



THIOGENESIS THERAPEUTICS, CORP.

Management's Discussion and Analysis

For the Three and Nine Months Ended

September 30, 2023

(Expressed in Canadian Dollars)

OVERVIEW

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.

Rozdil Capital Corporation (“Rozdil”) was a capital pool company (“CPC”) listed on the TSX Venture Exchange (the “TSXV”) that received approval from the TSXV for its acquisition of all the outstanding shares of Thiogenesis Therapeutics, Inc., (“TTI US”) as its proposed “Qualifying Transaction” as defined under TSXV policies. The transaction constituted a reverse take-over (“RTO”) by Rozdil which acquired all 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 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.sedarplus.ca.

The following Management’s Discussion and Analysis (“MD&A”) of the Company should be read in conjunction with the Company’s unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2023, and 2022, together with notes thereto and the Company’s consolidated financial statements for the year ended December 31, 2022, together with notes thereto.

The Company’s unaudited condensed interim consolidated financial statements, including comparatives have been prepared in accordance with International Accounting Standards (“IAS”) 34 ‘Interim Financial Reporting’ (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The accounting policies and methods of computation applied by the Company in the unaudited condensed interim consolidated financial statements are the same as those applied in the Company’s annual consolidated financial statements for the year ended December 31, 2022. All amounts herein are presented in Canadian dollars, unless otherwise noted.

This Management’s Discussion and Analysis is dated November 16, 2023, and has been approved by the Board of Directors of the Company.

ABOUT TTI

Thiogenesis Therapeutics, Corp. is a clinical-stage biopharmaceutical company that is developing proprietary, new chemical entities (“NCEs”), that are prodrugs and that act as precursors to thiol-active compounds. Thiols or thiol derivatives are organosulfur compounds that have an R-SH functional group, where the functional group is responsible for chemical reactions independent of the overall compound. Highly reactive sulfur makes thiols active in chemistry and creates several promising mechanisms of action that have potential as therapeutics.

Lead Compound

The Company’s lead compound TTI-0102 is a disulfide, made up of two thiols that lead to two independent cysteamine molecules. Cysteamine is a thiol that has been rigorously studied and tested, it is the active ingredient used in drugs to treat the lysosomal storage disease - (nephropathic) cystinosis. TTI-0102 has been developed to address the important obstacles facing thiol-based drugs, their short half-life, strong gastrointestinal (“GI”) side-effects and dosing limitations.

As a prodrug, TTI-0102 is metabolized into cysteamine molecules after it is ingested, the metabolic process acts as a gating mechanism that eliminates the spike in immediate release cysteamine that is commonly linked to GI side effects. It also allows for increased dosing and has shown potential to be administered once-a-day.

A Phase 1 clinical trial on healthy volunteers in Australia, evaluating safety and dose escalation, was successfully completed in Q2-2022. The trial demonstrated that the dosing of TTI-0102 could be increased by 4x the equivalent of cysteamine used to treat cystinosis; without significant side effects and while maintaining a minimum therapeutic level for up to twenty-four hours.

Regulatory

TTI is planning submissions to the Food and Drug Administration (“FDA”) and/or European Medicines Agency (“EMA”) for human efficacy trials in mitochondrial disease, Rett syndrome and pediatric non-alcoholic fatty liver disease (“NAFLD/NASH”). As a prodrug, TTI-0102 is eligible to use the accelerated 505 (b)(2) regulatory pathway with FDA and its equivalent with EMA, which would allow the use of third-party safety data, saving significant time and cost in advancing to human efficacy trials.

MELAS

Mitochondrial encephalomyopathy, lactic acidosis, and stroke like episodes (“MELAS”) is a genetic disorder of the mitochondria. It is a disease that affects the function and development of the brain, causing neurological impairment, lowering oxygen levels in the blood and seizures. There are no approved treatments for MELAS, and there are an estimated 30,000 patients in the US (<https://www.ncbi.nlm.nih.gov/books/NBK532959/>). The key mechanisms of action for TTI-0102, applied to MELAS, are its thiol-disulfide balancing mechanism (redox activity) and acting as a precursor to glutathione (antioxidant) and taurine (cytoprotective).

Rett Syndrome

Rett syndrome is a neurodevelopmental disorder that affects mostly young girls. It is caused by a mutation in the MECP2 gene, critical in the development of the brain. Symptoms from Rett syndrome includes, loss of motor skills, loss of communication abilities, and seizures; however, its most distinguishing symptom is noticeable abnormal hand movements. There are an estimated 25,000 girls with Rett syndrome in Europe (<https://doi.org/10.1186/s13643-023-02169-6>) and clinical trials are planned for France. Key mechanisms of action of TTI-0102 for Rett syndrome is the promotion of Brain Derived Neurotropic Factor (“BDNF”), important in neuronal survival and growth, in addition, it is a precursor to the important antioxidant glutathione, that reduces oxidative stress in the mitochondria.

Pediatric NASH

Non-alcoholic fatty liver disease (“NAFLD”) is condition that occurs when there is a build-up of fat in the liver. When NAFLD progresses to non-alcoholic steatohepatitis (“NASH”) there is inflammation of the liver and liver damage, often leading to cirrhosis (where the liver is scarred permanently). Cirrhosis may lead to liver cancer or liver failure with the need for a transplant. Building on cysteamine’s decades long history as a safe pediatric drug, treating children with cystinosis, TTI is targeting the unmet medical need of pediatric NASH as its initial indication in liver disease. There are up to 7 million children with pediatric NAFLD and an estimated 1.5 million that have NASH in the US (<https://www.niddk.nih.gov/health-information/liver-disease/nafl-d-nash-children/definition-facts>). There are important links between a healthy mitochondria and NASH; suggesting that potential interventions that target the thiol/disulfide balance and its impact on mitochondrial health could have a clinical benefit on NASH. In addition, there are potential benefits in treating NASH from increasing exposure to antioxidants and anti-inflammatories like those provided by TTI-0102.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS AND RISK FACTORS

Certain statements and information in this Management's Discussion and Analysis ("MD&A") contain forward-looking statements or forward-looking information under that may not be based on historical fact, including, without limitation, statements containing the words "believe", "may", "plan", "will", "estimate", "continue", "anticipate", "intend", "expect", "predict", "project", "potential", "ongoing", "could", "would", "seek", "target" or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words and similar expressions.

Forward-looking statements are necessarily based on estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as factors that we believe are appropriate. Forward-looking statements in this MD&A include, but are not limited to, statements relating to:

- the initiation, timing, cost, progress and success of our research and development programs;*
- our ability to advance product candidates into, and successfully complete, preclinical studies and clinical trials;*
- the implementation of our business model and strategic plans;*
- estimates of our expenses, future revenue, capital requirements and our need for additional financing;*
- our commercialization, marketing, manufacturing, quality assurance, finance and management capabilities and strategy;*
- our ability to engage and retain the employees, consultants or third party research and development contractors required to grow our business;*
- our ability to achieve profitability;*
- our ability to protect our intellectual property and operate our business without infringing upon the intellectual property rights of others; and*
- our expectations regarding market risk, including overall market conditions, interest rate changes and foreign currency fluctuations.*

Such forward-looking statements reflect our current views with respect to future events, are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant scientific, business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause our actual results, performance, achievements, prospects or opportunities to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. In making the forward-looking statements included in this MD&A, the Company has made various material assumptions, including, but not limited to: (i) obtaining regulatory approvals for future clinical trials; (ii) obtaining positive results from the Company's clinical trials; (iii) assumptions regarding general business and economic conditions; (iv) the Company's ability to successfully develop experimental compounds; (v) the availability of financing on reasonable terms; (vi) the Company's ability to attract and retain skilled staff; (vii) assumptions regarding market competition; (viii) the products offered by the Company's competitors; and (ix) the Company's ability to protect patents and proprietary rights.

In evaluating forward-looking statements, current and prospective shareholders should specifically consider various factors, including the risks outlined in this MD&A under the heading "Risks and Uncertainties". Should one or more of these risks or uncertainties, or a risk that is not currently known to us, materialize, or should assumptions underlying the forward-looking statements contained herein prove incorrect, actual results may vary materially from those described herein. All forward-looking statements herein are made as of the date of this MD&A and we do not intend, and do not assume any obligation, to update these forward-looking statements except as required by applicable securities laws. Investors are cautioned that forward-looking statements are not guarantees of future performance and are inherently uncertain. Accordingly, investors are cautioned not to put undue reliance on forward-looking statements.

OVERALL PERFORMANCE

In May 2022 the Company completed its Phase 1 clinical trial administering oral TTI-0102 in healthy volunteers in Australia. The Phase 1, "Open-Label, Dose-Escalation Study - to Evaluate Safety, Tolerability and Pharmacokinetics of Oral TTI-0102 Compared to Cystagon® (cysteamine bitartrate) in Healthy Volunteers", demonstrated that TTI-0102 was safe and well tolerated at dose levels ranging from 600 mg cysteamine-base equivalent to 2400 mg cysteamine-base equivalent with no serious adverse events. The pharmacokinetic ("PK") profile suggests the potential for once-a-day dosing at target therapeutic levels compared to the required four times a day dosing with Cystagon®.

The results from this study will be used to support the Company's Investigational Medicinal Product Dossier ("IMPD") submission in Europe and its Investigational New Drug ("IND") submissions in the US for human efficacy trials in multiple disease indications including MELAS, Rett syndrome and pediatric NASH.

For the three months ended September 30, 2023, the Company recorded a net loss of \$1,054,545 and a net loss per share, basic and diluted of \$0.03 compared to net loss of \$705,782 and a net loss per share, basic and diluted of \$0.02 for the three months ended September 30, 2022. For the three months ended September 30, 2023, the company recorded research and development costs of \$864,360 compared to \$524,528 for the three months ended September 30, 2022. For the three months ended September 30, 2023, the Company incurred general and administrative expenses of \$230,946 versus \$181,409 for the three months ended September 30, 2022. The increase in net loss experienced during the three months ended September 30, 2023, compared to September 30, 2022, was primarily related to an increase in research and development costs of \$339,832 and an increase in general and administrative expenses of \$49,537.

For the nine months ended September 30, 2023, the Company recorded a net loss of \$2,991,618 and a net loss per share, basic and diluted of \$0.08 compared to a net loss of \$3,478,907 and a net loss per share, basic and diluted on \$0.15 for nine months ended September 30, 2022. For nine months ended September 30, 2023, the company recorded research and development costs of \$2,375,536 compared to \$956,718 for the nine months ended September 30, 2022. For the nine months ended September 30, 2023, the Company incurred general and administrative expenses of \$704,791 versus \$475,637 for the nine months ended September 30, 2022. The decrease in net loss experienced during the nine months ended September 30, 2023, compared to September 30, 2022, was primarily related to a decrease in listing expense to \$nil compared to \$1,973,753 recorded in the nine month period ended September 30, 2022 partially offset by an increase of \$1,418,818 in research and development expenses and an increase of \$229,154 in general and administrative expenses.

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").

In exchange for all of the outstanding securities of TTI US, the former shareholders of TTI US received a total of 12,000,000 common shares of the Company, representing 70% of the total issued and outstanding shares of the Company, prior to giving effect to the Special Warrant financing) and the settlement of the convertible promissory notes.

For accounting purposes, the Transaction was accounted for as a RTO, with TTI US identified as the accounting acquirer, and the Company identified as the accounting acquiree. As the Company did not meet the definition of a business under IFRS 3, the Transaction was accounted for as a Share-based payment in accordance with IFRS 2.

The fair value of share consideration comprises the 5,139,100 common shares maintained by the original shareholders of the Company, fair valued by reference to the special warrant financing completed concurrent with the RTO transaction. The Company incurred an additional \$38,563 comprising legal, accounting, and filing fees which have been included in the listing expense in the unaudited condensed interim consolidated statements of operations and other comprehensive income (loss).

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

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

Net Assets (Liabilities) Acquired	
Cash and cash equivalents	\$ 107,457
Cash held in escrow	3,340,458
Loan receivable	25,332
Accounts receivable	39
Accounts payable and accrued liabilities	(304,333)
Special warrants liability, net	(3,305,458)
Fair Value of Net Assets (Liabilities) Acquired	\$ (136,505)
Fair value of share consideration	\$ 1,798,685
Legal and other costs related to transaction	38,563
	1,837,248
Less fair value of net assets (liabilities) acquired	136,505
Total Listing Expense	\$ 1,973,753

RESULTS OF OPERATIONS

The following tables reflects the summary of results for the periods as set out:

	Three Months Ended		Nine Months Ended	
	September		September	
	2023 (\$)	2022 (\$)	2023 (\$)	2022 (\$)
Total assets	3,686,136	1,635,371	3,686,136	1,635,371
Total revenue	-	-	-	-
Net loss	(1,054,545)	(705,782)	(2,991,618)	(3,478,907)
Net loss per share, basic and diluted	(0.03)	(0.02)	(0.08)	(0.15)

The following table presents a breakdown of research and development costs for the periods set out:

Research and development expenses	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Subcontract labor	\$561,285	\$375,972	\$1,217,279	\$517,565
Professional fees	151,626	56,426	438,033	158,125
Stock based compensation	35,022	35,326	144,526	158,865
Director fees	-	1,755	9,107	9,071
Salaries	65,329	54,819	197,036	108,090
Travel	25,424	230	60,193	5,002
Shipping	25,674	-	25,674	-
Lab supplies	-	-	283,688	-
Total research and development	\$864,360	\$524,528	\$2,375,536	\$956,718

Subcontract Labor

For the three months ended September 30, 2023, subcontract labor was up \$185,313 to \$561,285 versus \$375,972 recorded for the three months ended September 30, 2022.

For the nine months ended September 30, 2023, subcontract labor was up \$699,714 to \$1,217,279 versus \$517,565 recorded for the nine months ended September 30, 2022.

The higher subcontract labor costs incurred during the three and nine months ended September 30, 2023, is attributed to the Company's increased development activity of its proprietary lead compound TTI-0102.

Professional Fees

For the three months ended September 30, 2023, the Company recorded professional fees of \$151,626 compared to \$56,426 for the three months ended September 30, 2022.

For the nine months ended September 30, 2023, the Company recorded professional fees of \$438,033 compared to \$158,125 for the nine months ended September 30, 2022.

The higher professional fees recorded in the current periods, primarily relate to costs associated with the Company's patents for its proprietary lead compound TTI-0102.

Stock Based Compensation

For the three months ended September 30, 2023, the Company recorded \$35,022 in stock based compensation expense which remained relatively consistent compared to stock based compensation expense of \$35,236 for the three months ended September 30, 2022.

For the nine months ended September 30, 2023, the Company recorded \$144,526 in stock based compensation expense compared to stock based compensation expense of \$158,865 for the nine months ended September 30, 2022.

The higher stock based compensation recorded in the nine month period ended September 30, 2022, was primarily related to the March 31, 2022, grant of 300,000 immediately vesting common share purchase options to consultants (former TTI US optionees) exercisable at \$0.20 until March 31, 2025. The options were estimated on the date of grant using the Black-Scholes option pricing model.

Director fees

For the three months ended September 30, 2023, the Company recorded director fees of \$nil versus \$1,755 for the three months ended September 30, 2022.

For the nine months ended September 30, 2023, the Company recorded director fees of \$9,107 compared to \$9,071 for the nine months ended September 30, 2022.

The fluctuation in director fees in 2023 versus 2022 is related to the director fee costs of the Company's Australian subsidiary.

Salaries

For the three months September 30, 2023, the Company recorded \$65,329 in salaries compared to \$54,819 for the three months ended September 30, 2022.

For the nine months September 30, 2023, the Company recorded \$197,036 in salaries compared to \$108,090 for the nine months ended September 30, 2022.

Following the RTO in March 2022, the Company commenced remunerating its CEO, which costs are included in research and development in the Company's statement of operations and other comprehensive loss.

Travel

For the three months ended September 30, 2023, the Company recorded \$25,424 in travel costs versus \$230 in travel costs for the three months ended September 30, 2022.

For the nine months ended September 30, 2023, travel costs were \$60,193 compared to \$5,002 for the nine months ended September 30, 2022.

Higher travel costs recorded in 2023, relate to attendance of various international meetings associated with proposed clinical trials.

Shipping

For the three months and nine months ended September 30, 2023, shipping costs were \$25,674 versus \$nil for the three months and nine months ended September 30, 2022.

The higher shipping costs for the three and nine months ended September 30, 2023, was primarily related to increased costs associated with shipping the Company's lead compound.

Lab Supplies

For the three month period ended September 30, 2023 and September 31, 2022, the Company recorded \$nil in lab supply costs. For the nine months ended September 30, 2023, the Company recorded \$283,688 in lab supply costs compared \$nil for the nine months ended September 30, 2022.

The lab supply costs relate to the pharmaceutical development of the Company's second-generation formulation of its lead compound TTI-0102.

Total Research and Development

For the three months ended September 30, 2023, total research and development costs were \$864,360 up by \$339,832 from \$524,528 for the three months ended September 30, 2022.

For the nine months ended September 30, 2023, total research and development costs were \$2,375,536 up by \$1,418,818 from \$956,718 for the nine months ended September 30, 2022.

The increase in total research and developments costs for the three and nine months ended September 30, 2023, is discussed in detail above.

The following table presents a breakdown of general and administrative expenses for the periods set out:

General and administrative expenses	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Professional fees	\$37,150	\$39,973	\$116,758	\$133,444
General and office	8,541	4,508	21,873	18,858
Stock based compensation	55,617	65,043	241,861	129,379
Management fees	55,618	28,424	165,373	67,334
Director fees	24,255	24,899	72,663	48,108
Public company expenses	9,535	13,284	25,066	73,236
Investor relations	40,230	-	40,230	-
Travel	-	5,278	20,967	5,278
Total general and administrative	\$230,946	\$181,409	\$704,791	\$475,637

Professional Fees

For the three months ended September 30, 2023, the Company recorded professional fees of \$37,150 which remained relatively consistent compared to \$39,973 for the three months ended September 30, 2022.

For the nine months ended September 30, 2023, the Company recorded professional fees of \$116,758 versus \$133,444 for the nine months ended September 30, 2022.

Legal fees were higher during the three and nine months ended September 30, 2022, primarily as a result of RTO related legal fees.

General and Office

For the three months ended September 30, 2023, the Company recorded \$8,541 in general and office costs up by \$4,033 compared to \$4,508 for the three months ended September 30, 2022.

For the nine months ended September 30, 2023, the Company recorded \$21,873 in general and office costs up by \$3,015 compared to \$18,858 for the nine months ended September 30, 2022.

General and office costs include shipping, reprint, computer and internet related expenses, telephone expenses and miscellaneous.

Stock Based Compensation

For the three months ended September 30, 2023, the Company recorded \$55,617 in stock based compensation expense compared to stock based compensation expense of \$65,043 for the three months ended September 30, 2022. The decrease in stock based compensation expense for the three months ended September 30, 2023, was related to the timing of vesting of certain options granted.

For the nine months ended September 30, 2023, the Company recorded \$241,861 in stock based compensation expense compared to stock based compensation expense of \$129,379 for the nine months ended September 30, 2022. The increase in stock based compensation expense for the nine months ended September 30, 2023, is primarily related to the December 8, 2022, grant of 350,000 common share purchase options to directors of the Company exercisable at \$0.60 per share until December 8, 2032. The options vest 20% on each of September 30, 2023, December 31, 2023, September 30, 2024, and December 31, 2024. The options were estimated on the date of issue using the Black-Scholes option pricing model.

Management Fees

For the three months ended September 30, 2023, the Company recorded management fees of \$55,618 compared to \$28,424 for the three months ended September 30, 2022.

For the nine months ended September 30, 2023, the Company recorded management fees of \$165,373 compared to \$67,334 for the nine months ended September 30, 2022.

Following the RTO in March 2022, the Company commenced remunerating its CFO, which amounts are recorded as management fees in the Company's unaudited condensed interim consolidated statements of operations and other comprehensive income (loss).

Director Fees

For the three months ended September 30, 2023, the Company recorded \$24,255 in director fees which was relatively consistent with \$24,899 for the three months ended September 30, 2022.

For the nine months ended September 30, 2023, the Company recorded \$72,663 in director fees compared to \$48,108 for the nine months ended September 30, 2022.

Following the RTO in March 2022, the Company commenced compensating independent directors at a rate of US\$6,000 per quarter.

Public Company Expenses

For the three months ended September 30, 2023, public company expenses were \$9,535 compared to \$13,284 for the three months ended September 30, 2022.

For the nine months ended September 30, 2023, public company expenses were \$25,066 compared to \$73,236 for the nine months ended September 30, 2022

Included in public company expenses is stock exchange fees, transfer agent fees, annual meeting costs, shareholders' information and filing fees. The Company incurred higher public company costs in the three and nine months ended September 30, 2022, related to the RTO.

Investor Relations

For the three and nine months ended September 30, 2023, investor relations costs were \$40,230 compared to \$nil for the three and nine months ended September 30, 2022. The increase in investor relations costs for the three and nine months ended September 30, 2023, was related to research and valuation costs of the Company.

Travel

For the three months ended September 30, 2023, the Company recorded \$nil in travel costs versus \$5,278 for the three months ended September 30, 2022.

For the nine months ended September 30, 2023, the Company recorded \$20,967 in travel costs versus \$5,278 for the nine months ended September 30, 2022.

Higher travel costs experienced during the nine months ended September 30, 2023, relate to costs associated with attendance of administrative and finance related meetings.

Total General and Administrative

For the three months ended September 30, 2023, total general and administrative costs were \$256,620 compared to \$181,409 for the three months ended September 30, 2022.

For the nine months ended September 30, 2023, total general and administrative costs were \$730,464 compared to \$475,637 for the nine months ended September 30, 2022.

The primary increases in general and administrative expenses experienced during the three and nine months ended September 30, 2023, are discussed in detail above.

Interest Income

For the three months ended September 30, 2023, the Company recorded interest income of \$44,918 versus \$nil for the three months ended September 30, 2022.

For the nine months ended September 30, 2023, the Company recorded interest income of \$135,381 versus \$nil for the nine months ended September 30, 2022. Higher interest income for the three and nine months ended September 30, 2023, was a result of the increased cash and cash equivalents position of the Company due to funds raised in a private placement in November 2022.

Loss on Foreign Exchange

For the three months ended September 30, 2023, the Company recorded a loss on foreign exchange of \$4,157 compared to \$nil for the three months ended September 30, 2022.

For the nine months ended September 30, 2023, the Company recorded a loss on foreign exchange of \$46,672 compared to \$nil for the nine ended September 30, 2022. The loss on foreign exchange is a result of the exchange difference on the Company's US cash translated into the Company's functional currency at September 30, 2023.

Listing Expenses

In connection with the closing of the RTO on March 31, 2022, the Company recorded \$1,973,753 in listing expenses for the nine months ended September 30, 2022, compared to \$nil for the nine months ended September 30, 2023 (see RTO discussion on page 5 above).

Loss on Derivative Liabilities

For the nine months September 30, 2023, the Company recorded a loss on derivative liabilities of \$nil compared to a loss of \$69,481 for the nine months ended September 30, 2022 (see Derivative Liabilities discussion on page 16 below).

The change in fair value of derivative liabilities during the respective periods was recognized in the unaudited condensed interim consolidated statements of operations and other comprehensive income (loss). TTI US issued the share purchase warrants with an exercise price in CAD, rather than US 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). Upon closing of the RTO in March 2022, the subject warrants were cancelled and reissued in the Company's functional currency (CAD) no longer requiring the recognition of the change in fair value in the unaudited condensed interim consolidated statements of operations and other comprehensive income (loss).

Borrowing Costs

For the three months September 30, 2023, the Company recorded borrowing costs of \$nil versus a recovery of borrowing costs of \$155 for the three months ended September 30, 2022.

For the nine months September 30, 2023, the Company recorded borrowing costs of \$nil versus borrowing costs of \$3,318 for the nine months ended September 30, 2022.

Borrowing costs were associated with the Company's loans payable, promissory notes and convertible promissory notes all of which were extinguished during the year ended December 31, 2022.

Net Loss

For the three months ended September 30, 2023, the Company recorded a net loss of \$1,054,545 and a net loss per share, basic and diluted of \$0.03 compared to net loss of \$705,782 and a net loss per share, basic and diluted of \$0.02 for the three months ended September 30, 2022. Components of the increase in net loss for the three months ended September 30, 2023, versus the three months ended September 30, 2022, are discussed in detail above.

For the nine months ended September 30, 2023, the Company recorded a net loss of \$2,991,618 and a net loss per share, basic and diluted of \$0.08 compared to net loss of \$3,478,907 and a net loss per share, basic and diluted of \$0.15 for the nine months ended September 30, 2022. Components of the decrease in net loss for the nine months ended September 30, 2023, versus the nine months ended September 30, 2022, are discussed in detail above.

Other Comprehensive Income (Loss)

Foreign currency translation

For the three months ended September 30, 2023, the Company recorded a loss on foreign currency translation of \$19,290 versus a loss of \$11,340 for the three months ended September 30, 2022.

For the nine months ended September 30, 2023, the Company recorded a loss on foreign currency translation of \$12,493 versus a gain of \$92,301 for the nine months ended September 30, 2022.

The foreign currency translation gains and losses result from translating TTI US's balance sheets from United States Dollars, Thiogenesis Australia Pty Ltd.'s balance sheets from Australian Dollars and Thiogenesis Therapeutics, EURL's balance sheets from Euro into the Company's functional currency, the Canadian Dollar at the period end exchange rate, and their respective results of operations converted at average exchange rates for the period.

QUARTERLY RESULTS

The following tables reflect the summary of quarterly results for the periods set out.

For the quarter ending	September 30, 2023 (\$)	June 30, 2023 (\$)	March 31, 2023 (\$)
Total assets	3,686,136	4,698,727	5,346,771
Total revenue	Nil	Nil	Nil
Net loss	(1,054,545)	(870,392)	(1,066,681)
Net loss per share, basic and diluted	(0.03)	(0.02)	(0.03)

For the three months ended September 30, 2023, the Company recorded a net loss of \$1,054,545 and a net loss per share basic and diluted of \$0.03 and recorded research and development costs of \$838,686, general and administrative expenses of \$256,620, interest income of \$44,918 and a loss on foreign exchange of \$4,157.

For the three months ended June 30, 2023, the Company recorded a net loss of \$870,392 and a net loss per share basic and diluted of \$0.02 and recorded research and development costs of \$676,456, general and administrative expenses of \$201,624, interest income of \$50,203 and a loss on foreign exchange of \$42,515.

For the three months ended March 31, 2023, the Company recorded a net loss of \$1,066,681 and a net loss per share basic and diluted of \$0.03 and recorded research and development costs of \$876,396, general and administrative expenses of \$230,545 and interest income of \$40,260.

For the quarter ending	December 31, 2022 (\$)	September 30, 2022 (\$)	June 30, 2022 (\$)	March 31, 2022 (\$)
Total assets	6,290,572	1,635,371	2,236,834	3,505,380
Total revenue	Nil	Nil	Nil	Nil
Net loss	(426,490)	(705,782)	(515,991)	(2,275,988)
Net loss per share, basic and diluted	(0.01)	(0.02)	(0.02)	(0.19)

For the three months ended December 31, 2022, the Company recorded a net loss of \$426,490 and a net loss per share, basic and diluted of \$0.01 and recorded research and development costs of \$119,174 and general and administrative expenses of \$519,955. During the three months ended December 31, 2022, the Company closed a private placement for gross proceeds of \$5,309,700.

For the three months ended September 30, 2022, the Company recorded a net loss of \$705,782 and a net loss per share, basic and diluted of \$0.02. During the three months ended September 30, 2022, the Company recorded research and development costs of \$524,528 and general and administrative expenses of \$181,409.

For the three months ended June 30, 2022, the Company recorded a net loss of \$515,991 and a net loss per share, basic and diluted of \$0.02. During the three months ended September 30, 2022, the Company recorded research and development costs of \$208,237 and general and administrative expenses of \$288,810.

For the three months ended March 31, 2022, the Company recorded a net loss of \$2,275,988 and a net loss per share, basic and diluted of \$0.19 and recorded listing expenses of \$1,973,753 related to the RTO.

CAPITAL EXPENDITURES

The Company had no capital expenditures during the nine months ended September 30, 2023, or during the year ended December 31, 2022.

FINANCING ACTIVITIES

During the nine months ended September 30, 2023, the Company had no financing activities.

During the year ended December 31, 2022, the Company received gross proceeds of \$3,500,000 released from escrow, from a private placement of 10,000,000 special warrants of the Company at a purchase price of \$0.35 per special warrant.

During the year ended December 31, 2022, the Company closed a private placement and issued 10,619,400 common shares at \$0.50 per common share for gross proceeds of \$5,309,700.

During the year ended December 31, 2022, the Company assumed net cash of \$107,457 upon closing the RTO and received \$116,375 upon the exercise of 332,500 finder's options.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Management has determined that cash flows for operations, clinical trial expenses, and general and administrative expenses will be funded by the Company's current cash and future private placements and other funding mechanisms.

Cash Flow Summary

The following table sets out the cash flow summary for the respective periods:

	For the Nine Months Ended September 30,	
	2023	2022
Cash and cash equivalents beginning of period	\$6,195,961	\$61,641
Cash flow used in operating activities	(2,551,852)	(1,807,031)
Cash flow provided by investing activities	-	3,350,402
Cash flow used in financing activities	-	(83,797)
Exchange rate effect	(12,493)	92,592
Cash and cash equivalents, end of period	\$3,631,616	\$1,613,807

Cash flow used in operating activities for the nine months ended September 30, 2023, was \$2,551,852 which increased by \$744,821 from cash used in operations of \$1,807,031 for the nine months ended September 30, 2022. The increase in cash flow used in operating activities was primarily due to a fluctuation in net loss, prepaid expenses, accounts receivable, grant receivable, and accounts payable and accrued liabilities.

Cash flow provided by investing activities was \$nil during the nine months ended September 30, 2023, versus \$3,350,402 for the nine months ended September 30, 2022, for assumed cash upon completion of the RTO.

Cash flow used in financing activities for the nine months ended September 30, 2023, was \$nil versus \$83,797 for the nine months ended September 30, 2022. During the nine months ended September 30, 2022, the Company received \$116,375 upon the exercise of finder's options, repaid promissory notes of \$50,172 and loans payable of \$150,000.

Working Capital

At September 30, 2023, the Company had working capital of \$3,365,697 (December 31, 2022: \$5,983,421).

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting policies are outlined in the Company's audited consolidated financial statements for the year ended December 31, 2022, and have been applied consistently in the unaudited condensed interim consolidated financial statements.

Significant Accounting Estimates and Judgments

The preparation of the 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 consolidated financial statements and the reported amounts of income 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 consolidated financial statements are:

Recognition of internally generated intangible assets

The Company is in the process of undergoing clinical trials for its thiol-active therapeutic compound, TTI-0102. Accordingly, management applies judgment in its assessment of the activities being undertaken and whether certain costs meet the definition of internally generated intangible assets in the research or development phase.

Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future or whether taxable temporary differences will reverse such that deferred tax assets can be utilized. Recognition therefore involves a degree of judgment regarding the future financial performance of the Company or the timing of the reversal of deferred tax liabilities where deferred tax assets have been recognized.

Fair Value of Stock Based Compensation and Warrants

In determining the fair value of stock 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 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.

Accounting standard issued but not yet adopted and recently adopted accounting standard

IAS 1 – Presentation of Financial Statements

On January 23, 2020, the IASB issued an amendment to IAS 1 to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. The standard is effective for periods beginning on or after January 1, 2024, and the Company has assessed that there will be no impact of applying the new standard on the unaudited condensed interim consolidated financial statements.

Definition of Accounting Estimates (Amendments to IAS 8)

On February 12, 2021, the IASB issued Definition of Accounting Estimates (Amendments to IAS 8). The amendments will require the disclosure of material accounting policy information rather than disclosing significant accounting policies and clarifies how to distinguish changes in accounting policies from changes in accounting estimates. The amendments are effective for annual periods beginning on or after January 1, 2023. The Company adopted this amendment in its consolidated financial statements for the annual period beginning January 1, 2023. The adoption of this amendment did not have a material impact on the unaudited condensed interim consolidated financial statements.

COVID-19

Given the ongoing and dynamic nature of the circumstances surrounding the COVID-19 pandemic, it is difficult to predict how significant the impact of COVID-19 and variants, including any responses to it, will be on the global economy and the business of the Company or for how long any disruptions are likely to continue. The extent of such impact will depend on future developments, which are highly uncertain, rapidly evolving and difficult to predict, including new information that may emerge about COVID-19 or variants and additional actions that may be necessary or taken to contain it. Such developments could have a material adverse effect on the Company's business, including, current or future clinical trials, research and development collaborations and corporate activities; financial condition; results of operations and cash flow and the ability to finance operations. The Company is constantly evaluating the situation and monitoring any impacts or potential impacts to its business. To date, COVID-19 has not impacted the Company's business or its results of operations.

GRANT RECEIVABLE

As at September 30, 2023, the grant receivable from the Australian government was \$nil (December 31, 2022: \$34,742).

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 \$272,118 (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 would stop accruing after December 31, 2020. As a result of the Securities Exchange Agreement, the Company stopped accruing interest on the Notes.

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.

As of December 31, 2021, the principal and interest owing on the Notes amounted to \$268,455 (US\$211,749). On March 31, 2022, following the closing of the RTO, the Company issued 771,075 common shares as settlement of the convertible notes and interest due.

PROMISSORY NOTES

On December 31, 2020, the Company 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 \$49,698 (US\$39,200). On April 8, 2022, the promissory notes in the amount of \$50,172 (US\$39,200) were repaid in full.

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. For the year ended December 31, 2022, the Company recorded \$715 of interest. (December 31, 2021: \$217). During the year ended December 31, 2022, the Company repaid the note of \$65,000 and paid interest of \$932.

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. For the year ended December 31, 2022, the Company recorded \$690 of interest. (December 31, 2021: \$200). During the year ended December 31, 2022, the Company repaid the note of \$60,000 and paid interest of \$890.

In connection with the RTO, on December 1, 2021, TTI US received proceeds of \$25,000 and issued a demand promissory note to the Company, bearing interest at 4% per annum. For the year ended December 31, 2022, the Company recorded interest of \$332. Upon closing of the RTO, the intercompany note and interest was eliminated upon consolidation.

DERIVATIVE LIABILITIES

On March 23, 2021, TTI US closed a non-brokered private placement and issued 2,000,000 units for gross cash proceeds of \$674,813 (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 \$0.50 per warrant for a period of two years following the closing date. As the warrants are held with an exercise price in CAD which was different from the functional currency of TTI US (USD) the warrants were treated as a financial liability and the fair value movement during the period was recognized in the unaudited condensed interim consolidated statements of operations and other comprehensive income (loss). The amount allocated to derivative liabilities based on fair value using the Black-Scholes pricing model was \$214,220 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 \$150,413 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 \$63,807.

Upon closing of the RTO on March 31, 2022, TTI US revalued the 1,000,000 outstanding warrants using the Black-Scholes pricing model with the fair value determined to be \$88,948 assuming a fair market share price of \$0.35 an estimated life of 1 year, a risk-free interest rate of 2.27% an expected dividend rate of 0.00%, and an expected annual volatility of 93%.

Upon closing of the RTO, TTI US cancelled the 1,000,000 warrants and re-issued them, modifying the legal life of the warrants from March 21, 2023, to March 31, 2024. In connection with the change in legal life, the incremental change in fair value of the warrants was determined to be \$109,703 using the Black-Scholes pricing model, assuming a fair market share price of \$0.35, an estimated life of 2 years, a risk-free rate of 2.27%, an expected dividend rate of 0%, and an expected annual volatility of 127%. The incremental change in the fair value of the warrants was recognized directly within accumulated deficit.

On re-issuance, the warrants resided in the Company with a functional currency (CAD) that was consistent with the currency that the exercise price of the warrants are denominated in. As a result, the warrants were deemed to meet the definition of an equity instrument and the fair value of the warrants totaling \$198,651 was reallocated to contributed surplus.

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

	Number of Derivative Warrants	Value Assigned	Average Exercise Price
Balance, December 31, 2020	-	-	-
Warrants issued	1,000,000	214,220	0.50
Fair value re-measurement	-	(63,807)	-
Balance, December 31, 2021	1,000,000	150,413	0.50
Fair value re-measurement	-	(61,465)	-
Modification of warrants	-	109,703	-
Fair value transferred to reserves	(1,000,000)	(198,651)	0.50
Balance, December 31, 2022	-	-	-

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CAPITAL MANAGEMENT

The capital managed by the Company includes the components of shareholders' equity as described in the unaudited condensed interim consolidated statements of changes in shareholders' equity (deficit). The Company is not subject to externally imposed capital requirements. There were no changes in the Company's capital management for the three months ended September 30, 2023.

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.

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 equivalents and the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. At September 30, 2023, accounts receivable was \$45,294 of which \$43,303 was Goods and Services Tax (December 31, 2022: \$21,245 of which of \$13,927 was Goods and Services Tax). At September 30, 2023, the grant receivable from the Australian Government was \$nil (December 31, 2022: \$34,742).

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

	September 30, 2023	December 31, 2022
Cash and cash equivalents	\$3,631,616	\$6,195,961
Account receivable	1,991	6,270
Grant receivable	-	34,742
	\$3,633,607	\$6,236,973

Currency Risk

The Company holds financial instruments denominated in CAD, USD, AUD and Euros that may differ from the functional currency of the entity in which the financial instrument resides in. A significant change in the currency exchange rates between the currency of the financial instrument and the functional currency of the Company could have a material effect on the Company's financial instruments.

As at September 30, 2023, a 5% fluctuation in the foreign exchange rate would have an impact of approximately \$3,390 in the Company's unaudited condensed interim consolidated statement of operations and other comprehensive income (loss) (December 31, 2022: \$254).

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.

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, 2023 and December 31, 2022, respectively:

September 30, 2023	Payments Due by Year \$				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Accounts payable and accrued liabilities	320,439	320,439	-	-	-
Total	320,439	320,439	-	-	-

December 31, 2022	Payments Due by Year \$				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Accounts payable and accrued liabilities	307,151	307,151	-	-	-
Total	307,151	307,151	-	-	-

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, 2023, and December 31, 2022, cash and cash equivalents are recorded at fair value under level 1 within the fair value hierarchy. During the year ended December 31, 2022, derivative liabilities previously recorded at fair value under level 2 were reclassified to shareholders' equity (deficit).

Management believes that the recorded values of accounts receivable, grant receivable, accounts payable and accrued liabilities approximate their current fair values because of their nature and anticipated short term settlement dates.

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, 2021		12,000,000	1,052,631
Common shares issued for RTO	(i)	5,139,100	1,798,685
Common shares issued on conversion of special warrants, net	(ii)	10,000,000	3,264,117
Common shares issued for convertible promissory notes	(iii)	771,075	269,876
Exercise of finder's options	(iv)	332,500	146,585
Private placement	(v)	10,619,400	4,596,281
Balance, September 30, 2023, and December 31, 2022		38,862,075	11,128,175

(i) In connection with the closing of the RTO on March 31, 2022, the Company issued 5,139,100 common shares at a fair value of \$0.35 per common share to effect the RTO amounting to total consideration of \$1,798,685.

(ii) 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 gross proceeds of \$3,500,000. 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”) with an estimated fair value of \$41,341. In addition, the Company recorded approximately \$35,000 in direct legal costs related to the Special Warrant financing.

(iii) In connection with the closing of the RTO on March 31, 2022, the Company issued 771,075 common shares at a fair value of \$0.35 per common share amounting to total consideration of \$269,876 to settle convertible promissory notes and interest (Note 6).

(iv) During the year ended December 31, 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 of \$30,210 was transferred to share capital upon exercise.

(v) On November 18, 2022, the Company closed a private placement and issued 10,619,400 common shares at \$0.50 per common share for gross proceeds of \$5,309,700. In connection with the private placement, the Company recorded \$76,980 in direct costs and paid cash finder’s fees of \$352,750 and issued 675,500 compensation options (the “Finder’s Options”) with an estimated fair value of \$283,689.

Escrow Securities

CPC Escrow

An aggregate of 2,775,000 common shares were held in escrow in accordance with the CPC Policy of the TSXV and were 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 were released as to 10% on the date of the Bulletin and as to 15% every six months thereafter.

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	
	2023	2022	2023	2022
Weighted Average Shares Outstanding, basic and diluted	38,862,075	28,239,822	38,862,075	22,585,485

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 up to a fixed 20% of the outstanding common shares as of August 15, 2022 or 5,648,535. The exercise price of each option granted under the plan shall be determined by the Company’s Board of Directors (“Directors”).

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, within 30 days of termination of consultants 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 nine months ended September 30, 2023, and 2022 the Company recorded stock based compensation expense of \$386,387 and \$288,244, 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	0.20
Common share purchase options granted	2,750,000	0.40
Balance, September 30, 2023, and December 31, 2022	3,050,000	0.38

In connection with the closing of the RTO on March 31, 2022, the Company modified the terms of 300,000 stock options previously granted by TTI US on June 26, 2020, to be exercisable at a price of \$0.20 per common share (previously exercisable at US\$0.125) up until March 31, 2025 (previously expiring exercisable up until June 26, 2030), to now vest immediately. As the modification of the terms of the options resulted in a decrease in the incremental fair value, the modification resulted in \$nil impact to the stock-based compensation recognized during the year ended December 31, 2022.

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 was estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: share price of \$0.35, dividend yield 0%, risk-free interest rate of 2.40%, expected volatility of 125% and an expected life of ten years. The fair value attributed to these options was \$653,242.

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 was estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: share price of \$0.35, dividend yield 0%, risk-free interest rate of 2.28%, expected volatility of 132% and an expected life of three years. The fair value attributed to these options was \$39,664.

On April 12, 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 was estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: share price of \$0.35, dividend yield 0%, risk-free interest rate of 2.39%, expected volatility of 132% 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 was estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: share price of \$0.55, dividend yield 0%, risk-free interest rate of 3.06%, expected volatility of 124% and an expected life of ten years. The fair value attributed to these options was \$79,172.

On December 8, 2022, the Company granted to directors and a consultant, respectively 350,000 and 100,000 common share purchase options exercisable at \$0.60 per share until December 8, 2032. The options vest 25% on each of June 30, 2023, December 31, 2023, June 30, 2024, and December 31, 2024. The fair value of the options was estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: share price of \$0.60, dividend yield 0%, risk-free interest rate of 2.80%, expected volatility of 123% and an expected life of ten years. The fair value attributed to these options was \$258,004.

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

	Number of Finder's Options	Weighted Average Exercise Price \$
Balance December 31, 2021	-	-
Finder's options granted (i) (ii)	1,130,500	0.44
Finder's options exercised	(332,500)	0.35
Finder's options expired	(122,500)	0.35
Balance, September 30, 2023, and December 31, 2022	675,500	0.50

(i) In connection with the Special Warrants financing, 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 issue using the Black-Scholes option pricing model with the following assumptions: share price of \$0.35, dividend yield 0%, discount rate 2.27%, expected volatility 114%, forfeiture rate 0% and expected life of 0.3 year. The fair value attributed to the Finder's Options was \$41,341.

(ii) In connection with the November 18, 2022, private placement, the Company issued 675,500 compensation options (the "Finder's Options"). Each Finder's Option is exercisable into one (1) common share at a price of \$0.50 per common share until November 18, 2024. The fair value of the Finder's Options was estimated on the date of the issue using the Black-Scholes option pricing model with the following assumptions: share price of \$0.64, dividend yield 0%, discount rate 3.86 %, expected volatility 117%, forfeiture rate 0% and expected life of two years. The fair value attributed to the Finder's Options was \$283,689.

The following table is a summary of the Company's stock options and Finder's Options outstanding and exercisable as at September 30, 2023 and December 31, 2022:

Expiry Date	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
March 31, 2025	\$0.20	1.50	300,000	300,000
March 31, 2032	\$0.35	8.51	1,950,000	1,462,500
March 31, 2025	\$0.35	1.50	200,000	200,000
August 31, 2032	\$0.50	8.93	150,000	75,000
November 18, 2024	\$0.50	1.14	675,500	675,500
December 8, 2032	\$0.60	9.20	450,000	112,500
As at September 30, 2023	\$0.40	6.38	3,725,500	2,825,500

Expiry Date	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
March 31, 2025	\$0.20	2.25	300,000	300,000
March 31, 2032	\$0.35	9.25	1,950,000	487,500
March 31, 2025	\$0.35	2.25	200,000	100,000
August 31, 2032	\$0.50	9.67	150,000	-
November 18, 2024	\$0.50	1.88	675,500	675,500
December 8, 2032	\$0.60	9.94	450,000	-
As at December 31, 2022	\$0.40	7.07	3,725,500	1,563,000

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, 2021	-	-
Warrants reclassified	1,000,000	0.50
Balance, September 30, 2023, and December 31, 2022	1,000,000	0.50

The following table summarizes the outstanding common share purchase warrants as at:

	Number of Warrants	Exercise Price	Expiry Date	Weighted Average Remaining Life (Years)
September 30, 2023	1,000,000	\$0.50	March 31, 2024	0.50

	Number of Warrants	Exercise Price	Expiry Date	Weighted Average Remaining Life (Years)
December 31, 2022	1,000,000	\$0.50	March 31, 2024	1.25

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:

	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Salaries and management fees (i)	\$120,946	\$83,242	\$362,409	\$162,708
Stock based compensation (ii)	74,067	83,740	306,035	166,570
Director fees (iii)	24,255	16,623	81,771	57,179
Total	\$219,268	\$183,605	\$750,215	\$386,457

(i) Salaries and management fees paid or accrued to the CEO and CFO, respectively.

(ii) Stock based compensation recorded for stock options granted to directors and officers.

(iii) Director fees paid or accrued to directors of the Company