Financial Report

Third Quarter - Fiscal Year 2023

October 31, 2022

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This Management's Discussion and Analysis ("MD&A") for ChitogenX Inc. (previously Ortho Regenerative Technologies Inc., the "Corporation" or "ChitogenX") provides an overview of the Corporation's operations, performance and financial results for the third quarter of our 2023 fiscal year ended on October 31, 2022 and compares those of the same period in 2022 fiscal year. This MD&A is the responsibility of management and has been reviewed and approved by its Board of Directors. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the MD&A. The Board of Directors carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board of Directors and is comprised of financially literate directors. This report was reviewed by the Corporation's Audit Committee and approved by ChitogenX' Board of Directors on December 27, 2022.

This document should be read in conjunction with the unaudited financial statements and notes thereto for the third quarter of our 2023 fiscal year ended on October 31, 2022, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Further information about ChitogenX, is available online on SEDAR at www.sedar.com.

Unless otherwise noted, all amounts are presented in thousands of Canadian dollars, except for share and per share amounts.

Going concern

This MD&A has been prepared on a going-concern basis, which implies that the Corporation will continue realizing its assets and discharging liabilities in the normal course of business for the foreseeable future. As reflected in the annual audited financial statements, the Corporation is still a clinical stage R&D company and has not yet achieved profitability. During the nine-month period ended on October 31, 2022, the Corporation incurred a net loss of $4.1 million, and used cash in operations of $2.9 million. As at the end of the third quarter of fiscal year 2023, the Corporation had a working capital deficit of $5.5 million. Consequently, the Company's performance raises significant doubt about the Company's ability to continue as a going concern.

Accordingly, the ability of the Corporation to realize the carrying value of its assets and continue operations as a going concern is dependent upon its ability to obtain additional financing and ultimately on generating future profitable operations. Management anticipates that the continued advancement of its lead Ortho-R program will facilitate securing additional funds from existing and new investors. There is no assurance that any fund-raising initiatives will be successful. Factors within and outside the Corporation's control could have a significant bearing on its ability to obtain additional financing. The unaudited financial statements as at and for the quarter ended October 31, 2022, do not include any adjustments related to the carrying values and classifications of assets and liabilities that would be necessary should the Corporation be unable to continue as a going concern.

Covid-19 pandemic

The outbreak of a novel strain of coronavirus, identified as "COVID-19", was declared a global pandemic by the World Health Organization on March 11, 2020, and is still adversely affecting the global economy despite the efforts by local governments to vaccinate their populations and reduce the economic adverse effects of COVID-19. In response, many countries have required entities to limit or suspend business operations and implemented travel restrictions and quarantine measures. Some non-essential activities were canceled or delayed due to COVID-19. These measures have disrupted the activities of many entities and have led to significant volatility in the global markets. The Corporation continues to monitor and actively manage the developing impacts from COVID-19, including but not limited to, the effect on the Corporation's clinical development phases, potential future effects on its assets, cash flow and liquidity, and will continue to assess impacts to the Corporation's operations, going concern assumption, and the value of assets and liabilities reported in its financial statements. Elective surgeries levels are key to ensure enrollment in our US Phase I/II clinical trial on rotator cuff tear repair. Based on recent interactions with the clinical centers involved in the clinical trial, scheduling and rate of elective surgeries are back to pre-pandemic levels and consequently should not impact patient enrollment.

Non-IFRS Financial Measures

This MD&A refers to certain non-IFRS measures. Management uses these non-IFRS financial measures for purposes of comparison to prior periods and development of future projections and earnings growth prospects. This information is also used by management to measure the results of ongoing operations and in analyzing our business performance and trends. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We use a non-IFRS measure, "EBITDA Loss", to provide supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures. EBITDA Loss is defined as net loss before (i) provision for (recovery of) income taxes; (ii) interest (income) expense and other financing costs; (iii) depreciation; and (iv) amortization of intangible assets.

(In thousands of Canadian dollars, except for units, share and per share amounts)

Cautionary note regarding forward-looking statements

This MD&A may contain some forward-looking information as defined under applicable Canadian securities laws. Forward looking information can generally be identified using forward-looking terminology such as "may", "anticipate", "expect", "intend", "estimate", "continue" or similar terminology. Forward looking information is subject to various known and unknown risks and uncertainties, many of which are beyond the ability of the Corporation to control or predict, that may cause the Corporation's actual results or performance to be materially different from actual results and are developed based on assumptions about such risks and other factors set out herein.

GLOSSARY TERMS

Calendar & Financial

CDU	Convertible Debenture Units
EBITDA (L)	EBITDA Loss
FVA	Fair Value Adjustment
FY	Fiscal Year
G&A	General and Administrative
IR	Investors Relations
ITC	Investment tax credits
NCDUs	Non-Convertible Debenture Units
Q3-23	Third quarter FY-23
Q2-23	Second quarter FY-23
Q1-23	First quarter FY-22
Q4-22	Fourth quarter FY-22
Q3-22	Third quarter FY-22
Q2-22	Second quarter FY-22
Q1-22	First quarter FY-22
Q4-21	Fourth quarter FY-21
SR&ED	Scientific Research and Experimental Development Expenses
R&D	Research and Development
YTD	Year to date
YE	Year-end
WA	Weighted Average
W/C	Working Capital, defined as short-term assets less short-term liabilities

Corporate & Operations

API	Active Pharmaceutical Ingredient
CHGX	ChitogenX Inc. (Previously Ortho Regenerative Technologies Inc.
CMC	Chemistry Manufacturing and Controls
cGMP	current Good Manufacturing Practice
CMO	Contract Manufacturing Organization
CSE	Canadian Securities Exchange
FDA	US Food and Drug Administration
IND	Investigational New Drug application with the FDA
MCRA	MCRA, LLC, a US based orthopedic specialty CRO
MRI	Magnetic Resonance Imaging
MTA	Material Transfer Agreement
ORTHO-C	Proprietary biopolymer for Articular Cartilage repair
ORTHO-M	Proprietary biopolymer for Proprietary Biopolymer for Meniscus repair
ORTHO-R	Proprietary biopolymer for Rotator cuff repair
ORTHO-V	Proprietary biopolymer for Osteoarthritis healing
OTCQB	US over-the-counter venture trading market
Polytechnique	Ecole Polytechnique de Montreal
PRP	Platelet-rich plasma
Pre-RFD	Pre-Request for Designation

OVERVIEW OF THE BUSINESS AND BUSINESS STRATEGY

ChitogenX is a clinical stage biotech company incorporated under the Canada Business Corporations Act. The Corporation's head office, principal address and registered office is located at 16667 Hymus Blvd., Kirkland, Quebec, Canada and its wholly owned US subsidiary, OR4102022 Inc. has been incorporated on April 20, 2022 and is located at 12 Penns Trail in Newtown, Pennsylvania, USA. The Corporation's shares are publicly traded on the CSE under the symbol "*CHGX*", as well as on the United States OTCQB market under the symbol "*CHNXF*".

On September 7, 2022, The Corporation changed its corporate name from Ortho Regenerative Technologies Inc. to ChitogenX Inc. to better reflect the Company's expanded clinical and commercial opportunities, mission, values, and core competencies. The Corporation product ORTHO R is positioned to provide an efficacious, safe and reliable regenerative medicine delivery mechanism to targeted body systems to aid in tissue and organ repair

Regenerative Medicine Overview

The concept of regenerative medicine is to provide us with tools to return anatomy and physiology to a more normal appearance and behaviour. Although there are many definitions, of what constitutes regenerative medicine, the following is succinct:

Regenerative Medicine is an emerging interdisciplinary field of research and clinical applications focused on the repair, replacement or regeneration of cells, tissues or organs to restore impaired function resulting from any cause, including congenital defects, disease, trauma and aging. It uses a combination of several technological approaches that moves it beyond traditional transplantation and replacement therapies. These approaches may include, but are not limited to, the use of soluble molecules, gene therapy, stem cell transplantation, tissue engineering and the reprogramming of cell and tissue types.

Combinations of these approaches can 1) improve the natural healing process in areas of the body where it is most needed, 2) take over the function of a permanently damaged organ, 3) heal or repair a damaged organ or tissue, or 4) deliver healing "accelerators" chemicals that might inspire repair to specific damaged areas of the body.

Regenerative medicine is a relatively new and rapidly expanding field that brings together experts in biology, chemistry, materials and computer science, engineering, genetics, robotics, and other fields to find solutions to some of the most challenging medical problems faced by humankind. We believe ChitogenX is at the forefront of playing a critical role in enabling this rapidly expanding field of medicine

The Global Regenerative Medicine Market was estimated at $US9B market in 2021 and is projected to grow at 22.8% CAGR through 2030. It is one of the most dynamic markets in medicine today. The musculoskeletal and wound healing segment accounted for about 60% share of the regenerative medicine market in 2021. Cell therapies are used in the treatment of musculoskeletal diseases such as bone tissue replacement, cartilage, tendon, and ligament repair and replacement. ChitogenX is well positioned to become the preferred regenerative medicine delivery system for this rapidly growing part of the industry.

Regenerative medicine is applicable in cardiovascular, oncology, dermatology, musculoskeletal, wound healing, ophthalmology, neurology, and others. The musculoskeletal application segment accounted for the largest share in 2021, whereas cardiovascular is expected to be the fastest-growing segment, registering a CAGR of 24.3% during the forecast period (2022-2030).

Problem & Solution

The delivery of a tissue scaffold, cellular or molecular therapy or any combination thereof makes a fundamental assumption; that the substance(s) will stay where they were placed and function as desired; if they wander off-target, the desired enhanced healing might not occur and furthermore, the potential exists for off-target effects.

Providing a reliable, biologically safe delivery mechanism that would allow the targeted body system to receive the regenerative material to aid in body system repair is, therefore, a mission-critical goal and a problem that requires solving for the regenerative medicine market to meet its projected growth estimates.

ChitogenX has acquired such a solution from the Polytechnique at the University of Montreal. Our Patented **Drug/ Biologic/ Combination** technology platform, is a muco-adhesive CHITOSAN based biopolymer matrix, specifically designed to be combined with biologics such as Platelet-Rich Plasma (PRP), Bone Marrow Aspirate Concentrate (BMAC), or other regenerative medicine treatments to enhance healing, augment and accelerate the regeneration of new tissue in various potential indications.

BUSINESS STRATEGY

Product Positioning:

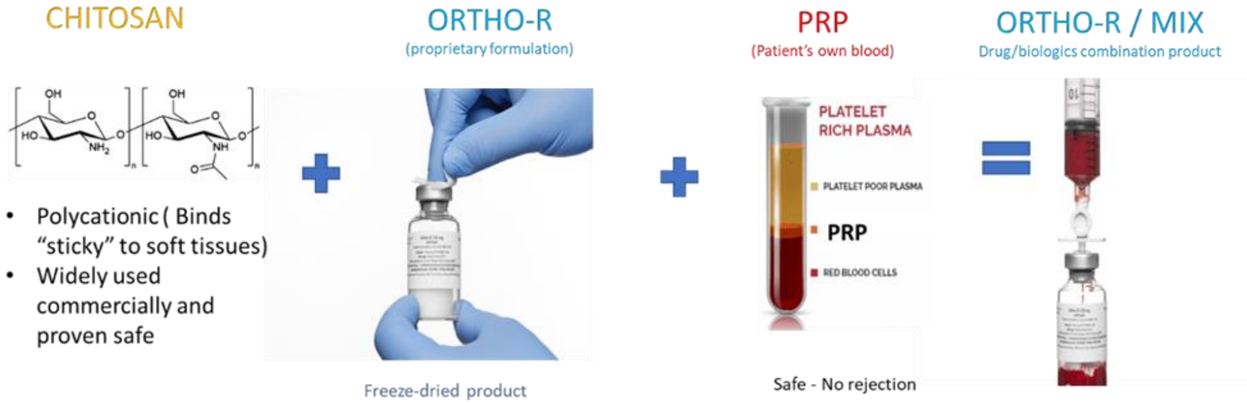
For the regenerative medicine market ORTHO-R (Regenerative) is an efficacious, safe and reliable regenerative medicine delivery mechanism to targeted body systems to aid in tissue and organ repair

Strategy:

1. Complete Rotator Cuff Tear Repair proof of concept U.S. phase I/II clinical trial program to establish regenerative platform delivery mechanism.
2. Leverage Polytechnique partnership to obtain non-dilutive grants to drive proof of concept in multiple additional potential indications
3. Leverage our proprietary platform beyond orthopedic applications by seeking R&D and/or development partners for each high potential application
    - Leverage strong global method and composition patents
    - Leverage initial IND from FDA to initiate multiple development programs
    - Seek joint development partnerships to fund and/or provide in kind services
4. Position ChitogenX to commercialize its proprietary medical grade chitosan to the research-based healthcare industry to generate cashflow for the company in 18-24 months.

1. Complete Rotator Cuff Tear Repair proof of concept U.S. phase I/II clinical trial program to establish regenerative platform

ORTHO-R is formulated and designed to improve the healing of body tissues beginning with sports and occupation related injuries to tendons, meniscus, and ligaments.



ORTHO-R is a patent-protected freeze-dried formulation of a biopolymer, a lyoprotectant and a clot activator. ORTHO-R is solubilized in platelet-rich plasma ("PRP") to form an injectable combination of the chitosan scaffold and the PRP-biologic, and an FDA designated bioactive implant that coagulate and stick to tissue after implantation. In vitro testing has allowed the Corporation to identify specific formulations that meet the following criteria for optimal commercial products:

(i) rapid and complete solubilization in PRP;
(ii) biopolymer-PRP mixtures having mucoadhesive paste-like handling properties desired by surgeons;
(iii) biopolymer-PRP mixtures that coagulate rapidly to form soft tissue-adherent Drug-Biologics hybrid implants;
(iv) biopolymer-PRP biologics implants that are mechanically stable and resist platelet-mediated clot retraction; and
(v) dispersion of the biopolymer in the implants that is homogenous for optimal biodegradability.

The polymer-biologics hybrid mix, designated as drug/biologic combination product by the FDA, but may be considered a medical device by other regulatory jurisdictions, can be directly applied at the site of injury by a surgeon during a routine operative procedure without significantly extending the time of surgery and without further intervention. A US FDA IND was granted in December 2021, to start our proof-of-concept phase I/II Rotator Cuff Tear Repair clinical trial at 10 U.S. sites.

The use of ORTHO-R as an adjunct to standard of care anchoring/suturing techniques produced promising histological findings in small and large animal experimental models, which is hoped to translate to faster and superior rotator cuff tear repair in humans. No adverse events were found in any of the above-mentioned animal studies nor in the first five patients of the phase I/II ongoing clinical trial, which suggests a high level of safety. Progress made during the recent quarters have set the stage for achievements of major corporate/regulatory/strategic milestones over the current and upcoming calendar years.

Market Opportunity: *(Source:Pearl Diver HealthCare Research, iData Research.)* **for first clinical application**

Close to 700K shoulder rotator cuff repairs are performed in North America every year with a high 20% to 90% failure rate. ChitogenX has already initiated its FDA designated Phase I/II clinical trial giving it the regulatory lead in the U.S. for launching the first FDA approved drug/biologic combination for augmenting the performance of the standard of care surgical shoulder rotator cuff repair.

The orthopedic and sports medicine soft tissue repair market is a $6B+ global market. The ORTHO-R product is first targeting the following soft tissue repair indications: 1) Rotator cuff tear repair: 4M injuries and 700K surgeries/year (50%+ failure rate) in USA alone, 2) Tendinopathy, 11M injuries/year, and 3) Meniscus tear repair: 1.2M injuries/year and 200K+ surgeries/year (40% failure rate) in USA alone. Standard of care for these injuries is surgery alone. The orthopedic community is looking for better treatments to improve patient outcomes and reduce procedure failure rate.

This market opportunity is further enhanced by the fact that surgeons all over the world know that soft tissue such as ligaments, tendons and meniscus are not well vascularized and thus when repaired with the standard of care (sutures, anchors, and staples) results in healing principally with scar tissue which is more fragile and susceptible to re-tear than native tissue. Given the belief by many that platelet rich plasma (PRP) improves the quality of tissue healing, surgeons have vocalized a desire to find a way to make PRP resident to the surgical repair site, so that the PRP can trigger the tissue repair cascade to these troublesome non-vascularized soft tissues. Surgeons have been using PRP for over a decade but are frustrated by the inability for the PRP alone to establish sufficient residency time on the surgical repair site due to its highly liquid nature. ORTHO-R is specifically designed to overcome the insufficient residency time issue due to its unique and patented composition. Therefore, once approved, a ready-made and very large market can be rapidly satisfied thus reducing go to market investment by the Corporation, development partner or acquirer of our technology.

(In thousands of Canadian dollars, except for units, share and per share amounts)

The Orthopedic Market is looking for improving outcome of standard of care BUT this cannot be done at the expense of the industry economic model – which is based on time for surgery for each respective type of procedures. Over the last few months, the Corporation has worked with surgeons involved in our rotator cuff tear repair study to perfect and optimize the delivery of ORTHO-R. Current protocol now adds less than 1-**2 minutes** to standard of care surgery!

ORTHO-R®: Key points of differentiation

Unlike other natural biopolymer matrix such as Hyaluronic Acid (HA) or Collagen, the chitosan natural biopolymer molecules are positively charged and therefore are muco-adhesive (sticky) to the negatively charged soft tissues of the human body (tendons, ligaments, meniscus). Characteristics related to the electrostatic binding of the combination product, resulting modification of cell function, slowing of blood clot retraction and extended release of growth factors compared to PRP alone provided justification for classification of the product as a drug. ORTHO-R has a fast coagulation onset, and with its muco-adhesive feature offer the unique benefit of significantly increasing the in-situ residency time of PRP implants from less than 24 hours for PRP alone to up to 6 weeks for ORTHO-R chitosan-PRP drug/biologic combination product, allowing PRP to contribute to the normal healing cascade. ORTHO-R is therefore a perfect matrix system for delivering biologics such as PRP, that could be used in various musculoskeletal injury conditions as well as multiple other applications where the delivery of regenerative medicine such as blood, blood products, stem cells, pharmaceuticals or other molecules is desired.

Regulatory:

During FY-21, we received from the U.S. FDA Office of Combination Products, the ORTHO-R product designation as a Drug/Biologics combination product.

ORTHO-R has physicochemical interacting actions on various cell types and other PRP components, therefore supporting a Drug/Biologic combination product. The ORTHO-R reconstituted in PRP Drug/biologic implant is delivered through accessory devices. The product's jurisdictional assignment is to the FDA's Center for Biologics Evaluation and Research (CBER). There are multiple merits of a Drug/Biologics therapeutic combination product. One of them is the ability to have a multiple mode of action label, related to the various interactions between our proprietary biopolymer and PRP, which may justify the scientific rationale behind the product's therapeutic effect, and the generation of further intellectual property.

Clinical:

The Phase I/II clinical trial status is as follows:

- Our Investigational New Drug (IND) application was granted by the FDA on December 10, 2021.
- 10 U.S. based clinical sites have been selected for the trial, 9 have been initiated and are actively recruiting patients and the last site is expected to commence recruitment during Q1-23(calendar)
- We have completed the initial portion of the study that required staggered recruitment of five patients (one patient at a time). We are now in the parallel recruitment mode where all sites can treat patients simultaneously.
- Completion of Phase II recruitment is expected in H1-23 (Calendar) depending on sites' enrolment rate.
- Follow up and individual patient assessment and Phase II scoring will take place – 12 months after surgery.

2. Leverage Polytechnique's partnership to secure non-dilutive grants to drive proof of concept in multiple indications for ORTHO-R

ChitogenX has received and is seeking non-dilutive research grants through its partnership with Polytechnique

Indication	Development Stage	Details
Meniscus	Pre-Clinical	Testing the efficacy of ORTHO-M/PRP Drug-Biologic Implant formulation, for meniscus repair. Efficacy of our product has already been demonstrated in an animal proof of concept study. Our contracted research veterinarian expert, with the help of a major arthroscopic instrumentation company, have recently completed the surgical procedures in 20 large animals and we will have the results of this pre-clinical trial by Q2, 2023. Human clinical trials would then follow. **$500K grant obtained to complete this work.**
Tendinopathy	Feasibility	Feasibility research on a freeze-dried biopolymer formulation combined with autologous biologics, tailored for intra-articular injections to provide the combined visco-biologics supplementation of articular joints and potentially help with tendon healing and regeneration. **$4M grant submitted in Q3-22 with adjudication expected in Q1, 2023 (Calendar).**

(In thousands of Canadian dollars, except for units, share and per share amounts)

3. Drive development of our proprietary platform beyond orthopedic applications by seeking R&D and/or development partners for each high potential application

Our Proprietary Technology Platform Can Be So Much More

Considering the significant bioactivity and potential to drive residency of our proprietary biopolymer – PRP implants, ChitogenX continues to assess its potential for therapeutic uses outside of the orthopedic repair market. The functionality of the chitosan framework could potentially be used in numerous other applications which could potentially address high unmet needs with profound clinical consequences.

Over the recent months, the Corporation initiated scientific discussions with experts in the tissue healing, gastrointestinal, neurological, oncological, and cardiovascular markets to identify high unmet medical needs in each category what could potentially be solved by the characteristics of our technologies. Our discussions have yielded formal commitments to participate in these various development programs for which non-dilutive grants funding will be sought.

We will also investigate combining ChitogenX's patented chitosan framework with targeted delivery of numerous autologous and synthetic therapeutics, either developed internally, licensed, or secured through strategic partnerships with biologic and/or pharma companies.

We will determine the highest value programs through consultation with our scientific and business advisory board and find R&D or development partners for the highest value projects

4. Investigate the sale of medical grade chitosan to the research-based healthcare industry to generate cashflow for the company in 18-24 months.

Global and North America Medical Grade Chitosan Market (US$ Mn)

GLOBAL	2022 E	2023 F	2024 F	2025 F	2026 F	2027 F	2028 F	2029 F	2030 F	CAGR (2022 - 2030)
Animal Based CHITOSAN	247.6	271.9	298.9	328.8	362.0	398.9	439.9	485.5	536.3	10.1%

Medical grade chitosan market is expanding fast, with a projected CAGR exceeding 10% for the coming years. ChitogenX medical grade chitosan platform has potential significant advantages vs existing commercial medical grade chitosan formulations, namely, 1) 3-yr shelf life of lyophilized chitosan vs 6 months for the other products currently marketed, 2) GMP grade & Low-cost manufacturing, 3) Composition and methods patents pending in US and Canada, and 4) Easier regulatory pathway potential pathway to revenue in 18 to 24 months.

ChitogenX Overall Value Proposition

Technology Platform	ORTHO-R: Unique Drug / Biologics / Device Combination Product	Great Value Creation & Exit Potential
○ Proprietary, novel, multi-indications, second generation, de-risked platform ○ Strong intellectual property protection in three patent families ○ Addresses significant unmet medical need in large and rapidly growing regenerative medicine market ○ First solution to increase residence time to augment regeneration of new tissue ○ Validated mode of action, safe and easy to use solution ○ Rapid coagulation, avoids shrinkage of implant, potentially adheres to multiple tissues ○ Demonstrated efficacy in large animal model (decreased tendon gap & improved bone structure)	○ In the U.S. regulatory lead as the first PRP based drug/biologic product in human trials ○ Target U.S. market first with clear regulatory pathway from FDA (IND to BLA) ○ Potentially simpler regulatory pathways in major markets outside the US ○ Advantageous manufacturing costs ○ Uses autologous PRP which can be sourced quickly and easily during surgery ○ Lyophilized chitosan provides long shelf life	○ Phase I/II clinical trial ongoing ○ Multiple material milestones expected over next quarters including completion of enrollment into phase I/II clinical trial. ○ NASDAQ listing to be considered for 2023 calendar year ○ Multiple potential regenerative medicine applications ○ Experienced management, Board and Clinical Advisory Board with history of value creation ○ Low market valuation vs. industry peers

(In thousands of Canadian dollars, except for units, share and per share amounts)

Intellectual Property

ChitogenX is the owner of 3 patent families. Our patent portfolio includes the following:

Family	Description	Patent Status
No.1	Clot-activated polymer composition for repairing the tissue of the subject, where the polymer composition adheres to the tissue and promotes cell proliferation, comprising platelet-rich plasma (PRP), a biopolymer, a salt, and a clot activator.	• Issued – Globally • Expiry - 2030
No.2:	Freeze-dried polymer compositions for mixing with platelet rich plasma to form implants for tissue repair or compositions for therapeutic intra-articular injection.	• Issued – Globally • Expiry - 2035
No.3:	Freeze-dried biopolymer scaffolds that form a hydrated microparticle dispersion after contact with blood or blood-derived fluids and stimulate anabolic wound repair processes, including angiogenesis, cell chemotaxis, tissue remodeling, and extracellular matrix.	• Issued/Allowance pending – Globally • Expiry – 2035

Q3-2023 CORPORATE HIGHLIGHTS *(August 1, to October 31, 2022)*

- On September 7, 2022, The Corporation announced that it has changed its corporate name to ChitogenX Inc. to better reflect the Company's expanded clinical and commercial opportunities, mission, values, and core competencies.
- October 5, 2022, ChitogenX announced its decision to pursue sales of medical grade chitosan as a new near-term commercial revenue initiative following the completion of an internal commercial and regulatory readiness process
- October 13, 2022, the Corporation announced the launch of its second orthopedic development program in meniscus repair following the development completion of its preclinical arthroscopic surgery program.
- October 19, 2022, the Corporation announced a partnership with the California Medical Innovations Institute ("CALMI"), led by its founder Ghassan Kassab PhD. The first focus of the partnership will evaluate whether ChitogenX lyophilised chitosan matrix, combined with platelet rich plasma or other biologics can improve healing of a range of tissues post resection of the human pancreas to avoid leakage of damaging enzymes.

Events Subsequent to the end of the quarter / Balance Sheet Restructuring

- November 9, 2022, ChitogenX announced that it has successfully completed the initial portion of its U.S. Phase I/II ORTHO-R rotator cuff tear repair clinical trial requiring staggered enrolment of 5 patients and Data Safety Monitoring Committee review and sequential clearance for each trial participant. The Corporation reported no safety issues and open recruitment at all approved U.S. clinical sites could proceed simultaneously. The U.S. Phase I/II clinical trial is a blinded, randomized controlled study investigating the safety of ORTHO-R® for rotator cuff tear repair compared with standard of care in a total of 78 patients at ten clinical sites throughout the U.S. Initial safety phase.
- Since the end of the Q3-23 period, the Corporation has secured $1.157 million worth of cash advances and / or conversion of liabilities ("Advances"). These Advances have been used to support operations and fund activities relating to the Phase I/II clinical trial for rotator cuff tear repair.
- In November 2022, the Corporation reached an agreement with holders of convertible debentures ("CDU"), collectively representing 91% of all CDU outstanding. The net impact of these amendments is to reduce the Company's short-term liabilities by a total of $2.8 million (capital and interest).
- On December 12, 2022, the Corporation reached an agreement with 100% holders of the non-convertible debentures ("NCDU") expiring November 30, 2023, to amend certain terms including extending the maturity of the NCDU and related warrants up to February 1, 2025, as well as introducing a conversion feature added to the debentures at a maximum conversion price of 0.35$ per share. The net impact of these amendments is to remove $3 million of short-term liabilities outstanding as of this date.
- On December 13, 2022, the Corporation reimbursed a total of $375 worth of convertible notes.

(In thousands of Canadian dollars, except for units, share and per share amounts)

SELECTED FINANCIAL DATA

The following table sets forth financial information relating to the periods indicated and should be read in conjunction with the October 31, 2022 unaudited interim financial statements.

	Q3-23	Q3-22	*Change*		**YTD-23**	YTD-22	*Change*	
	$	$	*$[1]*	*%[2]*	**$**	$	*$[1]*	*%[2]*
Expenses								
R&D	**567**	591	*(24)*	*-4%*	**1,674**	1,134	*540*	*48%*
G&A	**523**	357	*166*	*46%*	**1,574**	1,162	*412*	*35%*
Share-based compensation	**95**	43	*52*	*121%*	**299**	170	*129*	*76%*
Financial	**373**	266	*107*	*40%*	**1,073**	937	*136*	*15%*
	1,558	1,257	*301*	*24%*	**4,620**	3,403	*1,217*	*36%*
FVA embedded derivative	**277**	666	*(389)*	*-58%*	**(535)**	666	*(1,201)*	*-180%*
FVA on warrants	**22**	-	*22*	*100%*	**(15)**	-	*(15)*	*-100%*
Net (Loss) and Comprehensive loss	**(1,857)**	(1,923)	*66*	*-3%*	**(4,070)**	(4,069)	*(1)*	*0%*
(Loss) per share								
WA # of shares outstanding	**51,038,776**	34,855,186	*16,183,590*	*46%*	**47,322,558**	34,881,608	*12,440,950*	*36%*
Basic and diluted loss per share	**0.04**	0.06	*-0.02*	*-34%*	**0.09**	0.12	*-0.03*	*-26%*

1. A positive variance represents a negative impact to net loss and a negative variance represents a positive impact to net loss
2. Percentage change is presented in relative values

EBITDA(L) Reconciliation (See "Management's Responsibility for Financial Reporting" – "Non-IFRS Financial Measures")
The following table provides a reconciliation of net loss to EBITDA(Loss) for Q3-23 as compared to Q3-22.

	Q3-23	Q3-22	*Change*		**YTD-23**	YTD-22	*Change*	
	$	$	*$[1]*	*%[2]*	**$**	$	*$[1]*	*%[2]*
Net loss	**(1,857)**	(1,923)	66	-3%	**(4,070)**	(4,069)	(1)	0%
Add (deduct)				0				0
Financial Expense	**373**	266	107	40%	**1,073**	937	136	15%
FVA embedded derivative	**277**	666	(389)	-58%	**(535)**	666	(1,201)	-180%
FVA on warrants	**22**	-	22	100%	**(15)**	-	(15)	-100%
Depreciation	**6**	10	(4)	-40%	**18**	27	(9)	-33%
Amortization	**8**	8	-	0%	**24**	24	-	0%
EBITDA (L)	**(1,171)**	(973)	(198)	20%	**(3,505)**	(2,415)	(1,090)	45%

1. A positive variance represents a negative impact to net loss and a negative variance represents a positive impact to net loss
2. Percentage change is presented in relative values

Selected items	**Q3-23 vs Q3-22**
Revenues	• CHITOGENX is a clinical stage company. No revenues were generated during each of FY-23 and FY-22.
R&D expenses	• R&D expenses include internal and external expenses. Internal expenses represent mostly salaries and consulting fees for our staff. External expenses include all development costs related to work performed under our Collaborative R&D contract with Polytechnique as well as specific manufacturing activities, regulatory, pre-clinical and clinical work to advance our pipeline. R&D expenses are presented net of R&D tax credits (ITCs) recoverable from the provincial government for Scientific Research and Experimental Development (SR&ED) programs, and net of government grants. • R&D expenses are also presented net of grants which are amortized over their respective term.
	• R&D expenses for Q3-23 and Q3-22 were the same at $0.6 million. YTD-23 was up over YTD-22 at $1.7 million compared to $1.1 million representing a 48% increase reflecting the increased R&D spending related to the Phase I/II clinical study for testing Ortho-R for rotator cuff repair. R&D expenses in Q3-23 and YTD-23 include site initiation, training fees, and other auxiliary costs related to the clinical trial taking place in 10 centers, as well as patient costs and testing fees. For the Q3-22 and YTD-22 periods, R&D costs were mainly related to the preparation and filing of the ORTHO-R IND with FDA.

(In thousands of Canadian dollars, except for units, share and per share amounts)

G&A expenses	• G&A expenses include salaries and consulting fees paid to non-R&D staff, professional fees, conferences, travel expenses, as well as investors relation activities. • G&A spending in Q3-23 increased over Q3-22 at $0.5 million compared to $0.4 million representing a 46% variance. G&A expenses for YTD-23 was $1.6 million compared to $1.2 million for YTD-22, a 35% increase. The respective increases in Q3-23 and YTD-23 compared to the prior year periods includes some additional salary charges related to the addition of a new CEO, Phil Deschamps, and severance charges to the departing CEO, to be paid until Q1-24.
Share-based compensation (SBC)	• Represents the expense related to issuing stock options to staff, consultants and board members. Variances for the comparative quarters include non-recurrent grant to a new Board member as well contractual vesting for members of management on options already outstanding. SBC expenses increased in Q3-23 as a result of new options issued to the new CEO and other senior staff.
Financial expenses	• Financial expenses include interest on loans, non-convertible and convertible debentures, as well as effective interest on debentures as well as foreign exchange gain or loss. • Over the last year, the Corporation financed its operations via the issuance of interest-bearing instruments such as CDUs, NCDUs and ITC loans as opposed to equity. While such financial instruments do not lead to an immediate dilution in the total number of shares outstanding in the short term, they lead to increased interest charges. • Between October 2020 and April 2022, the Corporation completed CDU financings totalling $3.2 million. The Corporation also secured a $3.0 million non-convertible debenture in November 2020 as well as a $1.1 million bridge financing in Q4-22, part of which ($0.2 million) was converted into the $3.2 million Private Placement financing ("April 2022 PIPE"). All these transactions have impacted financial expenses. • Financial expenses for Q3-23 and YTD-23 were up compared to Q3-22, and YTD-22 at $0.4 million and $1.1 million respectively, compared to $0.3 million and $0.9 million for the corresponding prior year periods. • The 40% increase in Q3-23 compared to Q3-22 was due to a loss/gain on FX transactions, as well as non-cash amortization of financial expenses, and higher effective interest rate on the convertible debentures.
Fair Value Adjustment ("FVA") of Embedded Derivative	• On October 19, 2022, the Corporation announced the amendment of three series of CDUs to extend their respective maturity dates. • An Embedded derivative comprised of the conversion options classified as liability was created following the amendment of the CDUs. Starting Q4-22, any change in the Fair Value of the Conversion Option of the CDUs ("FVCO") has to be recorded as a financial expense. • During the Q3-23 and Q3-22 periods, the change in the FVCO, led to a Fair Value Adjustment ("FVA") of the conversion option representing a $0.3 million and $0.7 million expenses. For the YTD periods, the FVA of the conversion option represented a $0.5 million recovery in FY-23 compared to a $0.7 million expense in FY-22. The derivative was created in Q3-22.
Fair Value Adjustment ("Fair Value Adjustment") on warrants	• The terms of the warrants issued as part of the December 2022 Bridge financing led to the creation of a warrant liability. Until the warrants are exercised or expire, a fair value adjustment to the warrants will be recorded quarterly to reflect the change in the warrant liability. • During each of Q3-23 and YTD-23, the revaluations of the Warrants' fair value as compared to the YE-22 value were nominal.
Net Loss for the period	• Net loss in Q3-23 and YTD-23 were the same for the prior year periods at $1.9 million and $4.1 million respectively.
EBITDA (L)	• Management believes that our EBITDA (L) performance is more indicative of our operating results as it eliminates the financial costs associated with our financial structure such as CDUs and NCDA financings, and ITC financings as well as depreciation and the amortization of intangible assets. • After eliminating the impact of the financial expenses, as well as depreciation and amortization, but also after eliminating the impact of the combined gain on revaluation of the CDU embedded derivative and warrant liability, our EBITDA loss during Q3-23 was $1.2 million compared to $0.9 million for Q3-22, representing a 20% increase, and reflecting the increase in G&A expenses described above. • EBITDA loss during YTD-23 was $3.5 million compared to $2.4 million for YTD-22, representing a 45% increase, mainly due to the increase in clinical trial expense and G&A expenses.

(In thousands of Canadian dollars, except for units, share and per share amounts)

SELECTED BALANCE SHEET HIGHLIGHTS

The following table sets forth the financial information related to the Corporation's statements of financial position for the periods indicated and should be read in conjunction with the unaudited financial statements for quarter ended October 31, 2022.

As at,	**October 31, 2022**	January 31, 2022	*Change*	*Change*
	$	$	*$[1]*	*%[2]*
Cash	**50**	**313**	*-263*	*-84%*
Prepaids and deposits	**161**	**120**	*41*	*34%*
Intangible assets	**307**	**332**	*-25*	*-8%*
Total assets	**894**	**1,123**	*-229*	*-20%*
Trade accounts payable and accrued liabilities	**1,169**	**607**	*562*	*93%*
Convertible notes	**838**	**934**	*-96*	*-10%*
Convertible Debentures - Short term	**2,602**	**-**	*2,602*	*100%*
Convertible Debentures - Long term	**-**	**2,387**	*-2,387*	*-100%*
Non-Convertible Debentures	**2,580**	**2,349**	*231*	*10%*
Warrants classified as liability	**125**	**139**	*-14*	*-10%*
Embedded derivative short term	**1,047**	**-**	*1,047*	*100%*
Embedded derivative long term	**-**	**1,582**	*-1,582*	*-100%*
Total liabilities	**8,660**	**8,227**	*433*	*5%*
Common shares	**10,455**	**7,891**	*2,564*	*32%*
Warrants	**2,317**	**1,828**	*489*	*27%*
Equity Components of convertible debentures	**-**	**-**	*0*	*0%*
Contributed surplus	**2,459**	**2,104**	*355*	*17%*
Deficit	**(22,997)**	**(18,927)**	*-4,070*	*22%*

1. A positive variance represents a positive impact to our balance sheet and a negative variance represents a negative impact to our balance sheet.
2. Percentage change is presented in relative values

Selected items	**Q3-23 vs YE-22**
Cash	• Cash at the end of Q3-23 was $0.1 million compared to $0.3 million at the start of the fiscal year. Cash was used to support operations while no cash proceeds were secured from financing activities.
Total Assets	• The $0.3 million decrease in cash during YTD-23 period led to a similar decrease in our total assets between the end of FY-22 and Q3-23.
Trade AP and accrued liabilities	• Trade accounts payables and accrued liabilities increased by $0.6 million during the first 9 months of FY-23 following the increase in R&D activities that took place during the recent quarters.
Convertible Notes	• Convertible notes were issued as part of the December bridge financing which matures in December 2022. The reduction since the start of the fiscal year takes into consideration the $0.2 million of notes converted into the April 2022 PIPE, as well as accretion expense for the period.
Convertible debentures units ("CDU")	• During FY-20 and FY-21, the Corporation issued $3.2 million of CDUs to fund its operations. Debentures representing $0.3 million have been converted since issuance. Considering the CDUs mature on May 1, 2023, the Convertible Debentures are now presented as short-term liability. Subsequent to the end of Q3-23, holders of CDUs, representing at least 91% of all CDU outstanding have agreed to accelerate conversion conditional on certain financing transaction taking place (See Subsequent events). • The increase between the end of FY-22 and Q3-23 represents accretion expense of $0.2 million.
Non-convertible Debentures ("NCDU")	• During Q4-21 the Corporation secured a $3 million NCDU financing to fund its activities. The increase of $0.2 million between YE-22 and Q3-23 represents accretion expense for the YTD-23 period. Subsequent to the end of Q3-23, an agreement has been reached with all holders of the NCDU Debenture holders to extend the term of the NCDU to February 1, 2025. (See Subsequent events).
Warrants classified as liability	• This item represents the $0.1 million Fair Value of the warrants issued as part of the December 2022 bridge financing less the gain on reevaluation of the warrants between the date of issuance and Q3-23. (See "Financial Statements - note 11b").
Embedded Derivative	• In October 2022, a $1.2 million embedded derivative representing the related conversion options was created following the amendment of the CDUs. Any change in the Fair Value of the Conversion Option of the CDUs

(In thousands of Canadian dollars, except for units, share and per share amounts)

	("FVCO") is recorded as a financial expense in the statements of loss, as a gain or loss on embedded derivative related to CDUs. • Changes to the FVCO takes place based on 1) reduction of the FVCO following quarterly re-evaluation of the FVCO; 2) exercise of the conversion option by the holder; or 3) repayment/maturity. • The FV of the conversion option of the CDUs was $1.6 million at YE-22 and presented as long-term. Considering the May 1, 2023 maturity of the CDU, the Embedded derivative is now presented as short-term liability and has been reduced by $0.5 million since YE-22 due to a gain on the Fair Value Adjustment.
Total Liabilities	• Total liabilities have increased by $0.4 million between YE-22 and Q3-23. The variation included $0.6 million and $0.2 million increases in accounts payables and NCDU, offset by the $0.5 million gain on revaluation of the warrant liability and CDU embedded derivative.
Common Shares	• Common shares have increased by $2.6 million mainly as a result of the April 2022 PIPE net of share issue costs.
Warrants	• Warrants increased by $0.5 million mainly as a result of the warrants issued as part of the April 2022 PIPE net of the allocation of share issue costs, less the impact of expired warrants.
Contributed Surplus	• The contributed surplus increased by $0.4 million as a result of share-based compensation expense and the expiry of warrants.
Deficit	• The increase reflects the performance of the Corporation during YTD-23. (See "Statement of Loss" commentaries)

SELECTED QUARTERLY FINANCIAL INFORMATION

The following table sets out the Corporation's selected unaudited quarterly financial information for the eight quarters ended October 31, 2022. This information is derived from unaudited quarterly financial statements prepared by management in accordance with IFRS. The following quarterly information is presented on the same basis as the audited financial statements and should be read in conjunction with those statements and their accompanying notes.

	Q3-23	Q2-23	Q1-23	Q4-22	**Q3-22**	Q2-22	Q1-22	Q4-21
R&D Expenses (Net)	**567**	444	663	415	**591**	141	402	390
G&A expenses	**523**	484	567	309	**357**	367	438	472
Share-based compensation	**95**	162	42	67	**43**	64	63	112
Financial expenses (income)	**373**	349	351	370	**266**	332	339	294
FVA embedded derivative	**277**	(78)	(734)	(279)	**666**	-	-	-
FVA on warrants	**22**	2	(39)	(31)	**-**	-	-	-
Net Loss	**(1,857)**	(1,363)	(850)	(851)	**(1,923)**	(904)	(1,242)	(1,268)
Loss per share (Basic and diluted)	**0.02**	0.02	0.02	(0.02)	**(0.06)**	(0.03)	(0.04)	(0.04)
EBITDA (Loss)	**(1,171)**	(1,076)	(1,254)	(773)	**(973)**	(554)	(888)	(955)

(See "Management's Responsibility for Financial Reporting" – "Non-IFRS Financial Measures")

Notes	**Valuable information**
R&D expenses (Net of ITCs and grants)	• Net R&D expenses fluctuate based on the timing of R&D activities. R&D activities have accelerated over the last year as the Corporation was getting ready to start and initiated its Phase I/II trial for testing Ortho-R for rotator cuff repair.
G&A expenses	• G&A expenses have been stable over the last 2 years. G&A expenses have fluctuated due to the impact of senior management changes that took place during the various periods. We expect G&A to be stable for the coming quarters.
Share-Based Compensation	• Share-based compensation fluctuates as a results of staff changes, and due to the timing of expense recognition associated with the vesting of the options issued. Q2-23 SBC included the impact of issuing options and RSUs to the new CEO and new chief Medical Officer.
Financial expenses	• Financial expenses have been relatively stable over the last few quarters after having increased in Q4-21 following the implementation of the $3.0 million NCDU, and since Q4-22 due to incremental charges related to the December 2022 bridge financing which matures in Q4-23. • Interest charges on the CDUs will go down over time as CDU holders opt to convert their debenture prior to maturity**.** (See "Subsequent events")
FVA of embedded derivative	• The changes to the terms of the CDU conversion price as well as the variation in share price during the last quarters has led to quarterly adjustments to the FVCO of the CDUs representing respective decreases (gains) or increases (losses) since the embedded derivative was created in Q3-22.
FVA on warrants	• There has been nominal quarterly variations (adjustments) to the fair value of the warrants issued as part of the December 2021 bridge financing

Net loss	• Over the last few quarters, net loss reflect has been mainly impacted by the FVA of the derivative liability related to the CDUs as well as to a lessor extent to the fluctuations of the R&D, G&A and SBC expenses. • Net loss since Q3-22 has fluctuated greatly as a result of non-cash variations of the FVA on the embedded derivative. Net loss in Q3-23 was up by \$0.5 million as compared to Q2-23 due to the FVA increasing by \$0.4 million. • The embedded derivative will be eliminated following the conversion and or maturity of the CDU on May 1, 2023. (See "Subsequent Event") • Going forward net loss will be mainly driven by the level of R&D spending made to advance its R&D programs (Ortho-R, Ortho-M, and Ortho-C) as well as the financial expenses related to its capital structure include FVA of each of the embedded derivative and warrants.
EBITDA (Loss)	• EBITDA (Loss) (See "Management's Responsibility for Financial Reporting" – "Non-IFRS Financial Measures") eliminates the impact of the FVA on the CDU, NCDU, ITC and other financings which reflect the Corporation's financing strategy adopted to attract the required capital to fund its operations. • After eliminating such expenses, the EBITDA (Loss) in Q3-23 increased by \$0.1 million over Q2-23 as R&D activities increased by the same amount. Fluctuations over prior quarter were directly related to variations in R&D and G&A spendings described above.

LIQUIDITIES AND CAPITAL RESSOURCES

For the 9-month period ended on,	31-Oct-22	31-Oct-21	*Change* *\$*	*%*
Operating activities:				
Net loss from operations	**(4,070)**	(4,069)	*(1)*	*0%*
Other items not affecting cash	**641**	1,405	*(764)*	*-54%*
Changes in non-cash working capital	**565**	421	*144*	*34%*
Cash used in operations	**(2,864)**	(2,243)	*(621)*	*28%*
Investing activities:				
Cash used in investing activities	**-**	(33)	*33*	*100%*
Financing activities:				
Cash provided by financing activities	**2,570**	134	*2,436*	*1818%*
Cash, beginning of period	**313**	2,379	*(2,066)*	*-87%*
(Decrease) increase in cash	**(294)**	(2,142)	*1,848*	*-86%*
Effect of foreign exchange on cash	**31**	(27)	*58*	*-215%*
Cash, end of period	**50**	210	*(160)*	*-76%*
Additional Information				
Adjusted Cash, end of period (3)	**800**	210	*590*	*281%*

1. A positive variance represents a positive impact to cash flows and a negative variance represents a negative impact to cash flows
2. Percentage change is presented in relative values
3. Adjusted Cash, end of period, includes the net impact of the transactions described as "Subsequent Event".

Selected items	YTD-23 vs YTD-22
Cash used in operations	• Cash used in operations represents the cash flows from operations, excluding income and expenses not affecting cash plus changes in non-cash working capital items. • Cash used in operations was \$2.9 million for YTD-23 as compared to \$2.2 million for YTD-22 period, representing a \$0.6 million increase. The increase results from the \$0.8 million decrease in items not affecting cash which captured the combined \$0.6 million gains on fair value adjustments to the CDU embedded derivative and warrant liability. Cash used in operations in YTD-23 was also impacted by a \$0.1 million positive change in non-cash working capital items including a favorable change of \$0.3 million in payables.
Cash used in investing activities	• No investments during YTD-23, compared to nominal investment in YTD-22.
Cash provided by financing activities	• Financing activities generated \$2.6 million during the YTD-23 period representing the net impact of the April 2022 PIPE compared to \$0.1 million in YTD-22 which included nominal proceeds from the exercise of warrants as well as a \$0.1 million government grant to support R&D work. There were no financing activities during Q3-23.
Cash, End of the period	• The Corporation ended Q3-23 with \$0.1 million of cash compared to \$0.2 million at the end of Q3-22. Cash decreased by \$0.3 million during YTD-23 as proceeds from the April 2022 PIPE were used to finance

(In thousands of Canadian dollars, except for units, share and per share amounts)

	operations. There was no material financing during YTD-22, for that reason cash decreased by $2.1 million as cash was used to fund operations.
Adjusted Cash, end of the period	• Subsequent to the end of Q3-23, the Corporation has secured $1.157 million worth of advances and / or conversion of liabilities ("Advances") including $750 by way of cash. These Advances have been used to support operations and fund activities relating to the Phase I/II clinical trial for rotator cuff tear repair.

Cash, and Working Capital

As at,	**2022-10-31**	2022-01-31	*Change*	
	$	$	*$[1]*	*%[2]*
Cash	**50**	313	*(263)*	*-84%*
Total current assets	**538**	722	*(184)*	*-25%*
Accounts payables and accrued liabilities	**1,169**	607	*562*	*93%*
Convertible debentures - Short term	**2,602**	-	*2,602*	*100%*
Convertible unit Bridge	**838**	934	*(96)*	*100%*
Embedded derivative short term	**1,047**	-	*1,047*	*100%*
Warrants presented as a liability	**125**	139	*(14)*	*100%*
Total current liabilities	**6,040**	1,869	*4,171*	*223%*
Working Capital	**(5,502)**	(1,147)	*(4,355)*	*380%*
Additional Information				
Adjusted Cash, end [(3)]	**800**	313	*487*	*156%*
Adjusted Working Capital [(3)]	**(602)**	(1,147)	*545*	*-47%*

1. A positive variance represents a positive impact, and a negative variance represents a negative impact
2. Percentage change is presented in relative values
3. Adjusted Cash and Adjusted Working Capital, includes the net impact of the transactions described as "Subsequent Event".

Cash at the end of Q3-23 was $0.1 million as compared to $0.3 million at the end of YE-22 representing a $0.2 million decrease. During Q3-23, working capital was impacted by the reclass of the CDUs and the embedded derivative on the CDUs, both now presented as short-term liability. Working Capital at the end of Q3-23 showed a $5.5 million deficit compared to a $1.1 million deficit as at the end of Q3-22. Included in the working capital deficit is 1) the non-cash $1.0 million the embedded derivative (FVCO of the CDUs), as well as 2) the $2.6 million CDUs both of which will be eliminated on conversion of the CDUs (See "Subsequent Events") or at the latest on May 1, 2023.

Balance sheet restructuring and positive working capital impact

With Phase I/II activities picking up and related corporate milestones soon to be met over the coming quarters, the Corporation has reached an agreement with holders of the CDUs representing 91% of the CDU value for an accelerated conversion prior to maturity See "Subsequent Events"), thus eliminating most of the $3.6 million short-term liabilities ($2.6 million CDU, and $1.0 million embedded derivative).

Also, Subsequent to the end of Q3-23, the Corporation has secured $1.157 million worth of cash advances and / or conversion of liabilities ("Advances"). These Advances have been used to support operations and fund activities relating to the Phase I/II clinical trial for rotator cuff tear repair. This will also help address the maturity of the remaining $0.85 million convertible notes due in Q4-23, $0.4 million of which have been repaid subsequent to the end of the quarter.

The net impact of the latter transactions represents a total $4.9 million improvement to our working capital position as at Q3-23.

During prior periods, the Corporation has demonstrated its ability to raise the necessary capital to support its operations and achieve development milestones. However, there is no assurance that the Corporation will be able to secure the necessary financing to fund it various development programs. Management has continued to implement IR and financing initiatives to attract the required capital to fund its operations and deliver R&D and corporate milestones over the next fiscal year. (See "Overview of the Business" and "Going concern").

Future financing

As of October 31, 2022, ChitogenX had 34.3 million warrants outstanding with an average exercise price of $0.42. 32.7 million warrants are subject to an acceleration clause. 16 million warrants issued as part of the April 2022 PIPE can be accelerated if the average VWAP of the Corporation's shares over any ten (10) consecutive trading days (the "Trading Period") is greater or equal to $0.50 (the "Accelerator price"), the Corporation may give notice to the warrant holder that it must exercise its remaining warrants within a period of 30 days from the date of receipt of the notice, failing which the warrants will automatically expire. Same applies for 16.7 million warrants with an accelerator price of $1.00 but will require a 20-day trading period.

The extent to which these warrants are exercised will be a function of the market price of the Corporation's underlying common shares and investors' view of the opportunity for shareholder value creation over the investment time for each individual investor. If the acceleration clause had been exercised for all warrants outstanding at the end of Q3-23 and for which the acceleration clause applied, the maximum influx of cash to the Corporation would have been approximately $13.9 million. Assuming all warrants are exercised prior to their maturity a total of $14.4 million could be raised.

The Corporation's use of available funds over the coming year is of utmost concern to the Board. Since the extent and timing of warrant exercise as a source of financing are uncertain, management continues to look for alternative sources of financing to secure the required capital necessary to fund its operations and development projects. Management's focus is on securing equity-based financings from Canadian and US based institutional and/or accredited investors. The Corporation is also actively promoting its technologies to strategic partners.

Discussion of operating cash requirements

All programs in the Corporation's current portfolio will require a significant investment to increase their market value (through, for example, clinical trials) or to attract a strategic partner. We estimate that $30 million will be required to bring our rotator cuff (Ortho-R), meniscus (Ortho-M), and cartilage (Ortho-C) programs to market. There are several areas where duplication between programs can provide savings such as the manufacture of the chitosan material, which is common across our product platform. We therefore do not need to replicate several manufacturing activities, or some associated costs, for each of the projects.

Ortho-R for the repair of rotator cuff tears is a clinical development stage program and represents our lead product for commercialization. We currently estimate that an additional investment of at least $3 million will be required to provide proof of concept in human and another $10 million to bring the same program to commercialization.

Ortho-M (meniscus) is the Corporation's second candidate and is also in a development phase. Proof of efficacy in a large animal preclinical model is currently taking place 80% of which is funded by 3rd party grants. Ortho-M's development pathway and plan will be similar to Ortho-R and will benefit from all cGMP activities performed on scaling-up Ortho-R. Consequently, management estimates that $1.5 million will be required prior to submitting an IND application prior to testing Ortho-M in human for meniscus tear repair.

Ortho-C and Ortho-V are currently at an earlier stage of development and management does not intend to commit any sums to the advancement of these projects until it successfully advances Ortho-R and Ortho-M in human clinical testing.

In order to successfully advance its current R&D programs, ChitogenX entered into a Collaborative R&D Agreement with Polytechnique to ensure access to Polytechnique's staff, expertise, and laboratories. The agreement expires on August 14, 2024.

Statement of Compliance

The unaudited interim financial statements included in this MD&A for the quarter ending October 31, 2022 have been prepared in accordance with *International Financial Reporting Standards* as issued by the *International Accounting Standards Board ("IASB")* as well as with those standards and interpretations as issued by the *International Financial Reporting Interpretations Committee ("IFRIC")* issued and effective or issued and early adopted as at the time of preparing these interim financial statements.

Use of Estimates and Judgements

Reference should be made to the Corporation's 2022 annual financial statements, *note 3*, for an extended description of the information concerning the Corporation's significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses.

Interim Condensed Financial Statements
(Unaudited)

ChitogenX Inc.

October 31, 2022
Third quarter, fiscal year 2023

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, the statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited interim financial statements of the Corporation have been prepared by management and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review or an audit of these interim financial statements.

ChitogenX Inc.

Interim Condensed Statements of Financial Position
(Unaudited)

In thousands of Canadian dollars except for share and per share amount

As at	*Notes*	**October 31, 2022**	January 31, 2022
ASSETS			
Current			
Cash	*21*	**50**	313
Sales tax and other receivables		**81**	35
Investment tax credits receivable		**246**	254
Prepaid expenses and deposits		**161**	120
Total current assets		**538**	722
Equipment	*4*	**49**	69
Intangible assets	*5*	**307**	332
Total assets		**894**	1,123
LIABILITIES AND SHAREHOLDERS' DEFICIT			
Current			
Accounts payable and accrued liabilities	*6*	**1,169**	607
Government grants		**-**	12
Accrued interest on debentures and convertible notes	*8,9,10,21*	**259**	177
Convertible notes	*10,21*	**838**	934
Convertible debentures	*8,21*	**2,602**	-
Conversion options	*8,21*	**1,047**	-
Warrants	*10*	**125**	139
Total current liabilities		**6,040**	1,869
Long-term loan	*7*	**40**	40
Convertible debentures	*8*	**-**	2,387
Conversion options	*8*	**-**	1,582
Non-convertible debentures	*9,21*	**2,580**	2,349
Total liabilities		**8,660**	8,227
SHAREHOLDERS' DEFICIT			
Common shares	*11*	**10,455**	7,891
Warrants	*11*	**2,317**	1,828
Contributed surplus		**2,459**	2,104
Deficit		**(22,997)**	(18,927)
Total shareholders' deficit		**(7,766)**	(7,104)
Total liabilities and shareholders' deficit		**894**	1,123

Going Concern Uncertainty (Note 1); Commitments (Note 20); Subsequent Event (Note 21).

These unaudited interim condensed financial statements were approved and authorized for issuance by the Board of Directors on December 21, 2022.

"/s/ "Philippe Deschamps" ", Director *"/s/ "Pierre Laurin" "*, Director

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

ChitogenX Inc.

Interim Condensed Statements of Loss and Comprehensive Loss
(Unaudited)

In thousands of Canadian dollars except for share and per share amount

	Notes	Three months ended, October 31, 2022	Three months ended, October 31, 2021	Nine months ended, October 31, 2022	Nine months ended, October 31, 2021
Expenses					
Research and development	*13*	**567**	591	**1,674**	1,134
General and administrative	*14*	**523**	357	**1,574**	1,162
Share-based compensation	*11*	**95**	43	**299**	170
Financial	*15*	**373**	266	**1,073**	937
Total Expenses		**1,558**	1,257	**4,620**	3,403
Other items					
Fair Value adjustment on embedded derivative	*8*	**277**	666	**(535)**	666
Fair Value adjustment on warrants	*10*	**22**	-	**(15)**	-
Net loss and comprehensive loss		**1,857**	1,923	**4,070**	4,069
Loss per share					
Weighted average number of common shares outstanding		**51,038,776**	34,855,186	**47,322,558**	34,855,186
Basic and diluted loss per common share		**0.04**	0.06	**0.09**	0.12

Going Concern Uncertainty (Note 1)

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

ChitogenX Inc.

Interim Condensed Statement of Changes in Shareholders' Deficit
(Unaudited)

In thousands of Canadian dollars, except for share and per share amount
For the nine months ended October 31,

	Notes	**Number of common shares**	**Share capital**	**Warrants**	**Equity component of convertible debentures**	**Contributed surplus**	**Deficit**	**Total**
Balance as at January 31, 2021		**34,567,600**	**7,706**	**2,080**	**469**	**1,605**	**(13,661)**	**(1,801)**
Shares issued	*11*	129,201	56	-	-	-	-	56
Share-based compensation	*11*	-	-	-	-	170	-	170
Exercise of warrants	*11*	100,000	73	(10)	-	-	-	63
Expired warrants	*11*	-	-	(101)	-	101	-	-
Warrants extension adjustment	*11*	-	-	20	-	-	-	20
Conversion of debentures	*8*	173,013	56		(9)	-	-	47
Extension of convertible debentures and reclassification warrants from equity to liability	*8*	-	-	-	(460)	-	(345)	(805)
Net loss for the period		-	-	-	-	-	(4,069)	(4,069)
Balance as at October 31, 2021		**34,969,814**	**7,891**	**1,989**	**-**	**1,876**	**(18,075)**	**(6,319)**
Balance as at January 31, 2022		**34,956,093**	**7,891**	**1,828**	**-**	**2,104**	**(18,927)**	**(7,104)**
Shares/Units issued	*11*	**16,082,683**	**2,673**	**568**	**-**	**-**	**-**	**3,241**
Share/Unit issue costs	*11*	**-**	**(109)**	**(23)**	**-**	**-**	**-**	**(132)**
Share-based compensation	*11*	**-**	**-**	-	**-**	**299**	**-**	**299**
Expired warrants	*11*	**-**	**-**	**(56)**	**-**	**56**	**-**	**-**
Net loss for the period		**-**	**-**	**-**	**-**	**-**	**(4,070)**	**(4,070)**
Balance as at October 31, 2022		**51,038,776**	**10,455**	**2,317**	**-**	**2,459**	**(22,997)**	**(7,766)**

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

ChitogenX Inc.

Interim Condensed Statement of Cash Flows

(Unaudited)

In thousands of Canadian dollars

For the nine months ended October 31,

	Notes	October 31, 2022	October 31, 2021
Operating activities:			
Net loss from operations		**(4,070)**	(4,069)
Add items not affecting cash:			
Share-based compensation	*11*	**299**	170
Shares issued as a supplier payment		**-**	57
Consulting fees and supplier and other payable settled through the issuance of shares, warrants or debentures		**319**	-
Depreciation and Amortization	*4,5*	**45**	51
Amortization – financial charges	*15*	**84**	34
Unrealized gain on foreign exchange		**(32)**	19
Interest on loans and debentures	*8,15*	**487**	406
Gain due to Fair Value adjustment – embedded derivative	*8*	**(535)**	666
Gain due to Fair Value adjustment – warrants liability	*10*	**(14)**	-
Government grant amortization	*13*	**(12)**	(44)
Loss on convertible debenture revaluation		**-**	26
Warrants extension adjustment	*10*	**-**	20
Net change in non-cash operating working capital	*12*	**565**	421
Cash used in operating activities		**(2,864)**	(2,243)
Investing activities:			
Acquisition of equipment	*4*	**-**	(33)
Cash used in investing activities		**-**	(33)
Financing activities:			
Proceeds from government grant	*13*	**-**	75
Proceeds from exercised warrants	*11*	**-**	60
Proceeds from the issuance of shares	*11*	**2,702**	-
Payment of share issue costs	*11*	**(132)**	(1)
Cash provided by financing activities		**2,570**	134
Cash, beginning of period		**313**	2,379
Increase (decrease) in cash		**(294)**	(2,169)
Effect of foreign exchange on cash		**31**	(27)
Cash, end of period		**50**	210

Going Concern Uncertainty (Note 1)

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

1. Presentation of Financial Statements

Description of the Business and Going Concern Uncertainty

ChitogenX Inc. ("the Corporation", or "ChitogenX"), formerly Ortho Regenerative Technologies Inc., was incorporated under the Canada Business Corporations Act on February 5, 2015. The Corporation's head office, principal address and registered office is located at 16667 Hymus Blvd., Kirkland, Quebec, Canada. On September 7, 2022, the Corporation changed its corporate name to ChitogenX Inc. to better reflect its expanded clinical and commercial opportunities, mission, values and core competencies. Since September 12, 2022, the Corporation's shares are listed on the Canadian Securities Exchange ("CSE"), under the symbol "CHGX" and on the United States OTCQB ("OTCQB") market, under the symbol "CHNXF". These shares were previously listed on the CSE market under the symbol "ORTH" and on the OTCQB market under the symbol "ORTIF".

The Corporation is an emerging Orthopaedic and Sports Medicine biologics company dedicated to the development of novel therapeutic soft tissue repair technologies to dramatically improve the success rate of orthopaedic and sports medicine surgeries. The Corporation's proprietary biopolymer has been specifically designed to increase the healing rates of occupational and sports related injuries to tendons, ligaments, meniscus, and cartilage. The biopolymer – autologous PRP combination implant, can be directly placed into the site of injuries by surgeons during routine operative procedures without significantly extending the duration of surgeries and without further interventions. Considering the significant bioactivity and residency of our proprietary biopolymer – PRP implants, ChitogenX continues to assess its potential for therapeutic uses outside of the soft tissue repair market.

These unaudited interim condensed financial statements have been prepared on the going concern basis, which presumes the Corporation will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In its assessment to determine if the going concern assumption is appropriate, management considers all data available regarding the future for at least, without limiting to, the next twelve months.

The Corporation has yet to generate revenue and has relied upon the issuance of debt and equity instruments to fund its operations. During the nine-month period ended October 31, 2022, the Corporation incurred a net loss of $4,070 and used cash in operations of $2,864. As at October 31, 2022, the Corporation had a negative working capital balance of $5,502.

The ability of the Corporation to fulfill its obligations and finance its future activities depends on its ability to raise capital and on the continuous support of its creditors. The Corporation believes its efforts to raise sufficient funds to support its activities will be successful, however, there is no assurance that funds will continue to be raised on acceptable terms. This indicates the existence of a material uncertainty that may cast a significant doubt about the ability of the Corporation to continue as a going concern without obtaining additional financial resources.

Failure to obtain such additional financing could result in delay or indefinite postponement of the Corporation's strategic goals. These unaudited interim condensed financial statements do not include any adjustments to the amounts and classification of assets and liabilities that would be necessary should the Corporation be unable to continue as a going concern. Such adjustments could be material.

These unaudited interim condensed financial statements were approved and authorized for issuance by the Board of Directors on December 27, 2022.

2. Summary of Significant Accounting Policies

Basis of measurement

These unaudited interim condensed financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial assets and financial liabilities to fair value.

Functional and presentation currency

These unaudited interim condensed financial statements are presented in Canadian dollars, which is also the functional currency of the Corporation.

Transactions denominated in foreign currencies are initially recorded in the functional currency of the related entity using the exchange rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rates. Any resulting exchange difference is recognized in the statement of loss and comprehensive loss. Non-monetary assets and liabilities denominated in foreign currencies and measured at historical cost are translated using historical exchange rates, and those measured at fair value are translated using the exchange rate in effect at the date the fair value is determined. Expenses are translated using the average exchange rates for the period or the exchange rate at the date of the transaction for significant items.

In thousands of Canadian dollars except for share and per share amounts

	October 31, 2022	January 31, 2022
End of period exchange rate – USD	**1.3649**	1.2719
Period average exchange rate – USD	**1.2950**	1.2528

Statement of Compliance

These unaudited interim condensed financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These financial statements have been prepared in accordance with those IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective or issued as at the time of preparing these unaudited interim condensed financial statements. The policies set out below have been consistently applied to all the periods presented.

The preparation of the Corporation's unaudited interim condensed financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

3. Use of Estimates and Judgment

The preparation of the unaudited interim condensed financial statements requires management to undertake several judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from these judgements and estimates. These estimates and judgements are based on management's best knowledge of the events or circumstances and actions the Corporation may take in the future. The estimates are reviewed on an ongoing basis. Information about the significant judgements, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed in Note 3 of the Corporation's 2022 annual audited financial statements and are still applicable during the nine months ended October 31, 2022.

4. Equipment

	Cost	Accumulated depreciation	Carrying Value
Balance as at January 31, 2022	271	(202)	69
Additions	-	**(20)**	**(20)**
Balance as at October 31, 2022	**271**	**(222)**	**49**

5. Intangible Assets

	Cost	Accumulated amortization	Carrying Value
Balance as at January 31, 2022	485	(153)	332
Additions	-	**(25)**	**(25)**
Balance as at October 31, 2022	**485**	**(178)**	**307**

6. Accounts Payable and Accrued Liabilities

Balance as at	October 31, 2022	January 31, 2022
Trade accounts payable	**1,114**	466
Accrued liabilities	**55**	141
	1,169	607

7. Long-Term Loan

	Interest Rate	Maturity	October 31, 2022	January 31, 2022
Canada Emergency Business Account	Interest-free	December 31, 2023	**40**	40

In thousands of Canadian dollars except for share and per share amounts

On April 29, 2020, the Corporation received a government loan under the Canada Emergency Response Benefit ("CERB"), part of Canada's COVID-19 economic response plan. The loan bears no interest and has a maturity date of December 31, 2023. Upon repayment of the loan at or prior to its maturity on December 31, 2023, the Corporation would receive a grant of $10 to reduce the balance repayable.

8. Convertible Debentures

a) Host instrument

	Nine months ended October 31, 2022	Year ended January 31, 2022
Opening balance	**2,387**	2,476
Accretion expense	**215**	346
Conversion of debentures into common shares	**-**	(47)
Remeasurement resulting from extension of convertible debentures' maturities	**-**	(388)
Total	**2,602**	2,387
Short-term	**2,602**	-
Long-term	**-**	2,387
Total	**2,602**	2,387

The following table shows the nominal value of the convertible debentures with their maturity date:

		Nominal amounts outstanding as at	
Maturity Date	**Initial Amount**	**October 31, 2022**	January 31, 2022
May 1, 2023	**3,204**	**2,783**	2,783
Total	**3,204**	**2,783**	2,783
Short-term		**2,783**	-
Long-term		**-**	2,783
Total		**2,783**	2,783

On April 21, 2020, the Corporation completed a non-brokered private placement for $1,060 worth of unsecured convertible debentures at a price of $1 (one thousand) per debenture, on same terms as the unsecured convertible debentures issued on October 8, 2019, and December 30, 2019 for $1,644 and 500 respectively. The debentures bear interest at a rate of 10% per annum with a term of 2 years. The debentures are convertible at a price per Class A common shares of $0.30, in whole or in part, at the option of the holder at any time prior to the close of business on the last business day immediately preceding the maturity date. Each debenture unit consisted of one $1 ($ one thousand) principal amount unsecured convertible debenture and 2,000 share purchase warrants, each exercisable into one common share of the Corporation at $0.50 per share two years from issuance.

In the event that the average VWAP over any twenty (20) consecutive trading days is greater or equal to $1.00, the Corporation may give notice to the warrant holder that it must exercise its remaining warrants within a period of 30 days from the date of receipt of the notice, failing which the warrants will automatically expire. The "average VWAP" is the average of the volume weighted average market prices of the Corporation's Class "A" Shares on a single day. Long-term loans of $302 as at January 31, 2020 were converted as part of the closing of April 21, 2020 ($914 of loans payable were converted into convertible debenture units issued on October 8, 2019).

At creation, the Corporation valued the debt component of the debentures by calculating the present value of the principal and interest payments, discounted at a rate of 27.5%, being management's best estimate of the rate that a non-convertible debenture with similar terms would bear as at April 21, 2020. The equity component consists of the warrants and the conversion option. The values attributed to each were based on the relative fair value approach. On initial recognition, the liability components were $801, the warrants were $124 and the conversion options were $135.

In connection with the issuance of convertible debenture units, 27,067 compensation warrants were issued. Each compensation warrant is exercisable into one common share of the Corporation at $0.50 per share 18 months from issuance.

In thousands of Canadian dollars except for share and per share amounts

On July 19, 2021, the Corporation amended its convertible debentures and related warrants agreements (the "Amendment"). Under the terms of the Amendment, the maturity date of all outstanding convertible debentures and related unexercised warrants was extended to May 1, 2023 and certain of the conversion features were clarified.

The Amendment was accounted for as an extinguishment of all outstanding debentures as the change in the fair value before and after the Amendment exceeded 10% of the carrying amount of the debentures. Accordingly, the Corporation recorded a loss on extinguishment of the debentures in the amount of $26 in the third quarter of fiscal year 2022.

At that date of the Amendment, the Corporation derecognized the carrying amount of the outstanding convertible debentures of $2,651 and a new liability totaling $2,262 was recorded by using the discounted cash flows method assuming an effective interest determined on the estimated rate for a loan with similar terms from comparable companies, but without a conversion feature. The difference between both amounts was recorded as decrease of deficit $389. Resulting from the clarification of the conversion option features, the Corporation determined that the conversion option was now considered as an embedded derivative to be classified as a liability instrument. Therefore, the Corporation derecognized the $460 carrying amount of the conversion option initially classified as an equity component and recorded the fair value of $1,194 as a liability. The difference between both amounts was recorded as an increase of deficit of $734. The Corporation utilized a Monte Carlo simulation model to determine the fair value of the conversion option.

Accretion charges, included in financing expense on the statement of loss and comprehensive loss, attributable to the debentures during the nine months ended October 31, 2022 was $215 ($285 during the nine months ended October 31, 2021). In addition, $207 of interest expense was recorded, of which $177 is included as Interest payable on debentures in the statement of financial position.

During the nine months ended October 31, 2022, no debentures ($47 for the year ended January 31, 2022) were converted into common shares of the Corporation.

b) Embedded Derivative

	Nine months ended October 31, 2022	Year ended January 31, 2022
Opening balance	**1,582**	1,194
Fair Value adjustment	**(535)**	388
Total	**1,047**	1,582

During the nine months ended October 31, 2022, the Corporation recorded a gain on revaluation of their related embedded derivative's fair value of $535. This adjustment mainly results from the decrease in the Corporation's share price going down from $0.35 per share on January 31, 2022 to $0.30 per share as of October 31, 2022, net of the impact of the conversion price amendment discussed in Note 11.

9. Non-convertible Debentures

	Nine months ended October 31, 2022	Year ended January 31, 2022
Opening balance	**2,349**	2,099
Accretion expense	**231**	250
Total	**2,580**	2,349
Short-term	**-**	-
Long-term	**2,580**	2,349
	2,580	2,349

On November 30, 2020, the Corporation issued 3,000 secured non-convertible debenture units (the "Debenture Units") at a purchase price of $1 per Debenture Unit for gross proceeds of $3,000, of which an amount of $55 was in exchange of consultants' remuneration. These units are secured by a $4,000 hypothec against the universality of the Corporation's present and future assets. Each Unit consists of one 10% secured non-convertible debenture of the Corporation in the principal amount of $1 (each, a "Debenture") and 500 Class "A" share purchase warrants (each, a "Warrant") both maturing November 30, 2023 (the "Maturity Date"). Each Warrant entitles the holder thereof to purchase one Class "A" Share of the Corporation (each, a "Share") at an exercise price of $0.75 until the Maturity Date.

In thousands of Canadian dollars except for share and per share amounts

The Corporation valued the debt component of the non-convertible debentures by calculating the present value of the principal and interest payments, discounted at a rate of 25%, being management's best estimate of the rate that a non-convertible debenture without warrant coverage would bear as at November 30, 2020. On initial recognition, the liability components were $2,272, and the warrants were $728. In connection with the transaction, 170,850 broker's warrants were issued. Transaction costs of $209 were netted against the liability and will be amortized using the effective interest method over the period of the loan. A further $67 in transaction costs, related to the warrants, were capitalized to share issue costs.

Accretion expense included in financing expense on the statement of loss and comprehensive loss, attributable to the debentures during the nine months ended October 31, 2022 was $231 including $51 of amortization of transaction costs ($182 including $34 of amortization of transaction costs during the nine months ended October 31, 2021). In addition, $225 of interest expense was recorded ($225 during the nine months ended October 31, 2021), of which $50 is still accrued and included in accrued interest on debentures in the statement of financial position.

The following table shows the nominal value of the non-convertible debentures with their maturity date:

		Nominal amounts outstanding as at	
Maturity Date	**Initial Amount**	**October 31, 2022**	January 31, 2022
November 30, 2023	**3,000**	**3,000**	3,000
Total	**3,000**	**3,000**	3,000
Short-term		**-**	-
Long-term		**3,000**	3,000
Total		**3,000**	3,000

10. Convertible notes

a) Host instrument

	Nine months ended October 31, 2022	Year ended January 31, 2022
Opening Balance	**934**	-
Additions	**-**	1,075
Fair value of warrants allocated to liability	**-**	(170)
Transaction costs	**-**	(48)
Loss on debt issuance	**-**	54
Accretion expense	**124**	23
Financing rollover	**(220)**	-
Total	**838**	934
Short-term	**838**	934
Long-term	**-**	-
Total	**838**	934

The following table shows the nominal value of the convertible notes with their maturity date:

		Nominal amounts outstanding as at	
Maturity Date	**Initial Amount**	**October 31, 2022**	January 31, 2022
December 13, 2022	**1,075**	**855**	1,075
Total	**1,075**	**855**	1,075
Short-term		**855**	1,075
Long-term		**-**	-
Total		**855**	1,075

On December 13, 2021, the Corporation announced the closing of a non-brokered private placement offering (the "Private Placement") where it issued 1,075 unsecured Convertible Note Units at a price of $0.975 per Convertible Note Unit for total gross proceeds of $1,048. Each Convertible Note Unit consists of one (1) unsecured convertible note (each a "Note") of the Company in the principal amount of $1,000 and 1,000 Class "A" common share purchase warrants (each a "Warrant"). The Notes bear interest at a rate of 10% per annum from the date of issue, payable in cash, semi-annually in arrears and will mature (the "Maturity Date") on the earlier of (i) 12 months following the closing date of the Private Placement, or (ii) 20 days following the closing of a capital raise in the form of an equity or debt financing of at least $5,000 (the "Capital Raise"). Any unpaid interest payments will accrue and be added to the principal amount of the Notes. Should the Company complete a Capital Raise prior to the Maturity Date, the holder of a Note will have the option, but not the obligation, to convert the outstanding value of the Note and any accrued and unpaid Interest thereon, into the equity securities and/or debt instrument to be issued pursuant to the Capital Raise, at the same terms and conditions.

In thousands of Canadian dollars except for share and per share amounts

Each Warrant will entitle the holder thereof to purchase one Class "A" common share (each, a "Share") at an exercise price of $0.50 at any time up to 24 months following December 13, 2021. The Notes and the Warrants are subject to a statutory hold period under the applicable securities laws and in such case the certificates evidencing the Notes and the Warrants will bear a legend to that effect, as applicable. The Company has paid $21 in commissions and issued 21,700 finders' warrants in connection with the convertible note financing, in compliance with applicable securities laws. This leaves the Corporation with a total net proceeds of $1,027.

The Corporation valued the debt component of the Convertible notes by calculating the present value of the principal and interest payments, discounted at a rate of 24%, being management's best estimate of the rate that a Convertible note would bear as at December 13, 2021. On initial recognition, the host instrument was $958 and the warrants at $170. Since an anti-dilutive clause is attached to the warrants, the Corporation determined that the warrants were classified as financial liability. The Corporation utilized a Monte Carlo simulation model to determine the fair value of the warrants. Transaction costs were netted against the liability and will be amortized using the effective interest method over the period of the debt.

Accretion expense included in financing expense on the statement of loss and comprehensive loss, attributable to the Notes during the nine months ended October 31, 2022 was $124 including $33 of amortization of transaction costs (nil during the nine months ended October 31, 2021). In addition, $83 of interest expense was recorded, of which $32 is included as Interest payable on debentures in the statement of financial position.

b) Warrants

	Nine months ended October 31, 2022	Year ended January 31, 2022
Opening balance	**139**	170
Fair Value adjustment	**(14)**	(31)
Total	**125**	139

During the nine months ended October 31, 2022, the Corporation recorded a gain on revaluation of their related warrant's fair value of $14. This adjustment mainly results from the decrease in the Corporation's share price going down from $0.35 per share on January 31, 2022 to $0.30 per share as of October 31, 2022, net of the impact of the exercise price amendment discussed in Note 11.

11. Share Capital and other equity instruments

(a) Share capital

The Authorized Share Capital is composed of

i. Unlimited number of Class "A" common shares, with no par value
ii. Unlimited number of Class "AA" preferred shares, non-voting, non-cumulative dividends at the discretion of the directors, no par value
iii. Unlimited number of Class "B" preferred shares, redeemable, non-voting, non-cumulative dividends of 1%, no par value

Class "A" common shares	**#**	**$**
Balance as at January 31, 2022	34,956,093	7,891
Common shares issued	**16,082,683**	**2,673**
Share issue costs	**-**	**(109)**
Balance as at October 31, 2022	**51,038,776**	**10,455**

On April 5, 2022, the Corporation completed a non-brokered private placement of units and issued 16,000,000 units at a price of $0.20 per Unit for total gross proceeds of $3,200 (the "April 2022 Private Placement") of which an amount $2,702 was received in cash, an amount of $220 was issued as a replacement to convertible notes issued in December 2021 and the balance in compensation for accounts payable and accrued liabilities. Each Unit consists of one (1) Class "A" common share of the Company (each, a "share") and one share purchase warrant (each a "Warrant"). Each Warrant will be exercisable into one (1) Share in the capital of the Company at the price of $0.35 per Warrant Share for a period of 24 months from closing (the "Warrant Maturity Date"). Until the Warrant Maturity Date, should the closing price of the Shares be greater or equal to $0.50 for ten (10) consecutive trading days, the Company may give notice to the Warrant holder, at any time after the statutory 4-month hold period, that it must exercise its remaining Warrants within a period of 30-days from the date of receipt of the notice, failing which the Warrants will automatically expire. The Company has paid $131 in commission fees and issued 657,650 finders' warrants in connection with the Private placement, in compliance with applicable securities laws.

As a result of the closing of the April 2022 Private Placement, the Corporation had an obligation to amend the terms of certain of its previously issued securities based on anti-dilution provisions governing these securities. Therefore, the Convertible Debentures bearing interest of 10% per annum and maturing on May 1, 2023 were amended such that their conversion price was reduced from $0.30 to $0.20 to match the purchase price of units issued under this April 2022 Private Placement. In addition, the exercise price of the 1,075,000 warrants and the 20,625 Finder's warrants issued on December 13, 2021 issued in connection with the Convertible notes financing were reduced from $0.50 to $0.35 to match the exercise price of the Warrants comprised in the Units sold under this Private Placement.

(b) Share based compensation

The Corporation implemented an incentive stock option plan for directors, officers, employees and consultants to participate in the growth and development of the Corporation by providing such persons with the opportunity, through stock options, to purchase common shares of the Corporation. The stock option plan provides that the aggregate number of shares reserved for issuance, set aside and made available for issuance may not exceed 10% of the number of issued shares at the time the options are to be granted. The maximum number of options which may be granted to any one beneficiary shall not exceed 5% of the issued shares, calculated at the date the option is granted.

The stock option plan is administered by the Board of Directors of the Corporation and it has full and final authority with respect to the granting of all options thereunder. The exercise price of any options granted under the stock option plan shall be determined by the Board of Directors, subject to any applicable regulations or policies. The term and vesting of any options granted under the stock option plan shall be determined by the Board of Directors at the time of grant, and vary from one grant to another, however, subject to earlier termination in the event of dismissal for cause, termination other than for cause or in the event of death, the term of any options granted under the stock option plan may not exceed 8 years.

Options granted under the stock option plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession to a qualified successor. In the event of death of an option holder, options granted under the stock option plan expire upon the earlier of the normal expiry date of the options or one year from the date of death of the option holder.

Subject to certain exceptions, if an employee, director, officer, consultant ceases to hold office or provide consulting services, options granted to such a holder under the stock option plan will expire 90 days after the holder ceases to hold office or such earlier date as the Board of Directors may decide at the date the options were granted. Notwithstanding the foregoing, in the event of a termination for cause of an option holder, all unexercised options held by such option holder shall immediately expire.

On April 8, 2022 (the "Date of Grant") the Corporation granted 2,000,000 stock purchase options (the "Options") to its newly hired CEO, Philippe Deschamps. Half of the Options will vest annually and equally over the first 3 years following the Date of Grant. The balance of the Options will vest based on achievements of predetermined operational and corporate milestones.

On May 19, 2022, the Corporation issued 500,000 warrants with an exercise price of $0.35 per Common Share and expiring April 30, 2023 as compensation to non-related parties providing social media support and other corporate services.

During the nine months ended October 31, 2022 and 2021, the Corporation recorded compensation expense of $299 and $170, respectively, with corresponding credits to contributed surplus related to the issuance of stock options. The weighted average fair value of the options granted during the nine months ended October 31, 2022, estimated by using the Black-Scholes option pricing model, was $0.17 ($0.38 for the year ended January 31, 2022).

In thousands of Canadian dollars except for share and per share amounts

The following table presents the common shares issuable on exercise of the share-based payment transaction granted during the year ended:

	Nine months ended October 31, 2022		Year ended January 31, 2022	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Options outstanding, beginning of year	**2,946,000**	**$0.47**	2,746,000	$0.47
Granted during the period	**2,500,000**	**$0.21**	350,000	$0.47
Options cancelled/expired	**(570,000)**	**$0.58**	(150,000)	$0.47
Options outstanding, end of period	**4,876,000**	**$0.33**	2,946,000	$0.47

All share-based payments will be settled in equity. The Corporation has no legal or contractual obligation to repurchase or settle the options in cash.

During the nine months ended October 31, 2022, the following options were granted:

Number	Notes	Date of grant	Expiry date	Exercise price	Fair value
2,000,000	(i)	April 8, 2022	April 8 ,2030	0.20	0.16
500,000	(ii)	June 20, 2022	June 20, 2030	0.26	0.21
2,500,000					

(i) Half of the Options will vest annually and equally over the first 3 years following the date of grant. The balance will vest based on achievements of predetermined operational and corporate milestones.

(ii) 50% vesting at the date of grant and the balance on November 9, 2023.

The following options were outstanding as at October 31, 2022:

Outstanding	Exercisable	Exercise price	Remaining contractual life (years)
75,000	75,000	$0.60	6.00
665,000	665,000	$0.50	0.74
950,000	900,000	$0.36	2.02
100,000	100,000	$0.70	6.40
65,000	48,750	$0.58	5.90
245,000	245,000	$0.37	0.37
126,000	126,000	$0.71	4.23
100,000	100,000	$0.30	0.72
50,000	50,000	$0.47	6.40
2,000,000	-	$0.20	7.44
500,000	250,000	$0.26	7.64
4,876,000	**2,559,750**		

The fair values of the options issued during the nine months ended October 31, 2022 were estimated using the Black-Scholes option pricing model, with the following assumptions:

Exercise price	**$0.20 - $0.26**
Risk-free rate	**2,57% - 3.39%**
Volatility factor (i)	**87.92% - 88.46%**
Expected life (years)	**8**

(i) Volatility was determined using the historical share price of comparable companies as the Corporation has insufficient historical data.

In thousands of Canadian dollars except for share and per share amounts

(c) Restricted Stock Units

On April 8, 2022 (the "Date of Grant") the Corporation granted 551,938 Restricted Stock Units ("RSU") to its newly hired CEO, Philippe Deschamps. Half of the RSU's will vest annually and equally over the first 3 years following the date of grant. The balance will vest based on achievements of predetermined operational and corporate milestones.

The following tables present the movement in outstanding RSUs during the current period:

	Nine months ended October 31, 2022	**Year ended January 31, 2022**
	Number of RSUs	**Number of RSUs**
Units outstanding, beginning of year	**-**	-
Granted during the period	**551,938**	-
Units outstanding, end of period	**551,938**	-

(d) Warrants

The following tables present the common shares issuable on exercise of full warrants issued during the current period:

	Number of Shares	Weighted Average Exercise Price
Balance as at January 31, 2022	17,407,981	$0.55
Granted during the period	17,157,650	$0.35
Expired during the period	(218,619)	$0.50
Balance as at October 31, 2022	**34,347,012**	**$0.42**

As at October 31, 2022, the Corporation had outstanding warrants as follows:

Number of warrants	**Exercise price**	**Fair value of warrants**	**Remaining contractual life**
1,670,850	$0.75	$0.49	1.08 years
15,518,512	$0.50	$0.03 – $0.16	0.12 – 1.12 years
17,157,650	$0.35	$0.03 – $0.05	0.50 – 1.43 years
34,347,012			

12. Supplemental Cash Flow Information

	Nine months ended	
	October 31, 2022	October 31, 2021
Net change in non-cash operating working capital items		
Sales tax receivable and other receivables	**(46)**	31
Prepaid expenses and deposits	**(41)**	173
Investment tax credits receivable	**8**	(74)
Accounts payable and accrued liabilities	**644**	291
Total	**565**	421

In thousands of Canadian dollars except for share and per share amounts

13. Research and Development Expenses

	Three months ended,		Nine months ended,	
	October 31, 2022	October 31, 2021	**October 31, 2022**	October 31, 2021
Development costs	**555**	630	**1,716**	1,187
Patent costs	**25**	22	**58**	51
Depreciation – equipment	**6**	10	**18**	27
Amortization – intangible assets	**8**	8	**24**	24
	594	670	**1,816**	1,289
Investment tax credit	**(27)**	(60)	**(130)**	(111)
Government grants (i)	-	(19)	**(12)**	(44)
Total	**567**	591	**1,674**	1,134

(i) Government grants are recognized as a reduction of the expenses on a systematic basis over the period in which the related development costs are incurred. During the year ended January 31, 2022, the Corporation received a grant of $75, of which $63 was recognized in the income statement as a reduction of the related R&D expenses and $12 remained recorded on the statement of financial position as government grants as of January 31, 2022. During the nine months ended October 31, 2022, the Corporation recorded the remaining $12 as a reduction of the related R&D expenses.

14. General and Administrative Expenses

	Three months ended,		Nine months ended,	
	October 31, 2022	October 31, 2021	**October 31, 2022**	October 31, 2021
Consulting fees (i)	**223**	245	**754**	575
Professional and investor’s relations fees	**51**	35	**257**	378
Office and administrative	**249**	77	**563**	209
Total	**523**	357	**1,574**	1,162

(i) Consulting fees include fees paid to management in lieu of salary.

15. Financing Expense, Net

	Three months ended,		Nine months ended,	
	October 31, 2022	October 31, 2021	**October 31, 2022**	October 31, 2021
Interest expense	-	13	-	34
Interest coupon on notes and debentures	**166**	148	**516**	437
Effective interest on notes and debentures	**165**	116	**487**	407
Loss on debentures extinguishment	-	-	-	26
Fair value adjustment - warrant extension	-	-	-	20
Amortization - financing cost	**29**	-	**84**	-
Gain/loss on debt issuance	-	-		-
(Gain) Loss on foreign exchange	**13**	(11)	**(14)**	13
Total	**373**	266	**1,073**	937

In thousands of Canadian dollars except for share and per share amounts

16. Income Taxes

As at October 31, 2022, the Corporation had accumulated non-capital losses for income tax purposes, which are available to be applied against future taxable income.

	Federal	Provincial
2036	**663**	**657**
2037	**1,242**	**1,261**
2038	**865**	**607**
2039	**1,273**	**1,312**
2040	**1,311**	**1,391**
2041	**2,349**	**2,385**
2042	**2,941**	**2,973**
	10,644	**10,586**

17. Financial Instruments

During the nine months ended October 31, 2022, the convertible debentures conversion options were revaluated and reclassified from equity to liabilities and carried at fair value through profit and loss ("FVTPL"). Warrants issued as part of the Convertible notes in December 2021 are also being carried at FVTPL. For the year ended January 31, 2022, the Corporation had no financial instruments carried at fair value through other comprehensive income("FVTOCI").

As at October 31, 2022:	**FVTPL**	**Amortized cost**
Financial asset:		
Cash	**-**	**50**
Financial liabilities:		
Accounts payable and accrued liabilities	**-**	**1,169**
Accrued interest on debentures	**-**	**259**
Convertible notes	**-**	**838**
Long-term loan	**-**	**40**
Convertible debentures	**-**	**2,602**
Non-convertible debentures	**-**	**2,580**
Conversion options classified as liability	**1,047**	**-**
Warrants classified as liability	**125**	**-**

As at January 31, 2022:	**FVTPL**	**Amortized cost**
Financial asset:		
Cash	-	313
Financial liabilities:		
Accounts payable and accrued liabilities	-	607
Accrued interest on debentures	-	177
Convertible notes	-	934
Long-term loan	-	40
Convertible debentures	-	2,387
Non-convertible debentures	-	2,349
Conversion options classified as liability	1,582	-
Warrants classified as liability	139	-

The Corporation categorizes its financial assets and liabilities measured at fair value into one of three different levels depending on the observation of the inputs used in the measurement. The three levels are defined as follows:

Level 1: Fair value is based on unadjusted quoted prices for identical assets or liabilities in active markets;
Level 2: Fair value is based on inputs other than quoted prices included within Level 1 that are not observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3: Fair value is based on valuation techniques that require one or more significant unobservable inputs.

In thousands of Canadian dollars except for share and per share amounts

The fair value of a financial instrument is approximated by the consideration that would be agreed to in an arm's length transaction between willing parties and through appropriate valuation methods, but considerable judgement is required for the Corporation to determine the value. The actual amount that could be realized in a current market exchange could be different than the estimated value. The fair values of financial instruments included in current assets and current liabilities approximate their carrying values due to their short-term nature.

18. Financial Risk Factors

The Corporation's activities expose it to financial risks: market risk, more specifically cash flow and fair value interest rate risk, and liquidity risk. The Corporation's overall risk management program focuses on the unpredictability of the financial market and seeks to minimize potential adverse effects on its financial performance. The Corporation does not use derivative financial instruments to hedge these risks.

(a) Credit risk

Credit risk arises from cash deposited with a financial institution. The Corporation reduces this risk by dealing with creditworthy financial institutions.

(b) Market risk

(i) Cash flow and fair value interest rate risk

The Corporation is exposed to fair value interest rate risk due to its short-term debt and convertible debenture negotiated at a fixed rate.

(ii) Currency risk
The Corporation has cash and accounts payable and accrued liabilities denominated in USD, and EUR. The Corporation does not hold financial derivatives to manage fluctuation in these risks.

The following presents the accounts that are exposed to foreign exchange volatility, as at:

	October 31, 2022		January 31, 2022	
	Foreign Currency	**CAD equivalent**	Foreign Currency	CAD equivalent
Cash – USD	**41**	**56**	100	128
Accounts payable and accrued liabilities – USD	**579**	**790**	294	374
Accounts payable and accrued liabilities – EUR	**8**	**11**	6	8

A plus or minus 5% variation in exchange rate, all else being held equal, would result in a foreign exchange gain or loss of $43 ($30 in fiscal 2022).

(c) Liquidity risk
Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The following are the contractual maturities of financial liabilities calculated based on contractual undiscounted cash flows including interest coupons (if applicable):

As at October 31, 2022:	***Carrying value*** **$**	***Contractual cash flows*** **$**	***Less than 12 months*** **$**	***Greater than 12 months*** **$**
Financial liabilities				
Accounts payable and accrued liabilities	**1,169**	**1,169**	**1,169**	**-**
Interest payable on debentures	**259**	**259**	**259**	**-**
Long-term loan	**40**	**40**	**-**	**40**
Convertible debentures	**2,602**	**2,934**	**2,934**	**-**
Non-convertible debentures	**2,580**	**3,375**	**300**	**3,075**
Convertible notes	**838**	**865**	**865**	**-**
Total	**7,488**	**8,642**	**5,527**	**3,115**

In thousands of Canadian dollars except for share and per share amounts

As at January 31, 2022:	*Carrying value* $	*Contractual cash flows* $	*Less than 12 months* $	*Greater than 12 months* $
Financial liabilities				
Accounts payable and accrued liabilities	607	607	607	-
Interest payable on debentures	177	177	177	-
Long-term loan	40	40	-	40
Convertible debentures	2,387	3,141	278	2,863
Non-convertible debentures	2,349	3,550	300	3,250
Convertible notes	934	1,168	1,168	-
Total	6,494	8,683	2,530	6,153

(d) Capital risk management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Corporation's definition of capital includes equity, comprised of issued common shares, warrants and contributed surplus. The Corporation's primary objective with respect to its capital management is to ensure that it has enough financial resources to meet its financial obligations. To secure the additional capital necessary to carry out these plans, the Corporation will attempt to raise additional funds through the issuance of debt, equity or by securing funds from strategic partners. The Corporation is not subject to any externally imposed capital requirements.

19. Related Party Transactions

The following table presents the related party transactions presented in the statement of loss:

	Three months ended		**Nine months ended**	
	October 31, 2022	October 31, 2021	**October 31, 2022**	October 31, 2021
Transactions with key management and members of the Board of Directors:				
Share-based compensation	**90**	26	**273**	99
Consulting fees	**274**	146	**866**	420
Interest earned on debentures	**69**	56	**222**	185
Interest earned on debentures by Manitex, a shareholder of the Corporation	**52**	48	**167**	168
R&D expenses incurred with École Polytechnique, a partner of Polyvalor	**102**	110	**420**	316

The following table presents the related party transactions presented in the statement of financial position as at:

	October 31, 2022 $	January 31, 2022 $
Key management and directors:		
Accounts payable and accrued liabilities	**96**	**143**
Debentures and notes	**1,258**	**1,199**
Conversion options classified as embedded derivatives	**331**	**501**
Warrants classified as liability	**34**	**31**
Accrued interest on debentures and notes	**62**	**42**
Manitex Capital, a shareholder of the Corporation:		
Debentures and notes	**904**	**915**
Conversion options classified as liability	**363**	**548**
Warrants classified as liability	**12**	**13**
Accrued interest on debentures and notes	**59**	**30**
Polyvalor, a shareholder of the Corporation:		
Accounts payable due to École Polytechnique, a partner of Polyvalor	**51**	**4**

20. Commitments

(a) Polytechnique contract

In June 2015, the Corporation entered into collaborative research agreement with École Polytechnique (“Poly”) which stipulated that when the Corporation’s products are commercialized, it must make non-refundable payments to Polyvalor, a shareholder of the Corporation, equal to 1.5% of net sales. The agreement can be extended upon mutual consent of the parties. Following the latest amendment entered in July 2022, the agreement has been extended until August 14, 2024.

(b) Platelet-rich plasma Project

In July 2021, the Corporation entered into a collaborative research agreement with École Polytechnique and two industrial partners to delineate the Platelet-rich plasma (PRP) components, the distinct impact of each component and their collective action towards tissue repair. The Corporation’s contribution to the PRP project totals $150 over 2 years.

(c) Axelys Project

In May 2022, the Corporation entered into a research and financing agreement with Axelys and École Polytechnique whereby Axelys, a non-for-profit organization, agreed to grant the Corporation and Poly, a sum of $557 to advance the development of its second technology platform indication, ORTHO-M, for meniscus repair (the “Axelys Project”). The Corporation’s contribution to the Axelys Project totals $140 over 2 years. The project commenced on August 1, 2022.

21. Subsequent events / Balance Sheet Restructuring

(a) Since the end of the Q3-23 period, the Corporation has secured $1.157 million worth of cash advances and / or conversion of liabilities (“Advances”). These Advances have been used to support operations and fund activities relating to the Phase I/II clinical trial for rotator cuff tear repair.

(b) In November 2022, the Corporation reached an agreement with holders of convertible debentures ("CDU”), collectively representing 91% of all CDU outstanding. The net impact of these amendments is to reduce the Company’s short-term liabilities by a total of $2.8 million (capital and interest).

(c) On December 12, 2022, the Corporation reached an agreement with 100% holders of the non-convertible debentures (“NCDU”) expiring November 30, 2023, to amend certain terms including extending the maturity of the NCDU and related warrants up to February 1, 2025, as well as introducing a conversion feature added to the debentures at a maximum conversion price of 0.35$ per share. The net impact of theses amendments is to remove $3 million of short-term liabilities outstanding as of this date.

(d) On December 13, 2022, the Corporation reimbursed a total of $375 worth of convertible notes.