



THIOGENESIS THERAPEUTICS, CORP.

Unaudited Condensed Interim Consolidated Financial Statements

For the Three and Nine Months Ended

September 30, 2024 and 2023

(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 September 30, 2024	As at December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 4,147,011	\$ 7,076,308
Accounts receivable	73,542	85,315
Prepaid expenses	33,000	81,377
Total current assets	<u>4,253,553</u>	<u>7,243,000</u>
Total Assets	\$ 4,253,553	\$ 7,243,000
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 105,921	\$ 1,712,866
Total current liabilities	<u>105,921</u>	<u>1,712,866</u>
Shareholders' equity		
Share capital (Note 4)	15,669,567	15,010,430
Reserves (Note 4)	1,666,375	1,672,463
Accumulated other comprehensive loss	(31,531)	(14,729)
Accumulated deficit	(13,156,779)	(11,138,030)
Total shareholders' equity	<u>4,147,632</u>	<u>5,530,134</u>
Total Liabilities and Shareholders' Equity	\$ 4,253,553	\$ 7,243,000

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 September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Operating expenses				
Research and development (Note 8)	\$ 404,857	\$ 864,360	\$ 1,444,844	\$ 2,375,536
General and administrative (Note 8)	272,925	230,946	817,972	704,791
Total operating expenses	677,782	1,095,306	2,262,816	3,080,327
Other (income) expenses				
Interest income	(48,617)	(44,918)	(165,936)	(135,381)
(Gain) loss on foreign exchange	27,691	4,157	(78,131)	46,672
Total other income	(20,926)	(40,761)	(244,067)	(88,709)
Net loss	656,856	1,054,545	2,018,749	2,991,618
Other comprehensive (income) loss				
Foreign currency translation	(4,685)	19,290	16,802	12,493
Total other comprehensive (income) loss	(4,685)	19,290	16,802	12,493
Net loss and other comprehensive (income) loss	\$ 652,171	\$ 1,073,835	\$ 2,035,551	\$ 3,004,111
Net loss per share, basic and diluted	\$ (0.01)	\$ (0.03)	\$ (0.04)	\$ (0.08)
Weighted average shares outstanding, basic and diluted	45,500,652	38,862,075	45,229,104	38,862,075

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 Nine Months Ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

	Number of Shares	SHARE CAPITAL \$	RESERVES \$	ACCUMULATED OTHER COMPREHENSIVE LOSS \$	ACCUMULATED DEFICIT \$	SHAREHOLDERS' EQUITY \$
Balance, December 31, 2022	38,862,075	11,128,175	1,055,011	(22,313)	(6,177,452)	5,983,421
Stock based compensation	-	-	386,387	-	-	386,387
Foreign currency translation	-	-	-	(12,493)	-	(12,493)
Net loss for the period	-	-	-	-	(2,991,618)	(2,991,618)
Balance, September 30, 2023	38,862,075	11,128,175	1,441,398	(34,806)	(9,169,070)	3,365,697
Balance, December 31, 2023	44,570,575	15,010,430	1,672,463	(14,729)	(11,138,030)	5,530,134
Exercise of warrants	925,000	646,253	(183,753)	-	-	462,500
Exercise of finders' options	14,000	12,884	(5,884)	-	-	7,000
Stock based compensation	-	-	183,549	-	-	183,549
Foreign currency translation	-	-	-	(16,802)	-	(16,802)
Net loss for the period	-	-	-	-	(2,018,749)	(2,018,749)
Balance, September 30, 2024	45,509,575	15,669,567	1,666,375	(31,531)	(13,156,779)	4,147,632

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 Nine Months Ended
September 30, 2024 September 30, 2023

Operating activities

Net loss for the period	\$	(2,018,749)	\$	(2,991,618)
Item not involving cash:				
Stock based compensation		183,549		386,387
Net changes in non-cash working capital				
Accounts receivable		11,773		(24,049)
Prepaid expenses		48,377		29,397
Accounts payable and accrued liabilities		(1,606,945)		13,289
Grant receivable		-		34,742
Net cash used in operating activities		<u>(3,381,995)</u>		<u>(2,551,852)</u>

Financing activities

Proceeds from exercise of warrants		462,500		-
Proceeds from exercise of finders' options		7,000		-
Net cash provided by financing activities		<u>469,500</u>		<u>-</u>

Effect of exchange rate changes on cash		<u>(16,802)</u>		<u>(12,493)</u>
---	--	-----------------	--	-----------------

Decrease in cash and cash equivalents for the period		(2,929,297)		(2,564,345)
Cash and cash equivalents, beginning of period		7,076,308		6,195,961
Cash and cash equivalents, end of period	\$	4,147,011	\$	3,631,616

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”) is a clinical stage biotechnology company that was incorporated under the *Ontario Business Corporations Act* on May 3, 2018. On March 22, 2022, the Company filed articles of amendment and changed its name from Rozdil Capital Corporation to Thiogenesis Therapeutics, Corp. The Company is developing thiol-active therapeutic compounds, that are prodrugs, used to treat unmet pediatric medical needs. TTI-0102, the Company’s lead compound, was developed to address the obstacles facing previous 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, Rett syndrome and pediatric Nonalcoholic steatohepatitis (“NASH”).

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.

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 International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The accounting policies and methods of computation applied by the Company in 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, 2023.

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 2024 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, 2023.

The Board of Directors approved the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2024, on November 18, 2024.

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, Thiogenesis Therapeutics, Inc. (“TTI US”), is the United States Dollar. The functional currency of TTI US’s wholly-owned Australian subsidiary, Thiogenesis Australia Pty Ltd., is the Australian Dollar and the functional currency of TTI US’s wholly-owned France subsidiary, Thiogenesis Therapeutics, 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 U.S. subsidiary is the U.S. dollar ("US"). The functional currency of the Company's Australian subsidiary is the Australian Dollar ("AUD"), and the functional currency of the Company's France 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 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 compound, TTI-0102. Accordingly, management applies judgment in its assessment of the activities being undertaken and whether certain costs meet the definition of internally generated intangible assets in the research or development phase.

Recognition of deferred tax assets

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

Fair Value of Stock Based Compensation and Warrants

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

Thiogenesis Therapeutics, Corp.
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2024, and 2023
(Expressed in Canadian Dollars)

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, 2023, and have been applied consistently in these unaudited condensed interim consolidated financial statements.

Adoption of New accounting Pronouncements

Amendments to IAS 1 – Covenants

The amendment that clarifies how an entity classifies debt and other financial liabilities as current or noncurrent in particular circumstances. The amendments are effective for annual periods beginning on or after January 1, 2024. There was no material impact as a result of adopting this amendment.

Amendments to IAS 16 – Leases

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15: Revenue to be accounted for as a sale. The amendment is effective for annual period beginning on or after January 1, 2024. There was no material impact as a result of adopting this amendment.

4. SHARE CAPITAL AND RESERVES

Share Capital

Authorized:

Unlimited common shares

Issued:

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

	Note	#	\$
Balance, December 31, 2022		38,862,075	11,128,175
Private placement	(i)	6,001,167	3,984,688
Common shares cancelled	(ii)	(292,667)	(102,433)
Balance, December 31, 2023		44,570,575	15,010,430
Exercise of warrants	(iii)	925,000	646,253
Exercise of Finders' Options	(iv)	14,000	12,884
Balance, September 30, 2024		45,509,575	15,669,567

(i) On December 15, 2023, and December 19, 2023, the Company closed private placements and issued an aggregate of 6,001,167 common shares at \$0.75 per common share for gross proceeds of \$4,500,875. In connection with the private placement, the Company recorded \$72,463 in direct costs and paid cash finder's fees of \$307,186 and issued 409,582 compensation options (the "Finder's Options") with an estimated fair value of \$136,538.

(ii) The Company's Board of Directors approved a re-structuring of certain release dates under a Lock-up Agreement dated February 10, 2021, between an individual shareholder and the Company and on December 21, 2023, 292,667 common shares were tendered back to the Company for cancellation. The assigned value of the common shares was \$102,433 and Company recorded it as a reduction in share capital and a reduction in deficit.

(iii) During the quarter ended March 31, 2024, 925,000 common share purchase warrants were exercised at \$0.50 per share for proceeds of \$462,500. The fair value of \$183,753 was transferred from reserves to share capital upon exercise.

(iv) On August 29, 2024, 14,000 Finder's Options were exercised for \$0.50 per share for proceeds of \$7,000. The fair value of \$5,884 was transferred from reserves to share capital upon exercise.

Thiogenesis Therapeutics, Corp.
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2024, and 2023
(Expressed in Canadian Dollars)

Escrow Securities

Capital Pool Company (“CPC”) Escrow

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

Value Security Escrow

In addition to the CPC Escrowed common shares a further 10,737,869 common shares were held in escrow after giving effect to the reserve takeover transaction with Rozdil Capital Corporation and were released as to 10% on the date of the Bulletin and as to 15% every six months thereafter.

Weighted Average Shares Outstanding

The following table summarizes the weighted average shares outstanding:

	For the Three Months Ended September 30, 2024		For the Nine Months Ended September 30, 2024	
	2024	2023	2024	2023
Weighted Average Shares Outstanding, basic and diluted	45,500,652	38,862,075	45,229,104	38,862,075

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

The Company established a stock option plan under which the Company may grant common share purchase options from time to time to acquire up to a fixed 20% of the outstanding common shares as of August 15, 2022, or 5,648,535 (the “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 9,099,115 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 twelve-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 nine months ended September 30, 2024, the Company recorded stock based compensation expense of \$183,549 (September 30, 2023: \$386,387) (Note 8).

Thiogenesis Therapeutics, Corp.
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2024, and 2023
(Expressed in Canadian Dollars)

Common Share Purchase Options

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, 2022		3,050,000	0.38
Common share purchase options granted	(i)	50,000	0.80
Balance, December 31, 2023		3,100,000	0.39
Common share purchase options granted	(ii)	325,000	0.75
Balance, September 30, 2024		3,425,000	0.48

(i) On November 1, 2023, the Company granted 50,000 immediately vesting common share purchase options exercisable at \$0.80 per share until October 31, 2028, to a member of the advisory board of the Company. 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 \$0.80, dividend yield 0%, risk-free interest rate of 4.3%, expected volatility of 133% and an expected life of five years. The fair value attributed to these common share purchase options was \$35,098.

(ii) On January 15, 2024, the Company granted 325,000 common share purchase options exercisable at \$0.75 per share until January 15, 2029, to consultants of the Company. The common share purchase options vest 25% on each of June 30, 2024, December 31, 2024, June 30, 2025, and December 31, 2025. 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 \$0.75, dividend yield 0%, risk-free interest rate of 4.17%, expected volatility of 80.48% and an expected life of five years. The fair value attributed to these common share purchase options was \$163,115.

Finders' 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, 2022		675,500	0.50
Finder's options granted	(i)	228,247	0.75
Finder's options granted	(ii)	181,335	0.75
Balance, December 31, 2023		1,085,082	0.59
Finder's options exercised		(14,000)	0.50
Balance, September 30, 2024		1,071,082	0.60

(i) In connection with the December 15, 2023, first tranche private placement the Company issued 228,247 compensation options (the "Finder's Options"). Each Finder's Option is exercisable into one (1) common share at a price of \$0.75 per common share until December 15, 2025. The fair value of the Finder's Options was estimated on the date of the issue using the Black-Scholes option pricing model with the following assumptions: share price of \$0.75, dividend yield 0%, discount rate 3.94%, expected volatility 80.52%, forfeiture rate 0% and expected life of two years. The fair value attributed to the Finder's Options was \$77,618.

(ii) In connection with the December 19, 2023, final tranche placement closing the Company issued 181,335 compensation options (the "Finder's Options"). Each Finder's Option is exercisable into one (1) common share at a price of \$0.75 per common share until December 19, 2025. The fair value of the Finder's Options was estimated on the date of the issue using the Black-Scholes option pricing model with the following assumptions: share price of \$0.73, dividend yield 0%, discount rate 3.94%, expected volatility 80.39%, forfeiture rate 0% and expected life of two years. The fair value attributed to the Finder's Options was \$58,920.

Thiogenesis Therapeutics, Corp.
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2024, and 2023
(Expressed in Canadian Dollars)

The following table is a summary of the Company's common share purchase options and Finder's Options outstanding and exercisable as at September 30, 2024 and December 31, 2023, respectively:

Expiry Date	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
March 31, 2025	\$0.20	0.50	300,000	300,000
March 31, 2032	\$0.35	7.50	1,950,000	1,950,000
March 31, 2025	\$0.35	0.50	200,000	200,000
August 31, 2032	\$0.50	7.92	150,000	112,500
November 18, 2024	\$0.50	0.13	661,500	661,500
December 8, 2032	\$0.60	8.19	450,000	337,500
October 31, 2028	\$0.80	4.09	50,000	50,000
December 15, 2025	\$0.75	1.21	228,247	228,247
December 19, 2025	\$0.75	1.22	181,335	181,335
January 15, 2029	\$0.75	4.30	325,000	81,250
As at September 30, 2024	\$0.50	4.41	4,496,082	4,102,332

Expiry Date	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
March 31, 2025	\$0.20	1.25	300,000	300,000
March 31, 2032	\$0.35	8.25	1,950,000	1,462,500
March 31, 2025	\$0.35	1.25	200,000	200,000
August 31, 2032	\$0.50	8.67	150,000	75,000
November 18, 2024	\$0.50	0.88	675,500	675,500
December 8, 2032	\$0.60	8.95	450,000	225,000
October 31, 2028	\$0.80	4.84	50,000	50,000
December 15, 2025	\$0.75	1.96	228,247	228,247
December 19, 2025	\$0.75	1.97	181,335	181,335
As at December 31, 2023	\$0.44	5.66	4,185,082	3,397,582

Restricted Share Units

The following table is a summary of the status of the Company's Restricted Share Units (RSU's) and changes during the period:

	Note	Number of RSU's	Weighted Average Grant Date Fair Value \$
Balance, December 31, 2023, and December 31, 2022		-	-
Restricted share units granted	(i)	1,000,000	0.68
Balance, September 30, 2024		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 one half 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 to be issued at the then market price of the common shares. The Company estimates the fair value of RSU's of \$680,000 based on the market price of the underlying common shares on the date of grant.

Thiogenesis Therapeutics, Corp.
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2024, and 2023
(Expressed in Canadian Dollars)

Common Share Purchase Warrants

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

	Number of Warrants	Weighted Average Price \$
Balance, December 31, 2023, and December 31, 2022	1,000,000	0.50
Warrant exercised	(925,000)	0.50
Warrants expired	(75,000)	0.50
Balance, September 30, 2024	-	-

The following table summarizes the outstanding common share purchase warrants for the period set out:

	Number of Warrants	Exercise Price	Expiry Date	Weighted Average Remaining Life (Years)
As at December 31, 2023	1,000,000	\$0.50	March 31, 2024	0.25

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 September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Salaries and consulting fees (i)	\$148,603	\$120,946	\$ 443,061	\$362,409
Stock based compensation (ii)	10,591	74,067	59,408	306,035
Director fees (iii)	25,766	24,255	74,713	81,771
Total	\$184,960	\$219,268	\$577,182	\$750,215

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

(ii) Stock based compensation recorded on common share purchase options granted to directors and officers.

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

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 nine months ended September 30, 2024.

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.

Thiogenesis Therapeutics, Corp.
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2024, and 2023
(Expressed in Canadian Dollars)

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 September 30, 2024, accounts receivable was \$73,542 of which \$56,466 was Goods and Services Tax (December 31, 2023: \$85,315 of which \$79,312 was Goods and Services Tax).

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

	September 30, 2024	December 31, 2023
Cash and cash equivalents	\$4,147,011	\$7,076,308
Account receivable	17,076	6,003
	\$4,164,087	\$7,082,311

Currency Risk

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

As at September 30, 2024, a 5% fluctuation in the foreign exchange rate would have an impact of approximately \$11,375 in the Company's unaudited condensed interim consolidated statement of operations and other comprehensive loss (September 30, 2023: \$3,390).

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 September 30, 2024 and December 31, 2023, respectively:

September 30, 2024

	Payments Due by Year \$				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Accounts payable and accrued liabilities	105,921	105,921	-	-	-
Total	105,921	105,921	-	-	-

December 31, 2023

	Payments Due by Year \$				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Accounts payable and accrued liabilities	1,712,866	1,712,866	-	-	-
Total	1,712,866	1,712,866	-	-	-

Thiogenesis Therapeutics, Corp.
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2024, and 2023
(Expressed in Canadian Dollars)

Fair Value

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

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

As of September 30, 2024, and December 31, 2023, 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.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
Research and development	2024	2023	2024	2023
Subcontract labor	\$52,264	\$561,285	\$487,181	\$1,217,279
Professional fees	242,859	151,626	641,137	438,033
Stock based compensation	3,400	35,022	26,570	144,526
Salaries	79,647	65,329	238,932	197,036
Travel	16,310	25,424	40,647	60,193
Shipping	10,377	25,674	10,377	25,674
Lab supplies	-	-	-	283,688
Director fees	-	-	-	9,107
Total research and development	\$404,857	\$864,360	\$1,444,844	\$2,375,536

	Three Months Ended September 30,		Nine Months Ended September 30,	
General and administrative	2024	2023	2024	2023
Professional fees	\$91,956	\$37,150	\$169,945	\$116,758
General and office	4,968	8,541	43,761	21,873
Stock based compensation	33,574	55,617	156,979	241,861
Consulting fees	68,956	55,618	204,129	165,373
Director fees	25,766	24,255	74,713	72,663
Public company expenses	17,327	9,535	43,164	25,066
Investor relations	20,000	40,230	91,581	40,230
Travel	10,378	-	33,700	20,967
Total general and administrative	\$272,925	\$230,946	\$817,972	\$704,791