



Condensed Consolidated Interim Financial Statements  
(Expressed in Canadian Dollars)

## **WAVERLEY PHARMA INC.**

Three and nine months ended September 30, 2023  
(unaudited)

In accordance with National Instruments 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2023.



**Condensed Consolidated Interim Statements of Financial Position**  
 (expressed in Canadian dollars)  
 (unaudited)

	Note	September 30, 2023	December 31, 2022
<b>Assets</b>			
Current assets:			
Cash		\$ 31,563	\$ 133,797
Accounts receivable	3	133,107	193,398
Inventory	4	89,012	61,522
Prepaid expenses		56,114	243,803
<b>Total current assets</b>		<b>309,796</b>	<b>632,520</b>
Non-current assets			
Intangible assets	6	1,437,973	1,679,402
Other asset	7(d)	297,143	375,427
<b>Total non-current assets</b>		<b>1,735,116</b>	<b>2,054,829</b>
<b>Total assets</b>		<b>\$ 2,044,912</b>	<b>\$ 2,687,349</b>
<b>Liabilities and Equity</b>			
Current liabilities:			
Accounts payable and accrued liabilities	10(b)	\$ 556,668	\$ 736,510
Current portion of license fee payable	9(b)	157,751	158,031
Loan payable	8	40,000	40,000
Bank indebtedness	5	1,098,194	661,726
<b>Total current liabilities</b>		<b>1,852,613</b>	<b>1,596,267</b>
<b>Total liabilities</b>		<b>1,852,613</b>	<b>1,596,267</b>
Equity:			
Share capital	7(b)	7,000,100	7,000,100
Warrants	7(d)	521,894	521,894
Contributed surplus		809,420	809,420
Accumulated other comprehensive income		(77,543)	(69,236)
Deficit		(8,061,572)	(7,171,096)
<b>Total equity</b>		<b>192,299</b>	<b>1,091,082</b>
<b>Total liabilities and equity</b>		<b>\$ 2,044,912</b>	<b>\$ 2,687,349</b>

**Commitments and contingencies (Note 9)**

See accompanying notes to the condensed consolidated interim financial statements.



**Condensed Consolidated Interim Statements of Net Loss and Comprehensive Loss**  
(expressed in Canadian dollars)  
(unaudited)

	Note	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
<b>Revenue from contracts with customers</b>		\$ 96,086	\$ 341,927	\$ 363,365	\$ 1,067,589
Cost of goods sold	4	71,444	213,619	234,747	816,617
<b>Gross Profit</b>		<b>24,642</b>	128,308	<b>128,618</b>	250,972
<b>Expenses:</b>					
Selling, general and administrative		245,853	415,113	790,548	851,413
Research and development		60,133	4,663	170,701	19,757
		<b>305,986</b>	419,776	<b>961,249</b>	871,170
<b>Loss before the undernoted</b>		<b>(281,344)</b>	(291,468)	<b>(832,631)</b>	(620,198)
Other Income					
Recovery of value added tax	9(b)		(234,662)		(234,662)
			-		(234,662)
Finance income:					
Finance expense, net		20,447	3,964	47,538	6,786
Foreign exchange loss (gain)		8,170	60,942	10,307	64,422
		<b>28,617</b>	(169,756)	<b>57,845</b>	(163,454)
<b>Net loss</b>		<b>\$ (309,961)</b>	\$ (121,712)	<b>\$ (890,476)</b>	\$ (456,744)
Translation adjustment		-	(24,806)	(8,307)	83,439
<b>Comprehensive loss</b>		<b>\$ (309,961)</b>	\$ (146,518)	<b>\$ (898,783)</b>	\$ (373,305)
Loss per share attributable to shareholders:					
Basic and Diluted	7(e)	\$ (0.01)	\$ -	\$ (0.02)	\$ (0.01)
Weighted average shares outstanding:					
Basic and Diluted	7(e)	54,000,000	54,000,000	54,000,000	54,000,000

See accompanying notes to the condensed consolidated interim financial statements.



**Condensed Consolidated Interim Statements of Changes in Equity**  
 (expressed in Canadian dollars)  
 (unaudited)

	Note	Share Capital	Warrants	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total
Balance, December 31, 2021		\$ 7,000,100	\$ 521,894	\$ 809,420	\$ (35,230)	\$ (6,507,020)	\$ 1,789,164
Net loss for the nine months ended September 30, 2022		-	-	-	-	(456,744)	(456,744)
Other comprehensive income for the nine months ended September 30, 2022		-	-	-	83,439	-	83,439
<b>Balance, September 30, 2022</b>		<b>\$ 7,000,100</b>	<b>\$ 521,894</b>	<b>\$ 809,420</b>	<b>\$ 48,209</b>	<b>\$ (6,963,764)</b>	<b>\$ 1,415,859</b>
<b>Balance, December 31, 2022</b>		<b>\$ 7,000,100</b>	<b>\$ 521,894</b>	<b>\$ 809,420</b>	<b>\$ (69,236)</b>	<b>\$ (7,171,096)</b>	<b>\$ 1,091,082</b>
<b>Net loss for the nine months ended September 30, 2023</b>		-	-	-	-	<b>(890,476)</b>	<b>(890,476)</b>
<b>Other comprehensive income for the nine months ended September 30, 2023</b>		-	-	-	<b>(8,307)</b>	-	<b>(8,307)</b>
<b>Balance, September 30, 2023</b>		<b>\$ 7,000,100</b>	<b>\$ 521,894</b>	<b>\$ 809,420</b>	<b>\$ (77,543)</b>	<b>\$ (8,061,572)</b>	<b>\$ 192,299</b>

See accompanying notes to the condensed consolidated interim financial statements.



**Condensed Consolidated Interim Statements of Cash Flows**  
 (expressed in Canadian dollars)  
 (unaudited)

For the nine months ended September 30	Note	2023	2022
Cash (used in) provided by:			
Operating activities:			
Net loss for the period		\$ (890,476)	\$ (456,744)
Recovery of value added tax		-	(234,662)
Amortization of intangible assets	6	241,429	27,115
Amortization of other asset	7(d)	78,284	78,284
Foreign exchange loss		8,307	64,422
Changes in working capital accounts:			
Accounts receivable	3	60,287	335,172
Inventory	4	(28,880)	295,053
Prepaid expenses and other current assets		177,689	216,887
Accounts payable and accrued liabilities		(185,342)	(373,650)
<b>Cash flows (used in) from operating activities</b>		<b>(538,702)</b>	<b>(48,123)</b>
Financing activities:			
Bank indebtedness	5	436,468	241,602
Payment on license fee payable		-	(225,604)
<b>Cash flows (used in) from financing activities</b>		<b>436,468</b>	<b>15,998</b>
Decrease in cash		\$ (102,234)	\$ (32,125)
Cash, beginning of period		133,797	158,115
<b>Cash, end of period</b>		<b>\$ 31,563</b>	<b>\$ 125,990</b>

See accompanying notes to the condensed consolidated interim financial statements.

**Notes to the Condensed Consolidated Interim Financial Statements**  
**(expressed in Canadian dollars)**  
**(unaudited)**

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**1. Reporting entity:**

Waverley Pharma Inc. (“**Waverley**” or the “**Company**”) was incorporated as Buffalo Capital Inc. (“**Buffalo**”) pursuant to the provisions of the Canada Business Corporations Act (“**CBCA**”) on December 14, 2016 and was classified as a Capital Pool Corporation (“**CPC**”) as defined by Policy 2.4 of the TSX Venture Exchange (the “**Exchange**”). On October 24, 2017, the Company completed a qualifying transaction (the “**QT**”) with Waverley Pharma Inc. and resumed as Waverley Pharma Inc. in accordance with the CBCA.

The Company is domiciled and incorporated in Canada and its Common Shares are listed on Tier 2 of the Exchange under the symbol “WAVE”. The address of the Company’s registered office and head office is 4-1250 Waverley Street, Winnipeg, Manitoba, Canada, R3T 6C6.

The Company is a biopharmaceutical company engaged in the research, development and commercialization of human therapeutics focused on oncology. Through its wholly owned Barbadian subsidiary, Waverley Pharma International Inc. (“**WPIL**”), the Company has entered into a license, manufacture, supply, marketing and distribution agreement with Reliance Life Sciences Private Limited (“**RLS**” or the “**Licensor**”) by which the Licensor granted the Company an exclusive territorial license to market and sell capecitabine in the United Kingdom (the “**UK**”) and Germany as well as a non-exclusive territorial license to market and sell temozolomide in the UK. Additionally, the Company has acquired exclusive territorial licenses from RLS for two oncologic drugs, pemetrexed and bortezomib in the United States and its territories (the “**USA**”), Canada, and the European Union (the “**EU**”). In addition, the Company has obtained a non-exclusive license to sell both pemetrexed and bortezomib in the UK. During the year ended December 31, 2022, the Company wound up its WPIL subsidiary, and all assets and remaining liabilities from WPIL were transferred to Waverley. These products are marketed in the EU and the UK through the Company’s wholly owned Irish subsidiary, Waverley Pharma Europe Limited (“**WPEL**”).

**2. Basis of preparation:**

**(a) Statement of compliance**

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“**IFRIC**”).

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“**IAS**”) 34 *Interim Financial Reporting* and have been prepared using the same accounting policies and methods of application as those used in the Company’s audited consolidated financial statements for the year ended December 31, 2022. These condensed consolidated interim financial statements do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2022.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors (the “**Board**”) on November 27, 2023.

**(b) Basis of presentation**

These condensed consolidated interim financial statements have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss (“**FVTPL**”) which are measured at fair value.

**(c) Going concern**

These condensed consolidated interim financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and meet its liabilities as they become due.

**Notes to the Condensed Consolidated Interim Financial Statements**  
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**2. Basis of preparation (continued):**

**(c) Going concern (continued)**

The Company is a research and development stage company and as such is primarily dependent on financing provided from external sources to continue as a going concern. Management intends to use its available funding to improve its current operations, and increase revenue in order to fund future operations, however, the outcome of these matters cannot be predicted at this time. In addition, during the nine month period ended September 30, 2023, the company incurred a net loss of \$890,476 ( 2022 – \$456,744 ), and, as at September 30, 2023 has a deficit of \$8,061,572 (December 31, 2022 - \$7,171,096).

**(d) Functional and presentation currency**

The condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information presented has been rounded to the nearest dollar except where indicated otherwise.

**(e) Use of estimates and judgments**

The preparation of condensed consolidated interim financial statements in conformity with IFRS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses during the period.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Areas in which management has made critical judgments in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements include the determination of the Company's and its subsidiaries' functional currencies.

Information about key assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes to the consolidated financial statements for the year ended December 31, 2022:

- Note 3(e): Estimates of variable consideration receivable from revenue from contracts with customers
- Note 3(g): Estimates of the measurement and valuation of inventory
- Note 3(h): Estimates of the measurement, valuation and period of use of intangible assets
- Note 3(n): Estimates regarding assumptions used to estimate the value of share-based payment transactions and warrants

**3. Accounts receivable**

	<b>September 30, 2023</b>	December 31, 2022
Trade accounts receivable	\$ 128,343	\$ 190,998
Other accounts receivable	4,764	2,400
	<b>\$ 133,107</b>	<b>\$ 193,398</b>

As at September 30, 2023, there was one customer with amounts owing greater than 10% of the Company's trade accounts receivable which totaled 100% in aggregate (December 31, 2022 – one customer totaling 100%).

**4. Inventory**

Inventory consists of finished product available for sale to customers. Inventory expensed as part of cost of goods sold during the three and nine months ended September 30, 2023 totaled \$71,444 and \$232,595, respectively (2022 – \$213,619 and \$816,617).



**Notes to the Condensed Consolidated Interim Financial Statements**  
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**5. Bank indebtedness**

The Company currently has access to a line of credit from its primary financial institution for maximum aggregate proceeds of \$3,000,000. The line of credit carries a floating interest rate on standard commercial terms, calculated daily, and is repayable as to principal amount drawn and accrued and unpaid interest thereon upon demand. As at September 30, 2023, the drawn amount on the line of credit is \$1,098,194 (December 31, 2022 – \$661,726). During the three and nine month period ended September 30, 2023, the amount of interest paid in relation to the line of credit was \$19,904 and \$47,969, respectively (2022 – \$3,667 and \$6,261, and is included within finance expense on the condensed consolidated interim statement of net loss and comprehensive loss. The collateral for the line of credit was provided by a director of the Company (see note 7(d) and note 10(b) below for more information).

**6. Intangible assets**

Cost		Licenses
Balance, December 31, 2021	\$	1,758,280
Amortization		(107,725)
Effects of movements in exchange rates		28,847
<b>Balance, December 31, 2022</b>	<b>\$</b>	<b>1,679,402</b>
Amortization		<b>(241,429)</b>
<b>Balance, September 30, 2023</b>	<b>\$</b>	<b>1,437,973</b>

On August 30, 2017, the Company acquired exclusive territorial licenses from RLS to sell and market two generic cancer drugs, pemetrexed and bortezomib in the USA, Canada and the EU (excluding the UK where a non-exclusive territorial license was acquired).

The initial amortization period pertaining to the pemetrexed intangible assets was 10 years. During the year ended December 31, 2022, management applied a prospective change to the amortization period of the pemetrexed license to decrease the amortization period of the asset by 5 years, due to increased competition within the EU, and US marketplaces, and the introduction of additional formats of pemetrexed in that the Company does not have approval for. The remaining useful life of the pemetrexed license is 4 years as at September 30, 2023.

During the year ended December 31, 2022, the Company obtained approval for bortezomib within the US market. As a result of the approval, the Company began amortizing the intangible license pertaining to bortezomib for both the EU and the US. The amortization period selected for bortezomib was 5 years, given the characteristics of the product are similar to pemetrexed, and there is a considerable amount of competition for the product within the market. The remaining useful life of the bortezomib intangible asset is 4 years as at September 30, 2023.

Amortization expense for all intangible assets is included within selling, general and administrative expenses on the condensed consolidated interim statement of net loss and comprehensive loss.

The Company has considered indicators of impairment as at September 30, 2023 and 2022 and did not record an impairment charge in either the three or nine month period ended September 30, 2023 or 2022.

**Notes to the Condensed Consolidated Interim Financial Statements**  
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**7. Capital stock**

**(a) Authorized**

The Company has authorized share capital of an unlimited number of common voting shares.

**(b) Shares issued and outstanding**

Shares issued and outstanding are as follows:

	Number of Common Shares		Amount
Balance, December 31, 2021	54,000,000	\$	7,000,100
Balance, December 31, 2022	54,000,000	\$	7,000,100
<b>Balance, September 30, 2023</b>	<b>54,000,000</b>	<b>\$</b>	<b>7,000,100</b>

**(c) Stock option plan**

The Company has an incentive stock option plan (the "Plan") whereby the Company may grant directors, officers, employees and contractors incentive stock options to purchase voting common shares of the Company. The terms and conditions of each option granted under the Plan are determined by the Board. The number of common shares reserved for issuance upon the exercise of options is limited to a maximum of 10% of the issued and outstanding common shares of the Company at any time.

Changes in the number of options outstanding during the nine months ended September 30, 2023 and 2022 are as follows:

For the nine months ended September 30	2023		2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of period	1,075,000	\$ 0.34	1,075,000	\$ 0.34
Balance, end of period	1,075,000	\$ 0.34	1,075,000	\$ 0.34
Options exercisable, end of period	1,075,000	\$ 0.34	1,075,000	\$ 0.34

The following is a summary of the 1,075,000 outstanding options issued under the Plan:

Exercise price	Number outstanding	Weighted average remaining contractual life	Number exercisable	Weighted average remaining vesting period
\$0.100	250,000	1.2 years	250,000	-
\$0.200	225,000	3.5 years	225,000	-
\$0.500	600,000	4.0 years	600,000	-
	1,075,000		1,075,000	

**Notes to the Condensed Consolidated Interim Financial Statements**  
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**7. Capital stock (continued)**

**(d) Warrants**

The fair value of the warrants outstanding as at September 30, 2023 was estimated using the following Black-Scholes Model assumptions:

Expected life	5 years
Expected volatility	55.00%
Risk free rate	0.97%
Underlying share price	\$ 0.11
Strike price	\$ 0.11

Changes in the number of warrants outstanding during the period ended September 30, 2023 and 2022 are as follows:

	2023		2022	
	Warrants	Weighted average exercise price	Warrants	Weighted average exercise price
Balance, beginning of period <sup>(1)</sup>	10,000,000	\$ 0.11	10,000,000	\$ 0.11
Balance, end of period	10,000,000	\$ 0.11	10,000,000	\$ 0.11

- (1) On August 05, 2021, the Company entered into an agreement with its primary financial institution, pursuant to which the financial institution provided the Company with a line of credit with maximum aggregate proceeds of \$3,000,000. The collateral necessary to secure the line of credit was provided by a director of the Company. To compensate the director for providing the collateral for the line of credit, the Company granted the director 10,000,000 warrants. Each warrant entitles the holder to purchase one (1) common share of the Company and are exercisable within five years of the date of grant at an exercise price of \$0.11 per common share. On the initial grant date of the warrants the Company recognized an other asset on its consolidated statement of financial position of \$521,894 as a result of this arrangement, equal to the fair value of the warrants issued, which were calculated using the Black-Scholes pricing model. The Company is amortizing the warrants asset on a straight-line basis over five years, consistent with the contractual term of the warrants issued and expected time to settle the line of credit obtained. For the three and nine month periods ended September 30, 2023, amortization of \$26,095 and \$78,284 (2022 - \$26,095 and \$78,284), respectively was recorded within selling, general, and administrative expenses on the condensed consolidated statement of net loss and comprehensive loss as a result of this transaction.

**(e) Per share amounts**

The weighted average number of common voting shares outstanding for the period ended September 30, 2023 and 2022 was 54,000,000. Effects of dilution from 1,075,000 (2022 – 1,075,000) options and 10,000,000 (2022 – 10,000,000) warrants were excluded from the calculation of weighted average shares outstanding for diluted loss per share for the three and nine month periods ended September 30, 2023 and 2022 as they are anti-dilutive.

**Notes to the Condensed Consolidated Interim Financial Statements**  
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**8. Government Assistance**

On June 29, 2020 the Company received \$40,000 as an interest-free loan from the government of Canada as part of the Canada Emergency Business Account (“**CEBA**”) program. The term loan is interest free until December 31, 2023, with an option for an extension until December 31, 2025 at an interest rate of 5% per annum. The amount has been recorded at its fair value which is approximately the amount noted within the CEBA loan agreement.

**9. Commitments and contingencies**

**(a) Commitments**

As at September 30, 2023, and in the normal course of business, the Company has obligations to make future payments representing contracts and other commitments that are known and committed. The Company, through a subsidiary, WPEL has committed to an office space lease at a rate of €1,167 (CAD \$1,669) per month for a term ending October 31, 2023. All commitments are current and expected to be settled within one year of September 30, 2023.

**(b) Contingencies**

*June 7, 2018 agreement*

On June 7, 2018, the Company entered into a license, manufacture, supply, marketing and distribution agreement with RLS by which the Licensor granted the Company an exclusive territorial license to market and sell capecitabine in the UK and Germany and non-exclusive territorial license to market and sell temozolomide in the UK. Additionally, the Company has assumed the obligations associated with binding contracts held by the Licensor for the supply of these products to the UK National Health Service. All inventory purchased for resale will be purchased from RLS, in accordance with the June 7, 2018 agreement.

In connection with the signing of the June 7, 2018 agreement, the Company entered into a profit and/or loss sharing arrangement resulting in a portion of the net profits, after a margin deduction to the Company on the sales of capecitabine, temozolomide and erlotinib, to be paid to RLS. During the three and nine month periods ended September 30, 2023 and 2022, the Company elected to not record a recovery from the profit and/or loss arrangement due to delays in the completion of the assessment.

*August 30, 2017 agreement*

On August 30, 2017, the Company acquired exclusive licenses to sell and market two generic cancer drugs, pemetrexed and bortezomib from RLS, in the USA, Canada and Europe (excluding the UK where a non-exclusive license was acquired). An up-front payment of US \$20,000 was made upon signing of the term sheet on July 5, 2017 and a US \$180,000 payment was made upon signing of the definitive documentation on August 30, 2017. Additional payments of US \$1,200,000 are payable upon certain development and approval based milestones being met and as at September 30, 2023, US \$116,680 (CAD \$157,751) is recorded as license fee payable. The amount recorded as license fee payable represents the remaining portion of the milestones which have not been met, the remaining milestone payments are recorded as current liabilities as they are expected to be met within one year of September 30, 2023. Additionally, the Company will purchase inventory and pay a royalty of 7.5% of its net sales from these two products to the Licensor. During the three and nine month period ended September 30, 2023, the Company recorded a royalty expense of \$nil and \$2,152 (2022 – \$10,712 and \$24,525) in relation to sales of pemetrexed within the UK. This amount is recorded within cost of goods sold on the condensed consolidated interim statement of net loss and comprehensive loss. At September 30, 2023, \$42,459 (December 31, 2022 – \$39,850) is recorded as payable within accounts payable and accrued liabilities on the condensed consolidated interim statement of financial position. The Company has not started the commercialization of bortezomib as at September 30, 2023, therefore, the Company has not accrued for or expensed any royalties pertaining to bortezomib as at September 30, 2023. The term of the August 30, 2017 agreement is a period of ten (10) years, which began when regulatory approval is obtained in the USA during the fourth quarter of 2022.

**Notes to the Condensed Consolidated Interim Financial Statements**  
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**10. Related party transactions**

**(a) Key management personnel compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Board of Directors, CEO and CFO of the Company are considered to be key management personnel. The Chief Executive Officer of the Company is a consultant through a consulting agreement which was signed on February 1, 2020.

The following table details the compensation paid to key management personnel:

	<b>Three months ended September 30, 2023</b>	Three months ended September 30, 2022	<b>Nine months ended September 30, 2023</b>	Nine months ended September 30, 2022
Salaries, fees and short-term benefits	\$ 22,125	\$ 31,500	\$ 66,375	\$ 108,583
	<b>\$ 22,125</b>	<b>\$ 31,500</b>	<b>\$ 66,375</b>	<b>\$ 108,583</b>

Directors and key management personnel control 75% of the voting shares of the Company as at September 30, 2023 (December 31, 2022 - 75%).

**(b) Transactions with related parties**

During the three and nine months ended September 30, 2023, the Company paid GVI Clinical Development Solutions Inc. ("GVI CDS"), a company controlled by a director of the Company, a total of \$801 and \$2,232 respectively (2022 – \$955 and \$2,818) for business administration expenses.

During the three and nine months ended September 30, 2023, the Company paid GVI CDS a total of \$10,326 and \$41,209, respectively (2022 – \$32,519 and \$78,102) for regulatory affairs consulting.

These transactions were in the normal course of business and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. As at September 30, 2023, included in accounts payable and accrued liabilities is \$49,321 (December 31, 2022 - \$224) payable to GVI CDS.

On January 1, 2021, the Company signed a services agreement with the CFO, through his consulting company, 10055098 Manitoba Ltd., for a monthly rate of \$9,167. The fee is reviewed annually on or about January 1. Either party can terminate the agreement with 30 days written notice, otherwise the agreement has an indefinite term.

Effective June 1, 2022, the Company amended its services agreement with the CFO by decreasing the monthly rate from \$9,167 to \$6,750. Effective October 1, 2022, the Company further amended its services agreement with its CFO by decreasing the fee to \$43,500 per year.

As at September 30, 2023, there are no amounts payable to 10055098 Manitoba Ltd. in relation to the services agreement (December 31, 2022 - \$7,250).

On August 05, 2021, the Company entered into an agreement with its primary financial institution, pursuant to which the financial institution provided the Company with a line of credit with maximum aggregate proceeds of \$3,000,000. The collateral necessary to secure the line of credit was provided by a director of the Company. To compensate the director for providing the collateral for the line of credit, the Company granted the director 10,000,000 warrants. Each warrant entitles the holder to purchase one (1) common share of the Company and is exercisable within five years of the date of grant at an exercise price of \$0.11 per common share.

**11. Segmented information**

The Company operates in one business segment, the biopharmaceutical industry. The Company's intangible assets are located in Canada. All of the Company's revenue was generated from product sales within the UK, with one customer accounting for 100% of total revenue for the three and nine month periods ended September 30, 2023.