



Interim condensed consolidated
financial statements of
Rakovina Therapeutics Inc.

(Expressed in Canadian Dollars)

(Unaudited)

For the three and nine months ended September 30, 2024

NOTICE OF NO AUDITOR REVIEW OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Section 4.3(3)(a) of National Instrument 51-102, Continuous Disclosure Obligations, provides that if an auditor has not performed a review of the consolidated interim financial statements, the interim consolidated financial statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed financial statements of Rakovina Therapeutics Inc. (the "Company" or "Rakovina") have been prepared by and are the responsibility of the Company's management and have not been reviewed by the Company's independent auditor.

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

RAKOVINA THERAPEUTICS INC.**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(All figures expressed in Canadian dollars unless otherwise noted)

(Unaudited)

	<i>Note</i>	September 30, 2024	December 31, 2023
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		255,049	436,313
Prepaid expenses	4	798,960	176,136
Amounts receivable		141,570	20,079
		1,195,579	632,528
Non-current assets			
Intangible assets	3	4,112,602	4,515,051
Total assets		5,308,181	5,147,579
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		707,639	80,358
Due to related parties	11	129,880	74,289
Total current liabilities		837,519	154,647
Non-current liabilities			
Convertible debt	5	1,396,168	1,333,096
EQUITY			
Share capital	6	14,841,863	13,597,046
Equity component of convertible debt	5	77,841	77,841
Contributed surplus		1,668,731	910,260
Deficit		(13,513,941)	(10,925,311)
		3,074,494	3,659,836
Total liabilities and equity		5,308,181	5,147,579

Nature and description of the Company (Note 1)
Basis of Presentation and going concern (Note 2)
Subsequent event (Note 14)

APPROVED BY THE BOARD

"Jeffrey Bacha" Director
"Michael Liggett" Director

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

RAKOVINA THERAPEUTICS INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS

(All figures expressed in Canadian dollars unless otherwise noted)

(Unaudited)

	<i>Note</i>	Three months ended Sept. 30, 2024	Three months ended Sept. 30, 2023	Nine months ended Sept. 30, 2024	Nine months ended Sept. 30, 2023
		\$	\$	\$	\$
Expenses					
Research and development	13	678,299	426,852	1,597,067	1,252,165
General and administrative	13	268,909	163,416	796,183	568,496
Total expenses		947,208	590,268	2,393,250	1,820,661
Other expense (income)					
Interest income		-	(7,425)	(5,819)	(18,393)
Interest expense	5	45,793	45,793	136,384	61,721
Accretion expense	5	22,193	18,313	63,072	24,575
Foreign exchange loss		473	19	1,743	1,598
Total other expense (income)		68,459	56,700	195,380	69,501
Net loss and comprehensive loss		(1,015,667)	(646,968)	(2,588,630)	(1,890,162)
Loss per share					
Basic and diluted	9	(0.01)	(0.01)	(0.03)	(0.03)
Weighted average shares outstanding:					
Basic and diluted	9	89,667,621	69,808,000	76,660,137	69,829,500

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

RAKOVINA THERAPEUTICS INC.**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOWS**

(All figures expressed in Canadian dollars unless otherwise noted)

(Unaudited)

		Nine Months ended September, 30 2024	Nine months ended September, 30 2023
	<i>Note</i>	\$	\$
CASH PROVIDED BY (USED IN):			
OPERATING ACTIVITIES			
Net loss		(2,588,630)	(1,890,162)
Adjustments for non-cash items			
Amortization	3, 13	402,449	400,980
Share-based payments	8, 13	68,764	91,410
Interest paid in shares		20,340	-
Accretion of convertible debt	5	63,072	24,575
Changes in non-cash working capital			
Prepaid expenses		(622,824)	(179,387)
Amounts receivable		(121,491)	(8,798)
Accounts payable and accrued liabilities		627,281	70,453
Due to related parties	11	55,591	6,234
		(2,095,448)	(1,484,695)
FINANCING ACTIVITIES			
Issuance of convertible debt		-	1,514,000
Convertible debt financing costs		-	(112,808)
Proceeds from private placement	6	1,995,000	-
Financing costs	6	(80,816)	-
		1,914,184	1,401,192
CHANGE IN CASH AND CASH EQUIVALENTS		(181,264)	(83,503)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		436,313	896,831
CASH AND CASH EQUIVALENTS, END OF PERIOD		255,049	813,328

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RAKOVINA THERAPEUTICS INC.

Interim Condensed Consolidated Statements of Changes in Equity

(All figures expressed in Canadian dollars unless otherwise noted)

(Unaudited)

	Note	Share Capital	Obligation to Issue Units	Equity Component of Convertible Debt	Contributed Surplus	Deficit	Total
		\$		\$	\$	\$	\$
Balance at December 31, 2022		13,579,166	-	-	746,933	(8,312,386)	6,013,713
<i>Issuance of convertible debt</i>							
Conversion option	5	-	-	84,108	-	-	84,108
Warrants	5	-	-	-	36,791	-	36,791
Convertible debt transaction fees	5	-	-	(9,008)	-	-	(9,008)
Share-based payments	8	-	-	-	65,942	-	65,942
Net loss		-	-	-	-	(1,243,194)	(1,243,194)
Balance at September 30, 2023		13,579,166	-	75,100	849,666	(9,555,580)	4,948,352
Balance at December 31, 2023		13,597,046	-	77,841	910,260	(10,925,311)	3,659,836
Issuance of shares and warrants	6	1,276,800	-	-	718,200	-	1,995,000
Share and warrant issuance costs	6	(51,723)	-	-	(29,093)	-	(80,816)
Issuance of finders warrants	6	(600)	-	-	600	-	-
Issuance of shares for interest	5	20,340	-	-	-	-	20,340
Share-based payments	8	-	-	-	68,764	-	68,764
Net loss		-	-	-	-	(2,588,630)	(2,588,630)
Balance at September 30, 2024		14,841,863	-	77,841	1,668,731	(13,513,941)	3,074,494

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

RAKOVINA THERAPEUTICS INC.

Notes to the Interim Condensed Consolidated Financial Statements

(All figures expressed in Canadian dollars unless otherwise noted)
(Unaudited)

1. Nature and description of the Company

Rakovina Therapeutics Inc. (the “Company” or “Rakovina”) was incorporated under the *Business Corporations Act* (British Columbia) on May 6, 2019 under the name “Vincero Capital Corp.” On February 7, 2020, the Company listed its shares on the TSX Venture Exchange (“TSX-V”) as a capital pool company (“CPC”) (as defined in the TSX-V Policy 2.4 – *Capital Pool Companies*). On March 25, 2021, the Company completed a qualifying transaction with NewGen Therapeutics Inc. by way of a “three-cornered” amalgamation.

On April 1, 2021 following the completion of the Qualifying Transaction, the common shares of the Company (the “Common Shares”) resumed trading on the TSX-V under the symbol “RKV”. The Company’s first financial year-end subsequent to the completion of the Qualifying Transaction was December 31, 2021

As part of the Qualifying Transaction, The Company acquired certain rights to three classes of novel preclinical small-molecule drug candidates with established *in vitro* proof-of-concept data. The Company acquired worldwide rights, excluding the People’s Republic of China, Hong Kong and Taiwan, to develop and commercialize the kt-2000 series under the terms of a purchase and patent assignment agreement. The Company has also been granted an exclusive option to patents claiming the initial kt-3000 and kt-4000 series drug candidates under the terms of an Evaluation and Option Agreement with the inventor of the kt-2000 series. The Company has established a lead optimization research infrastructure in collaboration with the University of British Columbia (“UBC”) under the terms of a collaborative research agreement to develop its drug candidates. In March 2024, the Company announced a research collaboration that provides exclusive access to the proprietary Deep Docking Artificial Intelligence (AI) drug discovery platform for DNA-damage response targets. The Company intends to advance validated lead candidates to human clinical trials in collaboration with pharmaceutical partners.

The Company’s head office and registered and records office is located at Suite 720, 999 West Broadway, Vancouver, British Columbia, V5Z 1K5.

2. Basis of presentation and going concern

These unaudited interim condensed consolidated financial statements (“consolidated financial statements”) have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting”. They do not contain all the necessary annual disclosures in accordance with International Financial Reporting Standards (“IFRS”) and accordingly should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended December 31, 2023 which are available on SEDAR+ (www.sedarplus.ca).

These interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary Rakovina Research Ltd.

The consolidated financial statements have been prepared using the same accounting policies and methods as those used in the audited consolidated financial statements for the year ended December 31, 2023. The consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiary.

The consolidated financial statements were approved by the Company’s Board of Directors and authorized for issue on November 29, 2024.

These consolidated financial statements have been prepared using IFRS, as issued by the IASB applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business. For the nine months ended September 30, 2024, the Company reported a net loss of \$2,588,630. As at September 30, 2024 the Company had working capital of \$358,060.

On November 27, 2024 the Company announced a non-brokered private placement offering (the “Offering”) of up to \$1.25 million with initial commitments totalling over \$800,000 from strategic investors. On November 28, 2024 the Company announced that the Offering will be increased to \$2.5 million to accommodate investor demand. The Offering is structured as units priced at \$0.06 each, with each unit consisting of one common share and one warrant to purchase a common share. Each warrant entitles the holder to purchase one additional common share at a price of \$0.10 per share, exercisable for a period of 24 months. Rakovina retains the right

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to accelerate the warrant exercise period if the 20-day volume-weighted average price of its shares exceeds \$0.30 cents. Notwithstanding, the Company will require additional funds in the future to continue to develop and commercialize its technologies.

While the Company has been successful in arranging financing in the past, the success of such initiatives cannot be assured. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

3. Intangible assets

In conjunction with the Qualifying Transaction which closed on March 25, 2021, the Company acquired the world-wide rights, excluding the Peoples Republic of China, Hong Kong and Taiwan, to the kt-2000 series of PARP inhibitors from NewGen in exchange for 30,000,000 shares with a value of \$6,000,000. The Company has been issued patents and patent pending applications related to the kt-2000 asset extending to at least 2032.

The Company is amortizing the value of the acquired patents on a straight-line basis over the patent's useful life.

	Acquired Patents
	\$
Cost	
Balance at December 31, 2023	6,000,000
Additions	-
Balance at September 30, 2024	6,000,000
Accumulated amortization	
Balance at December 31, 2023	1,484,949
Amortization	402,449
Balance at September 30, 2024	1,887,398
Net book value	
Balance at December 31, 2023	4,515,051
Balance at September 30, 2024	4,112,602

4. Prepaid expenses

The Company had prepaid expenses as follows:

	September 30, 2024	December 31, 2023
	\$	\$
UBC research contract	363,500	108,500
Research agreements	227,500	-
IR and communications	197,250	62,000
D&O insurance	10,710	5,636
Balance at September 30, 2024	798,960	176,136

5. Convertible Debt

On May 29, 2023, the Company closed a non-brokered financing of unsecured convertible debenture units ("Debenture Units") for gross proceeds of \$1,514,000. Each Debenture Unit is deemed to consist of \$50,000 in principal amount of unsecured convertible debenture of the Company and 100,000 common share purchase warrants. The convertible debenture bears interest at 12% per annum, is paid semi-annually in arrears in cash or common shares at the holder's option and matures on November 29, 2025. Each warrant is exercisable at \$0.15 for a period of 30 months. The convertible debentures are convertible at the holder's option into common shares at a fixed conversion price of \$0.20 per share.

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The component parts of the convertible debt, a compound instrument, are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instrument is an equity instrument. The warrants have also been classified as equity.

At initial recognition, the Convertible Debt proceeds of \$1,514,000 were allocated between the debt and equity components. The fair value of the debt portion was estimated at \$1,289,301 net of transaction costs of \$103,800 using a discounted cash flow model method with an expected life of 30 months and a discount rate of 16.0% which was the estimated rate for a similar instrument without a conversion feature. This amount is recorded as a financial liability on an amortized cost basis using an effective interest rate of 19.6% until extinguished upon conversion or at its maturity date.

The conversion option and warrants are classified as separate components in equity and fair value was estimated based on the residual value of \$111,891 net of transaction costs of \$9,008. The residual value was allocated between the conversion option and warrant components based on their relative fair values using the Black Scholes option pricing model with the following assumptions:

	Warrants	Conversion Option
Grant date share price	\$0.13	\$0.13
Exercise price	\$0.15	\$0.20
Risk-free interest rate	4.33%	4.33%
Expected life (years)	2.5	2.5
Expected annualized volatility	115%	115%
Expected dividend yield	0%	0%
Fair value	\$0.081	\$0.074

This amount is not subsequently remeasured and will remain in equity until the conversion option and warrants are exercised, in which case, the balance recognized in equity will be transferred to share capital. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance will be reclassified to contributed surplus.

Total transaction costs of \$112,808 that relate to the issuance of the Convertible Debt were allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the life of the convertible debentures using the effective interest method.

The following table summarizes the continuity of the Company's Convertible Debt:

	\$
Balance, December 31, 2023	1,333,096
Interest at effective rate of 19.6%	199,456
Interest payable	(136,384)
Balance – September 30, 2024	1,396,168

Accretion expense of \$22,928 and \$63,072 was booked for the three and nine months ended September 30, 2024, respectively (2023 – \$18,313 and \$24,575, respectively), which reflects the difference between interest expense at the effective rate of 19.6% and interest payable.

6. Share capital

The Company is authorized to issue an unlimited number of voting and participating common shares.

Share capital activities for the nine months ended September 30, 2024:

- i) 2024 Private Placement

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The 2024 Private Placement financing consisted of multiple tranches, resulting in the aggregate issuance of 19,950,000 units at a price of \$0.10 per unit for gross proceeds of \$1,995,000. Each unit was comprised of one common share and one share purchase warrant, with each warrant entitling the holder to purchase one additional common share at an exercise price of \$0.20 per share for three years. In addition, 12,000 finder's warrants with a fair value of \$600 (Note 7) were issued in conjunction with the financing. The fair value of the finder's warrants, in addition to cash costs directly attributable to the financing of \$80,816 were recorded as share and warrant issuance costs as described below. The financing involved the issuance of common shares and accompanying warrants to purchase common shares, all of which were issued under identical terms as follows:

Financing	Closing Date	Gross Proceeds	Common Shares	Warrants
Tranche 1	June 26, 2024	1,395,000	13,950,000	13,950,000
Tranche 2	July 19, 2024	525,000	5,250,000	5,250,000
Tranche 3	July 25, 2024	75,000	750,000	750,000
Total		1,995,000	19,950,000	19,950,000

Although the financing closed in multiple tranches for logistical reasons, the terms of each tranche were identical, and the issuance dates were in close proximity. As a result, the Company determined that it was appropriate to combine the tranches for valuation and accounting purposes under IFRS, as market conditions (e.g., share price, volatility, and risk-free rate) remained consistent across the tranche closing dates. The net proceeds from the issuance of units were allocated between share capital and contributed surplus on a pro-rata basis based on their relative fair values at time of issuance.

The fair value of the common shares was determined based on the volume weighted average price of the closing market price from the date the financing was announced to the initial closing date of June 26, 2024, which was \$0.10 per share. The volume weighted average price was relatively unchanged between the first and final close. The fair value of the warrants was determined using the Black-Scholes option pricing model, with the following key assumptions

Grant date share price	\$0.10
Exercise price	\$0.20
Risk-free interest rate	3.8%
Expected life (years)	3 years
Expected annualized volatility	113%
Expected dividend yield	0%

- ii) On June 26, 2024 there were 254,250 shares issued at a fair value of \$0.08 per share to pay \$20,340 of accrued convertible debenture interest.

Share capital activities for the year ended December 31, 2023:

- i) On November 27, 2023, there were 255,425 shares issued at a fair value of \$0.07 per share to pay \$17,880 of accrued convertible debenture interest.

The number of common shares outstanding and their carrying values for the periods presented are as follows:

	#	\$
Balance at December 31, 2022	69,829,500	13,579,166
Common shares issued for convertible debt interest	255,425	17,880
Balance at December 31, 2023	70,084,925	13,597,046
Common shares issued for convertible debt interest	254,250	20,340
Common shares issued pursuant to private placement	19,950,000	1,224,477
Balance at September 30, 2024	90,289,175	14,841,863

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(Unaudited)

7. Warrants

In connection with the 2024 Private Placement, the Company issued 19,950,000 private placement warrants and 12,000 finders warrants exercisable at \$0.20 per share with a 3-year term. If the closing price for the Common Shares on the TSX Venture Exchange is \$0.25 or greater for five consecutive trading days, the Company will have the right to accelerate the expiry date of the Warrants, upon written notice to the holder, to the date that is 30 days following such notice. The fair value of the finder's warrants are \$600 which has been determined based on the Black-Scholes pricing model using the following assumptions:

Grant date share price	\$0.10
Exercise price	\$0.20
Risk-free interest rate	3.8%
Expected life (years)	3 years
Expected annualized volatility	113%
Expected dividend yield	0%

Changes to the warrant balance during the nine months ended September, 2024 and the year ended December 31, 2023 are as follows:

	Number #	Weighted average exercise price \$	Weighted average Remaining life
Balance at December 31 2022	12,733,690	0.38	-
Finder's warrants expired	(1,318,940)	0.20	-
Issued with convertible debt	3,028,000	0.15	1.1 years
Balance at December 31, 2023	14,442,750	0.35	1.1 years
Expired investor warrants	(11,414,750)	0.40	-
2024 Private Placement warrants	19,950,000	0.20	2.8 years
Finders warrants	12,000	0.20	2.8 years
Balance at September 30, 2024	22,990,000	0.19	2.5 years

Between June 26 and July 25, 2024, the Company issued 19,950,000 warrants and 12,000 finders warrants pursuant to the closing of the 2024 Private Placement.

On March 24, 2024, 11,414,750 investor warrants with an exercise price of \$0.40 per warrant expired.

8. Share-based payments

Long term incentive plan ("LTI Plan")

The Company maintains an LTI Plan which provides the Company with the flexibility to attract, retain and motivate employees, officers, directors, advisors, and consultants through the ability to issue options and additional award types such as performance share units, restricted share units, restricted shares and deferred share units. The maximum number of common shares that may be issued under the LTI Plan and any share-based payment arrangements may not exceed 10% of the common shares issued and outstanding. Options granted under the option plan will have a maximum term of ten years. The exercise price of options granted will not be less than the market price of the common shares (defined as the last closing market price of the Company's common shares immediately preceding the day on which the Company announces the granting of the options), or such other price as may be agreed to by the Company and accepted by the TSX-V. Vesting terms are determined by the Board of Directors at the time of grant.

Options

Changes to the option balance during the nine months ended September 30, 2024, and the year ended December 31, 2023, are as follows:

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(All figures expressed in Canadian dollars unless otherwise noted)

(Unaudited)

	Number #	Weighted-average exercise price \$
Balance at December 31, 2022	5,780,000	0.20
Issuance of options	1,367,500	0.15
Forfeiture of options	(165,000)	0.20
Balance at December 31, 2023	6,982,500	0.19
Issuance of options	320,000	0.10
Balance at September 30, 2024	7,302,500	0.19

As at September 30, 2024 the following options were outstanding:

Weighted average exercise price \$	Number #	Weighted average remaining contractual life	Exercisable #	Weighted average exercise price \$
0.20	5,295,000	1.5 years	5,295,000	0.20
0.24	170,000	2.1 years	141,665	0.24
0.15	150,000	2.6 years	100,000	0.15
0.15	1,367,500	3.9 years	455,848	0.15
0.10	320,000	4.8 years	-	0.10
0.19	7,302,500	2.1 years	5,992,513	0.19

Fair value of options issued

On July 11, 2024 the company issued an aggregate of 320,000 stock options to a new scientific advisory board member and lead consultant managing the Company's AI program. The fair value of each option granted was determined using the Black-Scholes option pricing model with the following assumptions:

Grant date share price \$0.10
 Exercise price \$0.10
 Risk-free interest rate 3.4%
 Expected life (years) 5 years
 Expected annualized volatility 120%
 Expected dividend yield 0%
 Fair value \$0.083

9. Loss per share

Loss per share is calculated by dividing the net loss by the weighted average number of shares outstanding during the reporting period. For the three and nine months ended September 30, 2024 and 2023 the Company excluded all dilutive instruments as their inclusion would be anti-dilutive.

The following table reconciles the denominator used for the basic and diluted loss per share calculation:

	Three months ended Sept 30, 2024 #	Three months ended Sept 30, 2023 #	Nine months ended Sept 30, 2024 #	Nine months ended Sept 30, 2023 #
Basic weighted average shares	89,667,621	69,808,000	76,660,137	69,829,500
Effect of dilutive instruments	-	-	-	-
Diluted weighted average shares	89,667,621	69,808,000	76,660,621	69,829,500

10. Financial instruments and risk management

The Company classifies its financial assets into the following specified categories: amortized cost, fair value through other comprehensive income ("FVTOCI"); and fair value through profit or loss ("FVTPL"). Financial liabilities are classified as FVTPL or classified as loans and borrowings measured at amortized cost. Classification depends on the purpose for which the financial assets and liabilities were acquired or incurred.

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(Unaudited)

Management determines the classification of its financial instruments at initial recognition. Financial instruments consist of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, due to related parties and convertible debt.

Fair values

The Company has classified its financial instrument fair values based on the required three level hierarchies:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1, but that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data.

The fair value hierarchy level at which a fair value measurement is categorized is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company records cash and cash equivalents at fair value using level 1 inputs. There were no transfers from levels 1, 2, and 3 during the nine months ended September, 2024.

The fair values of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, due from related parties, and convertible debt approximate the carrying values due to the short-term nature of these instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist of cash and cash equivalents and amounts receivable. The Company's cash and cash equivalents consists of funds held in a reputable Canadian bank. The amounts receivable is related to GST receivable from the Government of Canada and accrued interest from a reputable Canadian bank. Management actively reviews the risk of the financial institutions and/or the counterparty to underlying financial instruments failing to meet its obligations and adjusts if and when any undue risk is identified. At September 30, 2024, the Company does not believe it is currently exposed to any significant credit risk.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk. The Company is not exposed to any significant interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk is managed by maintaining adequate cash reserves and by closely monitoring forecast and actual cash flows. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company's ability to raise equity financing in a timely manner and by maintaining sufficient cash over anticipated needs.

The Company is obligated to the following contractual maturities of undiscounted cash flows at September 30, 2024:

	Amount	Year 1	Year 2	Year 3	Total
	\$	\$	\$	and over	\$
				\$	
Trade and other payables	837,519	837,519	-	-	837,519
Convertible debt ⁽¹⁾	1,514,000	181,680	1,604,840	-	1,786,520
	<u>2,351,519</u>	<u>1,019,199</u>	<u>1,604,840</u>	<u>-</u>	<u>2,624,039</u>

(1) Convertible debt interest may be paid in cash or shares at the option of the holder

RAKOVINA THERAPEUTICS INC.

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(All figures expressed in Canadian dollars unless otherwise noted)

(Unaudited)

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations in foreign exchange rates for any cash, amounts receivable, accounts payable and accrued liabilities that are denominated in foreign currencies. The Company's foreign currency risk is primarily related to expenses denominated in United States dollars.

There has been no significant change in the credit risk and concentrations, interest rate risk, liquidity risk or foreign currency risk since December 31, 2023.

11. Related party transactions

The key management personnel of the Company are the Directors, Executive Chairman, President and Chief Scientific Officer, Chief Operating Officer, and Chief Financial Officer. Amounts due to related parties, including amounts due to key management personnel, at the period-end are unsecured, interest free and settlement generally occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

As at September 30, 2024, the Company had amounts due to related parties of \$129,880 (December 31, 2023 - \$74,289) comprised of board fees, management compensation and reimbursable expenses.

Compensation to key management personnel for the reporting period is as follows:

	Three months ended Sept 30, 2024	Three months ended Sept 30, 2023	Nine months ended Sept 30, 2024	Nine months ended Sept 30, 2023
	\$	\$	\$	\$
Compensation / short term benefits	127,910	127,909	383,730	383,728
Board fees	30,234	25,683	90,700	80,602
Share-based payments	12,381	28,603	58,607	84,179
	170,525	182,195	533,037	548,527

All related party transactions, whether monetary or non-monetary, are conducted in the normal course of business and are measured at fair value, which is the consideration established and agreed to by the related parties.

12. Commitments

Pursuant to a Collaborative Research Agreement with the University of British Columbia ("UBC"), the Company has committed to payments as follows:

	\$
September 30, 2024	363,500
March 31, 2025	363,500
September 30, 2025	363,500
	1,090,500

As at September 30, 2024 there was \$363,500 included in accounts payable related to the UBC contract. This amount will be used to fund research and development activities at the Company's dedicated laboratory space at UBC until March 31, 2025.

RAKOVINA THERAPEUTICS INC.

Notes to the Interim Condensed Consolidated Financial Statements

(All figures expressed in Canadian dollars unless otherwise noted)
(Unaudited)

13. Components of expenses

	Three months ended Sept 30, 2024 \$	Three months ended Sept 30, 2023 \$	Nine months ended Sept 30, 2024 \$	Nine months ended Sept 30, 2023 \$
Research and development				
Contract research per the UBC Agreement	181,750	108,500	472,000	369,250
Amortization (Note 3)	135,129	135,129	402,449	400,980
Consulting	201,125	84,576	348,992	260,076
Chemistry and manufacturing	131,665	83,733	278,169	127,721
Share-based payments (Note 8)	10,073	12,260	34,522	57,994
Patent and legal fees	18,557	2,294	60,935	36,144
	678,299	426,852	1,597,067	1,252,165
General and administrative				
Legal and professional	7,166	16,356	106,330	112,640
Public company expenses	149,493	46,994	383,419	143,166
Share-based payments (Note 8)	8,139	12,848	34,242	33,416
Consulting	39,000	39,000	117,000	117,000
Director fees	30,234	25,683	90,700	80,620
Rent	7,939	10,500	24,234	31,500
Other expenses	26,938	12,035	40,258	51,154
	268,909	163,416	796,183	568,496

14. Subsequent event

On November 27, 2024 the Company announced a non-brokered private placement offering (the "Offering") of up to \$1.25 million with initial commitments totalling over \$800,000 from strategic investors. On November 28, 2024 the Company announced that the Offering will be increased to \$2.5 million to accommodate investor demand. The Offering is structured as units priced at \$0.06 each, with each unit consisting of one common share and one warrant to purchase a common share. Each warrant entitles the holder to purchase one additional common share at a price of \$0.10 per share, exercisable for a period of 24 months. Rakovina retains the right to accelerate the warrant exercise period if the 20-day volume-weighted average price of its shares exceeds \$0.30 cents. Notwithstanding, the Company will require additional funds in the future to continue to develop and commercialize its technologies.