THIOGENESIS THERAPEUTICS, CORP.

Management's Discussion and Analysis

For the Three and Six Months Ended

June 30, 2026

(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. 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.

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 six months ended June 30, 2026, and 2025, together with notes thereto and the Company's consolidated financial statements for the year ended December 31, 2025, together with notes thereto.

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 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 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 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, 2025. All amounts herein are presented in Canadian dollars, unless otherwise noted.

This Management's Discussion and Analysis is dated August 6, 2026, and has been approved by the Board of Directors of the Company.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS AND RISK FACTORS

Certain statements and information in this 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", "continue", "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:

- *Our ability to continue as a going concern;*
- *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 and ability to raise 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 "Financial Risks". 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.

ABOUT TTI

Thiogenesis Therapeutics, Corp. is a clinical-stage biotechnology company developing TTI-0102, a novel controlled-release cysteamine prodrug designed to improve tolerability and dosing relative to existing therapies. The Company is focused on TTI-0102 in nephropathic cystinosis, where it is advancing towards late-stage development, and is also advancing research and clinical work in primary mitochondrial diseases, initially focused on LSS.

TTI-0102

The Company's lead drug product candidate TTI-0102 is an asymmetric disulfide, made up of two thiols that lead to two independent cysteamine molecules and one molecule of pantothenic acid ("B5"). Cysteamine is a thiol that has been rigorously studied and tested; it is the active pharmaceutical ingredient that has been used for decades in drugs for the treatment of the lysosomal storage disease nephropathic cystinosis. TTI-0102 has been engineered 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 and pantothenic acid 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.

In May 2022 the Company completed a 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 the generic Cystagon®, when treating nephropathic cystinosis. The results from this study have been used to support the Company's Investigational Medicinal Product Dossier ("IMPD") submission in Europe and its Investigational New Drug ("IND") submissions in the U.S. for human efficacy trials in multiple disease indications including MELAS, LSS, pediatric MASH and nephropathic cystinosis.

On November 4, 2024, the Company announced that one of its core patents titled, *"Methods for The Treatment of Cysteamine Sensitive Disorders,"* has been allowed by the European Patent Office.

Regulatory

On January 27, 2025, the Company announced that it had received final regulatory clearance from the European Medicines Agency ("EMA") to commence a Phase 2 clinical trial in MELAS. Since that time, the Company has completed its Phase 2 MELAS clinical trial, announced an investigator-initiated study in nephropathic cystinosis intended to support advancement of TTI-0102 toward late-stage clinical development, received U.S. Food and Drug Administration ("FDA") clearance for a Phase 2a clinical trial in LSS, and received scientific advice from the EMA supporting the submission of an IMPD for a proposed Phase 2a clinical trial in pediatric MASH. As a prodrug, TTI-0102 is eligible to utilize the FDA's 505(b)(2) regulatory pathway, and equivalent pathways in other jurisdictions, which may permit the use of certain third-party safety data and potentially reduce the time and cost associated with clinical development.

MELAS

Mitochondrial encephalopathy, lactic acidosis, and stroke like episodes ("MELAS") is a genetic disorder of the mitochondria, typically diagnosed before the age of twenty. It is a disease that affects mitochondrial function including, the function and development of the brain causing neurological impairment, lowering oxygen levels in the blood, fatigue, headaches and seizures. The key mechanisms of action for TTI-0102, applied to MELAS, are its thiol-disulfide balancing mechanism (redox activity) based-on generating significantly increased intracellular glutathione (antioxidant) and acting as a precursor to the amino acid taurine, both of which are known to be deficient in MELAS.

On March 25, 2024, Thiogenesis announced that the EMA has accepted the Company's Clinical Trial Application ("CTA") Part I – Scientific and Medicinal Product Documentation, for its lead drug product candidate TTI-0102, to commence a Phase 2 clinical trial for the treatment of MELAS. The CTA Part I is the equivalent of an IND application in the U.S. On January 27, 2025, the Company announced that it has received regulatory acceptance of the CTA Part II – National and Patient Level Documentation, the final regulatory clearance necessary to initiate a Phase 2 clinical trial in MELAS.

On May 14, 2025, Thiogenesis announced that it has dosed its first two patients in its Phase 2 clinical trial for the treatment of MELAS with its lead product candidate TTI-0102. The first two patients were dosed on May 12th, at the Radboud University Medical Center in Nijmegen, Netherlands; where the Phase 2 clinical trial was initially conducted. On June 17, 2025, Thiogenesis announced that it had expanded its MELAS clinical trial and dosed its first patient at Angers University Hospital Center ("CHU Angers"), France. The prevalence of MELAS is estimated to be 4.1/100,000 people, and there are currently no approved drugs in the EU or U.S. for the treatment of MELAS.

The Company's Phase 2 MELAS clinical trial was a multi-country, multi-center trial conducted at leading institutions in the Netherlands and France. The trial was a randomized, double-blind, placebo-controlled study to assess the safety, tolerability, efficacy, and PK / pharmacodynamics ("PD") of oral TTI-0102 for the treatment of patients with MELAS over a 6-month period. The trial planned to enroll a total of 12 patients, of which 8 patients would receive TTI-0102, and 4 patients would receive placebo. After 3 months, there would be an interim analysis of safety and clinical efficacy.

On November 4, 2025, Thiogenesis reported 3-month interim results from its EU Phase 2 MELAS trial. The study aims to confirm biological proof-of-concept, determine dosing, assess biomarker activity, and evaluate early efficacy. Five patients over 70 kg remain active (two on TTI-0102, three on placebo), with TTI-0102 showing good tolerability consistent with previous findings. Four patients under 50 kg left due to dose-related side effects, leading to plans for adjusted dosing regimens in future trials. Biomarker and efficacy data are confidential until a potential 2026 publication, but interim results show clear biological differences and indicate significant support for TTI-0102's mitochondrial antioxidant and restorative activity.

On January 23, 2026, the Company announced that interim data from its Phase 2 (EU) MELAS study of TTI-0102 were presented at Mitocon 2026. The results demonstrated that once-daily, weight-based dosing could achieve sustained 24-hour cysteamine exposure and informed refinement of the dosing approach for clinical development. In patients who achieved appropriate weight-adjusted exposure, treatment with TTI-0102 was associated with improvements in patient-reported fatigue, as measured by the Modified Fatigue Impact Scale, together with pharmacodynamic biomarker changes consistent with reduced oxidative stress and improved cellular energy metabolism. However, the interim dataset also highlighted variability in clinical response and tolerability constraints in lower-weight patients, where fixed or sub-optimal dosing resulted in gastrointestinal adverse events, treatment discontinuations, and reduced ability to achieve target exposure. Overall, the Company concluded that the results were principally informative for dose optimisation and supported the use of weight-based, exposure-guided study design in future clinical trials.

Leigh Syndrome Spectrum ("LSS")

Leigh syndrome ("LS") is a rare, inherited genetic disorder characterised by impaired mitochondrial energy production resulting from mutations in nuclear or mitochondrial DNA. The disease is typically diagnosed in infancy or early childhood and occurs in approximately 1 in 40,000 live births. LS is clinically severe and progressive, with symptoms that may include hypotonia, developmental regression, feeding difficulties, respiratory impairment, seizures, and early mortality. At present, there are no approved pharmacologic treatments for LS, and clinical management remains largely supportive.

Leigh Syndrome Spectrum ("LSS") refers to a broader group of genetically defined mitochondrial disorders that share the core pathophysiology of impaired oxidative phosphorylation and mitochondrial dysfunction but may present with variable age of onset, rate of progression, and organ involvement. While classical LS represents the most severe end of this continuum, the broader LSS population includes patients with overlapping biochemical, radiographic, and clinical features who may survive longer and exhibit more heterogeneous disease trajectories. These related mitochondrial disorders share common downstream consequences, including oxidative stress, impaired cellular energy balance, and tissue injury, particularly in high-energy organs such as the brain and muscle.

By encompassing a wider and more heterogeneous patient population than classical LS alone, the LSS represents a substantially larger addressable population with similarly high unmet medical need and no approved disease-modifying therapies. Therapeutic approaches targeting shared mitochondrial and redox dysfunction mechanisms across this spectrum may therefore have applicability beyond classical LS and support a broader development opportunity.

On July 18, 2024, Thiogenesis announced a collaboration with an undisclosed U.S. based children's hospital to collaborate on a Phase 2a 'proof-of-concept' clinical trial to test safety and efficacy in LSS. The Company and the children's hospital worked together on pre-IND meetings with FDA and on filing an IND. The key mechanisms of action for TTI-0102 for LSS are that it increases intracellular levels of the antioxidant glutathione to reduce oxidative stress in the mitochondria and as a precursor to the amino acid taurine, which has the potential to reduce seizures.

On June 11, 2025, Thiogenesis announced FDA clearance of its IND application for a Phase 2a clinical trial in LSS with TTI-0102. The trial is to be conducted in collaboration with Children's Hospital of Philadelphia ("CHOP"). The trial will be evaluating safety, tolerability, pharmacokinetics/pharmacodynamics ("PK/PD") and efficacy, initially in adults and adolescents and then in pediatric patients. The total number of patients to be evaluated is 15.

The Company is completing activities required for clinical trial initiation, including stability testing, packaging and labelling of clinical supply. Subject to completion of these activities, the Company expects the Phase 2 clinical trial in LSS to commence in the second half of 2026 in collaboration with CHOP. Adjustments to dosing, informed by interim findings from the Company's Phase 2 MELAS clinical trial, were included in the revised clinical trial protocol.

On July 13, 2026, Thiogenesis announced that the FDA granted Rare Pediatric Disease ("RPD") designation to TTI-0102 for the treatment of LS. The designation is intended for therapies targeting serious or life-threatening diseases that primarily affect children and provides the potential, upon approval of a future New Drug Application ("NDA"), to receive a Priority Review Voucher ("PRV"). The Company believes the designation further supports the regulatory development of TTI-0102 and its Phase 2 clinical program in LSS disorders.

Nephropathic Cystinosis

Nephropathic cystinosis is a rare autosomal recessive lysosomal storage disorder caused by mutations in the CTNS gene, resulting in the intracellular accumulation of cystine and progressive, multi-system disease. Without effective long-term management, patients typically develop renal failure and other serious extra-renal complications. Lifelong cysteamine therapy is the established standard of care and has demonstrated clinical benefit; however, existing formulations are associated with frequent dosing, gastrointestinal adverse effects, and a high treatment burden, which have been shown to negatively affect adherence over time, particularly during adolescence and adulthood.

TTI-0102 is a next-generation cysteamine prodrug designed to improve upon existing therapies through controlled release across the gastrointestinal tract, providing sustained exposure with lower peak concentrations. The drug product candidate is intended to enable once-daily dosing with improved tolerability and simplified administration, with the objective of improving long-term adherence and disease control. Clinical and potential commercial development of TTI-0102 for the treatment of nephropathic cystinosis allows the Company to rely on well-established regulatory precedent, validated surrogate clinical endpoints, and durable orphan drug pricing, and represents an addressable market of up to approximately $350 million annually.

On November 24, 2025, Thiogenesis announced plans to advance TTI-0102 toward late-stage development in nephropathic cystinosis. Building on positive pharmacokinetic, biomarker and tolerability findings from prior studies and the Company's MELAS clinical program, Thiogenesis outlined a development strategy under the FDA's 505(b)(2) regulatory pathway utilizing well-established clinical endpoints and trial design principles applicable to cystinosis.

On February 2, 2026, Thiogenesis announced an investigator-initiated study collaboration with Dr. Larry Greenbaum at Emory University and Children's Healthcare of Atlanta. The study is intended to evaluate TTI-0102 in patients with nephropathic cystinosis to further characterize once-daily dosing, tolerability and white blood cell ("WBC") cystine control across a representative patient population. Data generated from the study are expected to support dose optimization and inform the Company's future clinical development plans in nephropathic cystinosis.

The Company intends to utilize data from the investigator-initiated study, together with future regulatory interactions with the FDA, to inform the design, timing and regulatory pathway for a potential pivotal clinical study of TTI-0102 in nephropathic cystinosis.

Pediatric MASLD/MASH

Metabolic dysfunction-associated steatotic liver disease ("MASLD") is a condition that occurs when there is a build-up of fat in the liver. When MASLD progresses to metabolic dysfunction-associated steatohepatitis ("MASH") there is inflammation of the liver and liver damage, often leading to fibrosis (where the liver is stiffening). Building on cysteamine's decades long history as a safe pediatric drug treating children with nephropathic cystinosis, TTI-0102 is targeting the unmet medical need of pediatric MASH as its initial indication in liver disease. There are over 5,000,000 children with pediatric MASLD and well-over 1,000,000 that have pediatric MASH in the U.S. There are important links between mitochondrial dysfunction and MASH, suggesting that potential interventions that target oxidative stress and its impact on mitochondrial health could have a clinical benefit on MASH. In addition, there are potential benefits in treating MASH from increasing exposure to compounds that act as antioxidants and anti-inflammatories, like TTI-0102.

On August 20, 2024, Thiogenesis announced a Collaborative Agreement with the University of California San Diego ("UCSD"). At UCSD, Thiogenesis worked with Jeffrey Schwimmer, M.D., as the Principal Investigator, on a proposed Phase 2 clinical trial titled "An Open Label, Controlled Clinical Trial to Evaluate the Efficacy and Safety of TTI-0102 in Pediatric Nonalcoholic Steatosis ("NASH")."

Subsequent to a pre-IND meeting with the FDA, the Company sought scientific advice from the EMA. The Company received confirmatory guidance from the EMA supporting the submission of an IMPD for a Phase 2a clinical trial in Pediatric MASH. The EMA confirmed that the extensive pediatric clinical experience with cysteamine supports initiation of a pediatric clinical trial without first requiring an adult study. The Company believes this guidance establishes a direct regulatory pathway into the pediatric population and reinforces the potential of Pediatric MASH as an important future indication for TTI-0102.

OVERALL PERFORMANCE

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.

For the three months ended June 30, 2026, the Company recorded a net loss of $1,489,463 and a net loss per share, basic and diluted of $0.03 compared to a net loss of $1,899,443 and a net loss per share, basic and diluted of $0.04 for the three months ended June 30, 2025. The decrease in net loss for the three months ended June 30, 2026, was primarily related to a decrease in research and development costs of $227,929 to $1,237,935 compared to $1,465,864 for the three months ended June 30, 2025, and a decrease of $126,456 in general and administrative expenses to $242,344 compared to $368,800 for the three months ended June 30, 2025. For the six months June 30, 2025, the Company recorded a net loss of $2,401,283 and a net loss per share, basic and diluted of $0.04 compared to net loss of $3,310,278 and a net loss per share, basic and diluted of $0.07 for the six months ended June 30, 2025. The decrease in net loss for the six months ended June 30, 2026, was primarily related to a decrease of $762,077 in research and development expenses to $1,817,483 compared to $2,579,560 for the six months ended June 30, 2025, and a decrease of $109,717 in general and administrative expenses to $580,621 compared to $690,338 for the six months ended June 30, 2025.

The decrease in research and development expenses for the three and six months ended June 30, 2026, compared to the three and six months ended June 30, 2025, was primarily related to a decrease in clinical trial expenses due to the Company's Phase 2 MELAS clinical trial conducted in 2025, which was not repeated in 2026, a decrease in stock based compensation, a decrease in preclinical studies, partially offset by an increase in patent legal expense and travel expense. The decrease in general and administrative expenses for the three and six months ended June 30, 2026, compared to the three and six months ended June 30, 2025, primarily relate to a decrease in investor relations and stock based compensation expense.

RESULTS OF OPERATIONS

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026 ($)	**2025 ($)**	**2026 ($)**	**2025 ($)**
Total assets	7,408,913	1,940,380	7,408,913	1,940,380
Total revenue	Nil	Nil	Nil	Nil
Net loss	1,489,463	(1,899,443)	(2,401,283)	(3,310,278)
Net loss per share, basic and diluted	(0.03)	(0.04)	(0.04)	(0.07)

The following tables present a breakdown of research and development expenses for the periods set out:

	For the Three Months Ended June 30,		
Research and development expenses	**2026**	**2025**	**Variance**
Clinical materials	$919,584	$829,723	$89,861
Clinical trial expenses	91,878	392,774	(300,896)
Preclinical studies	-	9,468	(9,468)
Patent legal expenses	58,360	3,289	55,071
Regulatory expenses	49,875	49,198	677
Salaries and wages	80,865	80,780	85
Stock based compensation	15,146	100,771	(85,625)
Travel	22,227	(139)	22,366
Total research and development	**$1,237,935**	**$1,465,864**	**$(227,929)**

Research and development expenses for the three months ended June 30, 2026, decreased by $227,929 to $1,237,935 compared to $1,465,864 for the three months ended June 30, 2025. The decrease in research and development expenses for the three months ended June 30, 2026, was primarily related to a decrease of $300,896 to $91,878 in clinical trial expenses compared to $392,774 for the three months ended June 30, 2025, and a decrease of $85,625 to $15,146 in stock based compensation compared to $100,771 for the three months ended June 30, 2025. These decreases were partially offset by an increase of $89,861 to $919,584 in clinical trial materials compared to $829,723 for the three months ended June 30, 2025, and an increase of $55,071 to $58,360 in patent legal expenses compared to $3,289 for the three months ended June 30, 2025.

For three months ended June 30, 2026, decreased clinical trial expenses relate to the Company's Phase 2 MELAS clinical trial conducted in 2025, which was not repeated in 2026. The decrease in stock based compensation for the three months ended June 30, 2026, compared to June 30, 2025, was primarily related to the timing of vesting of certain options and the grant of 400,000 common share purchase options on May 23, 2025, and 200,000 common shares purchase options on June 11, 2025. The fair value of the common share purchase options was estimated on the date of grant using the Black-Scholes option pricing model and expensed over their vesting periods. For the three months ended June 30, 2026, the increase in clinical materials related to the development and manufacture of the Company's drug product candidate TTI-0102 for use in stability testing and clinical trials and the increase in patent legal expenses relate to increased patent activity associated with the Company's drug product candidate TTI-0102.

Research and development expenses	For the Six Months Ended June 30, 2026	2025	Variance
Clinical materials	$1,039,718	$985,863	$53,855
Clinical trial expenses	386,577	1,153,234	(766,657)
Preclinical studies	-	48,086	(48,086)
Patent legal expenses	66,947	20,472	46,475
Regulatory expenses	86,911	88,612	(1,701)
Salaries and wages	161,568	165,217	(3,649)
Stock based compensation	47,910	105,063	(57,153)
Travel	27,852	13,013	14,839
Total research and development	**$1,817,483**	**2,579,560**	**$(762,077)**

Research and development expenses for the six months ended June 30, 2026, decreased by $762,077 to $1,817,483 compared to $2,579,560 for the six months ended June 30, 2025. The decrease in research and development expenses for the six months ended June 30, 2026, was primarily related to a decrease of $766,657 to $386,577 in clinical trials expenses compared to $1,153,234 for the six months ended June 30, 2025, a decrease of $57,153 in stock based compensation to $47,910 compared to $105,063 for the six month ended June 30, 2025, and a decrease of $48,086 in preclinical studies to Nil compared to $48,086 for the six months ended June 30, 2025.

These decreases were partially offset by an increase of $53,855 in clinical materials to $1,039,718 compared to $985,863 for the six months ended June 30, 2025, and an increase of $46,475 to $66,947 in patent legal expenses compared to $20,472 for the six months ended June 30, 2025.

For six months ended June 30, 2026, the decrease in clinical trial expenses and preclinical studies relate to the Company's Phase 2 MELAS clinical trial conducted in 2025, which was not repeated in 2026. The decrease in stock based compensation for the six months ended June 30, 2026, compared to June 30, 2025, was primarily related to the timing of vesting of certain options and the grant of 400,000 common share purchase options on May 23, 2025, and 200,000 common shares purchase options on June 11, 2025. The fair value of the common share purchase options was estimated on the date of grant using the Black-Scholes option pricing model and expensed over their vesting periods. For six months ended June 30, 2026, the increase in clinical materials related to the development and manufacture of the Company's drug product candidate TTI-0102 for use in stability testing and clinical trials and the increase in patent legal expenses relate to increased patent activity associated with the Company's drug product candidate TTI-0102.

The following tables present a breakdown of general and administrative expenses for the periods set out:

General and administrative expenses	For the Three Months Ended June 30, 2026	2025	Variance
Professional fees	$25,340	$31,126	(5,786)
General and office	7,896	6,775	1,121
Stock based compensation	62,372	114,861	(52,489)
Consulting fees	74,247	72,992	1,255
Director fees	25,353	27,521	(2,168)
Public company expenses	23,700	36,880	(13,180)
Travel	8,936	10,687	(1,751)
Investor relations	14,500	67,958	(53,458)
Total general and administrative	**$242,344**	**$368,800**	**$(126,456)**

General and administrative expenses for the three months ended June 30, 2026, decreased by $126,456 to $242,344 compared to $368,800 for the three months ended June 30, 2025. The decrease in general and administrative expenses for the three months ended June 30, 2026, was primarily related to a decrease in investor relations expense of $53,458 to $14,500 compared to $67,958 for the three months ended June 30, 2025, and a decrease in in stock based compensation of $52,489 to $62,372 compared to $114,861 for the three months ended June 30, 2025.

For the three months ended June 30, 2026, the decrease in investors relations expense was related to decreased social media engagement and investor conference attendances. The decrease in stock based compensation for the three months ended June 30, 2026, compared to June 30, 2025, was related to the timing of vesting of certain options and Restricted Share Units ("RSU's"), the grant of 200,000 common shares purchase options on June 11, 2025, and 150,000 common share purchase options on September 10, 2025. The fair value of the common share purchase options was estimated on the date of grant using the Black-Scholes option pricing model and expensed over their vesting periods. The fair value of the RSU's was based on the market price of the underlying common shares on the date of grant and expensed over their vesting periods.

	For the Six Months Ended June 30,		
General and administrative expenses	**2026**	**2025**	**Variance**
Professional fees	$47,170	$68,336	$(21,166)
General and office	34,165	29,929	4,236
Stock based compensation	146,151	238,974	(92,823)
Consulting fees	148,580	143,297	5,283
Director fees	50,598	50,976	(378)
Public company expenses	61,605	55,181	6,424
Travel	31,132	10,687	20,445
Investor relations	61,220	92,958	(31,738)
Total general and administrative	**$580,621**	**$690,338**	**$(109,717)**

General and administrative expenses for the six months ended June 30, 2026, decreased by $109,717 to $580,621 compared to $690,338 for the six months ended June 30, 2025. The decrease in general and administrative expenses for the six months ended June 30, 2026, was primarily related to a decrease of $92,823 to $146,151 in stock based compensation expense compared to $238,974 for the six months ended June 30, 2025, and a decrease of $31,738 to $61,220 in investor relations compared to $92,958 for the six months ended June 30, 2026.

The decrease in stock based compensation for the six months ended June 30, 2026, compared to June 30, 2025, was related to the timing of vesting of certain options and RSU's, 200,000 common shares purchase options granted June 11, 2025, and 150,000 common share purchase options granted September 10, 2025. The fair value of the common share purchase options was estimated on the date of grant using the Black-Scholes option pricing model and expensed over their vesting periods. The fair value of the RSU's was based on the market price of the underlying common shares on the date of grant and expensed over their vesting periods. The decrease in investors relations expenses for the six months ended June 30, 2026, was related to decreased social media engagement and investor conference attendances.

Interest Income

For the three months ended June 30, 2026, interest income was down by $8,827 to $2,183 compared to $11,010 for the three months ended June 30, 2025.

For the six months ended June 30, 2026, interest income was down by $35,622 to $2,234 compared to $37,856 for the six months ended June 30, 2025.

Lower interest income for the three and six months ended June 30, 2026, was a result of the decreased cash and cash equivalents of the Company and decreased interest rates.

Loss on Foreign Exchange
For the three months ended June 30, 2026, the Company recorded a loss on foreign exchange of $11,367 compared to a loss on foreign exchange of $75,789 for the three months ended June 30, 2025.

For the six months ended June 30, 2026, the Company recorded a loss on foreign exchange of $5,413 compared to a loss on foreign exchange of $78,236 for the six months ended June 30, 2025.

The loss on foreign exchange is primarily attributed to the exchange difference on the Company's USD cash translated into the Company's functional currency, CAD, at the period end.

Net Loss
For the three months ended June 30, 2026, net loss was $1,489,463 and net loss per share, basic and diluted was $0.03 compared to net loss of $1,899,443 and net loss per share, basic and diluted of $0.04 for the three months ended June 30, 2025.

For the six months ended June 30, 2026, net loss was $2,401,283 and net loss per share, basic and diluted was $0.04 compared to net loss of $3,310,278 and net loss per share, basic and diluted of $0.07 for the six months ended June 30, 2025.

Components of the decrease in net loss for the three and six months ended June 30, 2026, compared to the three and six months ended June 30, 2025, are discussed in detail above.

Other Comprehensive (Income) Loss

Foreign Currency Translation
For the three months June 30, 2026, the Company recorded a loss on foreign currency translation of $16,730 versus a gain of $1,075 for the three months ended June 30, 2025.

For the six months June 30, 2026, the Company recorded a loss on foreign currency translation of $22,399 versus a loss of $2,436 for the six months ended June 30, 2025.

The foreign currency translation gains and losses result from translating TTI US's balance sheets from USD, Thiogenesis Australia Pty Ltd.'s balance sheets from AUD and Thiogenesis Therapeutics, SARL's balance sheets from Euro into the Company's functional currency, CAD at the period end exchange rates, 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	June 30, 2026 ($)	March 31, 2026 ($)	December 31, 2025 ($)	September 30, 2025 ($)
Total assets	7,408,913	1,029,620	1,814,967	3,625,225
Total revenue	Nil	Nil	Nil	Nil
Net loss	(1,489,463)	(911,820)	(1,731,838)	(2,383,961)
Net loss per share, basic and diluted	(0.03)	(0.02)	(0.03)	(0.05)

For the three months ended June 30, 2026, net loss was $1,489,463 and net loss per shares basic and diluted was $0.03, research and development expenses were $1,237,935, general and administrative expenses were $242,344, interest income was $2,183 and loss on foreign exchange was $11,367.

For the three months ended March 31, 2026, net loss was $911,820 and net loss per shares basic and diluted was $0.02, research and development expenses were $579,548, general and administrative expenses were $338,277, interest income was $51 and gain on foreign exchange was $5,954.

For the three months ended December 31, 2025, net loss was $1,731,838, net loss per share basic and diluted was $0.03, research and development expenses were $1,266,516 general and administrative expenses were $464,400, interest income was $4,416 and loss on foreign exchange was $5,338.

For the three months ended September 30, 2025, net loss was $2,383,961, net loss per share basic and diluted was $0.05, research and development expenses were $1,922,572, general and administrative expenses were $471,840, interest income was $6,450 and gain on foreign exchange was $4,001.

For the quarter ending	June 30, 2025 ($)	March 31, 2025 ($)	December 31, 2024 ($)	September 30, 2024 ($)
Total assets	1,940,380	3,133,155	3,983,388	4,253,553
Total revenue	Nil	Nil	Nil	Nil
Net loss	(1,899,443)	(1,410,835)	(1,126,981)	(656,856)
Net loss per share, basic and diluted	(0.04)	(0.03)	(0.02)	(0.01)

For the three months ended June 30, 2025, net loss was $1,899,443, net loss per share basic and diluted was $0.04, research and development expenses were $1,465,864, general and administrative expenses were $368,800, interest income was $11,010 and loss on foreign exchange was $75,789.

For the three months ended March 31, 2025, net loss was $1,410,835, net loss per share basic and diluted was $0.03, research and development expenses were $1,113,696, general and administrative expenses were $321,538, interest income was $26,846 and loss on foreign exchange was $2,447

For the three months ended December 31, 2024, net loss was $1,126,981, net loss per share basic and diluted was $0.02, research and development expenses were $778,491, general and administrative expenses were $537,967, interest income was $34,391 and gain on foreign exchange was $155,086.

For the three months ended September 30, 2024, net loss was $656,856, net loss per share basic and diluted was $0.01, research and development expenses were $404,857, general and administrative expenses were $272,925, interest income was $48,617 and loss on foreign exchange was $27,691.

CAPITAL EXPENDITURES

The Company had no capital expenditures during the six months ended June 30, 2026, or during the year ended December 31, 2025.

FINANCING ACTIVITIES

During the six months ended June 30, 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.

During the year ended December 31, 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.

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 Six Months Ended June 30,	
	2026	**2025**
Cash and cash equivalents beginning of period	$1,615,966	$3,847,864
Cash flow used in operating activities	(2,697,376)	(2,001,953)
Cash flow provided by financing activities	8,378,692	-
Effect of exchange rate changes on cash and cash equivalents	(22,399)	(2,436)
Cash and cash equivalents, end of period	**$7,274,883**	**$1,843,475**

Cash flow used in operating activities for the six months ended June 30, 2026, was $2,697,376 which increased by $695,423 from cash used in operations of $2,001,953 for the six months ended June 30, 2025. The increase in cash flow used in operating activities was primarily due to a decrease in accounts payable and accrued liabilities offset by a decrease in net loss.

Cash flow provided by financing activities for the six months ended June 30, 2026, increased by $8,378,692 compared to Nil for the six months ended June 30, 2025. During the six months ended June 30, 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 and paid cash Finder's fees of $561,530.

Working Capital
At June 30, 2026, the Company had a working capital of $6,723,448 (December 31, 2025, working capital: $574,377).

MATERIAL ACCOUNTING POLICY INFORMATION

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 the unaudited condensed interim consolidated financial statements.

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 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.

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.

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.

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. 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 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.

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.

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.

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).

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.

(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.

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.

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.