

**Rozdil Capital Corporation**  
(A Capital Pool Company)

**Unaudited Condensed Interim Financial Statements**

**For the Three and Six Months Ended  
August 31, 2021 and 2020**

**(Expressed in Canadian Dollars)**

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**Notice of No Auditor Review of the Interim Financial Statements**

The accompanying unaudited condensed interim financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established by the CPA Canada for a review of interim financial statements by an entity's auditor.

# Rozdil Capital Corporation

## Unaudited Condensed Interim Statements of Financial Position

(in Canadian Dollars)

As at	August 31, 2021	February 28, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash held in trust	\$ 123,569	\$ 146,431
Cash held in escrow from special warrants (Note 6)	3,340,458	-
<b>Total current assets</b>	<b>3,464,027</b>	<b>146,431</b>
<b>Total Assets</b>	<b>\$ 3,464,027</b>	<b>\$ 146,431</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities</b>		
Accrued liabilities	\$ 136,150	\$ 63,080
Special warrants, net (Note 6)	3,246,718	-
<b>Total current liabilities</b>	<b>3,382,868</b>	<b>63,080</b>
<b>Shareholders' equity</b>		
Share capital, net of issuance costs (Note 3)	302,473	269,928
Contributed surplus	89,884	42,389
Accumulated deficit	(311,198)	(228,966)
<b>Total shareholders' equity</b>	<b>81,159</b>	<b>83,351</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 3,464,027</b>	<b>\$ 146,431</b>

Proposed Transaction (Note 6)  
Subsequent Events (Note 7)

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

### Approved by the Board

“Brook Riggins”  
Director (Signed)

“Neil A. Johnson”  
Director (Signed)

# Rozdil Capital Corporation

## Unaudited Condensed Interim Statements of Loss and Comprehensive Loss For the Three Months and Six Months Ended August 31, 2021 and 2020

(in Canadian Dollars)

	Three month period ended August 31,		Six month period ended August 31,	
	2021	2020	2021	2020
<b>Expenses</b>				
Stock exchange fees	\$ 2,542	\$ 3,117	\$ 5,593	\$ 3,171
Filing fees	5,903	-	5,903	-
Professional fees	51,723	20,304	67,826	22,641
Annual meeting costs	1,011	-	1,011	-
Bank charges	27	-	27	25
Transfer agent fees	1,872	-	1,872	-
<b>Total expenses</b>	<b>63,078</b>	<b>23,421</b>	<b>82,232</b>	<b>25,837</b>
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (63,078)</b>	<b>\$ (23,421)</b>	<b>\$ (82,232)</b>	<b>\$ (25,837)</b>
<b>Net loss per share (basic and diluted)</b>	<b>\$ (0.03)</b>	<b>\$ (0.01)</b>	<b>\$ (0.04)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of shares outstanding (basic and diluted)</b>	<b>2,280,752</b>	<b>2,150,133</b>	<b>2,215,926</b>	<b>2,150,066</b>

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

## Rozdil Capital Corporation

### Unaudited Condensed Interim Statement of Changes in Shareholders' Equity For the Six Months Ended August 31, 2021 and 2020 (in Canadian Dollars)

	Number of Shares	SHARE CAPITAL \$	CONTRIBUTED SURPLUS \$	ACCUMULATED DEFICIT \$	SHAREHOLDERS' EQUITY \$
Balance, March 1, 2020	4,500,000	269,760	42,447	(136,288)	175,919
Exercise of agent warrants (Note 3)	1,100	168	(58)	-	110
Net loss for the period	-	-	-	(25,837)	(25,837)
Balance, August 31, 2020	4,501,100	269,928	42,389	(162,125)	150,192
Net loss for the period	-	-	-	(66,841)	(66,841)
Balance February 28, 2021	4,501,100	269,928	42,389	(228,966)	83,351
Exercise of agent warrants (Note 3)	213,000	32,545	(11,245)	-	21,300
Fair value of finders options (Note 6)	-	-	58,740	-	58,740
Net loss for the period	-	-	-	(82,232)	(82,232)
<b>Balance, August 31, 2021</b>	<b>4,714,100</b>	<b>302,473</b>	<b>89,884</b>	<b>(311,198)</b>	<b>81,159</b>

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

**Rozdil Capital Corporation**  
**Unaudited Condensed Interim Statements of Cash Flows**

<b>For the Six Months Ended (in Canadian Dollars)</b>	<b>August 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net loss for the period	\$ (82,232)	\$ (25,837)
Working capital adjustments:		
Increase in accrued liabilities	73,070	412
<b>Net cash used in operating activities</b>	<u>(9,162)</u>	<u>(25,425)</u>
<b>Financing activities</b>		
Proceeds from special warrants (Note 6)	3,500,000	-
Special warrants issuance costs (Note 6)	(194,542)	-
Agent warrants exercised (Note 3)	21,300	110
<b>Net cash provided by financing activities</b>	<u>3,326,759</u>	<u>110</u>
<b>Net change in cash</b>	3,317,596	(25,315)
<b>Cash, beginning of period</b>	146,431	182,199
<b>Cash, end of period</b>	<u>\$ 3,464,027</u>	<u>\$ 156,884</u>

## **1. INCORPORATION AND NATURE OF BUSINESS**

Rozdil Capital Corporation (the "Corporation") was incorporated under the *Ontario Business Corporations Act* on May 3, 2018 and is a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Corporation has not commenced commercial operations and has no assets other than cash. Given the nature of the activities, no separate segmented information is reported. The Corporation's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

On July 21, 2021, the Corporation's common shares were suspended from trading by the Exchange for failing to complete a QT within 24 months from the date of listing (see Note 6 Proposed Transaction and Note 7 Subsequent Events).

The head office and the registered head office of the Corporation is located at 4 King Street West, Suite 401, Toronto, Ontario, M5H 1B6. The Corporation's common shares trade on the TSX Venture Exchange under the symbol ROZ.P. The Corporation's public filings can be accessed and viewed via the System for Electronic Data Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com).

On October 28, 2021 the Board of Directors approved the unaudited condensed interim financial statements for the three and six months ended August 31, 2021.

The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Corporation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

### **Statement of Compliance**

These Unaudited Condensed Interim Financial Statements been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These Unaudited Condensed Interim Financial Statements have been prepared on an accrual basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets, and financial liabilities. These Unaudited Condensed Interim Financial Statements are presented in Canadian dollars, which is the Corporation's functional and presentation currency.

**Rozdil Capital Corporation**  
**Notes to the Unaudited Condensed Interim Financial Statements**  
**For the Three and Six Months Ended August 31, 2021 and 2020**

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**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Statement of Compliance (Cont'd)**

The Corporation's significant accounting policies are summarized in Note 2 to the annual financial statements as at and for the year ended February 28, 2021. The accounting policies applied by the Corporation in these Unaudited Condensed Interim Financial Statements are the same as those applied by the Corporation in its annual financial statements as at and for the year ended February 28, 2021. These Unaudited Condensed Interim Financial Statements should be read in conjunction with the Corporation's audited financial statements as at and for the year ended February 28, 2021.

**Use of Estimates and Judgments**

The preparation of these Unaudited Condensed Interim Financial Statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

**3. SHARE CAPITAL AND RESERVES**

**Share Capital**

Authorized:

Unlimited common shares

Issued:

The following table sets out the changes in common shares during the period.

	<b>Note</b>	<b>#</b>	<b>\$</b>
Balance, February 28, 2019	(i)	2,350,000	115,000
Initial public offering	(ii)	2,150,000	215,000
Offering costs	(ii)	-	(48,889)
Fair value of agent warrants	(ii)	-	(11,351)
Balance, February 29, 2020		4,500,000	269,760
Exercise of agent warrants	(iii)	1,100	168
Balance, February 28, 2021		4,501,100	269,928
Exercise of agent warrants	(iii)	213,000	32,545
<b>Balance August 31, 2021</b>		<b>4,714,100</b>	<b>302,473</b>

- (i) In February 2019, the Corporation issued 2,350,000 common shares at a purchase price of \$0.05 per share for total gross proceeds of \$117,500 and incurred costs of \$2,500 of directly related to this issuance. The 2,350,000 common shares issued at \$0.05 per share are held in escrow pursuant to the requirements of the Exchange. All common shares issued to directors, officers and shareholders prior to the completion of a Qualifying Transaction are deposited in escrow until the final exchange bulletin is issued. Any common shares acquired on exercise of stock options granted to directors and officer prior to the completion of a Qualifying Transaction, must also be deposited in escrow until the final exchange bulletin is issued.

**Rozdil Capital Corporation**  
**Notes to the Unaudited Condensed Interim Financial Statements**  
**For the Three and Six Months Ended August 31, 2021 and 2020**

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**3. SHARE CAPITAL AND RESERVES (Cont'd)**

**Share Capital (Cont'd)**

- (ii) On July 16, 2019, the Corporation completed its Initial Public Offering (“the Offering”) of 2,150,000 common shares at a purchase price of \$0.10 per common share for gross proceeds of \$215,000 and incurred costs of \$48,889 directly related to the Offering.

In connection with the Offering, the Corporation granted to Haywood Securities Inc. (the “Agent”), common share purchase warrants to acquire 215,000 common shares (the “Agent Warrants”). Each Agent Warrant is exercisable to acquire one common share at a price of \$0.10 until July 15, 2021. The fair value attributed to the warrants was \$11,351 (see Agent Warrants below). In connection with the Offering, the Agent was paid a cash commission equal to 10% of the aggregate gross proceeds from the Offering. In addition, the Corporation paid a corporate finance fee and reimbursed the Agent for legal fees and other reasonable expenses incurred pursuant to the Offering.

- (iii) In August 2020, 1,100 Agent Warrants were exercised for gross proceeds of \$110. The fair value attributed to these warrants was \$58 (see Agent Warrants below).

In July 2021, 213,000 Agent Warrants were exercised for gross proceeds of \$21,300. The fair value attributed to these warrants was \$11,245 (see Agent Warrants below).

In July 2021, 900 Agent Warrants expired. The fair value attributed to these warrants was \$48 (see Agent Warrants below)

**Weighted Average Shares Outstanding**

The following table summarizes the weighted average shares outstanding:

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>August 31,</b>		<b>August 31,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Weighted Average Shares Outstanding, basic and diluted	2,280,752	2,150,133	2,215,926	2,150,066

As at August 31, 2021 and 2020, 2,350,000 common shares were excluded from the calculation as they were contingently issuable and all conditions necessary for their issuance have not been satisfied.

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

**Contributed Surplus**

***Common Share Purchase Options***

The Corporation has established a stock option plan for its directors, officers and consultants under which the Corporation may grant options from time to time to acquire a maximum of 450,000 outstanding common shares. The exercise price of each option granted under the plan shall be determined by the Board of Directors.

**Rozdil Capital Corporation**  
**Notes to the Unaudited Condensed Interim Financial Statements**  
**For the Three and Six Months Ended August 31, 2021 and 2020**

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**3. SHARE CAPITAL AND RESERVES (Cont'd)**

***Common Share Purchase Options (Cont'd)***

Options may be granted for a maximum term of five years from the date of the grant. They are exercisable as determined by the Directors when the option is granted. Options expire within 90 days of termination of employment or holding office as director or officer of the Corporation and, in the case of death, expire within a maximum period of one year after such death, subject to the expiry date of the option.

Any shares issued upon exercise of the options prior to the Corporation entering into a Qualifying Transaction will be subject to escrow restrictions.

The following table is a summary of the status of the Corporation's stock options and changes during the period:

	<b>Number of Options</b>	<b>Weighted Average Exercise Price \$</b>
Balance, February 28, 2021 and February 29, 2020	425,000	0.10
Finders options granted	455,000	0.35
<b>Balance, August 31, 2021</b>	<b>880,000</b>	<b>0.23</b>

On July 16, 2019, the Corporation granted 375,000 options to directors and officers, which vested immediately upon completion of the Offering. The options are exercisable within five years from the date of grant at an exercise price of \$0.10 per share. The fair value of the options were estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1.51%, expected volatility of 100% and an expected life of five years. The fair value attributed to these options was \$27,985.

On July 16, 2019, the Corporation granted 50,000 options to a consultant which vested immediately upon completion of the Offering. The options are exercisable within three years from the date of grant at an exercise price of \$0.10 per share. The fair value of the options were estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1.53%, expected volatility of 100% and an expected life of three years. The fair value attributed to these options was \$3,111.

In connection with the Special Warrants Concurrent Financing, on July 30, 2021, the Corporation issued 455,000 compensation options (the "Finder's Options"). Each Finder's Option is exercisable into one (1) Common Share at a price of \$0.35 per Common Share for a period of 12 months from the date of issue, subject to an acceleration clause which provides that if the common shares of the Corporation trade at or above \$0.70 per share for a period of twenty (20) consecutive trading days, the Corporation may elect to reduce the expiry period of the Finder's Options to twenty (20) days from the date notice of the accelerated expiry is sent to holders of the Finder's Options. The fair value of the Finders Options was estimated on the date of the issue using the Monte Carlo simulation option pricing model with the following assumptions: dividend yield 0%, discount rate 0.44%, expected volatility 100%, forfeiture rate 0% and expected life of one year. The fair value attributed to the Finders Options was \$58,740. In the event that the Corporation and TTI terminate the Proposed Transaction, any outstanding Finder's Options will be cancelled accordingly.

**Rozdil Capital Corporation**  
**Notes to the Unaudited Condensed Interim Financial Statements**  
**For the Three and Six Months Ended August 31, 2021 and 2020**

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**3. SHARE CAPITAL AND RESERVES (Cont'd)**

***Common Share Purchase Options (Cont'd)***

The following tables are a summary of the Corporation's stock options and Finder's Options outstanding and exercisable as at August 31, 2021 and February 28, 2021, respectively:

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Weighted Average Remaining Contractual Life (Years)</b>	<b>Number of Stock Options Outstanding</b>	<b>Number of Stock Options Vested (Exercisable)</b>
July 15, 2022	\$0.10	0.87	50,000	50,000
July 15, 2024	\$0.10	2.87	375,000	375,000
July 29, 2022	\$0.35	0.91	455,000	455,000
As at August 31, 2021	\$0.23	1.74	880,000	880,000

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Weighted Average Remaining Contractual Life (Years)</b>	<b>Number of Stock Options Outstanding</b>	<b>Number of Stock Options Vested (Exercisable)</b>
July 15, 2022	\$0.10	0.11	50,000	50,000
July 15, 2024	\$0.10	1.98	375,000	375,000
As at February 28, 2021	\$0.10	2.09	425,000	425,000

***Agent Warrants***

The following table summarizes the changes in Agent Warrants for the periods set out:

	<b>Number of Warrants</b>	<b>Weighted Average Price \$</b>
Balance, February 29, 2020	215,000	0.10
Agent warrants exercised	(1,100)	0.10
Balance, February 28, 2021	213,900	0.10
Agent warrants exercised	(213,000)	0.10
Agent warrants expired	(900)	0.10
<b>Balance August 31, 2021</b>	<b>-</b>	<b>-</b>

In connection with the Offering, on July 16, 2019, the Corporation granted 215,000 warrants to the Agent, which were exercisable within two years from the date of grant at an exercise price of \$0.10 per share. The fair value of the Agent Warrants were estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1.56%, expected volatility of 100% and an expected life of two years. The fair value attributed to the warrants was \$11,351.

On August 20, 2020, 1,100 Agent Warrants were exercised at \$0.10 per share for gross proceeds of \$110. The fair value attributed to warrants was \$58.

On July 7, 2021, 213,000 Agent Warrants were exercised at \$0.10 per share for gross proceeds of \$21,300. The fair value attributed to the warrants was \$11,245.

**Rozdil Capital Corporation**  
**Notes to the Unaudited Condensed Interim Financial Statements**  
**For the Three and Six Months Ended August 31, 2021 and 2020**

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**3. SHARE CAPITAL AND RESERVES (Cont'd)**

***Agent Warrants (Cont'd)***

On July 15, 2021, 900 Agent Warrants expired unexercised. The fair value attributed to the warrants was \$48.

The following tables summarize the outstanding Agent Warrants as at August 31, 2021 and February 28, 2021, respectively:

	<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Weighted Average Remaining Life (Years)</b>	<b>Warrant Value (\$)</b>
August 31, 2021	-	-	-	-	-
February 28, 2021	213,900	\$0.10	July 15, 2021	0.13	11,293

**4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

**Capital Management**

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Corporation includes equity, comprised of share capital and accumulated deficit, in the definition of capital.

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

**Risk Disclosures and Fair Values**

The Corporation's financial instruments, consisting of cash and cash held in trust, cash held in escrow from special warrants and accrued liabilities approximate fair value due to the relatively short-term maturity of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

**5. RELATED PARTY TRANSACTIONS**

During the three months ended August 31, 2021, the Corporation incurred fees of approximately \$1,017 (2020 - \$2,639) for head office services provided by an entity whose owner is a director of the Corporation.

During the six months ended August 31, 2021, the Corporation incurred fees of approximately \$3,750 (2020 - \$3,656) for head office services provided by an entity whose owner is a director of the Corporation.

There was no remuneration paid to key management personnel during the three months ended August 31, 2021 (2020 - \$nil) and no other related party transactions have occurred during this period.

## **6. PROPOSED TRANSACTION**

On February 8, 2021, the Corporation announced it entered into a Securities Exchange Agreement dated February 8, 2021, as amended on March 2, 2021, May 31, 2021 and September 30, 2021, with Thiogenesis Therapeutics Inc. (TTI) and its securityholders in respect of proposed purchase of TTI by the Corporation. It is anticipated that the transaction will constitute the QT of the Corporation in accordance with Policy 2.4 – Capital Pool Companies of the Exchange (the “Proposed Transaction”).

In connection with the Proposed Transaction, on July 30, 2021, the Corporation closed in escrow a non-brokered private placement of 10,000,000 Special Warrants of the Corporation at a purchase price of \$0.35 per Special Warrant for aggregate gross proceeds of \$3.5 million. Each Special Warrant is convertible into one (1) common share of the Corporation without further consideration (the “Special Warrants”). At August 31, 2021, the Corporation recorded \$194,542 of costs directly related to the Special Warrants. The conversion of the Special Warrants will take place automatically upon the third day following receipt of conditional approval from the Exchange for the Proposed Transaction, or such later date as may be mandated by the Exchange. The Special Warrants are also convertible at the option of the holder subsequent to the 90th day after the closing date, subject to the consent of the Exchange.

In connection with the Special Warrants Concurring Financing, the Corporation paid a cash finder’s fees equal to an aggregate of \$159,250 (the “Finder’s Fee”) and issued 455,000 compensation options (the “Finder’s Options”). Each Finder’s Option is exercisable into one (1) Common Share at a price of \$0.35 per Common Share for a period of 12 months from the date of issue, subject to an acceleration clause which provides that if the common shares of the Corporation trade at or above \$0.70 per share for a period of twenty (20) consecutive trading days, the Corporation may elect to reduce the expiry period of the Finder’s Options to twenty (20) days from the date notice of the accelerated expiry is sent to holders of the Finder’s Options. The fair value of the Finders Options was estimated on the date of the issue using the Monte Carlo simulation option pricing model with the following assumptions: dividend yield 0%, discount rate 0.44%, expected volatility 100%, forfeiture rate 0% and expected life of one year. The fair value attributed to the Finders Options was \$58,740.

In the event that the Corporation and TTI terminate the Proposed Transaction, any outstanding Special Warrants may be cancelled at the option of the Special Warrant holder and the subscription proceeds would become releasable from escrow to the account of the holder without interest or deduction.

## **7. SUBSEQUENT EVENTS**

In accordance with the new CPC regulations of the Exchange, the Corporation sought and obtained shareholder approval at a meeting of the shareholders’ held on September 3, 2021, amongst other matters, to remove the consequences of failing to complete a QT within 24 months of listing as set out in section 15.2(b) (i) of the New CPC Policy; or cancel certain of its Seed Shares and move its listing to NEX as set out in section 14.13 of the Former Policy; and to change the Option Plan from a fixed plan to a rolling 10% plan (see News Releases dated July 26, 2021 and September 7, 2021).