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THIOGENESIS THERAPEUTICS, CORP.

Unaudited Condensed Interim Consolidated Financial Statements

For the Three and Six Months Ended

June 30, 2026 and 2025

(Expressed in Canadian Dollars)

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

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed 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 consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Thiogenesis Therapeutics, Corp.

Unaudited Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	As at June 30, 2026	As at December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	$ 7,274,883	$ 1,615,966
Accounts receivable	53,614	76,770
Prepaid expenses	80,416	122,231
Total current assets	7,408,913	1,814,967
Total Assets	**$ 7,408,913**	**$ 1,814,967**
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 685,465	$ 1,240,590
Total current liabilities	685,465	1,240,590
Shareholders' equity		
Share capital (Note 4)	28,084,211	19,920,703
Reserves (Note 4)	2,829,644	2,420,399
Accumulated other comprehensive loss	(79,287)	(56,888)
Accumulated deficit	(24,111,120)	(21,709,837)
Total shareholders' equity	6,723,448	574,377
Total Liabilities and Shareholders' Equity	**$ 7,408,913**	**$ 1,814,967**

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 unaudited condensed interim consolidated financial statements.

Thiogenesis Therapeutics, Corp.

Unaudited Condensed Interim Consolidated Statements of Operations and Other Comprehensive Loss

(Expressed in Canadian Dollars)

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2026	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
Operating expenses				
Research and development (Note 8)	$ 1,237,935	$ 1,465,864	$ 1,817,483	$ 2,579,560
General and administrative (Note 8)	242,344	368,800	580,621	690,338
Total operating expenses	1,480,279	1,834,664	2,398,104	3,269,898
Other (income) expenses				
Interest income	(2,183)	(11,010)	(2,234)	(37,856)
Loss on foreign exchange	11,367	75,789	5,413	78,236
Total other expenses	9,184	64,779	3,179	40,380
Net loss	**1,489,463**	**1,899,443**	**2,401,283**	**3,310,278**
Other comprehensive (income) loss				
Foreign currency translation	16,730	(1,075)	22,399	2,436
Total other comprehensive (income) loss	16,730	(1,075)	22,399	2,436
Net loss from operations and other comprehensive loss	**$ 1,506,193**	**$ 1,898,368**	**$ 2,423,682**	**$ 3,312,714**
Net loss per share, basic and diluted	**$ (0.03)**	**$ (0.04)**	**$ (0.04)**	**$ (0.07)**
Weighted average shares outstanding, basic and diluted	**57,817,396**	**46,306,890**	**54,837,895**	**46,166,131**

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

Thiogenesis Therapeutics, Corp.

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the Six Months Ended June 30, 2026 and June 30, 2025
(Expressed in Canadian Dollars)

	Number of Shares	SHARE CAPITAL $	RESERVES $	ACCUMULATED OTHER COMPREHENSIVE LOSS $	ACCUMULATED DEFICIT $	SHAREHOLDERS' EQUITY $
Balance, December 31, 2024	46,017,375	16,136,727	1,618,548	(46,003)	(14,283,760)	3,425,512
Stock based compensation	-	-	344,037	-	-	344,037
Exercise of stock options (Note 4)	289,515	76,981	(76,981)	-	-	-
Foreign currency translation	-	-	-	(2,436)	-	(2,436)
Net loss for the period	-	-	-	-	(3,310,278)	(3,310,278)
Balance, June 30, 2025	**46,306,890**	**16,213,708**	**1,885,604**	**(48,439)**	**(17,594,038)**	**456,835**
Balance, December 31, 2025	51,835,956	19,920,703	2,420,399	(56,888)	(21,709,837)	574,377
Stock based compensation	-	-	194,061	-	-	194,061
Common shares issued for private placement, net (Note 4)	18,143,700	8,163,508	-	-	-	8,163,508
Fair value of warrants issued (Note 4)	-	-	215,184	-	-	215,184
Foreign currency translation	-	-	-	(22,399)	-	(22,399)
Net loss for the period	-	-	-	-	(2,401,283)	(2,401,283)
Balance, June 30, 2026	**69,979,656**	**28,084,211**	**2,829,644**	**(79,287)**	**(24,111,120)**	**6,723,448**

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

Thiogenesis Therapeutics, Corp.

Unaudited Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Operating activities		
Net loss for the period	$ (2,401,283)	$ (3,310,278)
Item not involving cash:		
Stock based compensation	194,061	344,037
Net changes in non-cash working capital		
Accounts receivable	23,156	39,372
Prepaid expenses	41,815	(753)
Accounts payable and accrued liabilities	(555,125)	925,669
Net cash used in operating activities	(2,697,376)	(2,001,953)
Financing activities		
Private placement of common shares, net (Note 4)	8,378,692	-
Net cash provided by financing activities	8,378,692	-
Effect of exchange rate changes on cash	(22,399)	(2,436)
Increase (decrease) in cash and cash equivalents for the period	5,658,917	(2,004,389)
Cash and cash equivalents, beginning of period	1,615,966	3,847,864
Cash and cash equivalents, end of period	$ 7,274,883	$ 1,843,475

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

1. NATURE OF OPERATIONS

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 drug product candidates, that are prodrugs, used to treat unmet pediatric medical needs. TTI-0102, the Company's lead drug product candidate, was developed to address the obstacles facing existing thiol-based drugs, their short half-live and side effects. TTI-0102's initial applications are for mitochondrial encephalopathy lactic acidosis and stroke-like episodes ("MELAS"), Leigh Syndrome Spectrum ("LSS"), pediatric metabolic dysfunction-associated steatohepatitis ("MASH") and nephropathic cystinosis.

The registered head office of the Company is located at 4 King Street West, Suite 401, Toronto, Ontario, M5H 1B6. The Company's common shares trade on the TSX Venture Exchange ("TSXV") under the symbol TTI and on the OTCQB Venture Market under the symbol TTIPF.

2. BASIS OF PRESENTATION

Statement of Compliance

These 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 IFRS® Accounting 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 these 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, 2025.

The unaudited condensed interim consolidated statements of operations and other comprehensive loss and unaudited condensed interim consolidated statements of cash flows 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 2026 or for any future period.

The accompanying unaudited condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2025.

The Board of Directors approved the unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2026, on August 6, 2026.

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 ("CAD"). The functional currency of the Company's wholly-owned United States subsidiary, TTI US, is the United States Dollar ("USD"). The functional currency of TTI US's wholly-owned Australian subsidiary, Thiogenesis Australia Pty Ltd. is the Australian Dollar ("AUD") and the functional currency of TTI US's wholly-owned France subsidiary, Thiogenesis Therapeutics, SARL is the Euro.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of Consolidation
These unaudited condensed interim consolidated financial statements include the financial results 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 TTI US, Thiogenesis Australia Pty Ltd., and Thiogenesis Therapeutics, SARL.

Foreign Currency Translation
The unaudited condensed interim consolidated financial statements are presented in CAD. The functional currency of the parent Company is CAD. The functional currency of the Company's American subsidiary is the USD. The functional currency of the Company's Australian subsidiary is the AUD, and the functional currency of the Company's French subsidiary is the Euro.

The financial statements of entities for which the functional currency is not CAD are translated into CAD using the exchange rate in effect at the end of the reporting period for assets and liabilities and the average exchange rates for the period for income, expenses, and cash flows. Foreign exchange differences arising on translation are recognized in other comprehensive loss and in accumulated other comprehensive loss in shareholders' equity.

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 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 unaudited condensed interim 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 drug product candidate, 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 awards, 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 in the case of options and compensation warrants. In determining the fair value of restricted share units ("RSU's") granted to employees and directors, the Company recognizes an expense over the vesting period of the RSU's equal to the fair value at the grant date based on the closing market price of the Company's common shares on the TSX Venture Exchange and an estimate of the number of RSU's expected to vest. The value of options, RSU's and compensation warrants calculated is not necessarily the value that the holder of the options, RSU's or compensation warrants could receive in an arm's length transaction, given that there is no market for the options, RSU's, 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.

The Company's material accounting policies are outlined in Note 3 to the Company's audited consolidated financial statements for the year ended December 31, 2025, and have been applied consistently in these unaudited condensed interim consolidated financial statements.

Adoption of New Accounting Standards
IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7, issued in May 2024, clarify the derecognition of financial liabilities upon settlement and provide new guidance on financial assets with environmental, social, and governance ("ESG") features. These amendments also introduce additional disclosure requirements for financial instruments with contingent features and equity instruments measured at Fair Value Through Other Comprehensive Income ("FVTOCI"). The amendments are effective for annual reporting periods beginning on or after January 1, 2026.

The adoption of these standards, at the beginning of this interim period, was applied prospectively, in accordance with the respective transition provisions. The prospective application means that the new requirements are applied only to transactions, events, or balances occurring after the date of initial application, with no restatement of prior periods. The adoption of these standards did not have an impact on the Company's unaudited condensed interim consolidated financial statements for the period ended June 30, 2026. As a result, there were no adjustments to the opening balances of assets, liabilities, or equity as at the date of initial application.

Accounting Standards Issued but not yet Effective
Certain new accounting standards and interpretations have been published that are not mandatory for the current year and have not been early adopted. The Company is reviewing the new standards but does not expect their future adoption to have a material impact on the Company in the current or future reporting years. The new standards are as follows:

IFRS 18 - Presentation and Disclosure in Financial Statements
Issued in April 2024, IFRS 18 replaces IAS 1 and introduces significant changes to the presentation of financial statements to enhance comparability across entities. The key requirements of the standard include:

• Separate reporting of operating, investing, and financing activities in the statement of earnings, with prescribed subtotals for each category.
• Disclosure of management-defined performance measures in a dedicated note within the financial statements.

(Expressed in Canadian Dollars)

The standard is effective for annual reporting periods beginning on or after January 1, 2027, with retrospective application required. The Company's consolidated financial statements are expected to include changes related to categorization and subtotals in the statement of operations and other comprehensive loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures. The Company is in the process of determining the impact of the above changes.

4. SHARE CAPITAL AND RESERVES

Share Capital
Authorized:
Unlimited common shares

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

	Note	#	$
Balance, December 31, 2024		46,017,375	16,136,727
Exercise of common share purchase options	(i)	214,408	45,713
Exercise of common share purchase options	(ii)	75,107	39,807
Common shares issued for private placement	(iii)	5,529,066	3,698,456
Balance, December 31, 2025		51,835,956	19,920,703
Common shares issued for private placement	(iv)	18,143,700	8,163,508
Balance, June 30, 2026		**69,979,656**	**28,084,211**

(i) On March 31, 2025, 214,408 common shares were issued to consultants pursuant to the cashless exercise of 300,000 common share purchase options exercisable at $0.20. The fair value of $45,713 was transferred from reserves to share capital upon the cashless exercise.

(ii) On March 31, 2025, 75,107 common shares were issued to consultants pursuant to the cashless exercise of 150,000 common share purchase options exercisable at $0.35. The fair value of $39,807 was transferred from reserves to share capital upon the cashless exercise.

(iii) On July 30, 2025, the Company closed a non-brokered private placement and issued an aggregate 5,529,066 common shares at $0.75 per common share for gross proceeds of $4,146,800. In connection with the private placement, the Company paid $68,784 in direct costs, paid cash Finder's fees of $266,406 and issued 353,208 Finder's Options with an estimated fair value of $113,154.

(iv) On June 1, 2026, the Company closed a non-brokered private placement and issued an aggregate 18,143,700 common shares at $0.50 per common share for gross proceeds of $9,071,850. In connection with the private placement, the Company paid $131,628 in direct costs, paid cash Finder's fees of $561,530 and issued 780,059 Finder's Options with an estimated fair value of $215,184.

Weighted Average Shares Outstanding
The following table summarizes the weighted average shares outstanding:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Weighted Average Shares Outstanding, basic and diluted	57,817,396	46,306,890	54,837,895	46,166,131

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.

(Expressed in Canadian Dollars)

Omnibus Equity Incentive Plan
On September 3, 2024, the shareholders of the Company approved an Omnibus Equity Incentive Plan (the "2024 Plan") for its directors, officers, employees and consultants (the "Participants") that amends and restates all predecessor Plans in their entirety. The maximum aggregate number of common shares that may be available and reserved for issuance, at any time, under the 2024 Plan, is fixed at 20% of the outstanding common shares as of July 15, 2024, or 9,099,095 shares.

Under the 2024 Plan the exercise price of each award granted shall be at the discretion of Company's Board of Directors, however, the exercise price per share shall be not less than the fair market value of the Company's common shares on the date of grant and for a maximum term of ten years. The maximum aggregate number of common shares issuable pursuant to awards granted to any one Participant in any 12 month period must not exceed 5% of the Company's issued and outstanding common shares. The maximum aggregate number of common shares that are issuable pursuant to all awards granted or issued in any 12 month period to insiders (as a group) must not exceed 10% of the issued and outstanding common shares. Any award granted or issued to any Participant will expire upon termination of participant's services or in any event no later twelve months following the date the Participant ceases to be an eligible Participant.

For the six months ended June 30, 2026, the Company recorded stock based compensation expense of $194,061 (June 30, 2025: $344,037) (Note 8).

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

	Note	Number of Options	Weighted Average Exercise Price $
Balance, December 31, 2024		3,525,000	0.43
Common share purchase options granted	(i)	100,000	0.64
Common share purchase options exercised		(300,000)	0.20
Common share purchase options exercised		(150,000)	0.35
Common share purchase options expired	(ii)	(50,000)	0.35
Common share purchase options granted	(iii)	450,000	0.73
Common share purchase options granted	(iv)	400,000	0.77
Common share purchase options granted	(v)	150,000	0.75
Balance June 30, 2026, and December 31, 2025		**4,125,000**	**0.53**

(i) On February 15, 2025, the Company granted 100,000 common shares purchase options exercisable at $0.64 per share until February 15, 2028, to a consultant of the Company. The common share purchase options vest 25% on each of May 15, 2025, August 15, 2025, November 15, 2025, and February 15, 2026. The fair value of the common share purchase options was estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: share price of $0.64, dividend yield 0%, risk-free interest rate of 2.71%, expected volatility of 80.54% and an expected life of three years. The fair value attributed to these common share purchase options was $34,179.

(ii) On March 31, 2025, 50,000 common share purchase options with an estimated fair value of $13,221 expired unexercised.

(iii) On May 23, 2025, the Company granted 450,000 common shares purchase options exercisable at $0.73 per share until May 23, 2028, to consultants of the Company. The common share purchase options vest 25% on each of August 23, 2025, November 23, 2025, February 23, 2026, and May 23, 2026. The fair value of the common share purchase options was estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: share price of $0.73, dividend yield 0%, risk-free interest rate of 2.73%, expected volatility of 63.28% and an expected life of three years. The fair value attributed to these common share purchase options was $144,616.

(Expressed in Canadian Dollars)

(iv) On June 11, 2025, the Company granted 400,000 common shares purchase options exercisable at $0.77 per share until June 11, 2030, to directors of the Company. The common share purchase options vest 25% on each of December 11, 2025, June 11, 2026, December 11, 2026, and June 11, 2027. The fair value of the common share purchase options was estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: share price of $0.77, dividend yield 0%, risk-free interest rate of 2.93%, expected volatility of 94.12% and an expected life of five years. The fair value attributed to these common share purchase options was $224,334.

(v) On September 10, 2025, the Company granted 150,000 common shares purchase options exercisable at $0.75 per share until September 10, 2030, to directors of the Company. The common share purchase options vest 25% on each of March 10, 2026, September 10, 2026, March 10, 2027, and September 10, 2027. The fair value of the common share purchase options was estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: share price of $0.74, dividend yield 0%, risk-free interest rate of 2.75%, expected volatility of 90.57% and an expected life of five years. The fair value attributed to these common share purchase options was $79,559.

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

	Note	Number of Finder's Options	Weighted Average Exercise Price $
Balance, December 31, 2024		409,582	0.75
Finder' options granted	(i)	353,208	0.75
Finder's options expired	(ii)	(228,247)	0.75
Finder's options expired	(iii)	(181,335)	0.75
Balance, December 31, 2025		353,208	0.75
Finder's options granted	(iv)	780,059	0.60
Balance, June 30, 2026		**1,133,267**	**0.65**

(i) In connection with the July 30, 2025, non-brokered private placement, the Company issued 353,208 Finder's Options. Each Finder's Options is exercisable into one (1) common share at a price of $0.75 per common share until July 30, 2027. 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 $0.82, dividend yield 0%, risk-free interest rate of 2.79%, expected volatility of 62.71% and expected life of two years. The fair value attributed to the Finder's Options was $113,154.

(ii) On December 15, 2025, 228,247 Finder's Options with an estimated fair value of $77,618 expired unexercised.

(iii) On December 19, 2025, 181,335 Finder's Options with an estimated fair value of $58,920 expired unexercised.

(iv) In connection with the June 1, 2026, non-brokerage private placement, the Company issued 780,059 Finder's Options. Each Finder's Options is exercisable into one (1) common share at a price of $0.60 per common share until June 1, 2029. 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 $0.62, dividend yield 0%, risk-free interest rate of 2.90%, expected volatility of 62.12% and expected life of three years. The fair value attributed to the Finder's Options was $215,184.

(Expressed in Canadian Dollars)

The following tables are a summary of the Company's common share purchase options and Finder's Options outstanding and exercisable as at June 30, 2026, and December 31, 2025, respectively:

Expiry Date	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
March 31, 2032	$0.35	5.76	1,950,000	1,950,000
August 31, 2032	$0.50	6.18	150,000	150,000
December 8, 2032	$0.60	6.45	450,000	450,000
October 31, 2028	$0.80	2.34	50,000	50,000
January 15, 2029	$0.75	2.55	325,000	325,000
October 1, 2027	$0.70	1.25	100,000	100,000
February 15, 2028	$0.64	1.63	100,000	100,000
May 23, 2028	$0.73	1.90	450,000	450,000
June 11, 2030	$0.77	3.95	400,000	200,000
July 30, 2027	$0.75	1.08	353,208	353,208
September 10, 2030	$0.75	4.20	150,000	37,500
June 1, 2028	$0.60	2.92	780,059	780,059
As at June 30, 2026	**$0.56**	**4.19**	**5,258,267**	**4,945,767**

Expiry Date	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
March 31, 2032	$0.35	6.25	1,950,000	1,950,000
August 31, 2032	$0.50	6.67	150,000	150,000
December 8, 2032	$0.60	6.94	450,000	450,000
October 31, 2028	$0.80	2.84	50,000	50,000
January 15, 2029	$0.75	3.04	325,000	325,000
October 1, 2027	$0.70	1.75	100,000	100,000
February 15, 2028	$0.64	2.13	100,000	75,000
May 23, 2028	$0.73	2.39	450,000	225,000
June 11, 2030	$0.77	4.45	400,000	100,000
July 30, 2027	$0.75	1.58	353,208	353,208
September 10, 2030	$0.75	4.70	150,000	-
As at December 31, 2025	**$0.55**	**4.90**	**4,478,208**	**3,778,208**

Restricted Share Units

The following table is a summary of the status of the Company's RSU's and changes during the periods set out:

	Note	Number of RSU's	Weighted Average Grant Date Fair Value $
Balance, June 30, 2026, and December 31, 2025, and December 31, 2024	**(i)**	**1,000,000**	**0.68**

(i) On September 26, 2024, the Company granted 1,000,000 RSU's to the Chief Financial Officer of the Company. The RSU's vest 50% on each on January 15, 2026, and January 15, 2027. Upon vesting, each RSU will entitle the holder to exchange it for one common share of the Company. The Company estimated the fair value of the RSU's of $680,000 based on the market price of the underlying common shares on the date of grant.

(Expressed in Canadian Dollars)

5. 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 June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Salaries and consulting fees (i)	$155,112	$153,772	$310,147	$308,514
Stock based compensation (ii)	75,629	161,722	171,493	262,393
Director fees (iii)	25,353	27,521	50,598	50,976
Total	**$256,094**	**$343,015**	**$532,238**	**$621,883**

(i) Salaries and consulting fees paid or accrued to the Company's CEO and CFO, respectively.
(ii) Stock based compensation recorded on stock options and RSU's granted to directors and officers.
(iii) Director fees paid or accrued to directors of the Company.

In connection with the June 1, 2026, non-brokerage private placement, a director of the Company acquired 150,000 common shares at $0.50 per common share.

6. 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. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's capital management for the six months ended June 30, 2026.

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.

7. 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 June 30, 2026, accounts receivable was $53,614 of which $51,395 was Goods and Services Tax (December 31, 2025: $76,770 of which $76,770 was Goods and Services Tax).

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

	June 30, 2026	December 31, 2025
Cash and cash equivalents	$7,274,883	$1,615,966
Account receivable	2,219	-
	$7,277,102	**$1,615,966**

Currency Risk

The Company holds financial instruments denominated in CAD, USD, AUD and Euros that may differ from the functional currency of the entity which holds the financial instrument. 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 June 30, 2026, a 5% fluctuation in foreign exchange rates would have an impact of approximately $6,372 in the Company's unaudited condensed interim consolidated statement of operations and other comprehensive loss (June 30, 2025: $52,738).

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 equity financings and grants. 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 June 30, 2026, and December 31, 2025, respectively:

June 30, 2026	**Payments Due by Year $**				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Accounts payable and accrued liabilities	685,465	685,465	-	-	-
Total	**685,465**	**685,465**		-	-

December 31, 2025	**Payments Due by Year $**				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Accounts payable and accrued liabilities	1,240,590	1,240,590	-	-	-
Total	**1,240,590**	**1,240,590**	-	-	-

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 June 30, 2026, and December 31, 2025, cash and cash equivalents are recorded at fair value under level 1 within the fair value hierarchy.

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

(Expressed in Canadian Dollars)

8. EXPENSES BY NATURE

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
Research and development expenses	**2026**	**2025**	**2026**	**2025**
Clinical materials	$919,584	$829,723	$1,039,718	$985,863
Clinical trial expenses	91,878	392,774	386,577	1,153,234
Preclinical studies	-	9,468	-	48,086
Patent legal expenses	58,360	3,289	66,947	20,472
Regulatory expenses	49,875	49,198	86,911	88,612
Salaries and wages	80,865	80,780	161,568	165,217
Stock based compensation	15,146	100,771	47,910	105,063
Travel	22,227	(139)	27,852	13,013
Total research and development	**$1,237,935**	**$1,465,864**	**$1,817,483**	**2,579,560**

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
General and administrative expenses	**2026**	**2025**	**2026**	**2025**
Professional fees	$25,340	$31,126	$47,170	$68,336
General and office	7,896	6,775	34,165	29,929
Stock based compensation	62,372	114,861	146,151	238,974
Consulting fees	74,247	72,992	148,580	143,297
Director fees	25,353	27,521	50,598	50,976
Public company expenses	23,700	36,880	61,605	55,181
Travel	8,936	10,687	31,132	10,687
Investor relations	14,500	67,958	61,220	92,958
Total general and administrative	**$242,344**	**$368,800**	**$580,621**	**$690,338**