the date that was one year from the date of issuance of the Debenture or thereafter at an exercise price of \$0.10.

The subscriber might convert the Debenture at any time until the maturity date. The Company might convert the Debenture on the earlier of, and at any time thereafter: (a) at any time after the date that was 12 months after the date of issue of the Debentures until the maturity date; and (b) the 16th day after the closing price of the Company's common shares on the TSXV exceeds \$0.075 for fifteen (15) consecutive trading days, provided such conversion date was at least six (6) months after the date of issue of the Debentures. The Company may, at its option, subject to providing not more than 60 and not less than 30 days prior notice, redeem the Debentures in whole or in part.

The Company used the residual value method to allocate the principal amount of the convertible debentures between the liability and equity components. The Company valued the debt component of the convertible debentures by calculating the present value of the principal and interest payments, discounted at a rate of 15.25%, being management's best estimate of the rate that a non-convertible debenture with similar terms would bear. The equity conversion feature of the convertible debentures comprise the value of the conversion option, being the difference between the face value of the convertible debentures and the liability element calculated above. Based on this calculation, the liability component was \$196,00 (\$178,282 net of transaction costs) and the residual equity component was \$49,118. Net accretion charges attributable to the convertible debentures for the six months ended January 31, 2019 was \$14,704 (six months ended January 31, 2018 - \$nil). This amount is added to the liability component on the statements of financial position and is included in accretion expense on the statements of loss and comprehensive loss.

Balance, July 31, 2017	\$	-
Convertible debenture		250,000
Less: Cost of issuances		(17,718)
Less: Residual equity component		(54,000)
Add: Accretion for the year		8,737
Balance, July 31, 2018	\$	187,019
Less: Conversion of debt		(115,886)
Add: Accretion for the period		14,704
Balance, January 31, 2019	\$	85,837

ii) \$600,000 secured interest free debentures

On December 11, 2014, the Company entered into a settlement agreement with the long-term debt holders and debenture holders to settle the \$1,275,000 principal outstanding and accrued interest of \$3,339,472 owing as at July 31, 2014 by issuing (a) 25,500,000 common shares at a price of \$0.05 per share to settle the outstanding principal amount, (b) \$600,000 secured interest free debentures and (c) 10,000,000 warrants, to settle the accrued interest amount.

The interest-free debentures were due on the third anniversary of closing the debt settlement and are secured against the assets of the Company.

Therma Bright Inc. (formerly The Jenex Corporation)

Notes to Condensed Interim Financial Statements

Three and Six Months Ended January 31, 2019

(Expressed in Canadian Dollars)

Unaudited

7 Long term debt (continued)

ii) \$600,000 secured interest free debentures (continued)

Each warrant was exercisable for one common share of the Company at an exercise price of \$0.05 per share on or before the first anniversary of closing the debt settlement. Provided the Company was successful in obtaining the approval of the TSX Venture Exchange to an extension of the term of the warrants to three years from the original date of issuance, the principal amount of the debentures was to be reduced from \$600,000 to \$500,000. In addition, the Company had the right to require the holders of the warrants to convert the warrants into common shares of the Company if (a) the volume weighted average closing price of the Company's common shares is above \$0.10 for twenty consecutive trading days and (b) the average daily trading volume of commons share during that period was at least 250,000. The warrants expired on the first anniversary date of the debt settlement.

On April 11, 2017, as part of a share-to-debt settlement with secured interest-free debenture holders, the Company issued 7,541,364 common shares at a price of \$0.05 per share for a partial settlement of \$377,068 of the interest-free debentures. On December 1, 2017, the Company issued 4,458,636 common shares at a deemed price of \$0.05 per share to settle the balance of secured interest free debentures of \$222,932.

8. Share capital

a) Authorized share capital

The authorized share capital consisted of unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

	Number of common shares	Amount
Balance, July 31, 2017	135,043,740	\$ 9,644,189
Shares issued for debt ⁽ⁱ⁾	18,008,634	800,432
Warrants exercised	350,000	45,307
Balance, January 31, 2018	153,402,374	\$ 10,489,928
Balance, July 31, 2018	160,755,622	\$ 10,848,368
Shares issued on conversion of debenture ⁽ⁱⁱ⁾	3,000,000	150,000
Fair value of warrants issued ⁽ⁱⁱ⁾	-	(21,000)
Balance, January 31, 2019	163,755,622	\$ 10,977,368

i) On December 1, 2017, the Company issued an aggregate of 16,008,634 common shares at a deemed price of \$0.05 per common share to settle and extinguish an aggregate of \$800,432 in outstanding debt owed to the creditors.

ii) On September 28, 2018, the 8% convertible debenture holder converted \$150,000 in to shares. The Company issued 3,000,000 Units at a conversion price of \$0.05 per unit (see note 7). Each Unit comprised of one common share and one-fifth (1/5) of one common share purchase warrant. Each whole warrant would be exercisable for one common share for a period of two years at an exercise price of \$0.05 if exercised on or before April 26, 2019, or at an exercise price of \$0.10 thereafter. These warrants were assigned a value of \$21,000 using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%; share price of \$0.045; expected volatility of 189% using the historical price history of the Company; risk-free interest rate of 2.21%; and an expected average life of 24 months.

Therma Bright Inc. (formerly The Jenex Corporation)

Notes to Condensed Interim Financial Statements

Three and Six Months Ended January 31, 2019

(Expressed in Canadian Dollars)

Unaudited

9. Warrant reserve

The following table reflects the continuity of warrants for the periods presented:

	Number of warrants	Weighted average exercise price
Balance, July 31, 2017	6,350,000	\$ 0.08
Exercised	(350,000)	(0.08)
Balance, January 31, 2018	6,000,000	\$ 0.08
Balance, July 31, 2018	12,830,000	\$ 0.09
Issued	600,000	0.10
Balance, January 31, 2019	13,430,000	\$ 0.09

The following table reflects the actual warrants issued as of January 31, 2019:

Issue date	Expiry date	Exercise price	Number of warrants
June 22, 2017 ⁽¹⁾	June 22, 2022	\$0.08	6,000,000
April 27, 2018 ⁽²⁾	April 27, 2021	\$0.10	6,000,000
April 27, 2018 ⁽³⁾	April 27, 2019	\$0.05	250,000
July 11, 2018 ⁽²⁾	July 11, 2021	\$0.10	580,000
September 28, 2018 ⁽⁴⁾	September 28, 2020	\$0.05	600,000
Weighted average exercise price		\$0.09	13,430,000

- 1) Warrants subject to acceleration in the event that the common shares trade at or above \$0.15 per common share for a full 10 consecutive trading days.
- 2) Warrants are subject to acceleration in the event that the common shares trade at or above \$0.13 per common share for a full 10 consecutive trading days. Each warrant entitles the holder thereof to purchase one common share at a exercise price of \$0.05 per share in the first year after date of issued, and then at a exercise price of \$0.10 per share thereafter.
- 3) Each broker warrant entitles the holder thereof to purchase one unit, which consists of one common share and one common share purchase warrant, at an exercise price of \$0.05 for a period of 12 months. Each whole common share purchase warrant entitles the holder to purchase purchase one common share at a exercise price of \$0.05 per share until April 26, 2021, and at a exercise price of \$0.10 per share thereafter.
- 4) Each warrant entitles the holder thereof to purchase one common share at a exercise price of \$0.05 per share until April 26, 2019, and at a exercise price of \$0.10 per share thereafter.

Therma Bright Inc. (formerly The Jenex Corporation)**Notes to Condensed Interim Financial Statements****Three and Six Months Ended January 31, 2019****(Expressed in Canadian Dollars)****Unaudited**

10. Stock options

Under the Company's stock option plan, the Company may grant options to employees, consultants, officers and directors totaling up to 10% of its issued and outstanding common shares. The aggregate number of shares so reserved for issuance to any one person shall not exceed 5% of the issued and outstanding common shares.

The following table reflects the continuity of stock options for the periods presented:

	Number of stock options	Weighted average exercise price
Balance, July 31, 2017	10,550,000	\$ 0.10
Issued ^{(i),(ii),(iii)}	5,470,000	0.11
Expired	(1,575,000)	(0.10)
Balance, January 31, 2018	14,445,000	\$ 0.10
Balance, July 31, 2018	15,685,000	\$ 0.09
Issued ^(iv)	250,000	0.05
Balance, January 31, 2019	15,935,000	\$ 0.09

- i) On October 6, 2017, the Company granted of stock options to its directors and officers to purchase up to an aggregate of 1,500,000 common shares of the Company. The options are exercisable for a period of five years at a price of \$0.10 per share and the options vested immediately. The estimated fair value of these options at the grant date was \$193,000 using the Black-Scholes valuation model. During the three and six months ended January 31, 2019, \$nil (three and six months ended January 31, 2018 - \$nil and \$193,000, respectively) was expensed. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows: risk free rate: 1.78%; expected life: 5.0 years; expected volatility: 150% based on historical trends; forfeiture rate: nil; expected dividend yield: 0%; and weighted average share price: \$0.14.
- ii) On January 17, 2018, the Company granted of stock options to its directors, officers and consultants to purchase up to an aggregate of 3,200,000 common shares of the Company. The options are exercisable for a period of five years at a price of \$0.10 per share. The options vest after 6 months from the date of grant. The estimated fair value of these options at the grant date was \$261,000 using the Black-Scholes valuation model. During the three and six months ended January 31, 2019, (three and six months ended January 31, 2018 - \$19,662) was expensed. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows: risk free rate: 2.0%; expected life: 5.0 years; expected volatility: 150% based on historical trends; forfeiture rate: nil; expected dividend yield: 0%; and weighted average share price: \$0.09.

Therma Bright Inc. (formerly The Jenex Corporation)**Notes to Condensed Interim Financial Statements****Three and Six Months Ended January 31, 2019****(Expressed in Canadian Dollars)****Unaudited**

10. Stock options (continued)

iii) On January 23, 2018, the Company granted of stock options to its consultants to purchase up to an aggregate of 770,000 common shares of the Company. The options are exercisable for a period of five years at a price of \$0.10 per share. The options vest after 6 months from the date of grant. The estimated fair value of these options at the grant date was \$63,000 using the Black-Scholes valuation model. During the three and six months ended January 31, 2019, (three and six months ended January 31, 2018 -) was expensed. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows: risk free rate: 2.0%; expected life: 5.0 years; expected volatility: 150% based on historical trends; forfeiture rate: nil; expected dividend yield: 0%; and weighted average share price: \$0.09.

iv) On September 17, 2018, the Company granted of stock options to a consultant to purchase up to an aggregate of 250,000 common shares of the Company. The options are exercisable for a period of five years at a price of \$0.05 per share. The options vest after 6 months from the date of grant. The estimated fair value of these options at the grant date was \$5,000 using the Black-Scholes valuation model. During the three and six months ended January 31, 2019, \$2,541 and \$3,513, respectively (three and six months ended January 31, 2018 - \$nil) was expensed. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows: risk free rate: 2.25%; expected life: 5.0 years; expected volatility: 189% based on historical trends; forfeiture rate: nil; expected dividend yield: 0%; and weighted average share price: \$0.02.

The following table reflects the actual stock options issued and outstanding as of January 31, 2019:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
March 27, 2019	0.10	0.15	2,750,000	2,750,000
March 6, 2022	0.10	3.10	3,465,000	3,465,000
October 10, 2022	0.10	3.69	1,150,000	1,150,000
January 17, 2023	0.10	3.96	3,100,000	3,100,000
January 23, 2023	0.10	3.983	770,000	770,000
March 2, 2023	0.10	4.08	500,000	500,000
May 8, 2023	0.05	4.27	3,200,000	3,200,000
June 18, 2023	0.05	4.38	600,000	600,000
July 5, 2023	0.05	4.43	150,000	150,000
September 17, 2023	0.05	4.63	250,000	-
	\$0.09	3.45	15,935,000	15,685,000

11. Loss per share

For the three and six months ended January 31, 2019, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of \$319,920 and \$559,452, respectively (three and six months ended January 31, 2018 - \$110,336 and \$363,997, respectively) and the weighted average number of common shares outstanding of 163,755,622 and 162,793,665, respectively (three and six months ended January 31, 2018 - 140,534,965 and 140,534,965, respectively). Diluted loss per share did not include the effect of \$15,935,000 stock options (six months ended January 31, 2018 - \$14,445,000) or \$13,430,000 warrants (six months ended January 31, 2018 - \$6,000,000) as they are anti-dilutive.

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Notes to Condensed Interim Financial Statements

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12. Related party transactions

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the amount established and agreed to by the related parties.

(a) The Company entered into the following transactions with related parties:

	Three Months Ended January 31,		Six Months Ended January 31,	
	2019	2018	2019	2018
Marrelli Support Services Inc. ("Marrelli Support") (i)	\$ 4,891	\$ -	\$ 13,414	\$ -

(i) For the three and six months ended January 31, 2019, the Company expensed \$4,891 and \$13,414, respectively (three and six months ended January 31, 2018 - \$nil) to Marrelli Support for the services of Vic Hugo to act as Chief Financial Officer of the Company. In addition, Marrelli Support also provides bookkeeping services to the Company. Vic Hugo is an employee of Marrelli Support. As at January 31, 2019, Marrelli Support was owed \$10,120 (July 31, 2018 - \$4,950) and this amount was included in accounts payable and accrued liabilities.

(b) Remuneration of directors and key management personnel of the Company was as follows:

	Three Months Ended January 31,		Six Months Ended January 31,	
	2019	2018	2019	2018
Salaries and benefits	\$ 2,500	\$ 20,000	\$ 10,000	\$ 40,000
Share-based payments	44,513	-	99,136	193,000
Total remuneration	\$ 47,013	\$ 20,000	\$ 109,136	\$ 233,000

Payments to directors and key management personnel of the Company include certain transactions with related parties in (a) above, and (b) remuneration to directors and key management personnel of the Company. As at January 31, 2019, directors and key management personnel of the Company were owed \$9,984 (July 31, 2018 - \$5,369) for remuneration and reimbursable expenses, excluding amounts disclosed in (a) above.

(c) Insider shareholdings

As of January 31, 2018, David Woods, directly and indirectly, controls 28,500,000 common shares of the Company or approximately 17% of the total common shares outstanding.

None of the Company's major shareholders have different voting rights than other holders of the Company's common shares.

As of January 31, 2018, directors and officers of the Company, with individual control of less than 10% of the total common shares outstanding, collectively control 8,987,344 common shares of the company or approximately 5% of the total common shares outstanding. To the knowledge of the directors and officers of the Company, the remaining common shares of the Company were widely held.

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Three and Six Months Ended January 31, 2019

(Expressed in Canadian Dollars)

Unaudited

13. Contingencies and commitments

- a) The Company has offered a "Risk Free Guarantee" on sales of InterceptCS™ product allowing consumers if they are not satisfied with the product, within 90 days of the date of purchase, to return product directly to the Company for a full refund. While returns have been insignificant to date, there can be no assurance that the Company will not receive an increased level of returns in the future.
- b) On November 2, 2016, the Company entered into an exclusive license agreement (the "License") with Luminar Media Group Inc. ("Luminar") of Aventura, Florida, United States to market the Company's next generation thermal therapy insect device (the "Device") in US, Europe and Asia. The Company would receive an aggregate of US\$250,000 from November 2016 to February 2017. In addition, the Company would receive a royalty payment equal to 10% of gross sales of the Device up to the first 100,000 units sold and 5% of gross sales of the Device thereafter. The royalty was payable quarterly. Luminar was required to meet the various sales targets over the next 5 years after signing the agreement. In return, the Company committed to obtaining all regulatory approvals with the FDA of United States and other regulatory requirements in jurisdictions outside of the U.S. deemed necessary to market the product. On October 2, 2017, the Company announced that it had formally terminated its exclusive agreement with Luminar to distribute TherOZap™ globally outside of Canada for reasons of non-performance of fees payable as outlined in the agreement.
- c) On March 30, 2017, the Company announced that it signed a service agreement with University Health Network (UHN), whereby UHN would develop testing methodology protocols for the TherOZap™ technology to determine the effectiveness of TherOZap at inactivating the Zika and West Nile viruses. On August 17, 2017, the Company made an amendment to the above service agreement to expand the testing.
- d) On May 30, 2017, the Company signed a design services agreement, the objective of which is to produce prototypes of Activators with a pre-configured number of activations in relation to InterceptCS™.