

**Financial Statements**

**NAVCO Pharmaceuticals Inc.**



**As at March 31, 2025**

(Expressed in Canadian dollars)

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim condensed consolidated 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 consolidated financial statements have been prepared by and are the responsibility of the management.

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

**NAVCO PHARMACEUTICALS INC.**

## STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars)

	Notes	March 31, 2025	September 30, 2024
<b>ASSETS</b>		\$	\$
Cash		19,237	7,350
Receivable	4	-	66,456
<b>Total current assets</b>		19,237	73,806
<b>Non-current assets</b>			
Plant and equipment	1 & 5	-	1,385
Intangible asset	1 & 6	-	-
<b>Total non-current assets</b>		-	1,385
<b>TOTAL ASSETS</b>		19,237	75,191
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	8	188,724	203,828
Amounts due to related parties	9	639,318	663,835
Other loans	10	76,500	54,500
Current portion of lease liability	11	-	9,786
<b>TOTAL LIABILITIES</b>		904,542	931,949
<b>SHAREHOLDERS' EQUITY (DEFICIT)</b>			
Share capital	12	4,016,746	4,016,746
Reserves	12	660,390	660,390
Accumulated deficit		(5,562,441)	(5,533,894)
<b>TOTAL SHAREHOLDERS' EQUITY (DEFICIT)</b>		(885,305)	(856,758)
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>		19,237	75,191

Nature and continuance of operations (Note 1)

On behalf of the Board:

"Jatinder Dhaliwal"

Director

"Tom Jusdanis"

Director

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

**NAVCO PHARMACEUTICALS INC .**  
**STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
For the six months ended March 31, 2025 and 2024  
(Expressed in Canadian dollars)

	Notes	Three months Ended March 31, 2025	Three months Ended March 31, 2024	Six months Ended March 31, 2025	Six months Ended March 31, 2024
		\$	\$	\$	\$
<b>Expenses</b>					
Amortization		-	18,100	-	20,200
Consulting fees	9	2,050	170,606	4,950	351,998
Depreciation		692	8,854	1,385	17,708
Interest on loan		2,371	-	4,148	-
Interest on lease		58	1,745	201	3,544
Management fees	9	-	69,774	-	130,524
Office and general		6,668	8,369	10,178	18,594
Professional fees		(2,500)	3,500	(2,500)	4,043
Transfer agent and filing fees		8,771	5,963	10,185	12,248
Share based payments		-	109,578	-	109,578
		18,110	396,489	28,547	668,437
<b>Loss and comprehensive loss for the period</b>		(18,110)	(396,489)	(28,547)	(668,437)
<b>Basic and diluted loss per common share</b>		(0.00)	(0.01)	(0.00)	(0.01)
<b>Weighted average number of common shares outstanding</b>		57,069,541	53,726,466	57,069,541	47,019,809

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

**NAVCO PHARMACEUTICALS INC.**

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended March 31, 2025 and 2024

(Expressed in Canadian dollars)

	Number of shares	Share capital	Reserves	Accumulated Deficit	Shareholders' Equity (Deficit)
		\$	\$	\$	\$
<b>Balance, September 30, 2023</b>	40,350,441	3,347,982	550,812	(3,811,343)	87,451
Share based payments	-	-	109,578	-	109,578
Shares issued on share exchange agreement	16,719,100	668,764	-	-	668,764
Net loss and comprehensive loss for the period	-	-	-	(668,437)	(668,437)
<b>Balance, March 31, 2024</b>	57,069,541	4,016,746	660,390	(4,479,780)	197,356
Net loss and comprehensive loss for the period	-	-	-	(1,054,114)	(1,054,114)
<b>Balance, September 30, 2024</b>	57,069,541	4,016,746	660,390	(5,533,894)	(856,758)

	Number of shares	Share capital	Reserves	Accumulated Deficit	Shareholders' Equity (Deficit)
		\$	\$	\$	\$
<b>Balance, September 30, 2024</b>	57,069,541	4,016,746	660,390	(5,533,894)	(856,758)
Net loss and comprehensive loss for the period	-	-	-	(28,547)	(28,547)
<b>Balance, March 31, 2025</b>	57,069,541	4,016,746	660,390	(5,562,441)	(885,305)

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

**NAVCO PHARMACEUTICALS INC.**  
**STATEMENTS OF CASH FLOWS**  
For the six months ended March 31, 2025 and 2024  
(Expressed in Canadian dollars)

	<b>Six months Ended March 31, 2025</b>	<b>Six months Ended March 31, 2024</b>
	\$	\$
<b>CASH FLOWS FROM (TO) OPERATING ACTIVITIES</b>		
Net loss for the period	(28,547)	(668,437)
Items not affecting cash		
Amortization	-	20,200
Depreciation	1,385	17,708
Interest on leases	201	3,544
Interest on loan	4,148	-
Changes in non-cash working capital items:		109,578
Accounts payable and accrued liabilities	(10,830)	
Amounts due related parties	(24,517)	(108,820)
Receivable	53,040	111,047
Prepaid	-	(16,353)
	(5,120)	(202,128)
<b>CASH FLOWS FROM (TO) FINANCING ACTIVITIES</b>		
Net loan proceeds (repayments)	22,000	(1,300)
Lease payments	(4,993)	(9,754)
	17,007	(11,054)
<b>Change in cash for the period</b>	(11,887)	(213,182)
<b>Cash, beginning of the period</b>	7,350	234,670
<b>Cash, end of the period</b>	19,237	21,488

**Supplemental disclosure with respect to cash flows**

**For the six months ended March 31, 2025**, the non-cash transactions were as follows:

- a) Government harmonized sales taxes receivable of \$13,415 was applied to government payroll taxes payable.
- b) Lease payments of \$4,993 are included in accounts payable.

**For the period ended March 31, 2024**, non-cash transactions included fair value of \$668,564 for shares issued in a share exchange.

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

**NAVCO PHARMACEUTICALS INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
(Expressed in Canadian dollars)  
For the period ended March 31, 2025 and 2024

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**1. Nature and continuance of operations**

NAVCO Pharmaceuticals Inc (the “Company”) was incorporated in the Province of British Columbia on April 21, 2018 as BMGB Capital Corp. (“BMGB”). The Company’s registered and records office is 5205 Harvester Road, Unit 1, Burlington, Ontario, Canada.

BMGB was formed for the primary purpose of completing an Initial Public Offering (“IPO”) on the TSX Venture Exchange (“Exchange”) as a Capital Pool Company (“CPC”) as defined in Policy 2.4 of the Exchange. As a CPC, the Company’s principal business would be to identify, evaluate and acquire assets, properties or businesses which would constitute a qualifying transaction in accordance with Policy 2.4 of the Exchange (“Qualifying Transaction”).

The Qualifying Transaction was completed on April 13, 2023, when the Company completed a reverse takeover transaction (the “RTO”) pursuant to a share exchange agreement (the “Share Exchange Agreement”) dated January 18, 2021, as amended, between the Company and NAVCO Pharmaceuticals Limited (“Private Co”). Pursuant to the RTO the Company acquired all of the outstanding shares in Private Co in exchange for 21,340,000 shares of the Company. Upon completion of the RTO, the shareholders of Private Co controlled the Company and accordingly, the transaction was accounted for as a reverse acquisition of the Company by Private Co and Private Co was identified as the accounting acquirer. The historical operation, assets and liabilities of Private Co are included as the comparative figures as at and for the year ended September 30, 2024, which is deemed to be the continuing entity for financial reporting purposes. The historical figures for equity amounts are those of the Company.

Concurrently with the RTO, the Company issued 340,000 shares in finder’s fees, closed a private placement for gross proceeds of \$2,110,566 and changed its name to NAVCO Pharmaceuticals Inc.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. During the period ended March 31, 2025, the Company incurred a net loss and comprehensive loss of \$28,547 (2024 - \$668,437) and had an accumulated deficit of \$5,562,441 as of March 31, 2025 which raises uncertainties as to the ability of the Company to continue as a going concern. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

NAVCO Pharmaceuticals Inc. was in the business of developing and commercializing novel supplemental and therapeutic consumer health and wellness products, in the areas of antibacterial & immunity support and infectious disease prevention. It planned to do so by utilizing nanotechnology and computerized nano-meter algorithms to create a portfolio of products that would enable it: to optimize health benefits with a high degree of precision, to use natural, known and safe compounds, and to offer new-methods-of-action and effective therapeutic delivery all via innovative particle science. However, after failing to generate anticipated sales revenue, the Company’s Board of Directors decided to refocus its operations by shifting to different segments of pharmaceutical production and sale or by changing to a completely different business model altogether. This resulted in the reduction in the carrying value of certain assets as their use was determined to be no longer required in the operation. Accordingly, the Company impaired intangible assets and plant and equipment assets reducing their value to nil.

**2. Material Accounting Policy Disclosure Information**

**Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board effective as of October 1, 2024.

**NAVCO PHARMACEUTICALS INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Expressed in Canadian dollars)  
For the period ended March 31, 2025 and 2024

**2. Material Accounting Policy Disclosure Information (cont'd)**

The financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These financial statements were approved for issue by the Board of Directors on May 29, 2025.

**Significant accounting judgments, estimates and assumptions**

The preparation of the financial statements in accordance with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may vary from these estimates.

In preparing these condensed interim financial statements, significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements for the period ended September 30, 2024.

**3. New standards, amendments and interpretations**

The Company has reviewed the impact of new and amended standards that are effective for annual periods beginning on or after October 1, 2024. It does not expect the impact on the financial statements to be material, although additional disclosure may be required.

**4. Receivable**

Current receivables consist of government harmonized sales taxes receivable at March 31, 2025 of \$nil (September 30, 2024 - \$66,456).

**5. Plant and equipment**

Equipment and leasehold improvements were determined to be fully impaired as at July 1, 2024. See Note 1. Right to Use assets, were reduced by the remeasurement of the lease liability brought about by the certainty of not to extend the lease.

	<b>Leasehold Improvements</b>	<b>Equipment</b>	<b>Right to Use Assets</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Costs</b>				
September 30, 2024				
and March 31, 2025	47,140	100,508	59,394	207,042
<b>Depreciation</b>				
September 30, 2024	37,895	34,342	58,009	130,246
Depreciation	-	-	1,385	693
March 31, 2025	37,895	34,342	59,394	130,939
<b>Impairment charge, 2024</b>	9,245	66,166	-	75,411
<b>Net Book Value at September 30, 2024</b>	-	-	1,385	1,385
<b>Net Book Value at March 31, 2025</b>	-	-	-	-

**NAVCO PHARMACEUTICALS INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
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**6. Intangible assets**

Intangible assets were fully impaired as at July 1, 2024. See Note 1.

On June 30, 2020, the Company entered into an Intellectual Property Assignment Agreement whereby certain intellectual property was acquired in exchange for 1,170,000 common shares, valued at \$0.05 per share for a total value of \$58,500. During the period ended March 31, 2025, \$nil (2024 - \$2,100) was amortized and the value as March 31, 2025 was \$nil (September 30, 2024 - \$nil).

**7. Share exchange agreement**

On January 18, 2024, the Company entered into a Share Exchange Agreement with SL Immuno Pharma Corp. (“Immuno”), an arms’ length entity whereby the Company acquired all of the issued and outstanding common shares of Immuno in exchange for common shares of NAVCO on a 1:1 exchange ratio. The value of the transaction was recorded at \$668,764, representing 16,719,100 shares at the fair value at the time of \$0.04.

The Company acquired Immuno in order to obtain certain trade secrets with the anticipation that it would enhance the Company’s supplemental and therapeutic consumer health and wellness products. At the time of acquisition there was uncertainty on whether the acquisition would yield any future benefits to the Company and therefore did not meet the definition of an asset. Accordingly, the Company included the \$688,764 in the statement of loss and comprehensive loss as share based payments, along with \$109,578 for share option grants.

**8. Accounts payable and accrued liabilities**

	March 31, 2025	September 30, 2024
	\$	\$
Accounts payable	161,880	171,607
Accrued liabilities	14,500	19,877
Wages payable	12,344	12,344
	188,724	203,828

**NAVCO PHARMACEUTICALS INC.**  
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**9. Related party balances and transactions**

The Company considers officers and members of the Board of Directors as related parties. Key management costs for the period ended March 31, 2025 was \$nil (2024 - \$130,524). Remuneration was made to the following officers and directors and their close family members, or to companies controlled by these officers and directors:

	Period ended March 31, 2025	Period ended March 31, 2024
	\$	\$
Management fees, accrued or paid to the CEO	-	54,024
Management fees, accrued or paid to the CFO	-	21,000
Management and director fees, accrued or paid to the COO and director	-	55,500
Management fees, paid or accrued to the corporate secretary and director	-	-
<b>Total</b>	<b>-</b>	<b>130,524</b>

As at March 31, 2025, an amount of \$629,618 (September 30, 2024 - \$631,588) was due to related parties for unpaid fees, lease and advances, and \$9,700 in loans (September 30, 2024 - \$32,247). The loans are unsecured, without interest and due on demand.

**10. Other loans**

	March 31, 2025	September 30, 2024
	\$	\$
Unsecured loan, bearing interest at 15%, due May 31, 2025	20,000	20,000
Unsecured loan, bearing interest at 15% due August 1, 2025	27,000	27,000
Unsecured loan, bearing interest at 15% due January 20, 2026	22,000	-
Other unsecured loans, due on demand	7,500	7,500
	<b>76,500</b>	<b>54,500</b>

**11. Lease liability**

The Company entered into a contractual arrangement to lease premises starting May 1, 2020. On February 20, 2021, the terms of the lease were changed to reflect an increase in square footage occupied and the lease was extended for an additional two years. The terms of the lease called for minimum monthly lease payments of \$1,347 until March 31, 2021, \$1,510 for two years and three months, \$1,626 for the fourth year and \$1,664 for the fifth year. The Company recorded the lease and a right-to-use asset of \$41,946 initially and increased both by \$97,220 when the terms of the lease were changed for a total value of \$139,166. At this time the option to renew was likely to be exercised and the lease extended a further 5 years and the net present value was calculated to include the additional 5 year term.

However, as the Company has now informed the landlord that it would not be renewing its lease and would be vacating the premise at the end of the contracted term of March 31, 2025, the term of the lease has been remeasured resulting in a value of \$14,552 as at July 1, 2024. The reduction of \$79,771 has been recorded as a reduction in the right to use assets according to the requirements of IFRS 16.

The lease liability at March 31, 2025 was \$nil (September 30, 2024 - \$9,786)

**12. Share capital**

**a) Authorized share capital**

Unlimited number of common shares without par value.

**Issued share capital**

There are 57,069,541 shares issued and outstanding as at March 31, 2025 and September 30, 2024.

The transactions giving rise to these shares are as follows:

**Shares issued during the period ended March 31, 2025.**

There were no transactions for the six month period ending March 31, 2025

**Shares issued during the year ended September 30, 2024.**

On January 18, 2024, in connection with a share exchange agreement, the Company issued 16,719,100 shares in the acquisition of all the issued and outstanding shares of SL Immuno Pharma Corp. with a fair value of \$668,764.

**b) Warrants**

The Company issued 14,071,441 share warrants as part of the private placement on April 13, 2023. The fair value of the warrants was \$0.02 each as this represented the difference between the post transaction trading price of the shares of \$0.13 and the unit price of \$0.15. The total of \$281,409 was credited to reserves.

On February 9, 2024, the warrants price was amended to \$0.10. The warrants, as amended, will be subject to an accelerated expiry provision such that, if for any 10 consecutive trading days during the unexpired term of the warrants, the closing price of the company's common shares on the TSX Venture Exchange exceeds 12.5 cents (representing the amended warrant exercise price of 10 cents plus 25 per cent), the exercise period of the warrants will be reduced to 30 days, starting seven days after the last premium trading day. The company will announce any such accelerated expiry date by press release. All other terms of the warrants remain unchanged.

**c) Stock options**

The Company has a stock option plan whereby the Company is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option will not be less than the discounted market price of the common shares as permitted by the Exchange policies, and provided that, if the Company is a CPC, the option price shall not be lower than the IPO share price. The options can be granted for a maximum term of 10 years.

During the year ended September 30, 2024, the Company granted 3,900,000 options, exercisable for 10 years from the date of grant at a price of \$0.05, to officers, and consultants.

**NAVCO PHARMACEUTICALS INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
(Expressed in Canadian dollars)  
For the period ended March 31, 2025 and 2024

**12. Share capital (cont'd)**

*c) Stock options (cont'd)*

The following table summarizes information about stock options outstanding and exercisable:

	March 31, 2025		September 30, 2024	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
		\$		\$
Outstanding, beginning of the year	5,350,000	0.08	2,150,000	0.15
Granted	-	-	3,900,000	0.05
Cancelled	-	-	(700,000)	0.15
Outstanding and exercisable, end of the period	5,350,000	0.08	5,350,000	0.08

At March 31, 2025, the following options were outstanding and exercisable:

Number of Options	Number of	Exercise price	Expiry date
Outstanding		(\$)	
1,450,000	1,450,000	0.15	April 13, 2033
3,900,000	3,900,000	0.05	March 14, 2034
5,350,000	5,350,000		

The weighted average remaining life of stock options at March 31, 2025 was 9.2 years.

During the year ended September 30, 2024, the Company granted 3,900,000 stock options, exercisable at \$0.05 per share for a term of 10 years. The options vested upon grant. The Company determined the grant date fair value of \$109,578, which was recognized as share-based compensation.

The fair value of all compensatory options granted is estimated on the grant date using the Black-Scholes Options Pricing Model.

The weighted average of the inputs used in the calculation of the fair value of the stock options on the date of issue are as follows:

	September 30, 2024
Volatility	172.58%
Expected life	5 years
Risk-free interest rate	3.44%
Expected dividend yield	0.00%
Fair value per option	\$0.03

*d) Reserves*

Reserves relate to the value of stock options granted, warrants issued as part of a unit offering and as compensatory options and warrants that have been issued by the Company.

# NAVCO PHARMACEUTICALS INC.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

For the period ended March 31, 2025 and 2024

### 13. Financial instruments and other instruments

	<i>Ref.</i>	March 31, 2025	September 30, 2024
		\$	\$
Other financial assets	a	19,237	7,350
Other financial liabilities	b	889,769	917,002

a. Comprised of cash.

b. Comprised of accounts payable and accrued charges, amounts due to related parties, loans and interest payable and lease payable. Payables of \$2,428 (September 30, 2024 - \$14,947) to government agencies are excluded.

#### **Financial risk management**

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. The fair values of the Company's financial instruments are not materially different from their carrying values.

International Financial Reporting Standards 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### **Financial risks**

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

#### *Credit risk*

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Cash consists of accounts at reputable financial institutions, from which management believes the risk of loss to be remote. Federal deposit insurance covers balances up to \$100,000 in Canada. Financial instruments included in receivables consist of amounts due from government agencies. At March 31, 2025, management considers the Company's exposure to credit risk is minimal.

**13. Financial instruments and other instruments (cont'd)**

**Financial risks (cont'd)**

*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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, considering its anticipated cash flows from operations and its holdings of cash.

As at March 31, 2025, the Company had a cash balance of \$19,237 (September 30, 2024 - \$7,350) to settle current liabilities of \$904,542 (September 30, 2024 - \$931,949). So far, the Company's source of funding has been the issuance of equity securities for cash through private placements, advances from related parties and small loans from third parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding or advances from related parties.

*Market risk*

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

a) Interest and foreign exchange risk

The Company is subject to normal risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, it has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. At March 31, 2025, the Company was not exposed to significant interest rate risk.

b) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company is not currently subject to price risk as it is not listed on a public stock exchange.

**14. Management of capital**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to pursue the Company's objectives. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

In the management of capital, the Company includes its cash balances and components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or adjust the amount of cash and cash equivalents and investments.

At this stage of the Company's development, in order to maximize ongoing development efforts, the Company does not pay out dividends. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

**15. Segment information**

The Company has no segment information as it is in the process of considering its options.