



**VENTRIPOINT DIAGNOSTICS LTD.
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2024
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of Ventripoint Diagnostics Ltd. ("Diagnostics" or the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Ventripoint Diagnostics Ltd.

Condensed Interim Consolidated Statements of Financial Position (Expressed in Canadian Dollars) (Unaudited)

	As at September 30, 2024	As at December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 110,693	\$ 1,294,346
Accounts receivable (note 3)	212,719	285,499
Prepaid expenses	195,489	56,942
Total current assets	518,901	1,636,787
Non-current assets		
Equipment	-	1,461
Right-of-use asset (note 6)	199,164	245,137
Total assets	\$ 718,065	\$ 1,883,385
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current liabilities		
Accounts payable and accrued liabilities (notes 4 and 13)	\$ 1,727,911	\$ 1,249,437
Deferred revenue	10,263	31,806
Interest payable on convertible debentures (note 7)	44,714	-
Loans payable (note 5)	17,935	60,431
Lease liability (note 6)	62,938	55,019
Total current liabilities	1,863,761	1,396,693
Non-current liabilities		
Loans payable (note 5)	63,817	77,627
Lease liability (note 6)	170,797	219,359
Convertible debentures (note 7)	1,081,068	-
Total liabilities	3,119,443	1,693,679
Shareholders' equity (deficiency)		
Share capital (note 8)	43,236,100	42,675,264
Contributed surplus	11,573,592	10,914,328
Accumulated other comprehensive income	81,837	93,063
Deficit	(57,352,907)	(53,492,949)
Total shareholders' equity (deficiency)	(2,461,378)	189,706
Total liabilities and shareholders' equity (deficiency)	\$ 718,065	\$ 1,883,385

Nature of operations and going concern (note 1)

Commitments (note 14)

Subsequent events (note 15)

Approved on behalf of the Board:

(Signed) "Dr. George Adams " Director

(Signed) "Hugh MacNaught" Director

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

Ventripoint Diagnostics Ltd.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenue	\$ 64,507	\$ -	\$ 95,172	\$ 7,781
Cost of Sales	-	(6,728)	-	(6,728)
Gross Margin	64,507	(6,728)	95,172	1,053
Operating expenses				
General and administrative	709,886	572,592	2,002,304	2,116,675
Research and development	270,516	408,586	777,424	872,718
Sales and marketing	278,115	198,877	1,065,796	701,134
Total operating expenses	1,258,517	1,180,055	3,845,524	3,690,527
Loss from operations	(1,194,010)	(1,186,783)	(3,750,352)	(3,689,474)
Finance (cost) income	(64,410)	(4,062)	(103,929)	7,910
Gain on forgiveness of loan payable (note 5)	-	-	5,000	-
Other income (note 11)	-	26,550	-	64,594
Foreign currency differences	7,341	(9,990)	(10,677)	(17,853)
Net loss for the period	\$ (1,251,079)	\$ (1,174,285)	\$ (3,859,958)	\$ (3,634,823)
Other comprehensive income (loss)				
Items that will be reclassified subsequently to income				
Currency translation	\$ 7,730	\$ (9,788)	\$ (11,226)	\$ 2,715
Net loss and comprehensive loss for the period	\$ (1,243,349)	\$ (1,184,073)	\$ (3,871,184)	\$ (3,632,108)
Basic and diluted net loss per share	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.02)
Weighted average number of common shares outstanding	157,478,839	156,823,905	157,268,445	156,823,905

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

Ventripoint Diagnostics Ltd.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Nine Months Ended September 30,	
	2024	2023
Operating activities		
Net loss for the period	\$ (3,859,958)	\$ (3,634,823)
Adjustments for:		
Depreciation of equipment	1,461	4,201
Depreciation of right of use asset	45,973	45,806
Gain on forgiveness of loan payable	(5,000)	-
Share-based compensation	651,953	392,695
Interest on lease liability	23,095	27,600
Interest accretion	13,147	14,853
Accretion of convertible debentures	72,780	-
Changes in non-cash working capital items:		
Accounts receivable	72,780	106,917
Prepaid expenses	(138,547)	20,941
Accounts payable and accrued liabilities	478,474	137,704
Deferred revenue	(21,543)	71,984
Net cash used in operating activities	(2,665,385)	(2,812,122)
Financing activities		
Issuance of convertible debentures	1,425,000	-
Convertible debenture issuance costs	(106,228)	-
Lease payments	(63,738)	(56,656)
Federal loans repayment	(64,453)	(16,302)
Proceeds received on exercise of options	302,377	-
Net cash provided by (used in) financing activities	1,492,958	(72,958)
Effect of foreign exchange on cash and cash equivalents	(11,226)	2,715
Net change in cash and cash equivalents	(1,183,653)	(2,882,365)
Cash and cash equivalents, beginning of period	1,294,346	5,185,770
Cash and cash equivalents, end of period	\$ 110,693	\$ 2,303,405

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

Ventripoint Diagnostics Ltd.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

(Unaudited)

	Number of common shares	Share capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Total
Balance, December 31, 2022	156,823,905	\$ 42,675,264	\$ 10,421,026	\$ 78,238	\$(48,621,012)	\$ 4,553,516
Share-based compensation	-	-	392,695	-	-	392,695
Currency translation adjustment	-	-	-	2,715	-	2,715
Net loss for the period	-	-	-	-	(3,634,823)	(3,634,823)
Balance, September 30, 2023	156,823,905	\$ 42,675,264	\$ 10,813,721	\$ 80,953	\$(52,255,835)	\$ 1,314,103
Balance, December 31, 2023	156,823,905	\$ 42,675,264	\$ 10,914,328	\$ 93,063	\$(53,492,949)	\$ 189,706
Equity portion of convertible debentures	-	-	260,000	-	-	260,000
Finder's warrants issued in connection with debenture	-	-	5,770	-	-	5,770
Stock options exercised	2,219,800	560,836	(258,459)	-	-	302,377
Share-based compensation	-	-	651,953	-	-	651,953
Currency translation adjustment	-	-	-	(11,226)	-	(11,226)
Net loss for the period	-	-	-	-	(3,859,958)	(3,859,958)
Balance, September 30, 2024	159,043,705	\$ 43,236,100	\$ 11,573,592	\$ 81,837	\$(57,352,907)	\$ (2,461,378)

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

Ventripoint Diagnostics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of operations and going concern

Ventripoint Diagnostics Ltd. ("Diagnostics" or the "Company") was incorporated by a Certificate of Incorporation pursuant to the provisions of the Business Corporations Act (Alberta) on May 4, 2005. Diagnostics acquired Ventripoint Inc. ("Ventripoint", Diagnostics and Ventripoint, collectively referred to herein as the "Company" or "Companies") on September 18, 2007. Diagnostics is a Canadian public company with its shares listed on the TSX Venture Exchange ("TSXV" or the "Exchange") with the trading symbol "VPT" and on the OTC Markets in the U.S. with the trading symbol "VPTDF". Ventripoint Inc. was incorporated in the State of Washington in July, 2004 and commenced operations in January, 2005. Ventripoint Inc.'s registration was migrated to the State of Delaware on December 21, 2017. The Companies' registered office is at 18 Hook Avenue, Unit 101, Toronto, Ontario, M6P 1T4.

The Company is a medical device company engaged in the development and commercialization of diagnostic tools that monitor patients with heart disease. The system is based upon patented technology, the commercialization rights of which Ventripoint has licensed from the University of Washington.

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. There is no certainty whether the Company will generate significant revenues or attain profitable operations in the near future and there can be no assurance that it will achieve profitability in the future, as it incurred a loss of \$3,859,958 and had a negative cash flow from operating activities of \$2,665,385 for the nine months ended September 30, 2024, and has accumulated \$57,352,907 of losses as at September 30, 2024. The Company's ability to continue as a going concern is dependent on its ability to raise future capital, bringing its products to market and achieving and maintaining profitable operations. The outcome of these matters cannot be predicted at this time. As a result there exists a material uncertainty which creates significant doubt regarding the Company's ability to continue as a going concern. These unaudited condensed interim consolidated financial statements do not include any adjustments and classifications of assets and liabilities, which might be necessary should the Company be unable to continue its operations. Such adjustments could be material.

2. Material accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC, and should be read in conjunction with the annual December 31, 2023 consolidated financial statements.

The policies applied in these unaudited condensed consolidated interim financial statements are based on IFRS issued and outstanding as of November 29, 2024, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2023.

Ventripoint Diagnostics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

2. Material accounting policies (continued)

Basis of consolidation

These unaudited condensed interim consolidated financial statements include the accounts of Diagnostics and Ventripoint Inc., its wholly-owned and controlled subsidiary. The financial statements of subsidiary, which the Company controls, are included in the unaudited condensed interim consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies. All intercompany transactions and balances have been eliminated.

Functional and presentation currency

These unaudited condensed interim consolidated financial statements are presented in Canadian dollars ("CDN\$"), the Company's functional currency. The functional currency of the Company's wholly owned US subsidiary is US dollars ("US\$").

Critical accounting judgements and estimates

The preparation of the unaudited condensed interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These unaudited condensed interim consolidated financial statements include estimates, which, by their nature are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

Share-based payments

The fair value of share-based payments are estimated using the Black Scholes option pricing model and rely on a number of estimates, such as the expected life of the option, the volatility of the underlying share price, the risk free rate of return, and the estimated rate of forfeiture of options granted.

New standards not yet adopted and interpretations issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2025. There are no relevant IFRS's or IFRS interpretations that are not yet effective that would be expected to have a material impact on the unaudited condensed interim consolidated financial statements.

Ventripoint Diagnostics Ltd.

Notes to Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended September 30, 2024
(Expressed in Canadian Dollars)
(Unaudited)

3. Accounts receivable

	As at September 30, 2024	As at December 31, 2023
Goods and services taxes receivable	185,039	285,499
Other receivables	27,680	-
Total	\$ 212,719	\$ 285,499

4. Accounts payable and accrued liabilities

	As at September 30, 2024	As at December 31, 2023
Trade and other payables	\$ 1,600,938	\$ 948,553
Accrued management salaries and other payroll liabilities	28,926	32,503
Accrued liabilities	98,047	268,381
Total	\$ 1,727,911	\$ 1,249,437

5. Loans payable

In April 2020, the Company received a \$40,000 loan through the Canada Emergency Business Account program ("CEBA"). The CEBA was launched by the Government of Canada in response to the global COVID-19 health crisis, and has been implemented by financial institutions in cooperation with Export Development Canada. In December 2020, the Government of Canada increased the CEBA loan for eligible businesses from \$40,000 to \$60,000. In October 2021 the Company received an additional \$20,000 loan. The loans have no repayment terms and are non-interest bearing during the initial term, until January 18, 2024. If the loan balances are repaid in full on or before January 18, 2024, 25% of the loans will be forgiven. If the Company applies for refinancing with the financial institution that provided the loan by January 18, 2024, the Company may still qualify for the 25% forgiveness of the loan if \$40,000 of the loan and any outstanding interest is paid back by March 28, 2024. The forgivable portion of the loan has been accounted for as a government grant.

During the nine months ended September 30, 2024, the Company repaid the CEBA loan in full by January 18, 2024, and 25% of the loan was forgiven. The Company recognized a gain on forgiveness of loan payable of \$5,000 during the nine months ended September 30, 2024 (nine months ended September 30, 2023 - \$nil).

The loan is summarized as follows:

	As at September 30, 2024	As at December 31, 2023
Loan payable	\$ -	\$ 45,000

For the financial years ending December 31, 2020 and 2021, the Company receive a total loan of \$163,000 as part of the Regional Economic Growth Through Innovation program (Regional Relief and Recovery Fund ("RRRF")) to support enterprises to enable recovery from economic disruptions associated with COVID-19. The loan is repayable starting April 1, 2023 until March 1, 2028 at an amount of \$2,717 per month. The loan has been recorded at its fair value on initial recognition based on the discounted future cash flow at a market rate of interest of 19.5%. The benefit of the below-market rate of interest was measured as the difference between the initial fair value of the loan and the proceeds received.

Ventripoint Diagnostics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

5. Loans payable (continued)

	As at September 30, 2024	As at December 31, 2023
Loan payable	\$ 93,058	\$ 97,885
Repayments	(24,453)	(24,453)
Accretion	13,147	19,626
	81,752	93,058
Less: Current portion on loan	(17,935)	(15,431)
	\$ 63,817	\$ 77,627

6. Right-of-use asset and lease liability

During the year ended December 31, 2022, the Company entered into a 5 year office lease starting February 1, 2023, and includes a rent free period starting October 1, 2022 and lease payments starting in February 1, 2023. The weighted average incremental borrowing rate applied to lease liabilities was 12%.

Right-of-use asset	Total
Balance, December 31, 2022	\$ 306,380
Depreciation	(61,243)
Balance, December 31, 2023	245,137
Depreciation	(45,973)
Balance, September 30, 2024	\$ 199,164

Lease liability	Total
Balance, December 31, 2022	\$ 316,193
Interest expense	36,087
Lease payments	(77,902)
Balance, December 31, 2023	274,378
Interest expense	23,095
Lease payments	(63,738)
Balance, September 30, 2024	\$ 233,735

	As at September 30, 2024	As at December 31, 2023
Short-term lease liability	\$ 62,938	\$ 55,019
Long-term lease liability	170,797	219,359
Total lease liability	\$ 233,735	\$ 274,378

	Under 1 year	Between 1 - 3 years	Between 3 - 5 years	Over 5 years	Total
Lease liability	\$ 62,938	\$ 155,680	\$ 15,117	\$ -	\$ 233,735

Ventripoint Diagnostics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

7. Convertible debentures

a) Debenture I

On May 10, 2024, the Company closed the first tranche of its non-brokered private placement and issued \$941,000 of convertible non-secured debentures ("Debentures I") which mature on May 10, 2027. The principal amount of each \$1,000 of Debenture I will be convertible, at the option of the holder, into 4,000 common shares at a price of \$0.25 per common share.

Debentures I bear interest at an annual rate of 10%, calculated on the principal amount, with any accrued but unpaid interest under the Debentures I due and payable semi-annually in arrears in either cash or 40% cash and 60% common shares (at the option of the Company), with the number of common shares being determined by using the 20-day volume-weighted average price ("VWAP") of common shares on the last 5 trading days.

The Debentures I will convert automatically into common shares in the event the Company's common share closing price prior to October 20, 2026 exceeds \$0.50 for 5 consecutive trading days based on VWAP ("Automatic Conversion"). In the event of Automatic Conversion, each Debenture I holder will receive warrants ("Warrants") to purchase that number of common shares as is equal to 50% of the shares issuable on conversion of the Debentures I until October 20, 2026, at an exercise price of \$0.70 per share. In the event the common shares closing price exceeds \$1.00 for 5 consecutive trading days, based on VWAP, the Company will have the right to accelerate the expiry of the Warrants to 10 days.

Transaction cash costs were \$38,468 and an aggregate of 47,360 finder's warrants were issued. Each finder's warrant is exercisable for one common share at an exercise price of \$0.25 per common share until November 10, 2025. The finder's warrants were valued at \$5,209 by using the Black-Scholes model and recorded as Contributed Surplus (note 10).

The Company used the residual value method to allocate the principal amount of the convertible debentures between the liability and equity components. The Company valued the debt component of the debentures by calculating the present value of the principal and interest payments, discounted at a rate of 19%. Based on this calculation, the liability component was \$767,000 and the residual equity component was \$174,000.

b) Debenture II

On June 28, 2024, the Company closed the second tranche of its non-brokered private placement issued \$184,000 of convertible non-secured debentures ("Debentures II") which mature on June 28, 2027. The principal amount of each \$1,000 of Debenture II will be convertible, at the option of the holder, into 4,000 common shares at a price of \$0.25 per common share.

Debentures II bear interest at an annual rate of 10%, calculated on the principal amount, with any accrued but unpaid interest under the Debentures I due and payable semi-annually in arrears in either cash or 40% cash and 60% common shares (at the option of the Company), with the number of common shares being determined by using the 20-day volume-weighted average price ("VWAP") of common shares on the last 5 trading days.

The Debentures II will convert automatically into common shares in the event the Company's common share closing price prior to October 20, 2026 exceeds \$0.50 for 5 consecutive trading days based on VWAP ("Automatic Conversion"). In the event of Automatic Conversion, each Debenture I holder will receive warrants ("Warrants") to purchase that number of common shares as is equal to 50% of the shares issuable on conversion of the Debentures II until October 20, 2026, at an exercise price of \$0.70 per share. In the event the common shares closing price exceeds \$1.00 for 5 consecutive trading days, based on VWAP, the Company will have the right to accelerate the expiry of the Warrants to 10 days.

Ventripoint Diagnostics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

7. Convertible debentures (continued)

b) Debenture II (continued)

Transaction cash costs were \$20,906. The Company used the residual value method to allocate the principal amount of the convertible debentures between the liability and equity components. The Company valued the debt component of the debentures by calculating the present value of the principal and interest payments, discounted at a rate of 19%. Based on this calculation, the liability component was \$150,000 and the residual equity component was \$34,000.

c) Debenture III

On September 20, 2024, the Company closed its non-brokered private placement and issued \$300,000 of convertible non-secured debentures ("Debentures III") which mature on June 28, 2027. The principal amount of each \$1,000 of Debenture III will be convertible, at the option of the holder, at a price of \$0.195 per common share for the first year and \$0.25 per common share thereafter, and the conversion feature of \$nil was recorded in share capital.

Debentures III bear interest at an annual rate of 10%, calculated on the principal amount, with any accrued but unpaid interest under the Debentures III due and payable semi-annually in arrears in either cash or 40% cash and 60% common shares (at the option of the Company), with the number of common shares being determined by using the 20-day volume-weighted average price ("VWAP") of common shares on the last 5 trading days.

The Debentures III will convert automatically into common shares in the event the Company's common share closing price prior to October 20, 2026 exceeds \$0.50 for 5 consecutive trading days based on VWAP ("Automatic Conversion"). In the event of Automatic Conversion, each Debenture I holder will receive warrants ("Warrants") to purchase that number of common shares as is equal to 50% of the shares issuable on conversion of the Debentures I until October 20, 2026, at an exercise price of \$0.70 per share. In the event the common shares closing price exceeds \$1.00 for 5 consecutive trading days, based on VWAP, the Company will have the right to accelerate the expiry of the Warrants to 10 days.

Transaction cash costs were \$46,854 and an aggregate of 8,205 finder's warrants were issued. Each finder's warrant is exercisable for one common share at an exercise price of \$0.195 per common share until March 20, 2026. The finder's warrants were valued at \$561 by using the Black-Scholes model and recorded as Contributed Surplus (note 10).

The Company used the residual value method to allocate the principal amount of the convertible debentures between the liability and equity components. The Company valued the debt component of the debentures by calculating the present value of the principal and interest payments, discounted at a rate of 19%. Based on this calculation, the liability component was \$248,000 and the residual equity component was \$52,000.

The following table summarizes the debt component of the debenture.

	Debenture I	Debenture II	Debenture III	Total
Balance, December 31, 2023	\$ -	\$ -	\$ -	\$ -
Issuance of convertible debenture	941,000	184,000	300,000	1,425,000
Less fair value of warrants	(174,000)	(34,000)	(52,000)	(260,000)
Less transaction cost	(43,677)	(20,906)	(47,415)	(111,998)
Less accrued interest	(36,679)	(4,702)	(3,333)	(44,714)
Accretion expense	58,388	8,258	6,134	72,780
Balance, September 30, 2024	\$ 745,032	\$ 132,650	\$ 203,386	\$ 1,081,068

Ventripoint Diagnostics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

8. Share capital

a) Authorized share capital

The Company has authorized share capital of an unlimited number of common shares without nominal or par value and an unlimited number of preferred shares without nominal or par value. No preferred shares have been issued. Common shareholders are entitled to receive dividends as declared by the Company at its discretion and are entitled to one vote per share at the Company's annual general meeting.

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2022 and September 30, 2023	156,823,905	\$ 42,675,264
Balance, December 31, 2023	156,823,905	\$ 42,675,264
Stock options exercised (note 9)	2,219,800	560,836
Balance, September 30, 2024	159,043,705	\$ 43,236,100

9. Stock options

The Company has adopted an incentive stock option plan in accordance with the policies of the Exchange (the "Stock Option Plan") which provides that the Board of Directors of the Company may from time to time, at its discretion, grant to Directors, Officers, employees and consultants of the Company non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares. In addition, the number of common shares reserved for issuance in any one period to any one optionee shall not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding common shares. The Board of Directors determines the price per common share and the number of common shares which may be allotted to each Director, Officer, employee and consultant and all other terms and conditions of the option, subject to the rules of the Exchange.

The following table reflects the continuity of stock options for the nine months ended September 30, 2024 and 2023:

	Number of stock options	Weighted average exercise price
Balance, December 31, 2022	9,753,750	\$ 0.26
Granted	1,615,000	0.27
Expired	(1,250,000)	0.35
Balance, September 30, 2023	10,118,750	\$ 0.25
Balance, December 31, 2023	9,153,750	\$ 0.25
Granted	3,417,000	0.21
Exercised	(2,219,800)	0.14
Expired	(600,000)	0.47
Balance, September 30, 2024	9,750,950	\$ 0.23

Ventripoint Diagnostics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

9. Stock options (continued)

Share-based compensation expense was determined based on the fair value of the options at the date of measurement using the Black-Scholes model with the following weighted average assumptions:

	September 30, 2024	September 30, 2023
Expected option life	1.00 - 10.01 years	2.00 - 10.01 years
Risk-free rate	2.96% - 4.30%	2.84% - 3.56%
Expected forfeiture rate	0.00%	0.00%
Expected volatility	85.36% - 130.32%	79.27% - 138.59%
Dividend yield	nil	nil

The weighted average grant date fair value of options granted during the nine months ended September 30, 2024, is \$0.15 (nine months ended September 30, 2023 - \$0.20)

The following table reflects the actual stock options issued and outstanding as of September 30, 2024:

Grant price range	Weighted average exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested
<\$0.25	0.15	6.40	6,369,700	6,244,700
\$0.26 - \$0.50	0.39	7.14	3,381,250	2,114,583
	0.23	6.66	9,750,950	8,359,283

For the three and nine months ended September 30, 2024, share-based compensation of \$515,723 and \$651,953, respectively (three and nine months ended September 30, 2023 - \$108,340 and \$392,695, respectively) was recognized in the statements of loss and comprehensive loss.

10. Warrants

The following table reflects the continuity of warrants for the nine months ended September 30, 2024 and 2023:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2022 and September 30, 2023	15,620,835	\$ 0.690
Balance, December 31, 2023	15,620,835	\$ 0.690
Issued (i)(ii)	55,565	0.240
Balance, September 30, 2024	15,676,400	\$ 0.690

i) Convertible Debenture I (note 7)

In connection with the closing of the first tranche of its non-brokered private placement of Debenture I on May 10, 2024, the Company issued 47,360 finder's warrants. Each finder's warrant entitles the holder thereof to purchase one common share at a price of \$0.25 per common share until November 10, 2025.

Ventripoint Diagnostics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

10. Warrants (continued)

i) Convertible Debenture I (note 7) (continued)

The finder's warrants were valued at \$5,209 using the Black-Scholes model with the assumptions below.

	May 10, 2024
Share price	\$0.25
Expected option life	1.5 years
Risk-free rate	4.37%
Expected volatility	90.53%
Dividend yield	nil

ii) Convertible Debenture III (note 7)

In connection with the closing of the first tranche of its non-brokered private placement of Debenture III on September 20, 2024, the Company issued 8,205 finder's warrants. Each finder's warrant entitles the holder thereof to purchase one common share at a price of \$0.195 per common share until March 20, 2026.

The finder's warrants were valued at \$561 using the Black-Scholes model with the assumptions below.

	September 20, 2024
Share price	\$0.17
Expected option life	1.49 years
Risk-free rate	2.96%
Expected volatility	92.64%
Dividend yield	nil

The following table reflects the actual warrants issued and outstanding as of September 30, 2024:

Number of warrants outstanding	Exercise price (\$)	Expiry date
47,360	0.25	November 10, 2025
8,205	0.195	March 20, 2026
14,590,500	0.70	October 20, 2026
1,030,335	0.52	October 20, 2026
15,676,400	0.69	

11. Government Grants and Contributions

Other income for the three and nine months ended September 30, 2024 consists of \$nil (three and nine months ended September 30, 2023 - \$26,550 and \$64,594, respectively) contribution from the National Research Council of Canada Industrial Research Assistance Program (NRC IRAP) under a Contribution Agreement for partial reimbursement of salary and contractor costs for research and development work on next generation product features.

Ventripoint Diagnostics Ltd.

Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended September 30, 2024 (Expressed in Canadian Dollars) (Unaudited)

12. Personnel costs

Personnel costs for the three and nine months ended September 30, 2024 and 2023 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Salaries, fees and short-term benefits	\$ 171,536	\$ 255,532	\$ 804,206	\$ 848,548
Share-based compensation	515,723	108,340	651,953	392,695
Total personnel cost	\$ 687,259	\$ 363,872	\$ 1,456,159	\$ 1,241,243

For the three and nine months ended September 30, 2024 share-based compensation of \$17,844 and \$81,321, respectively, was expensed for consultants (three and nine months ended September 30, 2023 - \$16,728 and \$86,878, respectively), and was recorded in general and administrative, research and development and sales and marketing share-based compensation expense.

13. Related party transactions

The Company defines key management personnel as Board of Directors, Chief Executive Officer and Chief Financial Officer.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Salaries, fees and short term benefits	\$ 45,000	\$ 95,625	\$ 265,000	\$ 302,250
Share-based payments	129,349	77,565	190,221	251,064
Directors fees (i)	17,500	15,000	59,500	63,000
Total remuneration	\$ 191,849	\$ 188,190	\$ 514,721	\$ 616,314

i) The Company accrued directors fees for the three and nine months ended September 30, 2024, and the amount of \$72,500 is outstanding as of September 30, 2024 (December 31, 2023 - \$78,000).

b) Other transactions of directors and key management personnel of the Company was as follows:

i) For the three and nine months ended September 30, 2024, the Company expensed \$12,154 and \$38,901, respectively (three and nine months ended September 30, 2023 - \$12,194 and \$51,223, respectively) to Marrelli Support Services Inc. ("Marrelli") for: the Chief Financial Officer ("CFO") of the Company; and for bookkeeping services. The CFO is an employee of Marrelli. These services were incurred in the normal course of operations for general accounting and financial reporting matters.

ii) As at September 30, 2024, \$143,750 (December 31, 2023 - \$92,333) was included in accounts payable and accrued liabilities due to directors, officers, and a company that employs the CFO of the Company.

iii) In May 2024, two directors and one officer of the Company purchased \$355,000 of Debentures I (note 7).

iv) In June 2024, a director of the Company purchased \$12,000 of Debentures II (note 7).

v) In September 2024, four directors of the Company purchased \$35,000 of Debentures III (note 7).

Ventripoint Diagnostics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

14. Commitments

The Company has the following contractual obligations as of September 30, 2024:

Fiscal year ended	2024	2025	2026-2029	Total
University of Washington Technology License				
Minimum Annual Royalty ⁽¹⁾	\$ 6,844	\$ 6,844	\$ 34,220	\$ 47,908

- 1) The annual Royalty due to the University of Washington under the Technology License Agreement is the higher of 1.5% of gross sales or the Minimum Annual Royalty of US\$5,000.

15. Subsequent events

- On October 17, 2024, the Company closed the first tranche of its non-brokered private placement offering of 2,351,730 units of the Company (the "LIFE Offering") at a price of \$0.195 per unit for gross proceeds of \$458,587. Each unit consists of one common share of the Company (a "Common Share") and one common share purchase warrant of the Company (a "Warrant"). Each Warrant will entitle the holder to purchase one Common Share at an exercise price of \$0.30 until April 17, 2025.
- On November 12, 2024, the Company closed the second tranche of its LIFE Offering of 494,041 units at a price of \$0.195 per unit for gross proceeds of \$96,338. Each unit consists of one common share of the Company (a "Common Share") and one common share purchase warrant of the Company (a "Warrant"). Each Warrant will entitle the holder to purchase one Common Share at an exercise price of \$0.30 until May 12, 2025.
- On November 6, 2024, the Company announced that it intends to complete, subject to TSXV Venture Exchange (the "Exchange") acceptance, an amended non-brokered private placement of up to \$1,000,000 (the "Offering") of unsecured convertible debentures ("Convertible Debentures") which mature on June 28, 2027. The principal amount of each \$1,000 of Convertible Debentures will be convertible, at the option of the holder, at a price of \$0.15 per common share for the first year, \$0.195 for the second year, and \$0.25 thereafter (the "Conversion Price").

The Convertible Debentures will bear interest at an annual rate of 10%, calculated on the principal amount, with any accrued but unpaid interest under the Debentures III due and payable semi-annually in arrears in either cash or 40% cash and 60% common shares (at the option of the Company), or 100% common shares (at the option of the holder), with the number of common shares being determined by using the 20-day volume-weighted average price ("VWAP") of common shares on the last 5 trading days.

The Convertible Debentures will convert automatically into common shares in the event the Company's common share closing price prior to October 20, 2026 exceeds 100% of the Conversion Price on the Exchange for 5 consecutive trading days based on VWAP ("Automatic Conversion"). In the event of Automatic Conversion, each Convertible Debentures holder will receive warrants ("Warrants") to purchase that number of common shares as is equal to 50% of the shares issuable on conversion of the Convertible Debentures until October 20, 2026, at an exercise price of \$0.70 per share. In the event the common shares closing price exceeds \$1.00 for 5 consecutive trading days, based on VWAP, the Company will have the right to accelerate the expiry of the Warrants to 10 days.

The Company may pay cash finder's fee of up to 4% of the gross proceeds of the Offering. Finders may also receive common share purchase warrants ("Finder's Warrants") equal to up to 4% of the aggregate subscription amount in relation to subscribers introduced by the finder, each Finder's Warrant will be exercisable into one common share at an exercise price of \$0.15 per common share for a period of 18 months.

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Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

15. Subsequent events (continued)

- Subsequent to the period ended September 30, 2024, the Company announced that it has agreed to settle an aggregate of \$19,335 owed to a former director and a holding company of the former director of the Company (the "Creditors") by issuing an aggregate of 128,900 common shares of the Company at a price of \$0.15 per share, subject to TSXV Venture Exchange approval.