THIOGENESIS THERAPEUTICS, CORP.

Unaudited Condensed Interim Consolidated Financial Statements

For the Three Months Ended

March 31, 2025 and 2024

(Expressed in Canadian Dollars)

Notice of No Auditor Review of the Unaudited Condensed Interim Consolidated Financial Statements

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Thiogenesis Therapeutics, Corp.

Unaudited Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	As at March 31, 2025	As at December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	$ 3,014,493	$ 3,847,864
Accounts receivable	57,233	87,928
Prepaid expenses	61,429	47,596
Total current assets	3,133,155	3,983,388
Total Assets	**$ 3,133,155**	**$ 3,983,388**
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 993,585	$ 557,876
Total current liabilities	993,585	557,876
Shareholders' equity		
Share capital (Note 4)	16,213,708	16,136,727
Reserves (Note 4)	1,669,972	1,618,548
Accumulated other comprehensive loss	(49,515)	(46,003)
Accumulated deficit	(15,694,595)	(14,283,760)
Total shareholders' equity	2,139,570	3,425,512
Total Liabilities and Shareholders' Equity	**$ 3,133,155**	**$ 3,983,388**

Approved by the Board of Directors

(signed) *"Patrice Rioux"*
Patrice Rioux, Director

(signed) *"Brook Riggins"*
Brook Riggins, Director

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

Thiogenesis Therapeutics, Corp.

Unaudited Condensed Interim Consolidated Statements of Operations and Other Comprehensive Loss
(Expressed in Canadian Dollars)

	For the Three Months Ended March 31, 2025	March 31, 2024
Operating expenses		
Research and development (Note 8)	$ 1,113,696	$ 571,434
General and administrative (Note 8)	321,538	281,888
Total operating expenses	1,435,234	853,322
Other income		
Interest income	(26,846)	(59,636)
(Gain) loss on foreign exchange	2,447	(83,116)
Total other income	(24,399)	(142,752)
Net loss	**1,410,835**	**710,570**
Other comprehensive loss		
Foreign currency translation	3,512	19,026
Total other comprehensive loss	3,512	19,026
Net loss from operations and other comprehensive loss	**$ 1,414,347**	**$ 729,596**
Net loss per share, basic and diluted	**$ (0.03)**	**$ (0.02)**
Weighted average shares outstanding, basic and diluted	**46,023,809**	**44,688,157**

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

Thiogenesis Therapeutics, Corp.

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the Three Months Ended March 31, 2025 and March 31, 2024
(Expressed in Canadian Dollars)

	Number of Shares	SHARE CAPITAL $	RESERVES $	ACCUMULATED OTHER COMPREHENSIVE LOSS $	ACCUMULATED DEFICIT $	SHAREHOLDERS' EQUITY $
Balance, December 31, 2023	44,570,575	15,010,430	1,672,463	(14,729)	(11,138,030)	5,530,134
Exercise of warrants (Note 4)	925,000	646,253	(183,753)	-	-	462,500
Stock based compensation	-	-	80,371	-	-	80,371
Foreign currency translation	-	-	-	(19,026)	-	(19,026)
Net loss for the period	-	-	-	-	(710,570)	(710,570)
Balance, March 31, 2024	45,495,575	15,656,683	1,569,081	(33,755)	(11,848,600)	5,343,409
Balance, December 31, 2024	46,017,375	16,136,727	1,618,548	(46,003)	(14,283,760)	3,425,512
Stock based compensation	-	-	128,405	-	-	128,405
Exercise of stock options (Note 4)	289,515	76,981	(76,981)	-	-	-
Foreign currency translation	-	-	-	(3,512)	-	(3,512)
Net loss for the period	-	-	-		(1,410,835)	(1,410,835)
Balance, March 31, 2025	**46,306,890**	**16,213,708**	**1,669,972**	**(49,515)**	**(15,694,595)**	**2,139,570**

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

Thiogenesis Therapeutics, Corp.

Unaudited Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

	For the Three Months Ended March 31, 2025	For the Three Months Ended March 31, 2024
Operating activities		
Net loss for the period	$ (1,410,835)	$ (710,570)
Item not involving cash:		
Stock based compensation	128,405	80,371
Net changes in non-cash working capital		
Accounts receivable	30,695	(10,308)
Prepaid expenses	(13,833)	12,791
Accounts payable and accrued liabilities	435,709	(1,368,266)
Net cash used in operating activities	(829,859)	(1,995,982)
Financing activities		
Proceeds from exercise of warrants (Note 4)	-	462,500
Net cash provided by financing activities	-	462,500
Effect of exchange rate changes on cash	(3,512)	(19,026)
Decrease in cash and cash equivalents for the period	(833,371)	(1,552,508)
Cash and cash equivalents, beginning of period	3,847,864	7,076,308
Cash and cash equivalents, end of period	$ 3,014,493	$ 5,523,800

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

1. NATURE OF OPERATIONS

Organization
Thiogenesis Therapeutics, Corp., ("TTI" or the "Company") (formerly: Rozdil Capital Corporation) is a clinical stage biotechnology company that was incorporated under the *Ontario Business Corporations Act* on May 3, 2018. On March 22, 2022, the Company filed articles of amendment and changed its name from Rozdil Capital Corporation to Thiogenesis Therapeutics, Corp. The Company is developing thiol-active therapeutic compounds, that are prodrugs, used to treat unmet pediatric medical needs. TTI-0102, the Company's lead compound, was developed to address the obstacles facing previous thiol-based drugs, their short half-live and side effects. TTI-0102's initial applications are for mitochondrial encephalopathy lactic acidosis and stroke-like episodes ("MELAS"), Leigh syndrome ("LS"), pediatric metabolic dysfunction-associated steatohepatitis ("MASH") and Rett syndrome.

The registered head office of the Company is located at 4 King Street West, Suite 401, Toronto, Ontario, M5H 1B6. The Company's common shares trade on the TSX Venture Exchange ("TSXV") under the symbol TTI and on the OTCQX Best Market under the symbol TTIPF.

2. BASIS OF PRESENTATION

Statement of Compliance
These unaudited condensed interim consolidated financial statements, including comparatives have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with IFRS® Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies and methods of computation applied by the Company in these unaudited condensed interim consolidated financial statements are the same as those applied in the Company's annual consolidated financial statements for the year ended December 31, 2024.

The unaudited condensed interim consolidated statements of operations and other comprehensive loss and unaudited condensed interim consolidated statements of cash flows for the periods presented are not necessarily indicative of the consolidated results of operations or cash flows which may be reported for the remainder of 2025 or for any future period.

The accompanying unaudited condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2024.

The Board of Directors approved the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2025 on May 26, 2025.

Basis of Measurement
The unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value.

Functional and Presentation Currency
The functional and presentation currency of the Company is the Canadian Dollar ("CAD"). The functional currency of the Company's wholly-owned United States subsidiary, TTI US, is the United States Dollar. The functional currency of TTI US's wholly-owned Australian subsidiary, Thiogenesis Australia Pty Ltd. is the Australian Dollar and the functional currency of TTI US's wholly-owned France subsidiary, Thiogenesis Therapeutics, SARL is the Euro.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of Consolidation
These unaudited condensed interim consolidated financial statements include the financial results of the Company and the entities controlled by the Company. Control occurs when the Company is exposed to, or has right to, variable return from its involvements with an investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases. All intercompany transactions and balances have been eliminated.

The Company's wholly owned subsidiaries are TTI US, Thiogenesis Australia Pty Ltd., and Thiogenesis Therapeutics, SARL.

Foreign Currency Translation
The unaudited condensed interim consolidated financial statements are presented in CAD. The functional currency of the parent Company is CAD. The functional currency of the Company's American subsidiary is the U.S. dollar ("USD"). The functional currency of the Company's Australian subsidiary is the Australian Dollar ("AUD"), and the functional currency of the Company's French subsidiary is the Euro.

The financial statements of entities for which the functional currency is not CAD are translated into CAD using the exchange rate in effect at the end of the reporting period for assets and liabilities and the average exchange rates for the period for income, expenses, and cash flows. Foreign exchange differences arising on translation are recognized in other comprehensive loss and in accumulated other comprehensive loss in shareholders' equity.

Significant Accounting Estimates and Judgments
The preparation of these unaudited condensed interim consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed interim consolidated financial statements and the reported amounts of income and expenses during each reporting period. Actual results could differ from those estimates. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the unaudited condensed interim consolidated financial statements are:

Recognition of Internally Generated Intangible Assets
The Company is in the process of undergoing clinical trials for its thiol-active therapeutic compound, TTI-0102. Accordingly, management applies judgment in its assessment of the activities being undertaken and whether certain costs meet the definition of internally generated intangible assets in the research or development phase.

Recognition of Deferred Tax Assets
The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future or whether taxable temporary differences will reverse such that deferred tax assets can be utilized. Recognition therefore involves a degree of judgment regarding the future financial performance of the Company or the timing of the reversal of deferred tax liabilities where deferred tax assets have been recognized.

Fair Value of Stock Based Compensation and Warrants
In determining the fair value of stock based payments, the calculated amounts are not based on historical cost, but is derived based on assumptions (such as the expected volatility of the price of the underlying security, expected hold period before exercise, dividend yield and the risk-free rate of return) input into a pricing model in the case of options and compensation warrants. In determining the fair value of restricted share units ("RSU's") granted to employees and directors, the Company recognizes an expense over the vesting period of the RSU's equal to the fair value at the grant date based on the closing market price of the Company's common shares on the TSX Venture Exchange and an estimate of the number of RSU's expected to vest. The value of options, RSU's and compensation warrants calculated is not necessarily the value that the holder of the options, RSU's or compensation warrants could receive in an arm's length transaction, given that there is no market for the options, RSU's, or compensation warrants and they are not transferable. Similar calculations are made in estimating the fair value of the warrant component of an equity unit. The assumptions used in these calculations are inherently uncertain. Changes in these assumptions could materially affect the related fair value estimates.

The Company's material accounting policies are outlined in Note 3 to the Company's audited consolidated financial statements for the year ended December 31, 2024, and have been applied consistently in these unaudited condensed interim consolidated financial statements.

Accounting Standards Issued but not yet Effective.
Certain new accounting standards and interpretations have been published that are not mandatory for the current year and have not been early adopted. The Company is reviewing the new standards but does not expect their future adoption to have a material impact on the Company in the current or future reporting years. The new standards are as follows:

IFRS 18 - Presentation and Disclosure in Financial Statements
Issued in April 2024, IFRS 18 replaces IAS 1 and introduces significant changes to the presentation of financial statements to enhance comparability across entities. The key requirements of the standard include:

- Separate reporting of operating, investing, and financing activities in the statement of earnings, with prescribed subtotals for each category.
- Disclosure of management-defined performance measures in a dedicated note within the financial statements.

The standard is effective for annual reporting periods beginning on or after January 1, 2027, with retrospective application required. The Company intends to assess the impact of IFRS 18 on its consolidated financial statements closer to the effective date.

IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7, issued in May 2024, clarify the derecognition of financial liabilities upon settlement and provide new guidance on financial assets with environmental, social, and governance ("ESG") features. These amendments also introduce additional disclosure requirements for financial instruments with contingent features and equity instruments measured at Fair Value Through Other Comprehensive Income ("FVTOCI").

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early adoption permitted, including selective early adoption of contingent feature amendments. The Company intends to assess the impact of IFRS 9 and IFRS 7 on its consolidated financial statements closer to the effective date.

(Expressed in Canadian Dollars)

4. SHARE CAPITAL AND RESERVES

Share Capital
Authorized:
Unlimited common shares

Issued:
The following table sets out the changes in common shares during the periods:

	Note	#	$
Balance, December 31, 2023		44,570,575	15,010,430
Exercise of warrants	(i)	925,000	646,253
Exercise of Finder's Options	(ii)	14,000	12,884
Exercise of Finder's Options	(iii)	507,800	467,160
Balance, December 31, 2024		46,017,375	16,136,727
Exercise of common share purchase options	(iv)	214,408	37,174
Exercise of common share purchase options	(v)	75,107	39,807
Balance, March 31, 2025		**46,306,890**	**16,213,708**

(i) During the year ended December 31, 2024, 925,000 common share purchase warrants were exercised at $0.50 per share for proceeds of $462,500. The fair value of $183,753 was transferred from reserves to share capital upon exercise.

(ii) On August 29, 2024, 14,000 Finder's Options were exercised for $0.50 per share for proceeds of $7,000. The fair value of $5,884 was transferred from reserves to share capital upon exercise.

(iii) On November 18, 2024, 507,800 Finder's Options were exercised for $0.50 per share for proceeds of $253,900. The fair value of $213,260 was transferred from reserves to share capital upon exercise.

(iv) On March 31, 2025, 214,408 common shares were issued to consultants pursuant to the cashless exercise of 300,000 common share purchase options exercisable at $0.20. The fair value of $37,174 was transferred from reserves to share capital upon the cashless exercise.

(v) On March 31, 2025, 75,107 common shares were issued to consultants pursuant to the cashless exercise of 150,000 common share purchase options exercisable at $0.35. The fair value of $39,807 was transferred from reserves to share capital upon the cashless exercise.

Escrow Securities
Capital Pool Company ("CPC") Escrow
An aggregate of 2,775,000 common shares were held in escrow in accordance with the CPC Policy of the TSXV and were released as to 10% immediately following the issuance of the Final TSXV Bulletin dated April 11, 2022 (the "Bulletin") and as to 15% every six months thereafter. At March 31, 2025, 352,500 common shares were held in escrow.

Value Security Escrow
In addition to the CPC Escrowed common shares, a further 10,737,869 common shares were held in escrow after giving effect to the reserve takeover transaction with Rozdil Capital Corporation and were released as to 10% on the date of the Bulletin and as to 15% every six months thereafter. At March 31, 2025,1,610,681 common shares were held in escrow.

(Expressed in Canadian Dollars)

Weighted Average Shares Outstanding
The following table summarizes the weighted average shares outstanding:

	For the Three Months Ended March 31,	
	2025	**2024**
Weighted Average Shares Outstanding, basic and diluted	46,023,809	44,688,157

The effects of any potential dilutive instruments on loss per share are anti-dilutive and therefore have been excluded from the calculation of diluted loss per share.

Omnibus Equity Incentive Plan
The Company established a stock option plan under which the Company may grant common share purchase options from time to time to acquire up to a fixed 20% of the outstanding common shares as of August 15, 2022, or 5,648,535 (the "Plan").

On September 3, 2024, the shareholders of the Company approved an Omnibus Equity Incentive Plan (the "2024 Plan") for its directors, officers, employees and consultants (the "Participants") that amends and restates all predecessor Plans in their entirety. The maximum aggregate number of common shares that may be available and reserved for issuance, at any time, under the 2024 Plan, is fixed at 20% of the outstanding common shares as of July 15, 2024, or 9,099,095 shares.

Under the 2024 Plan the exercise price of each award granted shall be at the discretion of Company's Board of Directors, however, the exercise price per share shall be not less than the fair market value of the Company's common shares on the date of grant and for a maximum term of ten years. The maximum aggregate number of common shares issuable pursuant to awards granted to any one Participant in any twelve-month period must not exceed 5% of the Company's issued and outstanding common shares. The maximum aggregate number of common shares that are issuable pursuant to all awards granted or issued in any 12 month period to insiders (as a group) must not exceed 10% of the issued and outstanding common shares. Any award granted or issued to any Participant will expire upon termination of participant's services or in any event no later twelve months following the date the Participant ceases to be an eligible Participant.

For the three months ended March 31, 2025, the Company recorded stock based compensation expense of $128,405 (March 31, 2024: $80,371 (Note 8).

The following table is a summary of the status of the Company's common share purchase options and changes during the period:

	Note	Number of Options	Weighted Average Exercise Price $
Balance, December 31, 2023		3,100,000	0.39
Common share purchase options granted	(i)	325,000	0.75
Common share purchase options granted	(ii)	100,000	0.70
Balance, December 31, 2024		3,525,000	0.43
Common share purchase options granted	(iii)	100,000	0.64
Common share purchase options exercised		(300,000)	0.20
Common share purchase options exercised		(150,000)	0.35
Common share purchase options expired	(iv)	(50,000)	0.35
Balance March 31, 2025		**3,125,000**	**0.46**

(Expressed in Canadian Dollars)

(i) On January 15, 2024, the Company granted 325,000 common share purchase options exercisable at $0.75 per share until January 15, 2029, to consultants of the Company. The common share purchase options vest 25% on each of June 30, 2024, December 31, 2024, June 30, 2025, and December 31, 2025. The fair value of the common share purchase options was estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: share price of $0.75, dividend yield 0%, risk-free interest rate of 4.17%, expected volatility of 77.85% and an expected life of five years. The fair value attributed to these common share purchase options was $159,661.

(ii) On October 1, 2024, the Company granted 100,000 common shares purchase options exercisable at $0.70 per share until October 1, 2027, to a consultant of the Company. The common share purchase options vest 50% on April 1, 2025, and 25% on each of July 1, 2025, and October 1, 2025. The fair value of the common share purchase options was estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: share price of $0.67, dividend yield 0%, risk-free interest rate of 3%, expected volatility of 80.58% and an expected life of three years. The fair value attributed to these common share purchase options was $35,224.

(iii) February 15, 2025, the Company granted 100,000 common shares purchase options exercisable at $0.64 per share until February 15, 2028, to a consultant of the Company. The common share purchase options vest 25% on each of May 15, 2025, August 15, 2025, November 15, 2025, and February 15, 2026. The fair value of the common share purchase options was estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: share price of $0.64 dividend yield 0%, risk-free interest rate of 2.71%, expected volatility of 80.54% and an expected life of three years. The fair value attributed to these common share purchase options was $34,179.

(iv) On March 31, 2025, 50,000 common share purchase options with an estimated fair value of $13,221 expired unexercised.

Finders' Options
The following table is a summary of the status of the Company's Finder's Options and changes during the period:

	Note	Number of Finder's Options	Weighted Average Exercise Price $
Balance, December 31, 2023		1,085,082	0.59
Finder's options exercised		(521,800)	0.50
Finder's options expired	(i)	(153,700)	0.50
Balance, March 31, 2025, and December 31, 2024		**409,582**	**0.75**

(i) On November 18, 2024, 153,700 Finder's Options with an estimated fair value of $64,545 expired unexercised.

(Expressed in Canadian Dollars)

The following tables are a summary of the Company's common share purchase options and Finder's Options outstanding and exercisable as at March 31, 2025, and December 31, 2024, respectively:

Expiry Date	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
March 31, 2032	$0.35	7.01	1,950,000	1,950,000
August 31, 2032	$0.50	7.42	150,000	150,000
December 8, 2032	$0.60	7.70	450,000	450,000
October 31, 2028	$0.80	3.59	50,000	50,000
December 15, 2025	$0.75	0.71	228,247	228,247
December 19, 2025	$0.75	0.72	181,335	181,335
January 15, 2029	$0.75	3.80	325,000	162,500
October 1, 2027	$0.70	2.50	100,000	-
February 15, 2028	$0.64	2.88	100,000	-
As at March 31, 2025	**$0.50**	**5.79**	**3,534,582**	**3,172,082**

Expiry Date	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
March 31, 2025	$0.20	0.25	300,000	300,000
March 31, 2032	$0.35	7.25	1,950,000	1,950,000
March 31, 2025	$0.35	0.25	200,000	200,000
August 31, 2032	$0.50	7.67	150,000	150,000
December 8, 2032	$0.60	7.94	450,000	450,000
October 31, 2028	$0.80	3.84	50,000	50,000
December 15, 2025	$0.75	0.96	228,247	228,247
December 19, 2025	$0.75	0.97	181,335	181,335
January 15, 2029	$0.75	4.04	325,000	162,500
October 1, 2027	$0.70	2.75	100,000	-
As at December 31, 2024	**$0.46**	**5.38**	**3,934,582**	**3,672,082**

Restricted Share Units

The following table is a summary of the status of the Company's RSU's and changes during the periods set out:

	Note	Number of RSU's	Weighted Average Grant Date Fair Value $
Balance, December 31, 2023		-	-
Restricted share units granted	(i)	1,000,000	0.68
Balance, March 31, 2025, and December 31, 2024		**1,000,000**	**0.68**

(i) On September 26, 2024, the Company granted 1,000,000 RSU's to the Chief Financial Officer of the Company. The RSU's vest 50% on each on January 15, 2026, and January 15, 2027. Upon vesting, each RSU will entitle the holder to exchange it for one common share of the Company. The Company estimated the fair value of the RSU's of $680,000 based on the market price of the underlying common shares on the date of grant.

(Expressed in Canadian Dollars)

5. RELATED PARTY TRANSACTIONS

The following transactions with individuals related to the Company arose in the normal course of business have been accounted for at the amount agreed to by the related parties.

Compensation of Key Management Personnel
The remuneration of directors and other members of key management personnel during the reporting periods were as follows:

	For the Three Months Ended	
	March 31, 2025	**March 31, 2024**
Salaries and consulting fees (i)	$154,742	$146,694
Stock based compensation (ii)	100,671	34,608
Director fees (iii)	23,455	24,310
Total	**$278,868**	**$205,612**

(i) Salaries and consulting fees paid or accrued to the Company's CEO and CFO, respectively.
(ii) Stock based compensation recorded on stock options and RSU's granted to directors and officers.
(iii) Director fees paid or accrued to directors of the Company.

As of March 31, 2025, included in accounts payable and accrued liabilities was director fees of $17,251 (December 31, 2024: $nil).

6. CAPITAL MANAGEMENT

The capital managed by the Company includes the components of shareholders' equity as described in the unaudited condensed interim consolidated statements of changes in shareholders' equity. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's capital management for the three months ended March 31, 2025.

The Company's objectives of capital management are to create long-term value and economic returns for its shareholders. It does this by seeking to maximize its resources to fund the growth and development of its business, and to support the working capital required to maintain its ability to continue as a going concern. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its assets by seeking to limit shareholder dilution and optimize its cost of capital while maintaining an acceptable level of risk. In order to maintain or adjust its capital structure, the Company considers all sources of financing reasonably available to it, including but not limited to the issuance of new capital, the issuance of new debt, the receipt of government grants and the sale of assets in whole or in part.

7. FINANCIAL RISK MANAGEMENT

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

Credit Risk
Credit risk is primarily related to the Company's receivables and cash and cash equivalents and the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. At March 31, 2025, accounts receivable was $57,233 of which $47,146 was Goods and Services Tax (December 31, 2024: $87,928 of which $82,290 was Goods and Services Tax).

The Company's maximum exposure to credit risk is as follows:

	March 31, 2025	**December 31, 2024**
Cash and cash equivalents	$3,014,493	$3,847,864
Account receivable	10,087	5,638
	$3,024,580	**$3,853,502**

Currency Risk

The Company holds financial instruments denominated in CAD, USD, AUD and Euros that may differ from the functional currency of the entity in which the financial instrument resides in. A significant change in the currency exchange rates between the currency of the financial instrument and the functional currency of the Company could have a material effect on the Company's financial instruments.

As at March 31, 2025, a 5% fluctuation in the foreign exchange rate would have an impact of approximately $1,537 in the Company's unaudited condensed interim consolidated statement of operations and other comprehensive loss (March 31, 2024: $23,486).

Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash accounts is relatively unaffected by changes in short term interest rates. The income earned on certain bank accounts is subject to the movements in interest rates. Currently, this risk will have an immaterial effect on operations.

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's main source of cash resources has been equity financings and grants. The Company's financial obligations are limited to its current liabilities which have contractual maturities of less than one year. The Company manages liquidity risk as part of its overall "Management of Capital".

The following tables illustrate the contractual maturities of financial liabilities as at March 31, 2025, and December 31, 2024, respectively:

March 31, 2025	Payments Due by Year $				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Accounts payable and accrued liabilities	993,585	993,585	-	-	-
Total	993,585	993,585	-	-	-

December 31, 2024	Payments Due by Year $				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Accounts payable and accrued liabilities	557,876	557,876	-	-	-
Total	557,876	557,876	-	-	-

Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. 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.

As of March 31, 2025, and December 31, 2024, cash and cash equivalents are recorded at fair value under level 1 within the fair value hierarchy.

Management believes that the recorded values of accounts receivable and accounts payable and accrued liabilities, approximate their current fair values because of their nature and anticipated short term settlement dates.

(Expressed in Canadian Dollars)

8. EXPENSES BY NATURE

The Company presents operating expenses by function. Certain comparative figures have been re-classified to conform with the current period presentation. The following tables present a breakdown of research and development costs and general and administrative costs for the periods set out:

	For the Three Months Ended March 31,	
Research and development expenses	**2025**	**2024**
Clinical materials	$156,140	$174,009
Clinical trial expenses	760,460	119,725
Preclinical studies	38,618	62,248
Patent legal expenses	17,183	42,644
Consulting	-	5,007
Regulatory expenses	39,414	49,197
Salaries and wages	84,437	79,270
Stock based compensation	4,292	19,018
Travel	13,152	20,316
Total research and development	**$1,113,696**	**$571,434**

	For the Three Months Ended March 31,	
General and administrative expenses	**2025**	**2024**
Professional fees	$37,210	$29,063
General and office	23,154	23,992
Stock based compensation	124,113	61,353
Consulting fees	70,305	67,424
Director fees	23,455	24,310
Public company expenses	18,301	8,948
Travel	-	14,175
Investor relations	25,000	52,623
Total general and administrative	**$321,538**	**$281,888**

9. SUBSEQUENT EVENT

On May 23, 2025, the Company granted 450,000 common share purchase options exercisable at $0.73 per share to consultants of the Company.