



THIOGENESIS THERAPEUTICS, CORP.

(Formerly: Rozdil Capital Corporation)

Unaudited Condensed Interim Consolidated Financial Statements

For the Three and Nine Months Ended

September 30, 2022 and 2021

(Expressed in Canadian Dollars)

Notice of No Auditor Review of the Unaudited Condensed Interim Consolidated Financial Statements

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

Thiogenesis Therapeutics, Corp.

(Formerly: Rozdil Capital Corporation)

Unaudited Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	As at September 30, 2022	As at December 31, 2021 (Note 2)
Assets		
Current assets		
Cash and cash held in trust	\$ 1,613,807	\$ 61,641
Accounts receivable	21,564	13,023
Grant receivable (Note 5)	-	152,972
Total current assets	<u>1,635,371</u>	<u>227,636</u>
Total Assets	<u>\$ 1,635,371</u>	<u>\$ 227,636</u>
Liabilities and Shareholders' Equity (Deficit)		
Current liabilities		
Accounts payable and accrued liabilities	\$ 80,931	\$ 671,124
Promissory notes (Note 7)	-	48,984
Loans payable (Note 8)	-	150,000
Derivative liabilities (Note 9)	-	148,254
Convertible promissory notes payable (Note 6)	-	264,601
Total current liabilities	<u>80,931</u>	<u>1,282,963</u>
Shareholders' equity (deficit)		
Share capital (Note 10)	6,513,817	1,500
Reserves (Note 10)	555,760	1,071,704
Accumulated other comprehensive income (loss)	79,994	(12,307)
Accumulated deficit	<u>(5,595,131)</u>	<u>(2,116,224)</u>
Total shareholders' equity (deficit)	<u>1,554,440</u>	<u>(1,055,327)</u>
Total Liabilities and Shareholders' Equity (Deficit)	<u>\$ 1,635,371</u>	<u>\$ 227,636</u>

Nature of Operations and Going Concern (Note 1)

Subsequent Events (Note 15)

Approved by the Board of Directors

(signed) "Patrice Rioux"

Patrice Rioux, Director

(signed) "Brook Riggins"

Brook Riggins, Director

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

Thiogenesis Therapeutics, Corp.

(Formerly: Rozdil Capital Corporation)

Unaudited Condensed Interim Consolidated Statements of Operations and Other Comprehensive Income (Loss)

(Expressed in Canadian Dollars)

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Operating expenses				
Research and development (Note 14)	\$ 524,528	\$ 242,840	\$ 956,718	\$ 899,795
General and administrative (Note 14)	181,409	176,356	475,637	232,559
Transaction costs (Note 4)	-	-	1,973,753	-
(Gain) loss on derivative liabilities (Note 9)	-	(43,411)	69,481	(27,093)
Total operating expenses	705,937	375,785	3,475,589	1,105,261
Other income (expenses)				
Grant income (Note 5)	-	-	-	231,367
Interest and borrowing costs	155	(2,815)	(3,318)	(6,866)
Total other income (expenses)	155	(2,815)	(3,318)	224,501
Net loss	(705,782)	(378,600)	(3,478,907)	(880,760)
Other comprehensive income (loss)				
Foreign currency translation	(11,340)	(386)	92,301	4,251
Total other comprehensive income (loss)	(11,340)	(386)	92,301	4,251
Net loss from operations and other comprehensive income (loss)	\$ (717,122)	\$ (378,986)	\$ (3,386,606)	\$ (876,509)
Net loss per share, basic and diluted	\$ (0.02)	\$ (0.03)	\$ (0.15)	\$ (0.08)
Weighted average shares outstanding, basic and diluted	28,239,822	12,000,000	22,585,485	11,465,201

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

Thiogenesis Therapeutics, Corp.

(Formerly: Rozdil Capital Corporation)

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficit)

For the Nine Months Ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)

	Number of Shares	SHARE CAPITAL \$	RESERVES \$	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) \$	ACCUMULATED DEFICIT \$	SHAREHOLDERS' EQUITY \$
Balance, December 31, 2020	10,000,000	581,064	27,389	(778)	(908,086)	(300,411)
Share based compensation	-	-	4,939	-	-	4,939
Private placement of units	2,000,000	458,173	-	-	-	458,173
Net loss for the period	-	-	-	-	(880,761)	(880,761)
Foreign currency translation	-	-	-	4,251	-	4,251
Balance, September 30, 2021	12,000,000	1,039,237	32,328	3,473	(1,788,847)	(713,808)
Balance, December 31, 2021	12,000,000	1,039,237	33,967	(12,307)	(2,116,224)	(1,055,327)
Common shares issued for reverse takeover	5,139,100	1,798,685	-	-	-	1,798,685
Fair value of finders options	-	-	58,740	-	-	58,740
Common shares issued on conversion of special warrants, net	10,000,000	3,246,718	-	-	-	3,246,718
Common shares issue to settle convertible debt	771,075	269,876	-	-	-	269,876
Share based compensation	-	-	288,244	-	-	288,244
Fair value of warrants issued	-	-	217,735	-	-	217,735
Exercise of finder's options	332,500	159,301	(42,926)	-	-	116,375
Foreign currency translation	-	-	-	92,301	-	92,301
Net loss for the period	-	-	-	-	(3,478,907)	(3,478,907)
Balance, September 30, 2022	28,242,675	6,513,817	555,760	79,994	(5,595,131)	1,554,440

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

Thiogenesis Therapeutics, Corp.

(Formerly: Rozdil Capital Corporation)

Unaudited Condensed Interim Consolidated Statements of Changes in Cash Flows

(Expressed in Canadian Dollars)

	For the Nine Months Ended	
	September 30, 2022	September 30, 2021
Cash provided by (used in)		
Operating activities		
Net loss for the period	\$ (3,478,906)	\$ (880,760)
Items not involving cash:		
(Gain) loss on derivative liabilities	69,481	(27,093)
Stock based compensation	288,244	4,939
Listing expense	1,857,425	
Net changes in non-cash working capital		
Accounts receivable	(8,541)	2,479
Grant receivable	152,972	(227,775)
Accounts payable and accrued liabilities	(687,706)	501,164
Net cash used in operating activities	(1,807,031)	(627,046)
Investing activities		
Cash assumed on reverse takeover, less transaction costs	3,350,402	-
Net cash provided by investing activities	3,350,402	
Financing activities		
Exercise of finder's options	116,375	-
Repayment of promissory notes	(50,172)	-
Repayment of loans payable	(150,000)	-
Private placement of units	-	671,267
Net cash provided by (used in) financing activities	(83,797)	671,267
Effect of exchange rate changes on cash	92,592	4,251
Increase in cash for the period	1,552,166	48,472
Cash and cash held in trust, beginning of period	61,641	18,833
Cash and cash held in trust, end of period	\$ 1,613,807	\$ 67,305

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

Thiogenesis Therapeutics, Corp.
(Formerly: Rozdil Capital Company)
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Organization

Thiogenesis Therapeutics, Corp., ("TTI" or the "Company") (formerly: Rozdil Capital Corporation) is a clinical stage biotechnology company that was incorporated under the *Ontario Business Corporations Act* on May 3, 2018. On March 22, 2022, the Company filed articles of amendment and changed its name from Rozdil Capital Corporation to Thiogenesis Therapeutics, Corp. The Company is developing thiol-active therapeutic compounds to treat unmet medical needs. TTI-0102 is the Company's versatile lead compound, with initial applications in Rett syndrome and mitochondrial diseases. The registered head office of the Company is located at 4 King Street West, Suite 401, Toronto, Ontario, M5H 1B6. The Company's public filings can be accessed and viewed via the System for Electronic Data Analysis and Retrieval ("SEDAR") at www.sedar.com.

Rozdil Capital Corporation ("Rozdil") was a capital pool company listed on the TSX Venture Exchange (the "TSXV") that received approval from the TSXV for its acquisition of all of the outstanding shares of Thiogenesis Therapeutics, Inc., ("TTI US") as its proposed "Qualifying Transaction" as defined under TSXV policies. The transaction constitutes a reverse take-over ("RTO") by Rozdil which acquired all of the issued and outstanding shares of TTI US by way of a securities exchange agreement in exchange for common shares of Rozdil.

On March 31, 2022, the Company closed its Qualifying Transaction (the "QT") as defined by Policy 2.4 of the TSXV with TTI US. The Company received final TSXV acceptance and the common shares of the Company resumed trading on the TSXV on April 13, 2022 (the "Listing Date") under the new name "Thiogenesis Therapeutics, Corp.", with the trading symbol "TTI".

The accompanying unaudited condensed interim consolidated financial statements have been prepared after giving effect to the RTO of Thiogenesis Therapeutics, Corp., (formerly: Rozdil Capital Company) by TTI US. As a result of the RTO, the former shareholders of TTI US acquired control of the Company and the QT is accounted for as a share based payment, in accordance with International Financial Reporting Standards ("IFRS") 2, by which TTI US acquired the net assets of the Company. These unaudited condensed interim consolidated financial statements are prepared as a continuation of the financial statements of TTI US and its wholly-owned subsidiaries, reflecting the equity instruments of TTI. As a result, comparative information included herein is solely that of TTI US and its wholly-owned subsidiaries (see Note 2 Functional Currency and Presentation and Note 4 Reverse Takeover Transaction).

On November 17, 2022, the Board of Directors approved the Unaudited Condensed Interim Consolidated Financial Statements for the three and nine months ended September 30, 2022 and 2021.

Going Concern

These Unaudited Condensed Interim Consolidated Financial Statements have been prepared in accordance with IFRS with the assumption that the Company will continue to operate as a going-concern and be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company will need to raise sufficient working capital to maintain operations. Without additional financing, the Company may not be able to fund its ongoing operations and complete research and development activities. The Company has incurred operating losses since inception and does not currently have the financial resources to sustain operations in the long-term.

At September 30, 2022, and December 31, 2021, the Company had accumulated deficit balances of \$5,595,131 and \$2,116,224, respectively, which were largely due to expenditures related to research and development and clinical trial expenses partially funded by grant income from the Australian government and non-cash transaction costs of \$1,857,426 related to the RTO (see Note 4 Reverse Takeover Transaction). The Company anticipates incurring additional losses in the foreseeable future as it continues to develop its proprietary product candidates into clinical trials and, if successful potential commercialization.

Thiogenesis Therapeutics, Corp.
(Formerly: Rozdil Capital Company)
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

In order to expend available cash efficiently, the Company plans to focus on developing compounds with positive indicators of activity that can be patented or are patentable and potentially be commercialized; minimize operating expenses where possible; and limit capital expenditure. The Company plans to continue to fund its research and development through external financing and eligible government programs. Management believes that successful execution of its current business plan may result in sufficient cash flow through new financing opportunities to fund projected operational requirements for the near-term. However, no assurances can be given that the Company will be able to achieve all or part of the objectives discussed above, or that sufficient financing from outside sources will be available. Further, if the Company is unable to raise sufficient funds at or above current projections, the Company may not meet its obligations over the next twelve months which may result in deferring certain additional product candidate development initiatives and reducing general and administrative expenses, while seeking outside financing or engaging a potential partner in the development of its product candidates.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. It has also disrupted the normal operations of many businesses. It is not possible for the Company to predict the duration or magnitude of the adverse effects of the pandemic on the Company's business or results of operations at this time.

The conflict involving Russia and Ukraine has affected fuel prices and may impact disruption to supply chains, increase shipping costs and create potential material delivery delays which could negatively impact our clinical trials and or analysis of clinical results, which may increase our product candidate development costs and materially harm our business. The extent and duration of the conflict, resulting sanctions and future market disruptions are impossible to predict. The ongoing conflict along with the potential for a wider conflict could further increase financial market volatility and cause negative effects on regional and global economic markets, industries, and companies. It is not currently possible to determine the severity of any potential adverse impact of this conflict on the financial condition of the Company.

2. BASIS OF PRESENTATION

Statement of Compliance

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

These Unaudited Condensed Interim Consolidated 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 Company's functional and presentation currency.

The Company's significant accounting policies are summarized in Note 3 to the annual consolidated financial statements of TTI US as at and for the year ended December 31, 2021, as filed with SEDAR on May 2, 2022. The accounting policies applied by the Company in these Unaudited Condensed Interim Consolidated Financial Statements are the same as those applied by TTI US in its annual consolidated financial statements as at and for the year ended December 31, 2021. The Unaudited Condensed Interim Consolidated Financial Statements for the periods presented are not necessarily indicative of the consolidated results of operations or cash flows which may be reported for the remainder of 2022 or for any future period. Certain information and footnote disclosures normally included in financial statements prepared in accordance with IFRS have been condensed or omitted. These Unaudited Condensed Interim Consolidated Financial Statements should be read in conjunction with the TTI US's annual consolidated financial statements as at and for the year ended December 31, 2021.

Thiogenesis Therapeutics, Corp.
(Formerly: Rozdil Capital Company)
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

Basis of Measurement

The Unaudited Condensed Interim Consolidated Financial Statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value.

Functional and Presentation Currency

The functional and presentation currency of the Company is the Canadian Dollar. The functional currency of the Company's wholly-owned United States subsidiary, TTI US, is the United States Dollar. The functional currency of TTI US's wholly-owned Australian subsidiary, Thiogenesis Australia Pty Ltd. is the Australian Dollar and the functional currency of TTI US's wholly-owned France subsidiary, Thiogenesis Therapeutics, EURL is the Euro.

TTI US's annual consolidated financial statements as at and for the year ended December 31, 2021, were converted from United States Dollars to Canadian Dollars at the Bank of Canada's prevailing exchange rate of \$1.2496 at the date of closing the RTO on March 31, 2022. All amounts herein are presented in Canadian Dollars and the foreign currency translation exchange adjustments have been recorded in accumulated other comprehensive income (loss) in the Company's Unaudited Condensed Interim Consolidated Statements of Financial Position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

These Unaudited Condensed Interim Consolidated Financial Statements include the financial statements of the Company and the entities controlled by the Company. Control occurs when the Company is exposed to, or has right to, variable return from its involvements with an investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases. All intercompany transactions and balances have been eliminated.

The Company's wholly owned subsidiaries are Thiogenesis Therapeutics, Inc., Thiogenesis Australia Pty Ltd. and Thiogenesis Therapeutics, EURL.

Foreign Currencies

Items included in the Unaudited Condensed Interim Consolidated Financial Statements of each entity are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in the Unaudited Condensed Interim Consolidated Statements of Operations and Other Comprehensive Income (Loss).

Assets and liabilities of entities with functional currencies other than the Canadian dollar (the presentation and functional currency of the Company) are translated at the period end rates of exchange, and the results of their operations are translated at average rates of exchange for the period. The resulting translation adjustments are recorded as foreign currency translation gain/loss included in accumulated other comprehensive income (loss) under the equity section of the Unaudited Condensed Interim Consolidated Statements of Financial Position.

Additionally, foreign exchange gains and losses related to certain intercompany loans that are permanent in nature are also recorded as foreign currency translation gain/loss included in accumulated other comprehensive income (loss).

Thiogenesis Therapeutics, Corp.
(Formerly: Rozdil Capital Company)
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

Significant Accounting Estimates and Judgments

The preparation of these Unaudited Condensed Interim Consolidated Financial Statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Unaudited Condensed Interim Consolidated Financial Statements and the reported amounts of revenues and expenses during each reporting period. Actual results could differ from those estimates. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the Unaudited Condensed Interim Consolidated Financial Statements are:

Fair Value of Financial Instruments

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

Fair Value of Derivative Liabilities

The Company's derivative instruments consisted of derivative liabilities in relation to share purchase warrants. These share purchase warrants were issued with an exercise price in Canadian ("CDN") dollars, rather than United States dollars (the presentation and functional currency of TTI US) and the fair value was required to be re-measured at each reporting date and adjustments recorded to the Unaudited Condensed Interim Consolidated Statement of Operations and Other Comprehensive Income (Loss). Assumptions used in the re-measurement of the fair value could materially affect the recorded amounts.

Going Concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There is an uncertainty regarding the Company's ability to continue as a going concern.

Income Tax

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Fair Value of Share Based Compensation and Warrants

In determining the fair value of share based payments, the calculated amounts are not based on historical cost, but is derived based on assumptions (such as the expected volatility of the price of the underlying security, expected hold period before exercise, dividend yield and the risk-free rate of return) input into a pricing model. The model requires that management make forecasts as to future events, including estimates of: the average future hold period of issued stock options and compensation warrants before exercise, expiry or cancellation; future volatility of the Company's share price in the expected hold period; dividend yield; and the appropriate risk-free rate of interest. The resulting value calculated is not necessarily the value that the holder of the option or warrant could receive in an arm's length transaction, given that there is no market for the options or compensation warrants and they are not transferable. Similar calculations are made in estimating the fair value of the warrant component of an equity unit. The assumptions used in these calculations are inherently uncertain. Changes in these assumptions could materially affect the related fair value estimates.

Cash and Cash Held in Trust

Cash is comprised of currency on hand and demand deposits with financial institutions and cash held in trust by the Company's legal counsel.

Thiogenesis Therapeutics, Corp.
(Formerly: Rozdil Capital Company)
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

Financial Instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

<u>Financial assets/liabilities</u>	<u>Classification</u>
Cash and cash held in trust	Fair value through profit or loss
Accounts receivable	Amortized cost
Grant receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Promissory notes	Amortized cost
Loans payable	Amortized cost
Derivative liabilities	Fair value through profit or loss

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the Unaudited Condensed Interim Consolidated Statements of Operations and Other Comprehensive Income (Loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the Unaudited Condensed Interim Consolidated Statements of Operations and Other Comprehensive Income (Loss) in the period in which they arise.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income (loss) (“OCI”). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

THIOGENESIS THERAPEUTICS, CORP.
(Formerly: Rozdil Capital Corporation)
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the Unaudited Condensed Interim Consolidated Statements of Operations and Other Comprehensive Income (Loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(ix) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Grants and Assistance

Research grants currently represent our sole source of income. Grants from the government and other independent agencies are recognized at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions. All grants are recorded as grant income in the Unaudited Condensed Interim Consolidated Statements of Operations and Other Comprehensive Income (Loss).

Income is earned as research expenses related to the grants are incurred. Income earned on government grants, but not yet invoiced as of the date of the Unaudited Condensed Interim Consolidated Statements of Financial Position, is recorded as unbilled receivables in the accompanying consolidated statements of financial position for the years ended December 31, 2021. Funds received from government grants in advance of work being performed are recorded as deferred income until earned. During the nine months ended September 30, 2022, and for the year ended December 31, 2021, the Company recorded Nil and \$313,860 in grant income, respectively.

Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, and common share warrants are classified as equity instruments.

Incremental costs directly attributable to the issue of new common shares, common share warrants, or stock options are shown in equity as a deduction, net of tax, from the proceeds.

THIOGENESIS THERAPEUTICS, CORP.
(Formerly: Rozdil Capital Corporation)
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

Share Based Compensation

Equity-settled share based payments for directors, officers, employees, and consultants are measured at fair value at the date of grant and recorded as compensation expense in the financial statements. Common share purchase options are measured at the fair value of each tranche on the grant date and are recognized in their respective vesting period using the Company's expected forfeiture rate. Any consideration paid by directors, officers, employees and consultants on exercise of equity-settled share based payments is credited to share capital. Shares are issued from treasury upon the exercise of equity-settled share based instruments.

Warrants

When the Company issues units comprising common shares and warrants, the Company follows the relative fair value method of accounting for warrants attached to and issued with common shares of the Company. Under this method, the fair value of the common shares is estimated and the fair value of the warrants issued is estimated using an option pricing model. The fair value is then prorated to the total of the net proceeds received on issuance of the common shares and the warrants.

Loss per Common Share

Basic loss per share has been calculated using the weighted average number of common shares outstanding during the reporting periods.

Diluted loss per share has been calculated using the weighted average number of common shares that would have been outstanding during the respective period had all of the stock options and warrants outstanding (if any) at period end having a dilutive effect been converted into shares at the beginning of the period and the proceeds used to repurchase the Company's common shares at the average market price for the period. If these computations prove to be anti-dilutive, diluted loss per share is the same as basic loss per share.

Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the reporting period, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous periods. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

THIOGENESIS THERAPEUTICS, CORP.
(Formerly: Rozdil Capital Corporation)
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

Research and Development

All research costs are expensed in the period incurred. Development costs are expensed in the period incurred, unless they meet the criteria for capitalization, in which case they are capitalized and amortized over the useful life. Development costs are written off when there is no longer an expectation of future benefits. No development costs have been capitalized to date.

Clinical trial expenses result from obligations under contracts with vendors, consultants and clinical trial site agreements in connection with conducting clinical trials. The financial terms of these contracts are subject to negotiations, which vary from contract to contract and may result in payment flows that do not match the periods which materials and services are provided by the Company. The appropriate level of clinical trial expenses is reflected in the Company's Unaudited Condensed Interim Consolidated Financial Statements by matching period expenses with period services and efforts expended. These expenses are recorded according to the progress of the clinical trial as measured by subject's progression and the timing of various aspects of the clinical trial. Clinical trial accrual estimates are determined through discussions with internal clinical personnel and outside service providers as to the progress or state of completion of clinical trials, or the services completed. Service provider status is then compared to the contractually obligated fees to be paid for such services. During the course of a clinical trial, the Company may adjust the rate of the clinical expense recognized if actual results differ from management's estimates.

Leases

At the inception of a contract, the Company assesses whether a contract is or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle or remove the underlying asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an option renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

THIOGENESIS THERAPEUTICS, CORP.
(Formerly: Rozdil Capital Corporation)
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

The lease liability is measured at amortized cost using the effective interest rate method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

The Company has elected to not recognize right-of-use assets and lease liabilities for short-term lease of assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with the leases as an expense on a straight-line basis over the lease term.

Derivative financial instruments

The Company's derivative instruments consisted of derivative liabilities in relation to its share purchase warrants with a Canadian Dollar exercise price. In March 2021, the Company issued share purchase warrants with an exercise price in Canadian Dollars, rather than United States Dollars (the functional currency of TTI US). Such share purchase warrants were derivative instruments and the Company was required to re-measure the fair value at each reporting date. The fair value of these share purchase warrants are re-measured at each reporting date using the Black-Scholes option pricing model with changes recorded to the Unaudited Condensed Interim Consolidated Statement of Operations and Other Comprehensive Income (Loss).

4. REVERSE TAKEOVER TRANSACTION ("RTO")

Pursuant to a securities exchange agreement dated February 8, 2021, as amended, among the Company, TTI US and the security-holders of TTI US (the "Securities Exchange Agreement"), the Company agreed to acquire all of the outstanding securities of TTI US resulting in TTI US becoming a wholly-owned subsidiary of the Company (the "Transaction").

The Transaction completed on March 31, 2022, was a "Qualifying Transaction" for the Company as defined by Policy 2.4 of the TSXV. The Company received final TSXV acceptance and the common shares of the Company resumed trading on the TSXV on April 13, 2022 (the "Listing Date") under the new name "Thiogenesis Therapeutics, Corp.", with the trading symbol "TTI".

As a result of the RTO, the former shareholders of TTI US acquired control of the Company and the Transaction is accounted for as a share based payment, in accordance with IFRS 2, by which TTI US acquired the net assets and listing status of the Company.

As the Company does not meet the definition of a business under IFRS, the Unaudited Condensed Interim Consolidated Financial Statements of the combined entity represent the continuation of TTI US.

As a share based transaction, the Company measures the fair value of the transaction either by the measure of fair value of the goods and services received, or the fair value of the equity instruments granted, whichever method is a more reliable measure. Management has determined that the fair value of the equity instruments granted was the more reliable measure which resulted in the total consideration \$1,876,240.

On the acquisition of the Company by TTI US, the Company's share capital, reserves and deficit were eliminated.

THIOGENESIS THERAPEUTICS, CORP.
(Formerly: Rozdil Capital Corporation)
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

The allocation of the cost of the acquisition is summarized as follows:

Net Assets Acquired	
Cash and cash held in trust	\$ 107,457
Cash held in escrow	3,340,458
Loan receivable	25,332
Accounts receivable	39
Accounts payable and accrued liabilities	(245,383)
Special warrants liability, net	(3,246,718)
Fair Value of Net Assets Acquired	\$ (18,815)
Transaction Expenses	
Listing expense, (fair value of the common shares issued to former TTI shareholders)	\$ 1,798,685
Fair value of replacement options	58,740
Legal and other costs related to transaction	97,513
	1,954,938
Less fair value of net assets acquired	18,815
Total Transaction Expense	\$ 1,973,753

5. GRANT RECEIVABLE

As at September 30, 2022, and December 31, 2021, the grant receivable from Australian government was Nil and \$152,972, respectively.

6. CONVERTIBLE PROMISSORY NOTES

On August 21, 2020, as amended on August 31, 2021, the Company issued to two directors of the Company convertible promissory notes for proceeds of US \$209,000 with interest rate of 4% per annum and due on December 31, 2021. The notes automatically convert into the equity instruments that the Company issues in the event an equity security raise with total proceeds of not less than US\$2,000,000 is completed while the notes are outstanding. The conversion price is the lesser of (i) the price paid per share for equity securities in the financing multiplied by 0.80 and (ii) the quotient resulting from dividing US\$5,000,000 by the number of outstanding shares of common stock immediately prior to the financing. The Company accounted for the notes as a liability as the conversion feature is contingent on a qualified financing outside the control of the Company (the "Notes").

On October 31, 2021, the Notes were amended to reflect if a change of control or qualified financing is consummated, all interest on the Notes was deemed to have stopped accruing after December 31, 2020. As a result of the Securities Exchange Agreement, the Company recorded interest on the Notes at December 31, 2020 in the amount of US \$2,749 and thereafter no interest was recorded.

On December 31, 2021, the Notes were amended to extend the principal and interest due date to January 31, 2022 and on January 31, 2022 the Notes were further amended to extend the principal and interest due date to, March 31, 2022.

On March 31, 2022, following the closing of the RTO, the Company issued 771,075 common shares at \$0.35 per share as settlement of the convertible notes and interest due.

THIOGENESIS THERAPEUTICS, CORP.
(Formerly: Rozdil Capital Corporation)
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

7. PROMISSORY NOTES

At December 31, 2020, the Company had issued non-interest-bearing promissory notes to the Chief Executive Officer of the Company for proceeds of US\$39,200. As of December 31, 2021, the balance of the promissory notes was \$48,984 (US\$39,200). On April 8, 2022, the promissory notes in the amount of \$50,172 (US \$39,200) were repaid in full.

8. LOANS PAYABLE

On December 1, 2021, the Company received proceeds of \$65,000 and issued a promissory note, due on demand and bearing interest at 4% per annum to a director of the Company. During the nine months ended September 30, 2022, the Company recorded \$715 of interest. (December 31, 2021: \$197). On April 8, 2022, the Company repaid the note of \$65,000 and paid interest of \$912 on May 31, 2022.

On December 1, 2021, the Company received proceeds of \$60,000 and issued a promissory note, due on demand and bearing interest at 4% per annum to a director of the Company. During the nine months ended September 30, 2022, the Company recorded \$690 of interest. (December 31, 2021: \$152). On April 8, 2022, the Company repaid the note of \$60,000 and paid interest of \$842 on May 31, 2022.

In connection with the RTO, on December 1, 2021, the Company received proceeds of \$25,000 and issued a demand promissory note to Rozdil, bearing interest at 4% per annum. For the three months ended March 31, 2022, the Company recorded interest of \$256. Upon closing of the RTO, the intercompany note and interest was eliminated upon consolidation.

9. DERIVATIVE LIABILITIES

At December 31, 2021, TTI US had warrants issued with an exercise price in Canadian Dollars which was different from the functional currency of TTI US (United States Dollars) and accordingly the warrants were treated as a financial liability and the fair value movement during the period was recognized in the Unaudited Condensed Interim Consolidated Statement of Operations and Other Comprehensive Income (Loss).

The following table set out the changes in derivative warrant liabilities during the respective periods.

	Number of Derivative Warrants	Value Assigned \$US	Value Assigned \$CDN	Average Exercise Price \$CDN
Balance, December 31, 2020	-	-	-	-
Warrants issued	1,000,000	170,530	213,094	0.50
Fair value re-measurement	-	(51,889)	(64,840)	
Balance, December 31, 2021	1,000,000	118,641	148,254	0.50
Fair value re-measurement	1,000,000	55,603	69,481	
Beginning Balance ,March 31, 2022		174,244	217,735	0.50
Fair value transferred to reserves		(174,244)	(217,735)	0.50
Balance, September 30, 2022	-	-	-	-

THIOGENESIS THERAPEUTICS, CORP.
(Formerly: Rozdil Capital Corporation)
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

On March 23, 2021, TTI US closed a non-brokered private placement and issued 2,000,000 units for gross cash proceeds of US \$537,186. Each unit was comprised of one (1) common share and one-half (1/2) of a common share purchase warrant (each whole warrant, a "Warrant") (the "Units"). Each whole warrant will entitle the holder to acquire one common share of the Company at a price of CDN\$0.50 per warrant for a period of two years following the closing date. The amount allocated to derivative liabilities based on fair value using the Black-Scholes pricing model was \$170,530 assuming an estimated life of 2 years, a risk-free rate of 0.23% an expected dividend rate of 0.00%, and an expected annual volatility of 137%. At December 31, 2021, the Company revalued the warrants using the Black-Scholes pricing model and the amount allocated to derivative liabilities was \$118,641 assuming an estimated life of 1.2 years, a risk-free rate of 0.95% an expected dividend rate of 0.00%, and an expected annual volatility of 127%. At December 31, 2021, the Company recorded a gain on the revaluation of \$51,889.

Upon closing of the RTO on March 31, 2022, the Company reissued and revalued the 1,000,000 outstanding warrants using the Black-Scholes pricing model and the amount allocated to common share purchase warrants reserve was \$217,735 assuming an estimated life of 2 years, a risk-free interest rate of 2.21% an expected dividend rate of 0.00%, and an expected annual volatility of 139%. Upon closing the RTO, the Company's functional and reporting currency is the Canadian Dollar which is the exercise price of the warrants and accordingly the fair value of the warrants were reallocated to shareholders' equity (see Note 10 Common Share Purchase Warrants).

The following tables set out the number of derivative liabilities outstanding at December 31, 2021:

Number of Warrants	Exercise Price CDN (\$)	Expiry Date	Weighted Average Remaining Life (Years)	Fair Value US (\$)
1,000,000	\$0.50	March 21, 2023	1.22	118,641

10. SHARE CAPITAL AND RESERVES

Share Capital

Authorized:

Unlimited common shares

Issued:

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

	Note	#	\$
Balance, December 31, 2020		10,000,000	581,064
Private placement of units	(i)	2,000,000	458,173
Balance, December 31, 2021		12,000,000	1,039,237
Common shares issued for RTO	(ii)	5,139,100	1,798,685
Common shares issued on conversion of special warrants, net	(iii)	10,000,000	3,246,718
Common shares issued for convertible promissory notes	(ix)	771,075	269,876
Exercise of finder's options	(v)	332,500	159,301
Balance September 30, 2022		28,242,675	6,513,817

THIOGENESIS THERAPEUTICS, CORP.
(Formerly: Rozdil Capital Corporation)
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

(i) On March 15, 2021, the Company closed a non-brokered private placement and issued 2,000,000 units for gross proceeds of \$671,267 (US\$537,186). Each unit is comprised of one common share and one-half of a common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of CDN\$0.50 until March 31, 2024. The amount allocated to derivative liabilities based on fair value using the Black-Scholes model was \$213,094 (see Common Share Purchase Warrants below and Note 9 Derivative Liabilities).

(ii) In connection with the closing of the RTO on March 31, 2022, the Company issued 5,139,100 common shares at a deemed price of \$0.35 per common share to effect the RTO for consideration of \$1,798,865. The Company had 5,139,100 common shares outstanding prior to the RTO. On consolidation the Company eliminated the pre-RTO common shares and the corresponding pre-RTO share value (see Note 4 Reverse Takeover Transaction).

(iii) In connection with the RTO on July 30, 2021, the Company closed in escrow a non-brokered private placement of 10,000,000 Special Warrants of the Company at a purchase price of \$0.35 per Special Warrant for aggregate gross proceeds of \$3.5 million. Each Special Warrant was converted into one (1) common share of the Company without further consideration (the "Special Warrants"). The conversion of the Special Warrants took place on March 31, 2022.

In connection with the Special Warrants financing, the Company paid a cash finder's fees equal to an aggregate of \$159,250 and issued 455,000 compensation options (the "Finder's Options"). At March 31, 2022, the Company recorded a total of \$194,542 of costs directly related to the Special Warrants (see Common Share Purchase Options below).

(ix) In connection with the closing of the RTO on March 31, 2022, the Company issued 771,075 common shares at a deemed price of \$0.35 per common share to settle convertible promissory notes and interest of \$269,876.

(v) During the period ended September 30, 2022, 332,500 finder's options were exercised at \$0.35 per share for proceeds of \$116,375. The fair value attributed to these finder's options was \$49,926 (see Finder's Options below).

Escrow Securities

CPC Escrow

An aggregate of 2,775,000 common shares are held in escrow in accordance with the CPC Policy of the TSXV and shall be released as to 10% immediately following the issuance of the Final TSXV Bulletin dated April 11, 2022 (the "Bulletin") and as to 15% every six months thereafter.

Value Security Escrow

In addition to the CPC Escrowed common shares a further 10,737,869 common shares will be held in escrow after giving effect to the RTO and shall be released as to 10% on the date of the Bulletin and as to 15% every six months thereafter.

THIOGENESIS THERAPEUTICS, CORP.
(Formerly: Rozdil Capital Corporation)
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

Weighted Average Shares Outstanding

The following table summarizes the weighted average shares outstanding:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Weighted Average Shares Outstanding, basic and diluted	28,239,822	12,000,000	22,585,485	11,465,201

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.

Common Share Purchase Options

The Company has established a stock option plan for its directors, officers and consultants under which the Company may grant options from time to time to acquire a maximum of 10% of the outstanding common shares on a rolling basis. The exercise price of each option granted under the plan shall be determined by the Board of Directors (see Note 15 Subsequent Events)

Options may be granted for a maximum term of ten 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 Company 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.

For the three and nine months ended September 30, 2022, the Company recorded share based compensation expense of \$100,369 and \$288,244, respectively (September 30, 2021: \$1,658 and \$4,939, respectively).

The following table is a summary of the status of the Company's common share purchase options and changes during the period:

	Number of Options	Weighted Average Exercise Price \$
Balance December 31, 2021	300,000	US 0.125
TTI US common share purchase options released	(300,000)	US 0.125
Balance	-	-
Consultant common share purchase options granted	300,000	CDN \$0.20
Directors common share purchase options granted	1,950,000	CDN \$0.35
Consultant common share purchase options granted	150,000	CDN \$0.35
Consultant common share purchase options granted	50,000	CDN \$0.35
Advisory board common share purchase options granted	150,000	CDN \$0.50
Balance, September 30, 2022	2,600,000	CDN \$0.31

THIOGENESIS THERAPEUTICS, CORP.
(Formerly: Rozdil Capital Corporation)
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

In connection with the closing of the RTO on March 31, 2022, the 300,000 TTI US stock options previously granted were released and the fair value of \$35,941 was recorded in reserves.

In connection with the closing of the RTO on March 31, 2022, 300,000 immediately vesting common share purchase options were granted to consultants (former TTI US optionees). The 300,000 stock options are exercisable at \$0.20 until March 31, 2025. 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 2.21%, expected volatility of 147% and an expected life of three years. The fair value attributed to these options was \$89,707.

On March 31, 2022, the Company granted 1,950,000 common share purchase options exercisable at \$0.35 per share until March 31, 2032 to directors and officers of Company. The options vest 25% on each of September 30, 2022, March 31, 2023, September 30, 2023 and March 31, 2024. 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 2.21%, expected volatility of 142% and an expected life of ten years. The fair value attributed to these options was \$664,460.

On March 31, 2022, the Company granted 150,000 common share purchase options exercisable at \$0.35 per share until March 31, 2025 to consultants of the Company. The options vest 50% on each of September 30, 2022 and March 31, 2023. 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 2.21%, expected volatility of 147% and an expected life of three years. The fair value attributed to these options was \$40,236.

On April 11, 2022, the Company granted 50,000 common share purchase options exercisable at \$0.35 per share until March 31, 2025 to a consultant of the Company. The options vest 50% on each of September 30, 2022 and March 31, 2023. 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 2.21%, expected volatility of 147% and an expected life of three years. The fair value attributed to these options was \$13,365.

On August 30, 2022, the Company granted 150,000 common share purchase options exercisable at \$0.50 per share until August 31, 2032 to members of the advisory board of the Company. The options vest 25% on each of March 31, 2023, August 30, 2023, March 31, 2024 and August 30, 2024. 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 3.14%, expected volatility of 142% and an expected life of ten years. The fair value attributed to these options was \$73,418.

The following table is a summary of the status of the Company's Finder's Options and changes during the period:

	Number of Finder's Options	Weighted Average Exercise Price \$
Balance December 31, 2021	-	-
Finder's options granted	455,000	0.35
Finder's options exercised	(332,500)	0.35
Finder's options expired	(122,500)	0.35
Balance, September 30, 2022	-	-

THIOGENESIS THERAPEUTICS, CORP.
(Formerly: Rozdil Capital Corporation)
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

In connection with the Special Warrants Concurrent Financing, on July 30, 2021, the Company 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 until July 29, 2022, subject to an acceleration clause which provides that if the common shares of the Company trade at or above \$0.70 per share for a period of twenty (20) consecutive trading days, the Company 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 Finder's 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 Finder's Options was \$58,740.

On April 22, 2022, 231,000 Finder's Options were exercised at \$0.35 per shares for proceeds of \$80,850. The fair value attributed to these options was \$29,822.

On June 14, 2022, 91,000 Finder's Options were exercised at \$0.35 per shares for proceeds of \$31,850. The fair value attributed to these options was \$11,748.

Only July 26, 2022, 10,500 Finder's Options were exercised at \$0.35 per shares for proceeds of \$3,675. The fair value attributed to these options was \$1,356.

Only July 29, 2022, 122,500 Finder's Options exercisable at \$0.35 expired unexercised. The fair value attributed to these options was \$15,814.

The following table is a summary of the Company's stock options and Finder's Options outstanding and exercisable as at September 30, 2022 and December 31, 2021, respectively:

Expiry Date	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Stock Options Outstanding	Number of Stock Options Vested (Exercisable)
March 31, 2025	\$0.20	2.50	300,000	300,000
March 31, 2032	\$0.35	9.51	1,950,000	487,500
March 31, 2025	\$0.35	2.50	200,000	100,000
August 31, 2022	\$0.50	9.93	150,000	-
As at September 30, 2022	\$0.31	7.61	2,600,000	887,500

Expiry Date	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Stock Options Outstanding	Number of Stock Options Vested (Exercisable)
June 26, 2030	US\$0.125	8.49	300,000	175,475
As at December 31, 2021	US\$0.125	8.49	300,000	175,475

THIOGENESIS THERAPEUTICS, CORP.
(Formerly: Rozdil Capital Corporation)
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

Common Share Purchase Warrants

The following table summarizes the changes in common share purchase warrants for the periods set out:

	Number of Warrants	Weighted Average Price \$
Balance, December 31, 2020	-	-
Warrants issued	1,000,000	0.35
Balance, September 30, 2022 and December 31, 2021	1,000,000	0.35

Upon closing of the RTO on March 31, 2022, the Company reissued and revalued the 1,000,000 outstanding warrants using the Black-Scholes pricing model and the amount allocated to common share purchase warrants was \$217,735 assuming an estimated life of 2 years, a risk-free interest rate of 2.21% an expected dividend rate of 0.00%, and an expected annual volatility of 139%. Upon closing the RTO, the Company's functional and reporting currency is the Canadian Dollar which the exercise price of the warrants is denominated and accordingly the fair value of the warrants was reallocated to reserves in shareholders' equity

The following tables summarize the outstanding common share purchase warrants as at September 30, 2022:

	Number of Warrants	Exercise Price	Expiry Date	Weighted Average Remaining Life (Years)	Warrant Value (\$)
September 30, 2022	1,000,000	\$0.35	March 31, 2024	1.50	\$217,735

11. RELATED PARTY TRANSACTIONS

The following transactions with individuals related to the Company arose in the normal course of business have been accounted for at the amount agreed to by the related parties.

Compensation of Key Management Personnel

The remuneration of directors and other members of key management personnel during the reporting periods were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Salaries and management fees (1)	\$83,242	\$-	\$162,708	\$-
Share based compensation (2)	83,740	1,658	166,570	4,939
Director fees (3)	16,623	-	57,179	-
Total	\$183,605	\$1,658	\$386,457	\$4,939

- 1) Salaries and management fees paid or accrued to the CEO and CFO.
- 2) Share based compensation recorded on stock options granted to directors and officers.
- 3) Director fees paid or accrued to directors of the Company.

THIOGENESIS THERAPEUTICS, CORP.
(Formerly: Rozdil Capital Corporation)
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

In connection with the RTO closing on March 31, 2022, a convertible promissory note together with accrued interest in the amount of \$11,394 (US \$9,118) payable to a former director of the Company was settled by the issuance 33,206 common shares (December 31, 2021: \$11,394). As of September 30, 2022, included in accounts payable and accrued liabilities was Nil and (December 31, 2021: \$4,998) payable to the same former director of the Company.

In connection with the RTO closing on March 31, 2022, a convertible promissory note together with accrued interest in the amount of \$253,207 (US \$202,631) payable to the CEO of the Company was settled by the issuance 737,869 common shares (December 31, 2021: \$253,207).

At December 31, 2021, the Company had a non-interest bearing promissory note payable to the CEO in the amount of \$48,984 (US \$39,200). On April 8, 2022, paid the promissory note in full of \$50,172 (US \$39,200).

On December 1, 2021, the Company received proceeds of \$65,000 and issued a promissory note, due on demand and bearing interest at 4% per annum to a director of the Company. During the nine months ended September 30, 2022, the Company recorded \$715 of interest (December 31, 2021: \$197). On April 8, 2022, the Company repaid the note of \$65,000 and paid interest of \$912 on May 31, 2022.

On December 1, 2021, the Company received proceeds of \$60,000 and issued a promissory note, due on demand and bearing interest at 4% per annum to another director of the Company. During the nine months ended September 30, 2022, the Company recorded \$690 of interest (December 31, 2021: \$152). On April 8, 2022, the Company repaid the note of \$60,000 and paid interest of \$842 on May 31, 2022.

12. CAPITAL MANAGEMENT

The capital managed by the Company includes the components of shareholders' equity as described in the Unaudited Condensed Interim Consolidated Statements of Shareholders' Equity. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's capital management for the period ended September 30, 2022.

The Company's objectives of capital management are to create long-term value and economic returns for its shareholders. It does this by seeking to maximize its resources to fund the growth and development of its business, and to support the working capital required to maintain its ability to continue as a going concern. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its assets by seeking to limit shareholder dilution and optimize its cost of capital while maintaining an acceptable level of risk. In order to maintain or adjust its capital structure, the Company considers all sources of financing reasonably available to it, including but not limited to the issuance of new capital, the issuance of new debt, the receipt of government grants and the sale of assets in whole or in part.

13. FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk

Credit risk is primarily related to the Company's receivables and cash and cash held in trust and the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. At September 30, 2022, accounts receivable was \$21,564 of which \$20,691 was Goods and Services Tax (December 31, 2021: \$13,023 of which of \$9,567 was Goods and Services Tax). At September 30, 2022, the grant receivable from the Australian Government was Nil (December 31, 2021: \$152,972).

THIOGENESIS THERAPEUTICS, CORP.
(Formerly: Rozdil Capital Corporation)
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

Concentration risk exists in cash because cash and cash held in trust balances are maintained with financial institutions. The risk is mitigated because the financial institutions are international banks and all amounts are due on demand.

The Company's maximum exposure to credit risk is as follows:

	September 30, 2022	December 31, 2021
Cash and cash held in trust	\$1,613,807	\$61,641
Account receivable	21,564	13,023
Grant receivable	-	152,972
	\$1,635,371	\$227,636

Currency Risk

The Company's functional and presentation currency is the Canadian Dollar. The Company's wholly owned Delaware subsidiary TTI US's functional currency is the United States Dollar. A significant change in the currency exchange rates between the Canadian Dollar relative to United States Dollar could have an effect on the Company's financial instruments. The Company does not hedge its foreign currency exposure.

The following assets and liabilities are denominated in United States Dollars as at the periods set out below:

	September 30, 2022 (\$)	December 31, 2021 (\$)
	(1)	(1)
Cash	119,608	45,448
Accounts payable and accrued liabilities	(3,739)	(175,962)
Promissory note and loans	-	(152,547)
Convertible promissory notes	-	(211,749)
Derivative liabilities	-	(141,984)
Net assets (liabilities) denominated in US\$	115,869	(636,794)
Net assets (liabilities) CDN dollar equivalent at period end (1)	158,822	(795,738)

(1) Translated at the exchange rate in effect at September 30, 2022: \$1.3707 (December 31, 2021: \$1.2496)

The following table shows the estimated sensitivity of the Company's total loss for the period set out from a change in the US dollar exchange rate in which the Company has exposure with all other variables held constant.

	September 30, 2022		December 31, 2021	
	Increase	Decrease	Increase	Decrease
Percentage change in CDN Dollar	In total loss from a change in % in the US Exchange Rate (\$)		In total loss from a change in % in the US Exchange Rate (\$)	
5%	(10,855)	10,885	(49,718)	49,718
10%	(21,770)	21,770	((99,435)	99,435
15%	(32,665)	32,655	(149,153)	149,153

Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash accounts is relatively unaffected by changes in short term interest rates. The income earned on certain bank accounts is subject to the movements in interest rates. Currently, this risk will have an immaterial effect on operations.

THIOGENESIS THERAPEUTICS, CORP.
(Formerly: Rozdil Capital Corporation)
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

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's main source of cash resources has been through equity financings, grants and loans. The Company's financial obligations are limited to its current liabilities which have contractual maturities of less than one year. The Company manages liquidity risk as part of its overall "Management of Capital".

The following tables illustrate the contractual maturities of financial liabilities as at September 30, 2022 and December 31, 2021, respectively:

September 30, 2022

	Payments Due by Period \$				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Accounts payable and accrued liabilities	80,931	80,931	-	-	-
Total	80,931	80,931	-	-	-

December 31, 2021

	Payments Due by Period \$				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Accounts payable and accrued liabilities	671,124	671,124	-	-	-
Convertible promissory notes payable	264,601	264,601	-	-	-
Promissory notes payable	48,984	48,984	-	-	-
Loans payable	150,000	150,000	-	-	-
Total	1,134,709	1,134,709	-	-	-

Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

As of September 30, 2022 and December 30, 2021, cash and cash held in trust is recorded at fair value under level 1 within the fair value hierarchy, and derivative liabilities are classified as level 2.

Management believes that the recorded values of cash and cash held in trust, accounts receivable, tax credit receivable, accounts payable and accrued liabilities, convertible promissory notes, promissory notes, loans payable and derivative liabilities approximate their current fair values because of their nature and anticipated short-term settlement dates.

THIOGENESIS THERAPEUTICS, CORP.
(Formerly: Rozdil Capital Corporation)
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

14. EXPENSES BY NATURE

The Company presents operating expenses by function. The following tables present a breakdown of research and development costs and general and administrative costs for the period set out:

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2022	2021	2022	2021
Research and development				
Subcontract labor	\$375,972	\$207,524	\$517,565	\$780,799
Professional fees	56,426	24,288	158,125	95,067
Share based compensation	35,326	1,658	158,865	4,939
Director fees	1,755	9,370	9,071	18,990
Salaries	54,819	-	108,090	-
Travel	230	-	5,002	-
Total research and development	\$524,528	\$242,840	\$956,718	\$899,795

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2022	2021	2022	2021
General and administrative				
Share based compensation	\$65,043	\$-	\$129,379	\$-
Professional fees	19,973	171,073	90,944	215,171
Insurance	39	12	323	3,450
Bank charges	653	166	1,522	1,063
General and office	3,816	5,105	17,013	12,875
Transfer agent fees and expenses	1,092	-	8,851	-
Shareholders information	6,204	-	18,348	-
Stock exchange fees	500	-	38,753	-
Head office accommodation	900	-	1,800	-
Director fees	24,899	-	48,108	-
Filing fees	150	-	1,046	-
Annual meeting costs	4,438	-	4,438	-
Accounting and corporate secretarial	20,000	-	42,500	-
Travel	5,278	-	5,278	-
Management fees	28,424	-	67,334	-
Total general and administrative	\$181,409	\$176,356	\$475,637	\$232,559

15. SUBSEQUENT EVENTS

Subsequent to September 30, 2022, the Exchange approved the Company's revised stock option plan from a 10% rolling plan to a fixed 20% of the issued and outstanding shares as of August 15, 2022, or 5,648,535 as approved by directors and the disinterested shareholders at the Company's Annual and Special Meeting held on September 19, 2022.