A copy of this amended and restated preliminary Prospectus has been filed with the securities regulatory authority in the Province of British Columbia but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary Prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the Prospectus is obtained from the securities regulatory authority.

No securities regulatory authority has expressed an opinion about these securities, and it is an offence to claim otherwise.

As at the date of this Prospectus, InnoMed Tech Ltd. does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

NON-OFFERING AMENDED AND RESTATED PRELIMINARY PROSPECTUS

Amended and restated preliminary prospectus dated March 15, 2024
amending and restating the preliminary prospectus dated November 6, 2023

INNOMED TECH LTD.

(the "Company")

Suite 1000 – 409 Granville Street
Vancouver, BC Canada V6C 1T2

No securities are being offered pursuant to this Prospectus.

There is currently no market through which the common shares (the "Common Shares") of the Company may be sold and shareholders may not be able to resell the Common Shares owned by them. This may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Common Shares and the extent of Company regulation. See "Risk Factors".

This Prospectus (the "Prospectus") has been filed with the British Columbia Securities Commission and the TSX Venture Exchange ("TSXV" or the "Exchange") for the purpose of allowing InnoMed Tech Ltd. (the "Company") to meet one of the eligibility requirements for the listing of its common shares (the "Common Shares") on the TSXV. As no securities are being sold pursuant to this Prospectus, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Company from its general funds.

An investment in securities of the Company is speculative and involves a high degree of risk. In reviewing this Prospectus, you should carefully consider the matters described under the heading "Risk Factors".

The Company has submitted an application to list common shares on the TSXV. Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV.

No underwriter has been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus. No person is authorized by the Company to provide any information or make any representations other than those contained in this Prospectus.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities.

Unless otherwise noted, all currency amounts in this Prospectus are stated in US dollars.

The Directors Robert L. Rhodes, Terrence Larkan, Billy Williams and Dr Marshall K. Walker, MD reside outside of Canada and in each case, have appointed Pacific Star Corporate Finance Law, Suite 1000 – 409 Granville Street Vancouver, BC Canada V6C 1T2 for service of process.

The Promoter Stuart J. Bromley resides outside of Canada and has appointed Fraser Litigation Group, 1100 - 570 Granville Street, Vancouver, BC V6C 3P1 as agent for service of process.

Investors are advised that it may not be possible to enforce judgments obtained in Canada against any person who resides outside of Canada, even if the party has appointed an agent for service of process.

The Company's head office, including subsidiary company PureFlowCath LLC, is Suite 1000 – 409 Granville Street Vancouver, BC Canada V6C 1T2.

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APPENDIX A

InnoMed Tech Ltd.

APPENDIX B

InnoMed Two, LLC. (PureFlowCath, LLC)

ABOUT THIS PROSPECTUS

The Company is not offering to sell securities under this Prospectus. An investor should rely only on the information contained in this Prospectus and is not entitled to rely on parts of the information contained in this Prospectus to the exclusion of others. The Company has not authorized anyone to provide investors with additional or different information. If anyone provides a prospective investor with additional, different, or inconsistent information, including statements in the media about the Company, such information should not be relied on. The information contained in this Prospectus is accurate only as of the date of this Prospectus or the date indicated, regardless of the time of delivery of this Prospectus.

As used in this Prospectus, the terms "The Company", "us" and "our", mean the Company as the context requires, unless otherwise indicated.

FORWARD-LOOKING INFORMATION

This Prospectus contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information may relate to our future financial outlook and anticipated events or results and may include information regarding our business, financial position, business strategy, growth plans and strategies, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "budget", "scheduled", "estimates", "outlook", "forecasts", "projection", "prospects", "strategy", "intends", "anticipates", "does not anticipate", "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will", "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward- looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances.

Discussions containing forward-looking information may be found, among other places, under "Summary of Prospectus", "Narrative Description of The Business", "Selected Financial Information", "Management's Discussion and Analysis, "Consolidated Capitalization", "Dividend Policy", "Principal Shareholders", "Directors and Executive Officers", "Executive Compensation", "Director Compensation" and "Risk Factors".

More particularly and without limitation, this Prospectus contains forward-looking statements and information relating to the following:

- the performance characteristics of the Company's medical devices
- projections of costs
- future medical devices and divestment
- securitisation of assets
- patent approvals
- FDA approvals
- capital programs
- debt levels
- treatment under governmental regulatory regimes and tax laws
- capital expenditures
- the anticipated impact of COVID-19

Although the Company believes that the expectations reflected in the forward-looking statements and information in this Prospectus are reasonable, it can give no assurance that such expectations will prove to be correct. Since forward-looking statements and information address future events and conditions, they involve inherent risks and uncertainties by their very nature. Actual results may differ materially from those currently anticipated due to a number of factors and risks.

This forward-looking information and other forward-looking information are based on Directors opinions, estimates and assumptions considering our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Material factors underlying forward-looking information and management's expectations include certain assumptions in respect of: our ability to affect our business strategy in the medical device market, our ability to retain key personnel; favourability of operating conditions, including the ability to operate in a safe, efficient and effective manner; the receipt of governmental and other third party approvals, licences and permits for our medical devices; obtaining required renewals for existing approvals, licences and permits and obtaining all other required approvals, licences and permits; our ability to obtain and maintain existing financing on acceptable terms; currency exchange and interest rates; the impact of competition; the changes and trends in our industry and the global economy; and changes in laws, rules, regulations, and global standards.

The forward-looking information in this Prospectus is necessarily based on a number of opinions, estimates and assumptions that we considered appropriate and reasonable as of the date such statements were made. It is also subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the following risk factors described in greater detail under the heading entitled "Risk Factors":

- Risks associated with the Company's business
- Conflicts of interest
- Economic uncertainty
- Competition
- Risk of changes in foreign currency exchange rates
- Legal proceedings and litigation
- Dependence on divestment of the Company's products
- Securitisation of the Company's IP
- Applicability of patents and proprietary technology
- Regulation and regulatory approval
- Substantial competition and rapid technological change
- Product commerciality
- Future issues of Common Shares could be dilutive

The forward-looking statements and information contained in this Prospectus are made as of the date hereof and, unless so required by applicable law, the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise. The forward-looking statements and information contained in this Prospectus are expressly qualified by this cautionary statement.

GENERAL DISCLOSURE INFORMATION

The Company is not offering to sell securities under this Prospectus. An investor should rely only on the information contained in this Prospectus. Prospective investors should read this entire Prospectus and consult their professional advisors to assess the income tax, legal, risk factors and other aspects of an investment in the Common Shares.

CURRENCY AND CERTAIN INFORMATION

Unless otherwise indicated or the context otherwise requires, all dollar amounts contained in this Prospectus are in US dollars (US$). Aggregated figures in graphs, charts and tables contained in this Prospectus may not add due to rounding. Historical statistical data and or historical returns do not necessarily indicate future performance. Unless stated otherwise, the market and industry data contained in this Prospectus is based upon information from industry and other publications and the knowledge of management and experience of the Company in the markets in which the Company operates. Words importing the singular number include the plural and *vice versa*, and words importing any gender, or the neuter include both genders and the neuter.

GLOSSARY

The following is a glossary of certain terms used in this Prospectus, including the summary hereof. Terms and conditions used in the financial statements are defined separately, and the terms and abbreviations defined below are not used therein, except where otherwise indicated.

"Affiliate"	means a company that is affiliated with another company as described below. A company is an affiliate of another company if (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same person. A company is "controlled" by a person if (a) voting securities of the Company are held, other than by way of security only, by or for the benefit of that person, and (b) the voting securities, if voted, entitle the person to elect a majority of the Directors of the Company. A person beneficially owns securities that are beneficially owned by (a) a company controlled by that person, or (b) an affiliate of that person or an affiliate of any company controlled by that person.
"Associate"	means, when used to indicate a relationship with a person or company, (a) a Company of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the Company, (b) any partner of the person or company, (c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity, and (d) in the case of a person, a relative of that person, including (i) that person's spouse or child, or (ii) any relative of the person or of his spouse who has the same residence as that person.
"**Articles**"	means the Company's articles of incorporation, as amended.
"**Audit Committee**"	means the audit committee established by the Board of Directors.
"**BCSC**"	means the British Columbia Securities Commission.
"**BCBCA**"	means the Business Corporations Act (British Columbia).
"**Board of Directors**" **or** "**Board**"	means the Board of Directors of the Company.
"**CEO**"	means Chief Executive Officer.
"**CFO**"	means Chief Financial Officer.
"**CIC Fund Securitisation S.A.**"	means the Luxembourg Securitisation entity or SV.
"**Company**"	means InnoMed Tech Ltd.
"**Company Shareholders**"	means the holders of Common Shares of InnoMed Tech Ltd.
"**Common Shares**"	means the common shares without par value in the capital of the Company.
"**Compartment PureFlowCath**"	means the segregated Compartment PureFlowCath of CIC Fund Securitisation S.A. created pursuant to a resolution of the board of directors (*conseil d'administration*) of CIC Fund Securitisation S.A. taken on August 10, 2020.
"**Consolidated Financial Statements**"	means the consolidated financial statements of the Group.
"**Control Person**"	means any person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of a Company so as to affect materially the control of that Company, or that holds more than 20% of the outstanding voting securities of a Company except where there is evidence showing that the holder of those securities does not materially affect the control of the Company.

"**Debt Facility**"	means the loan €5,000,000 provided by CIC Fund Securitisation S.A.
"**Escrow Agent**"	means Computershare Investor Services Inc (Canada), as escrow agent for the Common Shares held in escrow.
"**Escrow Agreement**"	means the escrow agreement among the Company, the Escrow Agent and certain shareholders of the Company pursuant to the National Policy 46-201.
"**Fund Subscribers**"	means the Compartment PureFlowCath debt finance subscribers.
"**Listing**"	means the listing on the TSXV.
"**Listing Date**"	means the date on which the Common Shares are listed and posted for trading on the TSXV.
"**Group**"	means InnoMed Tech Ltd. and PureFlowCath, LLC.
"**IMP**"	means Innovative Medicine Partners, LLC. who was the Organiser of PureFlowCath, LLC before April 15, 2020.
"IP"	means Intellectual Property.
"InnoMed Two, LLC"	subsidiary of the Company now called PureFlowCath, LLC.
"**Insider**"	has the meaning ascribed to that term in the *Securities Act* (British Columbia), which includes the Directors and senior officers of the Company or any subsidiaries of the Company and any person that has direct or indirect beneficial ownership of, or control or direction over, securities of the Company carrying more than 10% of the voting rights attached to the Company's outstanding voting securities.
"ISO 13485"	means International Standards Organization management systems standard specifically developed for the manufacture of medical devices. The standard contains specific requirements for the manufacture, installation and servicing of medical devices.
"Luxembourg"	means the Grand Duchy of Luxembourg.
"MDD"	means EU Medical Devices Directive.
"**MD&A**"	means Management Discussion and Analysis.
"**NI 51-102**"	means National Instrument 51-102 *Continuous Disclosure Requirements*.
"**NI 52-110**"	means National Instrument 52-110 *Audit Committees*.
"**NI 58-101**"	means National Instrument 58-101 *Disclosure of Corporate Governance Practices*.
"**NI 58-201**"	means National Policy 58-201 *Corporate Governance Guidelines*.
"**NP 46-201**"	means National Policy 46-201 *Escrow for Initial Public Offerings* as published by the Canadian Securities Administrators.
"**Organiser**"	means under Alabama company law the entity that manages and organises the business (PureFlowCath, LLC).
"**Prospectus**"	means this Prospectus and any appendices, schedules or attachments hereto.
"**Principals**"	principals include all persons or companies that fall into one of the following categories: a. Directors and senior officers of the Company, as listed in this Prospectus b. promoters of the Company c. those who own and/or control more than 10% of the Company's voting securities d. associates and affiliates of any of the above.
"**Promoter**"	has the meaning set out in the *Securities Act* (British Columbia).
"PureFlowCath, LLC."	Subsidiary of the Company formerly called InnoMed Two, LLC.

"**Related Person**"	means an "Insider", which has the meaning set forth in the Securities Act (British Columbia) being: a. a Director or senior officer of the Company that is an insider or subsidiary of the Company b. a Director or senior officer of the Company c. a person that beneficially owns or controls, directly or indirectly, voting share carrying more than 10% of the voting rights attached to all outstanding voting shares of the Company d. the Company itself if it holds any of its own securities.
"**Securities Commission**"	means the British Columbia Securities Commission.
"**SEDAR**"	means the System for Electronic Document Analysis and Retrieval (www.sedar.com).
"Securitisation"	has the meaning ascribed to the term "*titrisation*" in the Securitisation Law, i.e. (within the meaning of the Securitisation Law) the transaction by which a securitisation undertaking acquires or assumes, directly or through another undertaking, risks relating to claims, other assets, or obligations assumed by third parties or inherent to all or part of the activities of third parties and issues securities, whose value or yield depends on such risks.
"Securitisation Law"	means the Luxembourg law dated 22 March 2004 on securitisation, as amended from time to time (*Loi du 22 mars 2004 relative à la titrisation, telle que modifiée*).
"SV"	has the meaning ascribed to the term "*organisme de titrisation*" in the Securitisation Law, i.e. (within the meaning of the Securitisation Law) undertakings which carry out the securitisation in full, and undertakings which participate in such a transaction by assuming all or part of the securitised risks – the acquisition vehicles –, or by the issuing of securities to ensure the financing thereof – the issuing vehicles – and whose articles of incorporation, management regulations or issue documents provide that they are subject to the provisions of the Securitisation Law.
"SPV"	has the meaning ascribed to Compartment PureFlowCath (Special Purpose Vehicle) which hold the securitised assets subject to the provisions of the Securitisation Law.
"**TSXV**"	means the TSX Venture Exchange.

GLOSSARY OF TECHNICAL MEDICAL TERMS

The following is a glossary of certain technical terms used in this Prospectus, including the summary hereof.

"Bacterial adhesion"	cell-surface components or appendages of bacteria that facilitate adhesion or adherence to other cells or to surfaces. Adherence is an essential step in bacterial pathogenesis or infection and is required for colonizing a new host.
"Bacteriuria"	the presence of bacteria in the urine.
"Bernoulli's principle"	in fluid dynamics, Bernoulli's principle states that an increase in the speed of a fluid occurs simultaneously with a decrease in static pressure or a decrease in the fluid's potential energy.
"Biofilm"	a thin coating containing biologically active agents, which coats the surface of structures such as teeth or the inner surfaces of catheters, tubes, or other implanted or indwelling devices. It contains viable and nonviable microorganisms that adhere to the surface and are trapped within a matrix of organic matter (for example, proteins, glycoproteins, and carbohydrates).
"Catheterization"	threading of a flexible tube (catheter) through a channel in the body to inject drugs or a contrast medium, measure and record flow and pressures, inspect structures, take samples, diagnose disorders, or clear blockages. A cardiac catheter, passed into the heart through an artery or vein (the incision is often in the groin), can also carry pacemaker electrodes. A bladder catheter goes through the urethra into the bladder.
"Catheter" (indwelling urinary catheter)	a drainage tube that is inserted into the urinary bladder through the urethra, is left in place, and is connected to a closed collection system. Alternative methods of urinary drainage may be employed in some patients. Intermittent ("in-and-out") catheterization involves brief insertion of a catheter into the bladder through the urethra to drain urine at intervals. An external catheter is a urine containment device that fits over or adheres to the genitalia and is attached to a urinary drainage bag.
"CAUTI"	Catheter associated urinary tract infection.
"CSCI"	Catheter System for Continuous Irrigation.
"FDA"	means the United States Food and Drug Administration.
"Lumen"	means internal diameter of catheter.

SUMMARY OF PROSPECTUS

The following is a summary of the principal features of this Prospectus and should be read together with the more detailed information, and financial data and financial statements contained elsewhere in this Prospectus.

General:

The Company was incorporated and registered on November 22, 2019 under the General Corporation Law of the State of Delaware, with the name InnoMed Tech Inc. and with registered file number 7721120. On May 27, 2020, the Company continued (change of jurisdiction of incorporation) into British Columbia ("BC") Canada under the Business Corporation Act (British Columbia) with registered number C1251506 as InnoMed Tech Ltd.

The address of the registered office of the Company is Suite 1000 – 409 Granville Street, Vancouver, BC Canada V6C 1T2.

The Company's Business:

The Company is in the business of medical devices and sciences, working with medical practitioner innovators within the global medical community.

The Company's first medical device development subsidiary, PureFlowCath, LLC, is delivering the first medical device, the PureFlowCath Catheter System for Continuous Irrigation ("CSCI"). CSCI addresses a significant market opportunity in reducing or eliminating urinary tract infections commonly associated with the use of a urinary catheter.

See "Narrative Description of the Business"

Management, Directors and Officers:

Name	Position
Robert Rhodes	Executive Director/CEO
Terrence Larkan	Executive Director/CFO
Dr Marshall Walker, MD	Non-Executive Director
David Toyoda	Non-Executive Director
Billy Williams	Non-Executive Director

See "Directors and Executive Officers"

The Offering:

The Company is not conducting an offering of securities pursuant to this Prospectus.

Funds Available and Use of Available Funds:

As at April 30, 2024, the most recent month-end before the date of this Prospectus, the Company had consolidated working capital surplus of $2,563,723. The Company's estimated use of funds for the next twelve months is as follows: -

InnoMed Working Capital	Amount US$
Patent approvals	120,000
FDA Applications	75,000
Prototype & package design completion	480,000
Audit & Accounting	260,000
Professional & Legal Fees	475,000
Securitisation IP Costs	42,000
Regulatory Costs (FDA advisory)	25,000
Remuneration employees	393,000
Travel	140,000
Cost of Offering	100,000
Marketing	90,000
Unallocated Working Capital	363,723
	2,563,723

Please see "Use of Proceeds"

Risk Factors: An investment in medical technology companies involves a degree of risk, including risks related to cash flow and liquidity, the ongoing need for financing, a volatile stock price operational risks and costs, regulatory matters and risks related to the development of the PureFlowCath medical device. The above list of risk factors is not intended to be a definitive list of all risks associated with the Company.

For a detailed description of these and other risks see "Risk Factors"

Summary Financial Information:

The following selected financial information is subject to the detailed information contained in the financial statements of the Company and related notes thereto appearing elsewhere in this Prospectus. The selected financial information is derived from the audited financial statements of the Company as of December 31, 2022 and 2021 and the unaudited financial statements for the nine months then ended September 30, 2023. All figures are in US Dollars.

	Sep. 30, 2023 (Unaudited) Consolidated $	Dec. 31, 2022 (Audited) Innomed Tech $	Dec. 31, 2021 (Audited) Innomed Tech $
Total revenue	–	–	–
Net loss for the period	(2,274,652)	(2,057,649)	(634,297)
Loss per share, basic and diluted	(0.03)	(0.04)	(0.01)
Total assets	2,901,208	1,1,065,490	786,663
Total long-term liabilities	3,810,936[iii]	5,000,154[ii]	3,472,124[i]

(i) derivative liability of $3,472,124
(ii) derivative liabilities of $3,872,322 and convertible loan and interest of $1,127,832
(iii) derivative liabilities of $3,810,936

Summary of Quarterly Results:

The following table summarizes selected unaudited financial data for each of the last eight fiscal quarters, prepared in accordance with IFRS: -

	Revenues	Net income (loss)	Basic and diluted earnings (loss) per share
December 31, 2021	–	(352,868)	(0.01)
March 31, 2022	–	(98,552)	(0.00)
June 30, 2022	–	95,697	(0.00)
September 30, 2022	–	(577,288)	(0.01)
December 31, 2022	–	(1,477,506)	(0.04)
March 31, 2023	–	(404,091)	(0.03)
June 30, 2023	–	(772,155)	(0.02)
September 30, 2023	–	(1,262,035)	(0.03)

See "Selected Financial Information and Management's Discussion and Analysis".

1. CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated and registered on November 22, 2019 under the General Corporation Law of the State of Delaware, with the name InnoMed Tech, Inc. and with registered file number 7721120.

On May 27, 2020, the Company continued (change of jurisdiction of incorporation) into British Columbia ("BC") Canada under the Business Corporations Act (British Columbia) with registered number C1251506 as InnoMed Tech Ltd. The address of the registered office of the Company is Suite 1000 – 409 Granville Street, Vancouver, BC Canada V6C 1T2.

Intercorporate Relationships

The Company has one subsidiary company Innomed Two, LLC. ("InnoMed Two") which was incorporated on January 3, 2017 in Alabama USA to hold the patent applications and medical sciences of Catheter System for Continuous Irrigation ("CSCI"). Innomed Two, LLC was renamed PureFlowCath, LLC. ("PureFlowCath") on July 10, 2020.

New Parent Company to PureFlowCath

The Company became the parent company to PureFlowCath by way of Share Purchase Agreements (SPA) whereby the owners or shareholders (member units) of PureFlowCath were issued 32,493,566 common voting shares in the Company (pro rata of their member unit holding). The conversion of member units in PureFlowCath was governed by its Operating Agreement. The Share Purchase Agreement converts for every one-member unit in PureFlowCath in to 228,777 shares in InnoMed Tech Ltd. This transaction was conducted at arms-length and was affected from April 2020.

The Company issued shares to the existing shareholders of PureFlowCath by way of a Share Purchase Agreement ("SPA") such that the Company owned one hundred percent of PureFlowCath and therefore was a common control acquisition as shareholder control remained the same. Robert L. Rhodes and Dr. Mathew McIntyre are the Directors of PureFlowCath appointed by the Board of InnoMed Tech Ltd.

2. NARRATIVE DESCRIPTION OF THE BUSINESS

2.1 Background

The Company is in the business of innovating medical devices and sciences, working with medical practitioner innovators within the global medical community. Each medical device acquired and developed will be placed in a separate entity as a subsidiary company which will facilitate corporate activity with major medical corporations that have specific supportive marketing and distribution structures and processes in place.

The Company's first medical device development subsidiary, PureFlowCath, is developing the PureFlowCath Catheter System to provide continuous irrigation ("CSCI) with the objective of reducing urinary tract infections commonly associated with the use of a urinary catheter. As the PureFlowCath Catheter System is still in development, there is no current measurable data that proves that PureFlowCath Catheter System will be successful in reducing urinary tract infections.

Catheter associated urinary tract infection (CAUTI) is the most frequent healthcare associated infection (HAI) worldwide. It accounts for up to 40% of all hospital acquired infections and results in over 13,000 deaths annually in the United States alone[1] [2].

The Company will establish additional subsidiaries, specifically owning and commercialising other innovations in medical technology with the strategy for each subsidiary being commercialised in the most appropriate manner to the benefit of the shareholders, development team, future research funding and patient population.

From the incorporation of PureFlowCath by Innovative Medicine Partners, LLC. ("IMP") in January 2017, the focus has been on completing and filing patent applications for the Catheter System and its peripheral support devices. IMP were the Organiser of PureFlowCath ("Old Management") until April 15, 2020, when the Company appointed new managers ("New Management") with board over-sight. Subsequent to the change in management PureFlowCath has focused on corporate structuring (establishment of InnoMed Tech Ltd. as parent company) and debt finance secured against the patent applications.

In October 2019 Innomed Two LLC entered into an agreement with CIC Fund Securitisation S.A. (Luxembourg) to facilitate debt financing byway of securitisation transaction on patent applications and possible patent awards ("IP").

The Company signed an updated agreement dated September 4, 2022 (replacing prior agreements) and Novation Letter April 11, 2023, with CIC Fund Securitisation Fund S.A. (Luxembourg), pursuant to which CIC Fund Securitisation S.A. agreed to the establishment of the Securitisation Compartment PureFlowCath to facilitate debt financing of Euro €5,000,000 with 8.20% compound interest and a 4.2% fee on the amounts drawn down. The principal and interest are payable at the end of the loan term being five-year anniversary of the loan draw down. Please refer to Section 2. Item 2.7 for details of the debt financial agreement.

In November 2019 InnoMed Tech Ltd. ("InnoMed Tech" or the "Company") was established by the shareholders of PureFlowCath.

During April 2020, the Company acquired all Class I and III Member Units of PureFlowCath by way of issuing 228,777 shares in the Company for every Member unit in PureFlowCath with a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026.

In April 2020, the Company acquired all Class I and III Member Units of PureFlowCath by way of issuing 228,777 shares in the Company for every Member unit in PureFlowCath with a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026. During April 2020, the Company acquired Class II Member Units in PureFlowCath by way of a Share Purchase Agreement ("SPA") by issuing common shares at $0.29 per share with a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026.

The Company owns 100% of PureFlowCath following the acquisition of the Class I, II and III Member Units. This was a common control acquisition as shareholder control remained the same and was an arm's length transaction.

[1] Systematic Review of Interventions to Reduce Urinary Tract. Meddings J, Saint S, Krein SL, Gaies E, Reichert H, Hickner A, McNamara S, Mann JD, Mody L.J Hosp Med. 2017.

[2] US Centre for Disease Control & Prevention (DCD) National Healthcare Safety Network

Member Units PureFlowCath			Conversion to Common Shares of the Company			Total Common Shares of the Company
Class I	**Class II**	**Class III**	**Class I**	**Class II**	**Class III**	
71.66	11.00	17.34	16,490,247	13,173,103	2,830,216	**32,493,566**

On April 15, 2020 a process was undertaken to appoint a new Board with public company experience. In May 2020 the Company changed its jurisdiction of incorporation from Delaware USA to British Columbia Canada. From April to December 2020, $1,315,724 in new capital was raised to fund the debt financing (byway of securitisation) and to seek a public listing on the TSXV. During 2020, international advisory firms Office Freylinger (Luxembourg IP law firm) and Ogier Law (Luxembourg) were appointed by PureFlowCath to assist and advise in the development and approval processes of the patent applications.

In the 2021 fiscal year, the Company transferred the majority of the patent applications (IP) to its Luxembourg Securitisation *PureFlowCath Compartment* to secure debt finance. Patent approvals for the initial patent family covering the "catheter system for continuous irrigation", at the date of this Prospectus, are Canada, Eurasia, Morocco, Panama, Japan, Philippines, Israel, Korea, Saudi Arabia and Australia with significant progress being made for European and US patent awards. The patent application for the "catheter tubing system" (3rd family) has already been granted in Eurasia. Please refer to Schedules 2 and 3 for the patents that have been granted and the status of other patent applications. $1,316,700 capital (equity) was provided by new and existing investors during the year ended December 31, 2021 to fund patent applications, product development and debt financing activity (byway of securitisation).

In March 2022, the Company appointed a subsidiary of Paragon Medical Mansfield, to assist in the design, development and production of the PureFlowCath medical device prototype. Phase 1 of this project, Proof of Concept, was completed and paid for in September 2022 at a cost of $103,696 (budget $111,000).

In April 2022, the Company appointed Clark Regulatory Services LLC., to provide consultancy advice to PureFlowCath for matters relating to medical device applications to FDA and other pertinent regulatory advice.

In September 2022, CIC Fund Securitisation S.A. approved up to Euro €5,000,000 which may be drawn upon by the Company in its sole discretion on an as needed basis for working capital ("**Debt Facility**"). In September 2022, the Company drew down Euro €500,000 and in December 2022 drew down Euro €1,100,000 from the Debt Facility. In December 2022, the Company issued debt note Euro €157,000 to CIC Capital Ltd. in settlement of monthly transaction fees and certain debt fees to preserve the Company's working capital. Please refer to Related Party section of audited financial statements year ending December 31, 2022 and interim financial statements for the nine months ended September 30, 2023.

In January 2023, the Company further engaged a subsidiary of Paragon Medical, Life Sciences Design & Development, LLC. (referred to as "Paragon Medical") to undertake an assessment of the ancillary components necessary for the final catheter "kit" to determine which components are commercially available and which will need to be specifically engineered for the PureFlowCath Continuous Flow Catheter at a cost of $70,000). This work was completed in May 2023.

In February 2023, the Company changed its IP Legal Counsel from Office Freylinger to Laidebeur & Partners in order to continue a relationship with its key IP attorney, Olivier Laidebeur, who left Office Freylinger and established Laidebeur & Partners a Partner.

In March 2023, the Company engaged Ernst & Young (Luxembourg) to strengthen its financial modelling including Down-round accounting reporting for the year ending December 31, 2022 and subsequent future accounting reporting.

On May 26, 2023 the Company held a Special Shareholders Meeting whereby the shareholders of the Company approved the conversion of the debt notes and interest into equity in the discretion of the Board.

On July 2, 2023, the Company drew down a further Euro €3,000,000 from the Debt Facility.

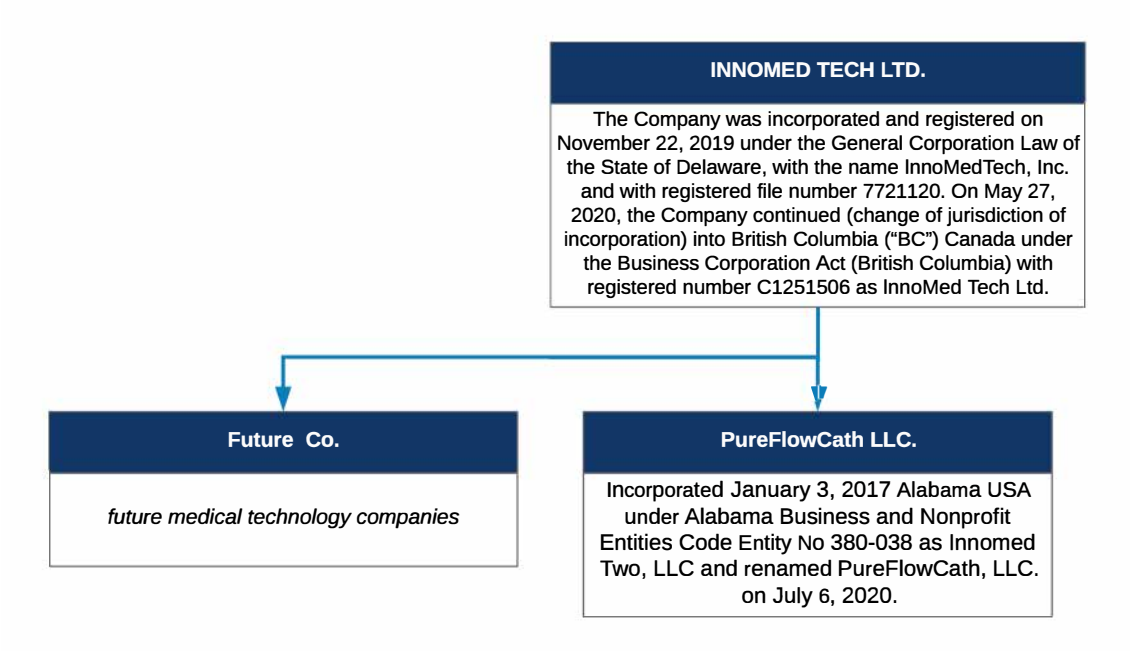
On August 28, 2023, the Company elected to convert the debt notes and interest $5,286,854 to equity at a 20% discount from $0.29 per share ($0.232) to 22,858,152 common shares and 22,858,152 warrants exercisable at $0.232 on or before December 31, 2026. CIC Fund Securitisation S.A. has issued a Letter of Confirmation on August 28, 2023, confirming the debit notes have been fully discharged.

In September 2023, the Company conducted a review of specialist catheter manufacturers and developers to provide additional cost estimates (competitive pricing tests) to further implement the prototype development program over the next year.

2.2 Company Structure

The Company is organized as a holding company, which conducts its operations through subsidiaries that are engaged in the development of innovative medical devices. The Company has one subsidiary company PureFlowCath which is developing the Catheter System for Continuous Irrigation ("CSCI"). The Company structure has been established to allow divestment of each subsidiary.

On April 15, 2020, the Company acquired all Class I and III Member Units of PureFlowCath by way of issuing 228,777 shares in the Company for every member unit in PureFlowCath. The Company acquired Class II Member Units in PureFlowCath by way of issuing shares at $0.29 per share with a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026.



2.3 Independent Oversight of Development of Medical Technology Devices

The European Union Medical Device Regulation 2017/745 (EU MDR) enacted by the European Parliament and the Council of the European Union is a regulation to ensure a high standard of safety and quality for medical devices that are produced in, or supplied to, member countries of the European Union.

EU MDR requires the Company to appoint a medical device development and advisory firm accredited with ISO 13485 to oversee and guide the Company in European CE certification of its medical devices. CE Certification cannot occur until after its patent applications have been approved and clinical trials have occurred. Services provided by an ISO accredited advisory firm will also include the following:

I. oversight of the medical device development process to FDA clearance and approval in accordance with ISO 13485 Quality Management systems for medical devices;
II. support to develop a detailed work plan and to secure patents, European CE certification and FDA approvals, including clinical trial programs. It is a regulatory requirement in EU patent applications to appoint an ISO 13485 accredited consultant to oversee the patent application process in compliance with ISO 13485;
III. support and advise for the manufacture of prototype medical devices and /or manufacture for clinical trials; and
IV. detailed independent reports for the Company's advisors, management, investors and shareholders.

Clinical trials are a key component of medical device development, and an international standard shall be followed to ensure that all clinical trials are conducted in the most thorough, efficient and cost-effective manner, providing truly accurate data from which to move forward to final regulatory clearance and approval. Quality Management Systems "QMS" are also required by regulators in most countries. ISO 13485 Quality Management of Medical Devices enables an organization to consistently provide safe and effective medical devices and fulfil customer and regulatory requirements. ISO 13485 Quality Management of Medical Devices is an internationally agreed standard that sets out the requirements for a quality management system specific to the medical devices industry.

The Company intends to appoint only medical device contractors that are accredited to meet the high standards of ISO 13485 Quality Management of Medical Devices. At the date of this Prospectus the Company has only appointed Paragon Medical.

2.4 U.S. Food & Drug Administration (FDA) Approval

PureFlowCath must obtain device approval or clearance as governed by the United States Federal Food, Drug, and Cosmetic Act (FD&C Act21 U.S.C. 9, *et seq.,*) to market the device.

On May 28, 1976, the FD&C Act was amended to include regulations for medical devices. The amendment required that all medical devices be classified into one of three classes:

(i) Class I: Devices that typically do not require premarket approval or clearance but must follow general controls. Dental floss and certain surgical instruments are a couple of examples of Class I devices.
(j) Class II: Devices that are brought to the market via 510(k) premarket notifications or de novo applications and are provided clearance through substantial equivalence to a predicate device or are deemed to be low to moderate risk devices that do not have an appropriate predicate and FDA agrees they qualify for de novo classification. Diagnostic tests, including ultrasound devices, cardiac catheters, hearing aids, and dental amalgams are examples of Class II devices.
(k) Class III: Devices that are approved through the Premarket Approval (PMA) process. Class III devices are those devices that have a high risk to the patient and are life-supporting and life-sustaining and are of substantial importance in preventing impairment of human health, or which present a potential, unreasonable risk of illness or injury. Due to the level of risk associated with Class III devices, FDA has determined that general and special controls are not sufficient to assure safety and effectiveness.

Section 510(k) of the Federal Food, Drug, and Cosmetic Act requires those device manufacturers who must register with FDA to notify FDA at least 90 days in advance of their intent to market a medical device.

This is known as Premarket Notification or 510(k). It allows FDA to determine whether the device is substantially equivalent to a Class I or Class II medical device already placed onto the market.

Any device that reaches market via a 510(k) notification must be "substantially equivalent" to a device on the market prior to May 28, 1976 (a "predicate device"). If a device being submitted is significantly different, relative to a pre-1976 device, in terms of design, material, chemical composition, energy source, manufacturing process, or intended use, the device nominally must go through a premarket approval, or PMA, unless that device could be determined to be low to moderate risk device and qualify as a de novo device.

A device that reaches the market via the 510(k)-pre-market notification process is not considered to be "approved" by the FDA. They are generally referred to as "cleared" or as receiving "510(k) clearance".

FDA "Breakthrough Device Designation"

During initial consultation with FDA regarding PureFlowCath's 510(k) to pursue "Breakthrough Device Designation", which would allow for a high level of engagement with the FDA, the FDA provided direction requirements and other supporting documentation for a final application in the future.
The Breakthrough Devices Program is a voluntary program for certain medical devices and device-led combination products that provide for more effective treatment or diagnosis of life-threatening or irreversibly debilitating diseases or conditions. The goal of the Breakthrough Devices Program is to provide patients and healthcare providers with timely access to these medical devices by speeding up their development, assessment, and review, while preserving the Medical Device User Fee Amendments (MDUFA) statutory standards for premarket approval, 510(k) clearance, and de novo marketing authorization and Investigational Device Exemptions (IDE), consistent with the FDA mission to protect and promote public health. FDA considers devices granted designation under the Innovation Pathway 2.0 and the Expedited Access Pathway (EAP) to both be part of the Breakthrough Devices Program.

The Company is focused on patent application approval processes, PureFlowCath device prototype manufacture and FDA PureFlowCath approval processes.

2.5 PureFlowCath Regulatory Foundation

The Foley Catheter is a proven and FDA approved medical device with European CE certification. PureFlowCath medical device is an advancement on the Foley Catheter and should not require extensive medical research, medical trials, testing and extensive medical research to prove its application.

Following finalisation of the PureFlowCath prototype the Company intends to file a 510(k) application, under the FDA classification: 21 CFR Sec. 876.5130 Urological catheter and accessories, Device Class Classification 2.

Clark Regulatory Services LLC, FDA specialist consultancy, has been engaged to advise and assist the Company through the 510(k) PureFlowCath medical device equivalence to approved catheter devices process.

The PureFlowCath catheter applies a fluid barrier between the catheter and tissue but remains largely the same design as the Foley Catheter. The new technological characteristic will require qualification of the safety and effectiveness (S&E) regarding the technological characteristics of a fluid barrier between the catheter and tissue.

2.6 European Union CE Certification

CE Marking (CE Mark) is a mandatory requirement for medical devices to be marketed in Europe. Medical Device categories include medical equipment, medical software, medical & surgical disposables. CE Marking (CE Mark) is recognized worldwide as a symbol of quality. It consists of CE logo and four-digit identification number of the certifying notified body (if applicable).

For a Medical Device manufacturer or Distributor, CE marking is the declaration that the product complies with all EU directives or EU regulations that apply to the medical device. CE marking does not imply that the product was made in the European Economic Area, but it states that the product is complying with the requirements of European Economic Area. By affixing the CE marking, the manufacturer indicates that it takes responsibility for the conformity of the product. If the Company divests the medical device, the responsibility is transferred to purchaser.

PureFlowCath is subject to EU Medical Devices Directive (93/42/EEC) ("MDD") for approval for use in Europe. The process requires the Company to provide a technical report on the PureFlowCath medical device. The Company intends to make an application for CE Certification on all medical device technologies as part of the overall approval process.

2.7 Securitisation Financing of IP

The Company intends to finance the development work of its medical device subsidiary companies through Luxembourg Securitisation.

Securitisation under the Luxembourg Securitisation Law is a transaction by which a securitisation undertaking acquires or assumes, directly or through another undertaking, risks relating to claims, other assets, or obligations assumed by third parties or inherent to all or part of the activities of third parties and issues securities, whose value or yield depends on such risks. Securitisation is the pooling of intangible assets, namely patents and financing the acquisition of these pooled assets with the issuance of debt securities.

Compartments

Under Luxembourg Securitisation Law and the articles of association (*status*) of CIC Fund Securitisation S.A., the board of directors (*conseil administration*) of CIC Fund Securitisation S.A. may create one or more compartments, each corresponding to a distinct part of the CIC Fund Securitisation S.A.'s assets and liabilities, such that the assets of a compartment are exclusively available to satisfy the rights of the investors and creditors of that compartment and that recourse of a compartment's investors and creditors is, by law, limited to that compartment's assets. One of the seven segregated compartments of CIC Fund Securitisation S.A. is Compartment PureFlowCath ("SPV") which is accessible by the Company.

The Company's structure allows for future subsidiary medical device entities as the structure diagram shows in Item 2.2 Company Structure. Should this occur, the Company can use the same compartment without having to create a new compartment with the same high establishment costs and raise additional capital based on the intrinsic value in part of the IP.

Stuart J. Bromley is the one hundred per cent (100%) beneficial owner of CIC Fund Securitisation S.A. and a thirty-two per cent (32%) owner of CIC Capital Ltd. Stuart J. Bromley or CIC Fund Securitisation S.A. do not control or deal in the PureFlowCath IP assets which are secured in Compartment PureFlowCath.

True Sale Securitisation Transaction

A true sale transaction is the traditional form of a securitisation which the Company is conducting for debt finance. The Securitisation Vehicle (SV), CIC Fund Securitisation S.A., under Luxembourg Securitisation Law has seven separate compartments (SPV).

The SV established of one of its compartments, Compartment PureFlowCath. The Company's IP assets were transferred to the Compartment PureFlowCath (SPV). The assets are then removed from the balance sheet of the Company and added to the balance sheet of the SV, on a compartment basis under Compartment PureFlowCath.

The SV acting exclusively in the name Compartment PureFlowCath (SPV) finances the purchase of these IP assets by issuing securities in the form of SPV debt notes to professional investors (defined as investors who purchase minimum notes of Euro €125,000 per debt note). The funds raised from the debt notes are then drawn down in full or part from the SV (acting exclusively in the name and on behalf of Compartment PureFlowCath) to finance the acquisition of the IP assets. The debt notes in the SPV are separate to the debt note between CIC Fund Securitisation S.A. and Innomed Tech Ltd.

Therefore, the originator transfers both the legal and beneficial interest in the IP assets to the SPV acting exclusively in the name and on behalf of one of its segregated compartments. As a result, the investor of the SPV (acting exclusively in the name and on behalf of segregated Compartment PureFlowCath) indirectly receives the beneficial rights to the underlying IP assets. Once the originator settles the interest and debt, the SV acting exclusively in the name and on behalf of segregated compartment PureFlowCath transfers back the legal and beneficial interest in the IP assets or converts the debt and interest into equity in the originator. The Company's audited financial statements (audited and interim) reflect only the costs expended on the IP during the reported financial period (indexed) not an intangible asset value which reflects the IP to be owned by the SV (CIC Fund Securitisation S.A.) acting exclusively in the name and on behalf of segregated Compartment PureFlowCath (SPV).

At the date of this Prospectus the Company has transferred all IP assets to Compartment PureFlowCath.

Securitisation Debt Finance Agreement with CIC Fund Securitisation S.A.

CIC Fund Securitisation S.A. a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, acting as an unregulated securitisation company (*société de titrisation*) within the meaning of, and governed by, the Securitisation Law, having its registered office at 3 Boulevard Royal L-2449 Grand Duchy of Luxembourg,

The debt offering notes at a minimum of EURO €125,000 per note restricted to professional investors under Securitisation Law. The Company entered into an amended agreement on September 4, 2022 and a Novation letter dated April 11, 2023, pursuant to which CIC Fund Securitisation Fund S.A. has made available up to Euro €5,000,000 at an interest rate of 8.2% with principal and interest payable on the fifth anniversary. The lender is CIC Fund Securitisation S.A. (SV) with the IP being held in the Compartment PurFlowCath (SPV) as security for the fund subscribers. CIC Fund Securitisation S.A. has waived the 5% capital raising commissions normally payable. The Company has no agreements directly with the SPV fund subscribers only with CIC Fund Securitisation S.A. under Luxembourg Securitisation Law.

The Company has the option to convert debt notes and interest into Common Shares and warrants at the discretion of the Company. The conversion of the debt finance does not include the down-round provisions as detailed in section 8.1.

The Securitisation debt finance agreement and draw dawn at date of this Prospectus is as follows: -

	Euro €
Loan Amount	5,000,000

Securitisation Costs	**Euro €**
Establishment of PureFlowCath Compartment	8,700
Establishment of Securitisation Parties	93,000

Loan Draw Down History	**Loan €**
September 2022	500,000
December 2022	1,100,000
December 2022 (settlement of fees)	157,000
July 2023	3,000,000
	4,757,000

Debt Note (SV) Finance Costs on Draw Down	**Loan €**	**4.2% fee €**
4.2% administration fee over 5 years of loan	4,757,000	199,794

The legal, regulatory compliance and annual maintenance expense of Compartment PureFlowCath is not included and is invoiced separately on a direct cost basis.

Debt Note Conversion

The Company can elect to convert the Debt Note to equity at a 20% discount from $0.29 per share ($0.232). A full warrant will be issued with each common share exercisable at $0.232 on or before December 31, 2026. The debt finance lender is the Compartment PureFlowCath (SPV) secured against the IP transferred from the Company. The IP intangible assets in any default by the Company will be owned by the debt note holders and not by CIC Fund Securitisation S.A. as governed by the Securitisation Law Grand Duchy of Luxembourg.

The debt finance is not subject to Down-round (Top Up) provisions prelisting.

On August 28, 2023, the Company elected to convert the CIC Fund Securitisation S.A. debt note and interest with a face amount of $5,287,118 to equity at a 20% discount from $0.29 per share ($0.232) to 22,858,152 common shares and 22,858,152 warrants exercisable at $0.232 on or before December 31, 2026. Please refer to section 9.1 of this prospectus.

Passive Management

The SV management role is limited to the passive monitoring and administration of portfolio performance and securities (re)payment.

Luxembourg Regulator (CSSF) Supervision

Luxembourg SVs is in principle unregulated entities and not subject to authorisation or prudential supervision unless they issue securities to the public on a continuous basis. In such a case, SVs must be authorized by and will be subject to supervision of the CSSF (Commission de Surveillance du Secteur Financier). CIC Fund Securitisation S.A. will not be subject to supervision of the CSSF as the financing has been placed with professional investors, investing a minimum Euro €125,000 in the SPV.

Securitisation of Company IP Assets Benefit's

The transfer of the Company's IP title to CIC Fund Securitisation S.A. acting exclusively in the name and on behalf of its Compartment PureFlowCath provides the following purposes: -

- **Protection of the IP rights and ownership**
  Today's economies are increasingly based on knowledge and companies predominantly invest in R&D and IP such as trademarks, trade names, patents, franchises, information technology, software, goodwill and human capital which constitute their intangible assets. The value of those intangibles needs to be protected and their management is crucial for companies.

  Luxembourg has concluded many agreements in view of protecting intellectual property such as the Bern Convention, the Patent Cooperation Treaty (PCT), the Paris Convention, as well as the Madrid Agreement and Protocol. Luxembourg has implemented European directives and treaties such as the agreement on Trade-Related aspects of Intellectual Property Rights (TRIPS). Luxembourg has also signed the European Patent Convention (leading to the European Patent Office) and the Patent Law Treaty (PLT). The Company by stating the above IP protection in Luxembourg is related to where the Company's IP is domiciled to secure debt financing by way of Luxembourg Securitisation and does not state that Luxembourg holds any protection advantage over US or Canada.

- **Debt Financing**
  Debt financing by Securitisation of intangible assets namely the Company's IP as security, will provide the Company with capital to fully develop PureFlowCath medical devices.

- **Favourable Tax at Divestment of the IP**
  Luxembourg as an IP hub offers a favourable tax environment. To become the prime location for IP internationally, Luxembourg envisioned a knowledge-based economy. An IP tax regime was implemented in Luxembourg with effect from January 1, 2008 providing for a very competitive tax rate applicable to a broad range of IP income generated by Luxembourg taxpayers (entity holding Company's IP). This regime has been modified from January 1, 2018, in accordance with OECD requirements, and provides a favourable regulatory environment for patent and copyright activities.

The hallmark of the Luxembourg IP tax regime is an 80% exemption on royalties and capital gains derived from patents and copyrights on software. Companies benefiting from that regime are subject to an effective tax rate as low as 5.84% on qualifying "net adjusted" IP income (i.e. gross revenue from the IP less directly related expenses, depreciation and write-downs provided that the net eligible income is greater than the sum of the expenses linked to the qualifying IP asset and incurred during previous tax years). At the right juncture, after patent and FDA clearance, the Company may divest the IP asset, the jurisdiction of Luxembourg will be favourable to the Company's value creation strategy.

Please refer to Schedule 1, Tax Exemption on Intellectual Property Rights Revenues, opinion of Office Freylinger, the Company's regulated IP legal advisor.

2.8 History of Business Activities and Services of the Company

The Company was formed as a holding company on November 22, 2019 to act as a parent to a number of subsidiary medical technology companies. On April 15, 2020, the Company became the parent of PureFlowCath LLC, which is in development of new catheter medical technology products (CSCI) (no change of control).

2.9 Future Transaction Pipeline

The Company has not solicited and has not entered into any discussion with other medical device companies. There are no current negotiations or communications between the Company and other potential development opportunities.

2.10 Competition

There are no catheter medical devices in the market that provide for a semipermeable membrane that elutes fluid along the length of the catheter within the periurethral space[3]. This membrane allows for continuous or intermittent flushing generating sufficient shear force to prevent adhesion and detach bacteria along the urethral portion of the catheter. PureFlowCath is developing the continuous flushing mechanism to maximize the prevention of biofilm by utilizing principles of fluid dynamics.

Therefore, should the Company be successful in the grant of its patent applications and regulatory approval for public use by medical practitioners, there is no measurable competition in terms of continuous flow catheters. Therefore, there are no competitors to determine realistic competitive analysis. Financing by equity and debit finance, the capital required to progress PureFlowCath to date has been predominantly through subscribers and management relationships. Given the Company's current stage of development, it is not possible to accurately assess the market position of the Company, how the Company will enter the market, or conclude on any pricing assessment. As the product development continues, the Company will re-evaluate each of these factors.

Luxembourg Securitisation of the IP provides the long-term solution to draw capital for the PureFlowCath development as required. The Company has faced competition to secure a Securitisation Compartment in Luxembourg. The selection criteria by CIC Fund Securitisation S.A. was to conduct an internal review of the *risk and return*. Having secured the Securitisation facility, the Company requires no further capitalisation and can concentrate on the development of PureFlowCath medical devices.

Management believes that the level of competition and threat that any possible competitive forces could offer is mitigated on the following basis:

I. The Directors have a track record in the medical device sciences, legal, governance, finance, corporate management and public company expertise. To develop a medical device to market requires a team of expertise not just medical science.
II. The Company business structure allows for divestment of medical devices and sciences product advances that may be attractive to large corporations.
III. Established Luxembourg Securitisation funding platform to issue debt notes against patent and trademark assets (illiquid asset funding).
IV. The Directors have an extensive network of key advisor relationships maintained over many years.

2.11 Patents and Trademarks ("IP")

The Company subsidiary PureFlowCath transferred all patent rights to CIC Fund Securitisation S.A. acting exclusively in the name of Compartment PureFlowCath.

I. Catheter system for continuous irrigation

Patent applications have been filed in numerous jurisdictions and are detailed in Schedules 3.

II. Absorbent device for use with catheter

This patent application have been filed in numerous jurisdictions and are detailed in Schedules 3.

[3] MarketandMarket Urinary Catheters Market Report – Global Forecast to 2025

2.12 Timing and development program

The Company intends to produce a working prototype and associated packaging (what will be delivered to the market) with initial work performed by Paragon Medical. In September 2023, the Company conducted a review of specialist catheter manufacturers and developers to provide additional cost estimates (competitive pricing tests) to further implement the prototype development program over the next year.

Testing of the effectiveness of the PureFlowCath medical device will be undertaken. The timing of testing is currently unknown and is predicated on the delivery of working prototypes and any required FDA approvals.

Following prototype completion, the application to the FDA for PureFlowCath device market approval will commence with Clark Regulatory Services. The Company is unable to determine at this time provide how long the FDA application and approval process will take until the first comments are received from the FDA. Subject to FDA approval, the Company will seek out a proven medical device distributor to bring the PureFlowCath medical device to market. The timing of this action is unknown and is predicated on FDA approvals.

3. BUSINESS OF PUREFLOWCATH

3.1 Catheter System for Continuous Irrigation (CSCI)

PureFlowCath's primary product is CSCI, a catheter with two completely different clinical applications:

i. Semipermeable membrane located in the periurethral portion of the catheter and provides continuous irrigation to prevent the on-going medical issues of catheter-associated urinary tract infection (CAUTI); and

ii. Semipermeable membrane also located at the tip of the catheter, which allows for instillation of therapeutics into the bladder as well as prevention of CAUTI.

Urinary tract infection (CAUTI)[4]

(g) CAUTI is the most common type of healthcare-associated infection, accounting for up to 40% of nosocomial infections. [1]

(h) There are over 1 million cases of CAUTI in U.S. hospitals and nursing homes each year. [1]

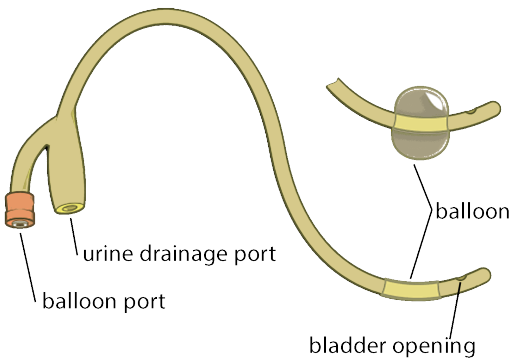
(i) CAUTIs are responsible for over 13,000 deaths per year in the U.S. [1]

(j) The annual cost to manage CAUTIs in the U.S. is estimated to be $425 million - $451 million, with global costs greater than $1.8 billion. [5]

Catheters

A urinary catheter is a drainage tube that is inserted into the urinary bladder through the urethra for the purpose of draining urine (treatment of urinary retention). Use of a drainage mechanism (catheter) for treatment of urinary retention has been around for many years. The basic design of the urinary catheter used today has not changed significantly since the 1930's. The most commonly used type in the hospital setting is the Foley catheter. The Foley catheter was designed by Frederic Foley, a surgeon from Boston, Massachusetts, in 1929 and was adopted by C.R. Bard, Inc. The design of this device, generally made of latex or silicone, has remained largely unchanged since its inception.

Foley Catheter



The Foley catheter is a tube with two internal lumens. One lumen drains the urinary bladder and the other is used to inflate the self-retaining balloon within the bladder. The previous figures provide a basic illustration of current catheter technology.

Numerous attempts have been made to decrease the incidence of CAUTI, including coating the catheter with antimicrobial substances or impregnating the catheter with antibiotics or antimicrobial metals such as silver. None of these has resulted in a significant decrease in the incidence of CAUTI.

Biofilm

The presence of an indwelling urinary catheter promotes bacterial colonization and formation of biofilm. Biofilm is a complex protective matrix that shields bacteria from antimicrobial activity.

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[3] Systematic Review of Interventions to Reduce Urinary Tract. Meddings J, Saint S, Krein SL, Gaies E, Reichert H, Hickner A, McNamara S, Mann JD, Mody L.J Hosp Med. 2017.

[5] US Centre for Disease Control & Prevention (DCD) National Healthcare Safety Network

Prevention of catheter-associated urinary tract infections (CAUTI) requires mechanical action to prevent biofilm formation. CSCI utilizes a mechanical flushing action, similar to the body's natural mechanism to prevent biofilm formation, a major advancement in catheter medical technologies.

Creating a continuous flushing of the urethra results in the potential to significantly reduce CAUTI infections.

Utilizing mass action irrigation (i.e. continuous flushing), CSCI mimics the human body's natural mechanism of action for flushing the urethral tract. This mechanical action prevents biofilm formation and subsequent infection. When a catheter is placed in a patient, the patient's body no longer has the ability to naturally create the mechanical flushing action required to prevent bacteria from colonizing and growing. When bacteria come into contact with the catheter, they attach themselves and develop a biofilm. This biofilm can migrate along the catheter introducing bacteria into the bladder. Pathologic bacteria inhabiting the bladder can produce clinically significant infections with resultant morbidity and mortality. Every patient who has a catheter is at risk for this type of infection.

The innovation with the PureFlowCath

The catheter has the ability to elute a substance into the urethra that is designed to prevent colonization of the catheter by biofilm, through the use of a physical flushing action. This mimics the natural mechanisms that our bodies use to prevent infection. PureFlowCath is designed to reduce catheter-associated urinary tract infections and has a secondary objective, the ability to treat periurethral diseases, as well as diseases of the bladder.

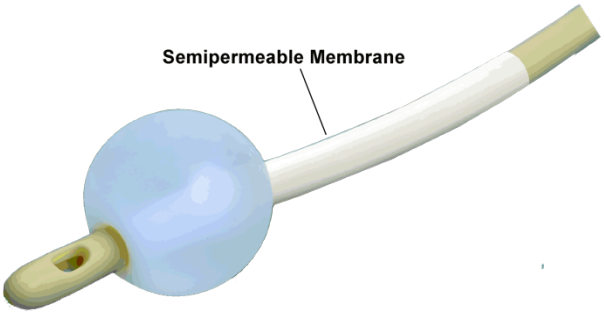
3.2 PureFlowCath - CSCI Key Features

Periodic urethral flushing by urination is the body's natural method of biofilm formation prevention. PureFlowCath has developed a urinary catheter inspired by this natural mechanism at the catheter-urethral interface in an effort to eliminate biofilm formation, the first step in eliminating CAUTIs.

The key features of CSCI are:

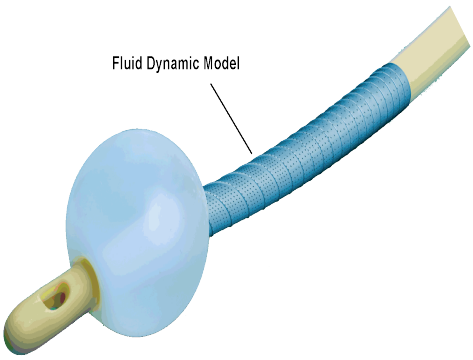
Periurethral Semipermeable Membrane

The primary concept is a semipermeable membrane that elutes fluid along the length of the catheter within the periurethral space. This membrane allows for continuous or intermittent flushing generating sufficient shear force to prevent adhesion and detach bacteria along the urethral portion of the catheter. Required force for common CAUTI organisms is an experimentally established value on the order of 0.2-2.2 pN to prevent attachment and 3.1-4.6 pN to dislodge bacteria, respectively.

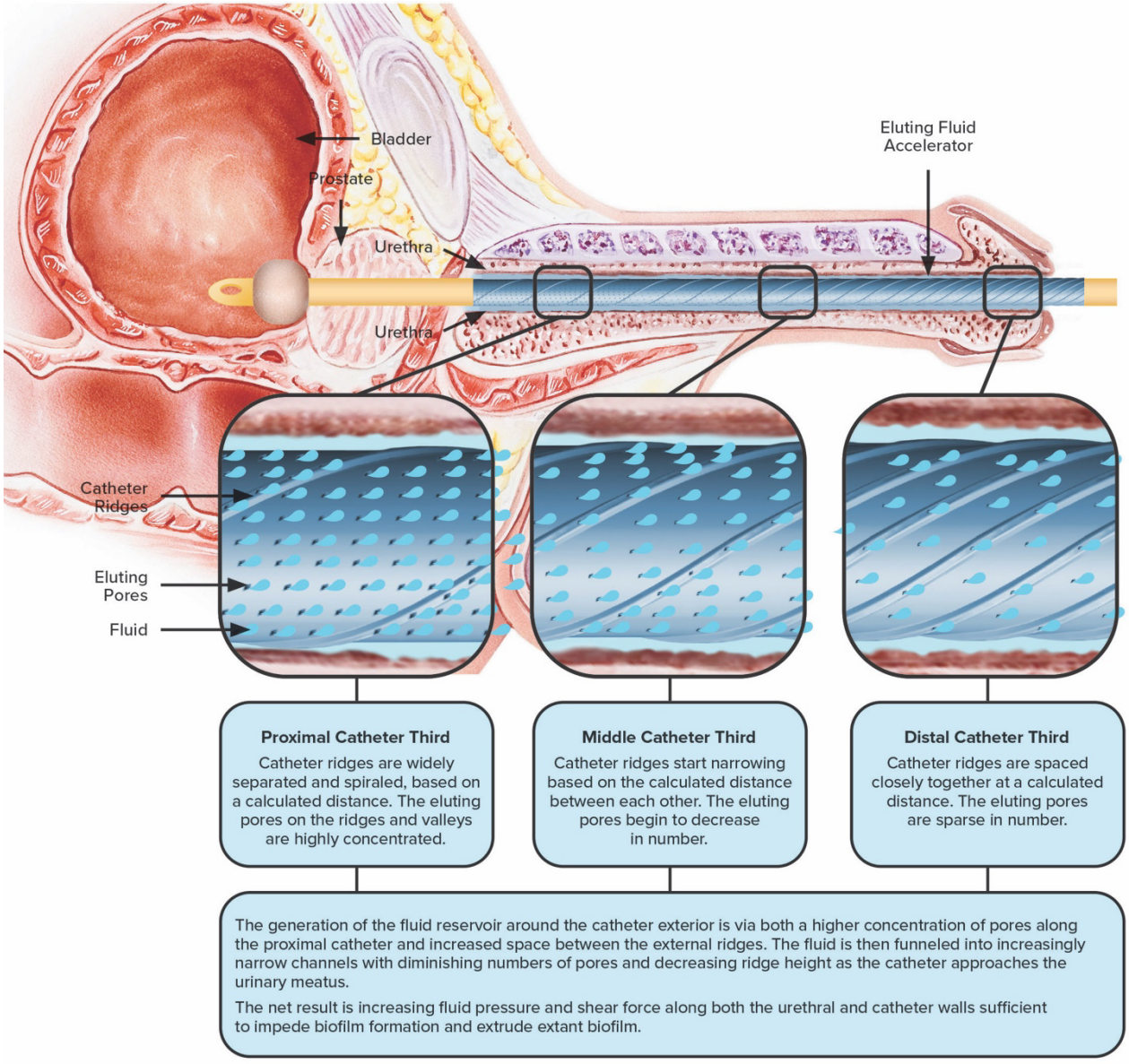


Fluid Dynamic Model

PureFlowCath has, in addition, developed the continuous flushing mechanism to maximize the prevention of biofilm by utilizing principles of fluid dynamics. Biofilm formation and bacterial adhesion to the urethra and catheter, consequent as they are to the close apposition of their respective surfaces, can be diminished by decreasing points of contact by the presence of spaced external catheter ridges. Our innovative catheter design not only comprises catheter ridges, but also accounts for ridge tapering and spiralling, in increasingly tight formation distally, to provide funnelling of the eluent.

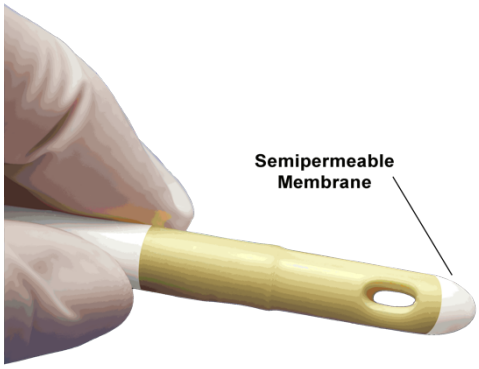


The sum of these effects is intended to increase fluid exit velocity, which based on Bernoulli's equation describing velocity changes with respect to cylinder diameter changes, increases shear force algorithmically where it is needed most. The design also utilizes the concept of vortex formation in a cylinder, as described by the Taylor-Culick equation describing parallel cylinder laminar flow.



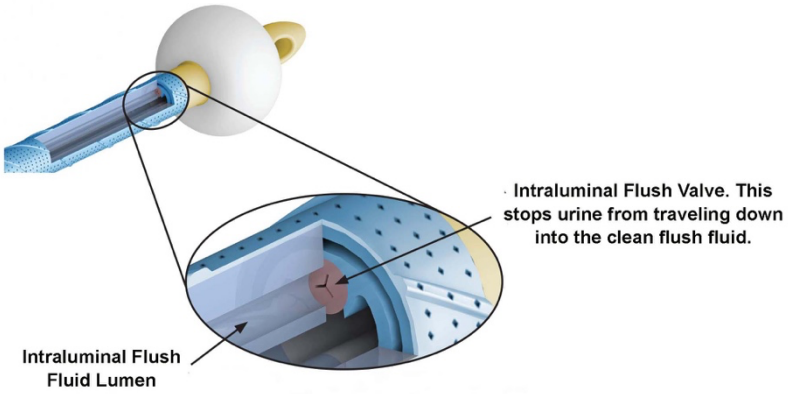
Bladder Infusion Model

In addition to the periurethral flushing action, PureFlowCath catheter includes an infusion segment of the catheter within the bladder. This allows for the continuous infusion and/or irrigation of the bladder without interruption of urinary drainage. Clinical applications for bladder infusion include, but are not limited to, chemotherapeutics, antimicrobial therapy, anticoagulants, etc. This design was developed with specific patient needs in mind, allowing the physician to choose the catheter that is best suited for an individual patient for a particular therapeutic purpose.



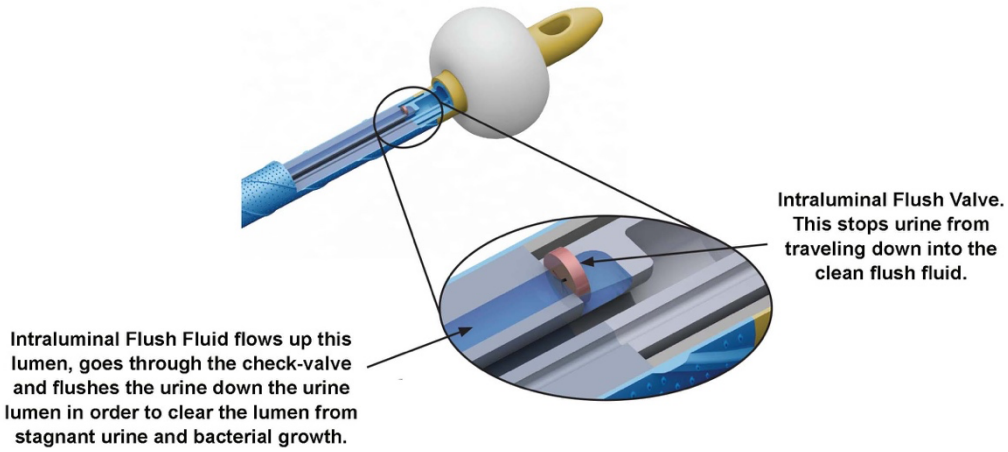
Intraluminal Flush

Approximately 20-30% of catheter associated UTIs are caused by intraluminal contamination of the catheter. While periurethral flushing, described above, is designed to prevent extraluminal biofilm formation, this mechanism does not address the intraluminal contamination caused by the reflux of organisms that gain access to the catheter lumen from the failure of the closed drainage system, or contamination of urine in the collection bag.



A catheterized bladder drains by gravity. While a patient is in a recumbent position, urine can become stagnant in the drainage tube, allowing for more prolonged apposition of bacteria with the intraluminal catheter surface. PureFlowCath has developed a component that addresses intraluminal bacterial adhesion as well. This feature consists of an external access port with a unidirectional valve that allows for sterile fluid to be injected into the urine drainage tube, flushing urine distally through the catheter, into the collection bag, the same way that urination performs this function naturally.

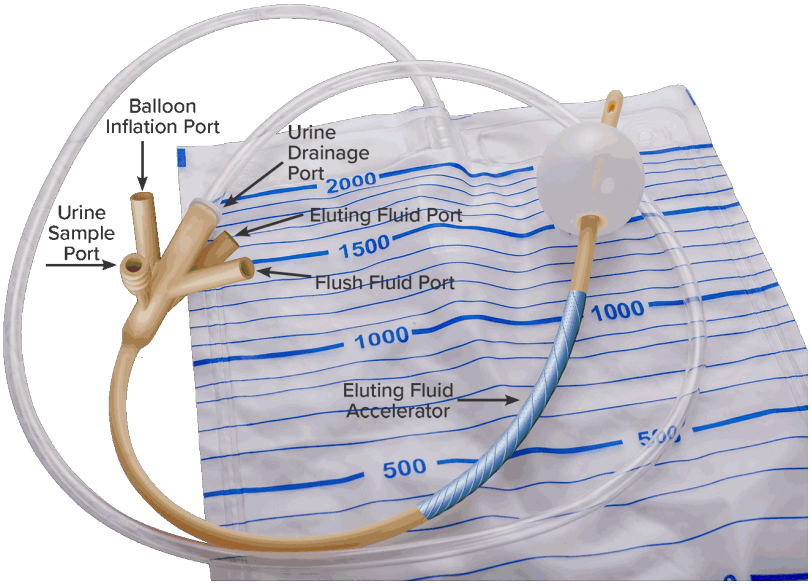
This valve prevents the intraluminal flushing fluid from mixing with the sterile extraluminal fluid eluting along the periurethral portion of the catheter. Force generated by periodic intraluminal flushing is designed to prevent bacterial adhesion and formation of biofilm on the interior surface of the catheter in much the same way that urine performs this function naturally.



Sanitary Specimen Collection

Periodic urine specimen collection presents an additional opportunity to eliminate exposure of the urethra to contaminants. Currently, clean catch urine specimen collection is imprecise and reliant on patient compliance, nursing skill, as well as other user-dependent factors. Stopping urination midstream to flush the urethra and then collecting an uncontaminated specimen is unwieldy and uncomfortable for these reasons.

To address the need for specimen collection without the need of removing urinary catheters and subsequently replacing them, a small parallel collection aperture within the catheter communicates with the bladder lumen. Clean specimens may be obtained with a luer lock syringe via an exterior port protected from retrograde contamination by a one-way valve. Decreasing the need for re-catheterization also diminishes patient discomfort.



4. USE OF PROCEEDS

4.1 Non-Offering Prospectus

This is a non-offering Prospectus. The Company is not raising any funds in conjunction with this Prospectus. Accordingly, there are no proceeds to the Company in connection with the filing of this Prospectus. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised, and all expenses in connection with the preparation and filing of this Prospectus will be paid by the Company from its working capital.

4.2 Funds Available and Use of Available Funds

As at April 30, 2024, the most recent month-end before the date of this Prospectus, the Company had consolidated working capital surplus of $2,563,723. The Company's estimated use of funds for the next twelve months is as follows: -

InnoMed Working Capital	Amount US$
Patent approvals	120,000
FDA Applications	75,000
Prototype & package design completion	480,000
Audit & Accounting	260,000
Professional & Legal Fees	475,000
Securitisation Finance Costs	42,000
Regulatory Costs (FDA advisory)	25,000
Remuneration employees	393,000
Travel	140,000
Cost of Offering	100,000
Marketing	90,000
Unallocated Working Capital	363,723
	2.563,723

Director fees pre-listing on TSXV are $2,000 per month, including PureFlowCath Director, CEO $5,000 per month, totalling $13,000 per month. PureFlowCath Director Dr Mathew McIntyre monthly fees are $2,000. Please refer to Item 16.4.

Since founding, the Company has not generated positive cash flow from its operations and has incurred certain operating losses. Such losses and negative operating cash flow are expected to continue since operating funds will continue to be expended to pay its expenses. The Company, separate from any funds received by investor equity subscriptions, has available at the date of this Prospectus Euro €400,000, Euro €4,600,000 has been drawn down to date of the Prospectus from the Securitisation debt finance facility to cover working capital needs. The Company funds its business using the proceeds from equity private placements and debt finance from Securitisation of its illiquid assets, namely IP. In the future, the Company may pursue additional private placement debt or equity financing based upon its working capital needs from time to time.

There can be no assurance that such financing will be available or completed on terms that are favourable to the Company. The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances however, where for sound business reasons, a reallocation of funds may be necessary.

4.3 Funds Paid to Related Parties

The following transactions occurred with related parties for the periods set out below (excluding direct expenses): -

	Nine months ended Sep. 30, 2023 $	Year ended December 31, 2022 $	Year ended December 31, 2021 $
Purchase of professional services from CIC Capital Ltd., a shareholder	**241,939**	357,423	234,000
Establishment fee of the Compartment and securitization parties	-	106,683	-
Securitization administration fee (4.2%)	**137,536**	77,387	-
Interest expense on securitization note payable to CIC Capital Ltd.	**13,557**	1,151	-
Purchase of professional services from certain shareholders	**20,238**	1,738	13,681

Director Innomed Tech Ltd and PureFlowCath LLC (subsidiary) fees for next 12-month period from the date of this Prospectus are:

	Post Admission to trading		**Pre-Admission to trading**	
	per month $	per year $	per month $	per year $
Terry Larkan	3,750	45,000	2,000	24,000
David Toyoda	3,000	36,000	2,000	24,000
Billy Williams	3,000	36,000	2,000	24,000
Dr Marshall Walker	3,000	36,000	2,000	24,000
Dr Matthew McIntyre	5,000	60,000	2,000	24,000
Robert Rhodes CEO	15,000	180,000	5,000	60,000
	32,750	**393,000**	**15,000**	**180,000**

PureFlowCath Director is Dr Mathew McIntyre. Director Robert Rhodes receives no fees in his capacity as a director of PureFlowCath. Directors may receive fees for extended work volume not covered in the normal course for the next 12-month period from the date of this Prospectus. These fees are treated as "*out of scope*" compensation not Professional Service Fees and agreed upon by the disinterested Board members on a pre-approved fixed cost basis.

4.4 Business Objectives and Milestones

The Company's principal objectives and milestones 12 months from date of Prospectus are: -

	Management 12-month Goals	Cost US$
I.	**Become a regulated public company trading on a designated stock exchange** ***Milestones*** a) file Long Form Non-Offering Prospectus with BCSC and TSXV b) complete public listing process	45,000
II.	**Complete design and manufacture PureFlowCath prototype catheter** ***Milestones*** a) design and manufacture PureFlowCath prototype medical device b) complete review of on-market available components (tubing / container) c) competitive market testing of costs by service provider for next phase of PureFlowCath Continuous Flow catheter development d) proceed with next phase of final development to market prototype for FDA review	480,000
III.	**Continue existing patent applications for approval** ***Milestones*** a) maintain current patent applications b) maintain applications review and monitor application performance	120,000
IV.	**FDA applications** ***Milestones*** a) complete and file FDA regulatory application (after prototype is completed) b) confirm any PureFlowCath prototype medical device testing as directed by FDA FDA (to be determined as the prototype is developed)	75,000

The above milestone costs are contained in the twelve (12) month expenditures set out above.

To progress the PureFlowCath medical device to market will require a process of patent application approval. During the patent approval, the finalisation of medical device design, prototype and material testing is to be completed.

The Company, working with Paragon Medical, has successfully completed proof of concept engineering studies at a cost of $103,696 (budget $111,000). In January 2023, the Company further engaged Paragon Medical to undertake an assessment of the ancillary components necessary for the final catheter “kit” to determine which components are commercially available and which will need to be specifically engineered for the PureFlowCath Continuous Flow Catheter at a cost of $70,000 (completed in May 2023).

In September 2023, the Company conducted a review of specialist catheter manufacturers and developers to provide additional cost estimates (competitive pricing tests) to further implement the prototype development program over the next year.

The process of regulatory approval of the PureFlowCath medical devices has commenced. Clark Regulatory Services LLC has been appointed to provide consultancy advice to PureFlowCath medical device applications to the FDA.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. The Company has not been impacted by COVID-19 at the date of this Prospectus and although the risk of future impact is expected to be low the nature of the outbreak continues to present a risk.

5. SELECTED FINANCIAL INFORMATION

5.1 Selected Financial Information

The following table sets forth summary financial information for the Company for the years then ended December 31, 2022 and 2021 and for the nine months ended September 30, 2023. All figures are in US$. This information has been summarized from the Company's financial statements for these periods and should only be read in conjunction with the financial statements and accompanying notes included elsewhere in this Prospectus.

	Sep. 30, 2023 (Unaudited) Consolidated $	Dec. 31, 2022 (Audited) Innomed Tech $	Dec. 31, 2021 (Audited) Innomed Tech $
Total revenue	–	–	–
Net loss for the period	(2,274,652)	(2,057,649)	(634,297)
Loss per share, basic and diluted	(0.03)	(0.04)	(0.01)
Total assets	2,901,208	1,1,065,490	786,663
Total long-term liabilities	3,810,936[iii]	5,000,154[ii]	3,472,124[i]

(i) derivative liability of $3,472,124
(ii) derivative liabilities of $3,872,322, convertible loan and interest of $1,127,832
(iii) derivative liabilities of $3,810,936

5.2 Summary of Quarterly Results

The following table summarizes selected unaudited financial data for each of the last eight fiscal quarters, prepared in accordance with IFRS: -

	Revenues	Net income (loss)	Basic and diluted earnings (loss) per share
December 31, 2021	–	(352,868)	(0.01)
March 31, 2022	–	98,552	(0.00)
June 30, 2022	–	(95,697)	(0.00)
September 30, 2022	–	(577,288)	(0.01)
December 31, 2022	–	(1,477,506)	(0.04)
March 31, 2023	–	(404,091)	(0.03)
June 30, 2023	–	(772,155)	(0.02)
September 30, 2023	–	(1,262,035)	(0.03)

6. MANAGEMENT DISCUSSION & ANALYSIS

6.1 InnoMed Tech Ltd. Interim period ended September 30, 2023

InnoMed Tech Ltd MD&A for the nine month interim period ended September 30, 2023 is attached hereto as Appendix A.

6.2 InnoMed Tech Ltd. year ended December 31, 2022

InnoMed Tech Ltd. MD&A for the year ended December 31, 2022 is attached hereto as Appendix A. The discussion of the operating results and financial position of InnoMed Tech Ltd. should be read in conjunction with the audited financial statements and related notes for the year ended December 31, 2022.

6.3 InnoMed Tech Ltd. year ended December 31, 2021

InnoMed Tech Ltd. MD&A for the year ended December 31, 2021 is attached hereto as Appendix A. The discussion of the operating results and financial position of InnoMed Tech Ltd. should be read in conjunction with the audited financial statements and related notes for the year ended December 31, 2021.

6.4 InnoMed Tech Ltd. year ended December 31, 2020

InnoMed Tech Ltd. MD&A for the year ended December 31, 2020 is attached hereto as Appendix A. The discussion of the operating results and financial position of InnoMed Tech Ltd. should be read in conjunction with the audited financial statements and related notes for the year ended December 31, 2020.

6.5 PureFlowCath interim period ended April 15, 2020

PureFlowCath MD&A for the interim period for the interim period from January 1, 2020 to April 15, 2020 is attached hereto as Appendix B.

6.6 PureFlowCath year ended December 31, 2019

PureFlowCath MD&A for the year ended December 31, 2019 is attached hereto as Appendix B. The discussion of the operating results and financial position of PureFlowCath should be read in conjunction with the audited financial statements and related notes for the years ended December 31, 2018 and 2019.

7. DIVIDEND POLICY

The Company does not anticipate that it will distribute a dividend to the Company Shareholders pro-rata in part or whole. There are no restrictions in the Company's articles of incorporation or Articles that prevent it from declaring dividends unless insolvent or the payment of such dividend will render the Company insolvent.

8. DESCRIPTION OF SECURITIES

8.1 Authorized and Issued Share Capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value and an unlimited number of preferred non-voting shares issuable in series. As of the date of this Prospectus 64,195,192 Common Shares were issued and outstanding.

23,730,694 Common Shares have certain debt and equity financing agreement which contains a "down-round" provision that allows for the issuance of incremental common shares and warrants if, after 30-days continuous trading on a designated stock exchange, the Company's average share price is lower than the then-subscription price of $0.29 per unit.

The "down-round" feature creates an obligation to issue a variable number of shares on an uncertain event and therefore it does not meet the 'fixed-for-fixed' condition in IAS 32. As a result, the Company has identified derivative liabilities on outstanding warrants with "down-round" provision and on incremental common shares and warrants that could be issued if the "down-round" provision is triggered.

Derivative liabilities are remeasured at year-end, with changes in fair value recognized in profit or loss. Should the Top-up provision be invoked then the issue of top up common shares and warrants will dilute all common share holder holdings.

Example: Top-Up Potential for $1,000,000 Investor after Conversion

Average trading share price example = $0.12
20% adjustment = $0.12 x .80 (80%) = $0.10
Shares issued = 1,000,000 / 0.10 = 10,000,000 common voting shares
Top up shares = 10,000,000 - 3,448,276 = 6,551,724

The conversion of debt finance to units in the Company at $0.29 less 20% discount is at the discretion of the Company. Each unit, when issued, consists of one common share and one full warrant exercisable at $0.29 less 20%. CIC Capital Ltd. has the same conversion down-round (top-up) as other subscribers for common shares.

8.2 Common Shares

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company, and each Common Share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the Common Shares are entitled to receive such dividends in any financial year as the Board of Directors may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, the remaining property and assets of the Company.

8.3 Preferred Shares Non-Voting ("Preferred Shares")

The holders of the Preferred Shares are not entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company. The holders of the Preferred Shares are not entitled to receive such dividends in any financial year as the Board of Directors may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Preferred Shares are not entitled to receive the remaining property and assets of the Company. The conversion of Preferred Share to Common Shares is by way of special resolution by the Board of Directors. As of the date of this Prospectus there were no Preferred Shares issued or outstanding.

8.4 Down-round Provision

Equity financing agreements relating to 23,730,693 Common Shares contain a "down-round" provision that allows for the issuance of incremental common shares and warrants if, after a 30-day continuous trading on a designated stock exchange, the Company's average share price is lower than the then-subscription price of $0.29 per unit. The "down-round" feature was determined by the Company to be a financial liability since it creates an obligation to issue a variable number of shares.

As a result of down-round provision, the Company has identified derivative liabilities on outstanding warrants with "down-round" provision and on incremental common shares that could be issued if the "down-round" provision is triggered. Please refer to Description of Securities Item 8.1, Risk Factors Item 24.2, Interim Financial Statements period ended September 30, 2023 and Audited Financial Statements or the years ended December 31, 2020, 2021 and 2022.

9. CONSOLIDATED CAPITALIZATION

9.1 Capitalization

The following table summarizes changes in the Company's capitalization as at December 31, 2022 (the Company's year-end), September 30, 2023 and as of the date of this Prospectus.

Authorized	Outstanding as of Dec. 31, 2022 (Audited)	Outstanding as of Sep. 30, 2023 (Unaudited)	Outstanding as of the date of this Prospectus	Outstanding as of the date of this Prospectus on a fully diluted basis
Unlimited No of Common Shares	47,644,023	64,195,192	64,195,192	116,587,485[(i)]
Long-term Debt	1,867,260	-	-	-

(i) the fully diluted figure does not reflect any potential dilution from the units with the down-round feature (top up provision).

Note

i) Includes 26,834,141 warrants if exercised on or before December 31, 2026 at $0.29 per share, 22,858,152 warrants if exercised on or before December 31, 2026 at $0.232 per share and 2,700,000 warrants if exercised on or before December 31, 2026 at $0.001 per share. Total warrants outstanding at date of this prospectus 52,392,293.

ii) Long Term Debt represents debt finance draw down and interest. On August 28, 2023 debt finance and interest was converted by the Company into 22,858,152 shares and 22,858,152 warrants.

9.2 Conversion of Debt Finance to Equity.

The conversion of debt finance to common shares of the Company is at the discretion of the Company. Debt Notes outstanding (SV) was converted to common shares in the Company on August 28, 2023.

Debt note conversion as follows:

Note #1 € 500,000	Note #2 € 1,100,000 $	Note #3 € 157,000 $	Note #4 € 1,000,000 $	Note #5 € 2,000,000 $	Principal + Interest $ $	conversion to shares & warrants
546,235	1,244,775	179,054	1,106,517	2,210,536	**5,287,118**	**22,858,152**

Note:

i) Securitisation Debt Finance draw down at date of Prospectus is €4,600,000 with balance remaining €400,000.

ii) SV - CIC Securitisation S.A. distributed the common share and warrants to SPV – Compartment PureFlowCath fund subscribers *pro-rata* of the investment subscription.

iii) Each unit issued includes one full warrant exercisable at $0.29 per common share less 20% discount (US$ 0.232). Please refer to item 8.1 Authorized and Issued Share Capital. On May 26, 2023 at the Shareholders Meeting, the shareholders voted in favour of conversion of Euro €5,000,000 plus interest being converted in to common shares and warrants at the discretion of the Board.

10. WARRANTS

As of the date of this Prospectus, the Company has the following warrants to acquire common shares outstanding: -

Number outstanding	Exercise Price $	Expiry Date
26,834,141	0.290	Dec 31, 2026
22,858,152	0.232	Dec 31, 2026
2,700,000*	0.001	Dec 31, 2026
52,392,293		

* Director warrant awarded are 450,000 each to David Toyoda, Robert Rhodes, Terrence Larkan, Billy Williams, Dr Marshall Walker and Dr Matthew McIntyre as compensation for unpaid services rendered. The warrants awarded were approved by minority shareholders at the Annual General and Special Shareholder meeting May 26, 2022. The warrant certificates were issued on March 1, 2023. Every warrant held is entitled to purchase one common share at exercise price of $0.001 per common share on or before December 31, 2026. Director warrants do not include a down-round provision.

11. OPTIONS TO PURCHASE SECURITIES

The Company has no outstanding options as of the date of this Prospectus. As of the date of this Prospectus, the following warrants are held by the persons listed below:

All executive officers and past executive officers of the Company, as a group (2 people)	All directors and past directors of the Company who are not also executive officers, as a group (3 people)	All executive officers and past executive officers of all subsidiaries of the Company, as a group (1 person)	All consultants of the Company, as a group (1 person)
900,000 warrants exercisable into common shares at $0.001 until December 31, 2026	1,350,000 warrants exercisable into common shares at $0.001 until December 31, 2026 and 8,172,545 warrants exercisable into common shares at $0.29 until December 31, 2026	450,000 warrants exercisable into common shares at $0.001 until December 31, 2026	3,825,008 warrants exercisable into common shares at $0.29 until December 31, 2026

23,730,693 warrants include the down-round provisions discussed in section 8.1. At the date of issuance of the warrants and as of the date of this Prospectus, the estimated market value of the common shares underlying the warrants was $0.29 per unit. Director warrants do not include a down-round provision.

12. PRIOR SALES

There have been no prior sales of the Company's Common Shares for the twelve (12) month period prior to the date of this Prospectus, other than as set out below.

Date	Aggregate Issue Price US$	Issue Price per Share	Number of Shares
14 June 2022	10,000	0.29	34,483
5 July 2022	25,000	0.29	86,207
02 January 2023	20,000	0.29	68,966
22 May 2023	100,000	0.29	344,828
24 May 2023	25,000	0.29	86,207
28 August 2023	5,287,1187	0.232	22,858,152
13 September 2023	10,000	0.29	34,483
15 September 2023	10,000	0.29	34,483

In September 2022, the Company drew down on debt finance $503,372 (€500,000), in December 2022 $1,170,773 (€1,100,000) and in July 2023 $3,274,658 (€3,000,000). The Company in December 2022, converted debt (9 months transaction fees detailed in CIC Capital Ltd contract, refer material contracts) into $168,410 (€157,000) debt note with related party CIC Capital Ltd.

The Debt Notes (SV) loans have an interest rate of 8.2% with principal and interest payable on the fifth anniversary of the loan draw down by the Company. Please refer to the Audited Financial Statement for the Year Ended December 31, 2022, Interim Financial Statements for the nine month period ended September 30, 2023 and section 7.2 of this Prospectus.

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The Company elected on August 28, 2023 to convert the Debt Note and interest (SV - CIC Fund Securitisation S.A.) and interest to equity at 20% discount to $0.29 per common share (at $0.232 per unit). A full warrant was issued with each common share exercisable at $0.232 on or before December 31, 2026. Please refer to section 9.2 of this Prospectus. The SV - CIC Fund Securitisation S.A. distributed the debt note securities (share and warrants) to the SPV – Compartment PureFlowCath fund subscribers.

The common shares of the Company are not listed on any exchange or quoted on any quotation system in Canada and therefore do not have a trading history. As of the date of this Prospectus, the Company has 52,323,444 warrants outstanding as follows:

i) 26,834,141 warrants outstanding exercisable at $0.29 on or before December 31, 2026 that were issued on various dates over the last three years;
ii) 22,858,152 warrants outstanding exercisable at $0.232 on or before December 31, 2026 that were issued on August 28, 2023 as a result of debt note conversion to common shares with a full warrant; and
iii) 2,700,000 warrants outstanding exercisable at $0.001 on or before December 31, 2026 that were issued to directors on March 1, 2023.

13. ESCROWED SECURITIES AND OTHER SECURITIES SUBJECT TO RESALE RESTRICTIONS

13.1 Escrowed Securities

Under the applicable policies and notices of the Canadian Securities Administrators, securities held by Principals are required to be held in escrow in accordance with the national escrow regime applicable to initial public distributions. Equity securities, including Common Shares, owned, or controlled by the Principals of the Company are subject to the escrow requirements. In connection with the proposed listing, the Company expects to enter into the Escrow Agreement in accordance with NP 46-201 as described herein.

Pursuant to the Escrow Agreement entered into among the Escrow Agent, the Company and the principals, 12,997,553 common shares 926,637 warrants (the "Escrowed Securities") will be held in escrow with the Escrow Agent. Securities issued to the principals pursuant to a down-round provision, if any, will also be placed in escrow. The Escrow Agreement provides that 10% of the escrowed securities will be released from escrow upon the Listing Date and that an additional 15% will be released therefrom every 6-month interval thereafter, over a period of 36 months. The Company is an "emerging Company" as defined in the applicable policies and notices of the Canadian Securities Administrators. If the Company achieves "established Company" status during the term of the Escrow Agreement, it will "graduate" resulting in a catch-up release and an accelerated release of any securities remaining in escrow under the 18-month schedule applicable to established Company's as if the Company had originally been classified as an established Company.

Pursuant to the terms of the Escrow Agreement, the escrowed securities may not be transferred or otherwise dealt with during the term of the Escrow Agreement unless the transfers or dealings within the escrow are: -

- transfers to continuing or, upon their appointment, incoming directors and senior officers of the Company or of a material operating subsidiary, with approval of the Board.
- transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor's spouse or children or parents.
- transfers upon bankruptcy to the trustee in bankruptcy.
- pledges to a financial institution as collateral for a loan, provided that upon a realization the securities remain subject to escrow.
- tenders of escrowed securities to a take-over bid are permitted provided that, if the tenderer is a Principal of the successor corporation upon completion of the take-over bid, securities received in exchange for tendered escrowed securities are substituted in escrow on the basis of the successor corporation's escrow classification.

The following table sets forth details of the securities that, as of the date of this Prospectus, will be subject to an Escrow Agreement:

Name	Designation of Security	Quantity	% Common Shares as of the date of Prospectus
Dr Matthew McIntyre	Common Shares	5,431,166	8.47%
CIC Capital Ltd.	Common Shares	3,825,008	5.96%
Billy Williams	Common Shares	3,741,379	5.83%
Billy Williams	Warrants	3,191,379	
CIC Capital Ltd.	Warrants	3,825,008	
Dr Matthew McIntyre	Warrants	450,000	

Robert Rhodes	Warrants	450,000
Terrence A. Larkin	Warrants	450,000
David Toyoda	Warrants	450,000
Dr Marshall K. Walker	Warrants	450,000

- Based on 64,195,192 common shares issued and outstanding as of the date of this Prospectus.
- The escrowed securities are to be held by the Escrow Agent. Such escrowed securities are anticipated to be escrowed on or prior to the Listing Date per NP 46-201 and released pursuant to thereto.
- The principal shareholder of CIC Capital Ltd. is Stuart J. Bromley owns 32.98% of CIC Capital Ltd. share capital.

NP 46-201 provides that all common shares of a company owned or controlled by Principals will be escrowed at the time of the Company's initial public offering, unless the common shares held by the Principal or issuable to the Principal upon conversion of convertible securities held by the Principal collectively represent less than 1% of the total issued and outstanding common shares of the Company after giving effect to the initial public offering. A Company will be classified for the purposes of escrow as either an "exempt Company", an "established Company" or an "emerging Company" as those terms are defined in NP 46-201.

Uniform terms of automatic timed-release escrow apply to Principals of exchange-listed Companies, differing only according to the classification of the Company. The Company anticipates that it will be classified by the TSXV as an "emerging Company". As such, the Company anticipates that the following automatic timed releases will apply to the securities held by the principal's listed in the table above: -

Date of Automatic Timed Release	Amount of Escrowed Released
On the Listing Date	1/10 of the Escrowed Securities
6 months after the Listing Date	1/6 of the remaining Escrowed Securities
12 months after the Listing Date	1/5 of the remaining Escrowed Securities
18 months after the Listing Date	1/4 of the remaining Escrowed Securities
24 months after the Listing Date	1/3 of the remaining Escrowed Securities
30 months after the Listing Date	1/2 of the remaining Escrowed Securities
36 months after the Listing Date	the remaining Escrowed Securities

Assuming there are no changes to the escrowed securities initially deposited and no additional escrowed securities are deposited, automatic timed-release escrow applicable to the Company will result in a 10% release on the Listing Date, with the remaining escrowed securities being released every six months thereafter in accordance with the table above. Pursuant to the terms of the Escrow Agreement, Dr Mathew McIntyre, CIC Capital Ltd. and Billy Williams have deposited their common shares in escrow with the Escrow Agent. Pursuant to the Escrow Agreement, 1,299,755 common shares and 926,637 warrants will be released from escrow on the Listing Date. Any common shares and warrants that are issued to Directors or insiders that is subject to Down-round provision will be subject to the escrow agreement.

13.2 Common Shares Subject to Resale Restrictions

All securities issued within four months of the date of the receipt for the final Prospectus will still be subject to resale restrictions pursuant to NI 45-102.

14. PRINCIPAL SHAREHOLDERS

14.1 Significant Shareholder above 10% of the Common Share of the Company

No shareholder holds directly or indirectly more than 10% of the issued and outstanding common shares of the Company above 10%.

15. DIRECTORS AND EXECUTIVE OFFICERS

15.1 Name, Occupation and Security Holdings

The following table provides the names, state or province and country of residence, position, principal occupations during the five preceding years and the number of voting securities of the Company that each of its Directors and Executive Officers beneficially owns, directly or indirectly, or exercises control over, as of the date of this Prospectus:

Director/Residence	Director/ Officer Since	Principal Occupation for the Past Five Years		Shares Beneficially Owned Directly or Indirectly at the date of this Prospectus	% of common shares
Robert L. Rhodes**	Jul 2014 to present	CIC Capital Ltd.	Director 2 days per month		
CEO / Exec Director	Mar 2020 to present	InnoMed Tech Ltd.	Director Full time	-	-
Western Australia	Mar 2020 to Jul 2021	CIC Capital Fund Ltd	retired		
	Feb 2019 to Feb 2021	BTP Group Ltd.	retired		
	Jan 2023 to present	Swiss Foods Quality Serv AG.	Director 1 day per month		
Terrence A. Larkan*	Mar 2020 to present	InnoMed Tech Ltd.	Director 5 days per month		
CFO / Chairman	Nov 2015 to present	CIC Capital Ltd. Ltd.	Director 2 days per month		
Western Australia	Jun 2010 to present	Nakral Investments Pty Ltd.	Director 3 days per month	-	-
	28 Sep 2018 to Aug 2019	Kalia Limited	retired		
	28 Sep 2018 to Aug 2019	Kalia Holdings Pty Ltd.	retired		
	3 May 2018 to Aug 2019	Kalia Investment Limited	retired		
	3 May 2018 to Aug 2019	Tore Joint Venture Limited	retired		
Dr Marshall Walker*	Mar 23, 2020 to present	InnoMed Tech Ltd.	Director 3 days per month		
Non-Exec Director	Jul 2017 to present	Singing River Radiology	Director Full time	-	-
Alabama, USA	Jul 2007 to Jun 2016	University South Alabama			
David Toyoda*	July 2020 to present	CIC Capital Ltd.	Director 2 days per month	-	-
Non-Exec Director	Aug 2020 to present	Pacific Star Corporate Law	Director Full time		
BC, Canada	2006 to Aug 2020	Boughton Law Corp	retired		
Billy R. Williams*	March 2021 to present	InnoMed Tech Ltd.	Director 2 days per month	3,741,379	5.83%
Non-Exec Director	Sept 2004 to present	Williams Financial Group	Director Full time		
Alabama, USA					

* Contracted to the Company
** Full-time Contractor

Percentage of Common Shares outstanding is based on 64,195,192 Common Shares issued and outstanding as of the date of this Prospectus.

As of the date of this Prospectus, the Directors and Executive Officers of the Company as a group beneficially own, directly or indirectly, or exercise control or discretion over, 9,172,545 common shares, 3,191,379 warrants exercisable at $0.29 per warrant and 2,700,000 warrants exercisable at $0.001 per warrant of the Company.

15.2 Directors Term of Office

The term for the Directors will expire immediately before the election of directors at the annual general meetings of shareholders but each are eligible for re-election.

15.3 Background – Directors and Executive Officers

The following is a brief description of each of the Directors and Executive Officers of the Company, including their names, ages, positions and responsibilities with the Company, relevant educational background, principal occupations, or employment during the five years preceding the date of this Prospectus, experience in the Company's industry. All Directors and Officers employment contracts have non-competition or non-disclosure agreement provisions with the Company.

Robert L. Rhodes *Chief Executive Officer / Executive Director* *Age 65*

Mr. Rhodes has worked within the quarrying/mining and construction industry in Australia for the past 34 years. Mr. Rhodes has held senior management roles with Transmin Pty Ltd, BIS Industries, and international professional services consultancy Coffey International Limited. Mr. Rhodes has worked with many of the major national and international mining and construction companies that operate in Australia. For the five-year period from 2006 - 2011 Mr. Rhodes was the Regional General Manager for Komatsu Australia Pty Ltd.

After graduating from Curtin University in 1979 with a Bachelor of Applied Science Degree in Biology, Mr. Rhodes spent six years working as an agriculture research scientist. In 1985 Mr. Rhodes joined Boral Quarries Ltd which was the beginning of his career in the quarrying/mining and construction industry. Within this industry he has held roles responsible for sales, marketing, contracts, operations, human resources, regional and general management. Mr. Rhodes since 2007 has been a Canadian regulated public company Director as well as Director of London Stock Exchange company.

Mr. Rhodes is a Fellow of the Australian Institute of Quarrying, a Fellow of the Australian Institute of Management and a member of the West Australian Mining Club and is a member of the Disclosure Committee.

Terrence A. Larkan *Chief Financial Officer / Executive Chairman* *Age 61*

Mr. Larkan consults on matters of corporate governance and risk management with extensive experience gained over the past 40 years. Mr. Larkan's expertise is in finance and accounting functions as well as the operational support areas of IT, HR and supply chain augmented with extensive experience in corporate and project governance. Mr. Larkan has worked in Africa, Europe, North and South America, Australia and Southeast Asia.

Having worked in the compliance functions of major corporates and on IPO and M&A projects, Mr. Larkan is successful in managing relationships with professional service providers and has gained considerable experience of the regulatory and corporate governance requirements for publicly listed companies in the UK, USA, Canada and Australia. Mr. Larkan's career included partnership with Ernst & Young (Australia) and as VP responsible for compliance, audit and risk management at Barrick Gold Corporation.

Mr. Larkan holds a BCompt. and an MBA, is a FCPA (Aust.) as well as being a Fellow of the Governance Institute of Australia and a Member of the Australian Institute of Company Directors. Mr. Larkan is a member of the Company's Audit Committee, Nomination Committee, Disclosure Committee and Compensation Committee.

Marshall K. Walker, M.D. MPH, DABR. *Non-Executive Director* *Age 41*

Dr Marshall K. Walker contributes a fresh look at emerging and age-old problems concerning operative approaches and maintaining low patient impact through minimally invasive techniques. As a native of the Gulf Coast, his childhood spent in New Orleans, LA and Ocean Springs, MS instilled an understanding and an eventual passion for bringing the big city into smaller communities regarding medical expertise.

Dr Walker received a Bachelor of Arts in Philosophy from Duke University followed by a contemporaneous MD/Master of Public Health degree from Tulane University. His master's degree included a concentration in health systems management, furthering his desire to see the big picture with regards to healthcare impact. He then completed an internship in general surgery followed by diagnostic radiology residency at the University of South Alabama and a fellowship in vascular and interventional radiology at the University of Alabama at Birmingham. He currently is in private practice in coastal Mississippi. Dr Walker is a Diplomate of the American Board of Radiology and a member of numerous professional organizations, including the American Medical Association, American College of Radiology, Society of Interventional Radiology, Mississippi State Medical Association, and the Alabama Academy of Radiology.

David R. Toyoda *Non-Executive Director Age 56*

Mr. Toyoda is the Principal of Pacific Star Corporate Finance Law in Vancouver, British Columbia Canada. He practices in the areas of corporate and securities law, advising technology, biotechnology and mining companies that are listed, or are preparing to list on, Canadian stock exchanges. He also acts for clients in international securities transactions, including cross-border financings, and has established U.S. markets for Canadian public companies.

Mr. Toyoda has extensive experience in the corporate finance area, assisting companies on a broad range of transactions, including initial and subsequent public offerings, inter-listings on stock exchanges, private placements of both debt and equity securities and venture capital financings. He also advises already listed companies on reverse takeovers, change of businesses and reactivations, share purchase agreements and asset acquisitions.

Mr. Toyoda is a frequent presenter and lecturer on corporate and securities law topics in Canada. Mr. Toyoda is a director of three reporting companies.

Billy R. Williams *Non-Executive Director Age 44*

Billy Williams earned his B.B.A. from Millsaps College with a concentration in Finance and a minor in mathematics. With over twenty years of experience in the financial services industry, he continues to further his commitment to offering sound financial planning services by pursuing courses in tax planning, estate planning, retirement planning, and investment management.

In addition to remaining well versed in the issues critical to his clients, Billy belongs to many professional organizations, including the National Association of Insurance and Financial Advisors and the National Association of Estate Planners and Councils.

Billy works primarily with families and individuals who are focusing on retirement planning, comprehensive financial planning, and investment management.

15.4 Significant Employees

Dr Matthew McIntyre MD is a Director of PureFlowCath together with Robert L. Rhodes (CEO Executive Director of the Company). Dr Mathew McIntyre is the inventor of the medical device of PureFlowCath. Dr Matthew McIntyre MD is beneficial owner of 5,431,166 common shares in the Company.

15.5 Enforcement of judgments against Directors and Promoters who are all foreign persons

The Directors Robert L. Rhodes, Terrence Larkan, Billy Williams and Dr Marshall K. Walker, MD reside outside of Canada and in each case, have appointed Pacific Star Corporate Finance Law, 1100 – 409 Granville Street, Vancouver, BC V6C 1T2 for service of process.

The Promoter Stuart J. Bromley resides outside of Canada and has appointed Fraser Litigation Group, 1100 - 570 Granville Street, Vancouver, BC V6C 3P1 as agent for service of process.

Investors are advised that it may not be possible to enforce judgments obtained in Canada against any person who resides outside of Canada, even if the party has appointed an agent for service of process.

15.6 Involvement in Certain Legal Proceedings

There are currently no legal proceedings other than as stated in Part 22 Legal proceedings and Regulatory Actions to which any of our directors or Executive Officers is a party adverse to us or in which any of our directors or Executive Officers has a material interest adverse to the Company.

15.7 Penalties or Sanctions

None of our Directors, Officers or principal shareholders are, or have been within the last 10 years, the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or have entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

15.8 Personal Bankruptcies

None of our Directors, Officers or principal shareholders, or personal holding company of such persons, have, within the last 10 years become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets.

15.9 Conflicts of Interest

The Company's Directors and Officers may serve as Directors or Officers of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's Directors, the Director who has such a conflict will abstain from voting for or against the approval of such participation or such terms.

The Directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Robert Rhodes, Terry Larkan and David Toyoda are Directors of CIC Capital Ltd. At no material time do common Directors between CIC Capital Ltd. and the Company, conduct any corporate action without the approval of the other board members to avoid any conflicts of interest.

The Directors and Officers of the Company are aware of the existence of laws governing the accountability of Directors and Officers for corporate opportunity and requiring disclosures by the Directors of conflicts of interest and the Company will rely upon such laws in respect of any Directors' and Officers' conflicts of interest or in respect of any breaches of duty by any of its Directors and Officers. All such conflicts will be disclosed by such Directors or Officers in accordance with applicable laws and shall govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Certain Directors of CIC Capital Ltd. are also Directors of the Company. Transactions involving CIC Capital Ltd. are contract fees, out of scope fees and common shares received for Transaction Advisory Services as detailed in Material Contracts in this Prospectus. In December 2022, CIC Capital Ltd. agreed with the Company to convert certain fees and other expenses into to two debt note aggregating Euro €157,000 ($167,000). Please refer to the Financial Statements for the Period ended September 30, 2023, Related Party Transactions.

Billy Williams of Williams Financial Group prior to becoming an insider in July 2020 was an investor in the Company. On December 28, 2019, Billy Williams loaned PureFlowCath US$500,000; PureFlowCath issued an unsecured promissory note. On April 4, 2020, the amount of $500,000 plus $50,000 interest was converted into common shares in InnoMed Tech Ltd. at $0.29 per share or 1,896,552 common shares plus full warrant at exercisable $0.29 per warrant on or before December 31, 2026. On March 1, 2021 Billy William's became an independent Non-Executive Director of the Company.

Directors and advisors receive additional fees when called upon to carry our certain tasks or corporate actions that requires considerable time resources.

16 EXECUTIVE COMPENSATION

16.1 Compensation Discussion and Analysis

Compensation, Philosophy and Objectives

The Company does not have a formal compensation program. The Board meets to discuss and determine management compensation without reference to formal objectives, criteria or analysis. The general objectives of the Company's compensation strategy are to: (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other medical device companies to enable the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a company without a history of earnings.

The Board ensures that total compensation paid to all Named Executive Officers (NEOs), as hereinafter defined, is fair and reasonable. The Board relies on the experience of its members as Officers and Directors with other companies in assessing compensation levels. The Compensation Committee makes a recommendation of compensation of all Directors and Officers to the Board for the final decision.

Analysis of Elements

Base salary is used to provide the NEOs a set amount of compensation during the year with the expectation that each NEO will perform his responsibilities to the best of his ability and in the best interests of the Company. The Company considers the granting of Options to be a component of executive compensation as it allows the Company to reward each NEOs efforts to increase value for shareholders without requiring the Company to use cash from its treasury. Options are generally awarded to Executive Officers at the commencement of employment and periodically thereafter. The terms and conditions of the Option grants, including vesting provisions and exercise prices, will be governed by the terms of a stock option plan.

Long Term Compensation and Option-Based Awards

The Company has no long-term incentive plans other than to review based on the Company performance, incentive or bonuses in the form of common shares or cash subject to shareholder approval. The Company's Directors, Officers, employees and certain consultants will be entitled to participate in any incentive in the form of common shares.

16.2 Named Executive Officers

The following statement of executive compensation is prepared in accordance with Form 51-102F6V of National Instrument 51-102 - Continuous Disclosure Obligations. As used in this Prospectus, a "Named Executive Officer" or "NEO" means each of the following individuals:

I. each individual who, in respect of the Company, during any part of the most recently completed financial year, served as Chief Executive Officer (a "CEO"), including an individual performing function similar to a CEO.
II. each individual who, in respect of the Company, during any part of the most recently completed financial year, served as Chief Financial Officer (a "CFO"), including an individual performing function similar to a CFO.

III. in respect of the Company and its subsidiaries, the most highly compensated Executive Officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000 for that financial year

IV. each individual who would be a named Executive Officer but for the fact that the individual was not an Executive Officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

At the date of this Prospectus, the Company had the following two (2) NEOs: Robert L. Rhodes, Chief Executive Officer and Director and Terrence A. Larkan, Chief Financial Officer and Board Chairman.

16.3 Outstanding Share-Based Awards and Option-Based Awards

None of the Company's Directors or NEOs owned any compensation securities as at the date of the Company's most recently completed financial year on December 31, 2020. No Director or NEO has exercised any compensation securities during the most recently completed financial year.

16.4 Executive Compensation

The following table sets forth a summary of the compensation paid to the NEO's and the Directors for the two most recently completed financial years ended December 31, 2022 and 2021:

Name and position	Year	Salary, consulting fee, retainer, or commission	Bonus	Committee or meeting fees	Value of perquisites	Value of all other compensation	Total compensation
		$	$	$	$	$	$
Robert L. Rhodes	2022	60,000	Nil	Nil	Nil	Nil	60,000
CEO/Executive Director	2021	60,000	Nil	Nil	Nil	Nil	60,000
Terrence A. Larkan	2022	24,000	Nil	Nil	Nil	Nil	24,000
CFO /Executive Chairman	2021	24,000	Nil	Nil	Nil	Nil	24,000
Dr Marshall K. Walker MD	2022	24,000	Nil	Nil	Nil	Nil	24,000
Non-Executive Director	2021	24,000	Nil	Nil	Nil	Nil	24,000
David Toyoda	2022	24,000	Nil	Nil	Nil	Nil	24,000
Non-Executive Director	2021	24,000	Nil	Nil	Nil	Nil	24,000
Billy R. Williams	2022	20,000	Nil	Nil	Nil	Nil	20,000
Non-Executive Director	2021	20,000	Nil	Nil	Nil	Nil	20,000

Note: Pre-listing on TSXV, the Directors receive US$2,000 per month, CEO receives US$5,000 per month.

Director Fees US$ Pre-Listing	
4 directors* at US$ 2,000 per month	96,000
CEO US$5,000	60,000
	156,000
Monthly	13,000

Post Listing Annual Fees US$	
Chairman at US$3,750 per month	45,000
3 directors at US$ 3,000 per month	108,000
1 director* at US$ 5,000 per month	60,000
CEO US$15,000 per month	180,000
	393,000
Monthly	**32,750**

* One PureFlowCath Director

Director fees for Terrence A. Larkan, Billy R. William, David Toyoda, and Marshall K. Walker are $2,000 per month, and Robert L. Rhodes CEO is paid $5,000 per month, totalling $13,000 per month.

PureFlowCath Director Dr Mathew McIntyre monthly fees are $2,000. Director Robert Rhodes receives no fees in his capacity as a director of PureFlowCath.

16.5 Other Compensation paid to Directors

Billy Williams received $5,000 in 2020. David Toyoda received CAD$6,000 in 2020 and CAD$20,000 in 2023 for additional director time services provided to the Company. These payments were in the ordinary course of business on an ad hoc basis.

16.6 Warrants or Option issued to Directors

There are no options issued to Directors or insiders of the Company.

450,000 director warrants were awarded each to David Toyoda, Robert Rhodes, Terrence Larkan, Billy Williams, Dr Marshall Walker and PureFlowCath LLC, a 100% subsidiary of the Company director Dr Matthew McIntyre for unpaid director compensation ("Compensation Warrants"). Since new management and Board was established on April 15, 2020, the directors have not been renumerated commensurate with their experience, standing and what they could have been renumerated should they take up board positions with other companies. Due to the passage of time and to ensure the board composition is maintained, the Company sought shareholder approval to issue Compensation Warrants. The Compensation Warrants are a one-off award and not for a defined period of service. No renumeration other that what has been paid to date, has been accrued in the Company's financial accounts.

The Compensation Warrants were approved by the minority shareholders at the Annual General and Special Shareholders meeting March 8, 2022. The warrant certificates were issued on March 1, 2023. Every Compensation Warrant is entitled to purchase one common share at exercise price of $0.001 per common share on or before December 31, 2026. The Compensation Warrants are subject to an escrow agreement, please refer to Section 13 Escrowed Securities and Other Securities Subject to Resale Restriction. The fair value of the Compensation Warrants of $545,417 was calculated using the Black-Scholes option pricing model and is detailed in Interim Financial Statements for the nine month period September 30, 2023 in Appendix A.

16.7 Employment Contracts, Termination of Employment and Change-In-Control Arrangements

Service Agreements and Letters of Appointment

Robert L. Rhodes, entered into an executive service agreement with the Company on March 23, 2020, pursuant to which he was appointed as Executive Director and CEO at a fee of $15,000 per month. The appointment is for an initial period of three years commencing from first day of Listing to trading on TSXV stock exchange, whereafter it may be terminated on not less than three written months' notice from either party. The agreement contains customary provisions in relation to duties of confidentiality and post-termination restrictive covenants. The agreement also has provisions to protect the Company's intellectual property rights.

Terrence A. Larkan entered into an executive service agreement with the Company on March 23, 2020 updated January 1, 2021, pursuant to which he was appointed as Executive Chairman and CFO for an annual fee of $45,000 (to be reviewed annually), payable in arrears by equal monthly instalments. The appointment is for an initial term of three years and terminable on thirty days' notice by either party.

Dr Marshall K. Walker, MD entered a Letter of Appointment with the Company on March 23, 2020, pursuant to which he was appointed as a Non-Executive Director for an annual fee of $36,000 (to be reviewed annually), payable in arrears by equal quarterly instalments from Listing to trading on TSXV stock

exchange. The appointment is for an initial term of three years and terminable on thirty days' notice by either party.

David Toyoda entered into a Letter of Appointment with the Company on July 1, 2020, pursuant to which he was appointed as a Non-Executive Director for an annual fee of $36,000 (to be reviewed annually), payable in arrears by equal quarterly instalments from Listing to trading on TSXV stock exchange. The appointment is for an initial term of three years and terminable on thirty days' notice by either party.

Billy R. Williams entered into a Letter of Appointment with the Company on March 1, 2021, pursuant to which he was appointed as a Non-Executive Director for an annual fee of $36,000 (to be reviewed annually), payable in arrears by equal quarterly instalments from Listing to trading on TSXV stock exchange. The appointment is for an initial term of three years and terminable on thirty days' notice by either party.

Matthew McIntyre entered into a Letter of Appointment with the Company on December 21, 2020, pursuant to which he was appointed as a Non-Executive Director of PureFlowCath, LLC. for an annual fee of $60,000 (to be reviewed annually), payable in arrears by equal quarterly instalments from Listing to trading on TSXV stock exchange. The appointment is for an initial term of three years and terminable on thirty days' notice by either party.

16.8 Oversight and Description of Director and NEO Compensation

The Board is responsible for determining, by way of discussions at Board meetings, the compensation to be paid to the Executive Officers of the Company recommended by the Compensation Committee to the Board. The Company at this time does not have a formal compensation program with specific performance goals; however, the performance of each executive is considered along with the Company's ability to pay compensation and its results of operation for the period.

Compensation is designed to achieve the following key objectives:

I. to support the overall business strategy and objectives;
II. to provide competitive compensation that is substantially performance based;
III. to provide incentives that encourage superior corporate performance and retention of highly skilled and talented employees; and
IV. to align executive compensation with corporate performance and therefore shareholders' interests.

The Company's compensation package is comprised of a base salary and, in the future, option-based awards. The Company formal compensation is recommended by the Compensation Committee to the Board, which seeks to reward an Executive Officer's current and future expected performance. Individual performance in connection with the achievement of corporate milestones and objectives is also reviewed for all Executive Officers. The Company does have a set policy (Corporate Governance Manual) preventing a NEO or Director from purchasing financing instruments such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by such person.

Pension Disclosure

The Company does not have any form of pension plan that provides for payments or benefits to the NEO at, following, or in connection with retirement. The Company does not have any form of deferred compensation plan.

Intended Changes to Compensation

Compensation for the Executives will be reviewed initially every six months. At each review period, a compensation committee comprised of Directors of the Company will be struck to review Executive compensation to ensure compensation packages remains reflective of the current roles and responsibilities and competitive enough to ensure leading candidates of the executive team can be attracted and retained.

17 INDEBTEDNESS OF DIRECTORS AND OFFICERS

Other than routine indebtedness for management fees, travel and other expense advances, no existing or proposed Director or Executive Officer of the Company, or any associate of any of them, was indebted to the Company as of date of the document or is currently indebted to the Company or has any indebtedness to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

18 AUDIT COMMITTEE AND CORPORATE GOVERNANCE

18.1 Audit Committee

National Instrument 52-110 – Audit Committees ("NI 52-110"), NI 41-101 and Form 52-110F1 require the Company to disclose certain information relating to the Company's audit committee (the "Audit Committee") and its relationship with the Company's independent auditors. The Audit Committee Charter is hereto attached as Schedule 4.

Composition of the Audit Committee

The members of the Company's Audit Committee are set out below: -

David Toyoda	Independent *	Financially literate
Terrence A. Larkan	CFO / Director**	Financially literate
Billy R. Williams	Independent *	Financially literate

* A member of an audit committee is independent as defined by Canadian National Instrument NI52-110 Audit Committees Section 1.4. Further the member has no direct or indirect material relationship with the Company, which could, in the view of the Company's Board of Directors, reasonably interfere with the exercise of a member's independent judgment.

* An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

** Terrence Larkan, it not an independent Audit Committee member he is a CFO of the company and as such the Company is relying on the exemption granted under Part 8 of NI 52 -110.

Mr David Toyoda is Chairman of the Audit Committee.

Relevant Education and Experience

Each member of the Company's present Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and the requisite education and experience that have provided the member with:

I. an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves
II. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions

III. experience preparing, auditing, analysing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities

IV. an understanding of internal controls and procedures for financial reporting.

David Toyoda graduated from the University of British Columbia with a Bachelor of Commerce degree with Honours and a Bachelor of Law degree. David Toyoda is a director and member of the audit committee of three reporting issuers.

Terrence A. Larkan is a Certified Practicing Accountant – Australia (FCPA – Aust.) and has extensive experience working as an officer or director of Canadian and UK public companies. Terrence A. Larkan was VP responsible for Corporate Governance functions for TSX main board listed company Barrick Gold.

Billy Williams CFP ChFC is a Certified Practicing Investment Advisor with over 20 years of experience in the financial services industry and is a member of the US Financial Planning Association.

Please refer "Directors and Officers" above for further details.

Authority of Audit Committee

(a) to engage independent counsel and other advisors as it determines necessary to carry out its duties
(b) to set and pay the compensation for any advisors employed by the audit committee
(c) to communicate directly with the internal and external auditors.

Audit Fees

	Sep. 30, 2023	YE 31 Dec. 2022	YE 31 Dec. 2021	
Audit Fees	106,514	45,227	55,380	Auditor Fee
Audit Related Fees	53,272	63,565	28,199	Interim review/Prospectus
Tax Fees	-	-	2,730	US annual Tax
All Other Fees	37,224	22,161	-	Prospectus review

US Company Obligations

The Company is not a US Company nor will any of its securities be admitted on a US stock Exchange.

18.2 Compensation Committee

The Compensation Committee is responsible for determining all elements of the compensation of the Executive Directors, Officers and the Chairman of the Board.

In determining the Executive compensation policy, the committee takes into account the Company's need to attract, retain and incentivise executive talent, a variety of legal and regulatory requirements, the relevant provisions of the Companies Corporate Governance Policies. The committee also determines the policy on the duration, notice period and termination, with a view to recognising service to the Company whilst ensuring that failure is not rewarded and that the need to mitigate loss is recognised.

The Compensation Committee makes recommendation of compensation of all Directors and Officers to the Board for final decision.

Composition of the Compensation Committee

The members of the Company's Compensation Committee are set out below:

Terrence A. Larkan	CFO/Executive Chairman
Billy R. Williams	Non-Executive Director
David Toyoda	Non-Executive Director

18.3 Disclosure Committee

The Disclosure Committee is tasked with reviewing all proposed disclosures prior to their release. The Company is subject to highly specific reporting requirements by the regulators and any stock exchange it is listed on and must pay particular attention to any information issued to the public, whether it is done through press releases, reports filed with the SEDAR, speeches, web site pages, or other forms of communication.

Committee members share information about disclosure issues and inform the Company of what types of situations may require formal disclosure including the disclosures being included in the financial statements. If there is no disclosure committee in place, there is an increased likelihood that incorrect information will be released, or that information will be disclosed that does not follow reporting compliance. The Disclosure Committee has appointed Billy R. Williams for shareholder contact, any other outside contact and to issue public notices and materials in accordance with National Instrument NI 51-201.

Composition of the Disclosure Committee

The members of the Company's Disclosure Committee are set out below:

Terrence A. Larkan	CFO/Executive Chairman
David Toyoda	Non-Executive Director
Robert L Rhodes	CEO/Executive Director

18.4 Nomination Committee

The Company’s Nomination Committee makes formal Director and Officer recommendations of appointment to the Board for consideration. The Company’s Nomination Committee acts as part of the organization’s corporate governance. The Nomination Committee evaluates the Board of Directors of its respective firm and examines the skills and characteristics needed in Board candidates. The Nomination Committee will identify suitable candidates for various Director positions. The Nomination Committee also reviews corporate governance policies and suggests any changes to the Board.

The Nomination Committee is a crucial part of a Company’s corporate governance. Corporate governance is essential for balancing the interests of a company's many stakeholders. Corporate governance provides the framework for attaining a company's objectives. The Company’s Nomination Committee also supports the search for the CEO. The CEO is an organization’s highest-ranking executive, making all major corporate decisions, ranging from day-to-day operations to managing company resources, and liaising between the Audit Committee and the Board of Directors and other executives.

Composition of the Nomination Committee

The members of the Nomination Committee are set out below:

Terrence A. Larkan	CFO/Executive Chairman
David Toyoda	Non-Executive Director

19 CORPORATE GOVERNANCE DISCLOSURE

The Company ensures certain practices and procedures are followed by the Board of Directors to ensure that effective corporate governance practices are affected. This also ensures that the Board of Directors functions independently of management. The Company's disclosure of corporate governance practices pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") is set out below in the form required by Form 58-101F2 – *Corporate Governance Disclosure* (Venture Issuer).

19.1 Assessments

The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives.

The contributions of an individual Director are informally monitored by the other Board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

19.2 Board of Directors

NI 58-101 provides that the Board of Directors of a public company should be constituted with a majority of individuals who qualify as "independent" Directors. An "independent" Director is a Director who is independent of management and is free from any interest and any business or other relationship which could reasonably be perceived to materially interfere with the Director's ability to act with a view to the best interests of the company, other than interests and relationships arising from holding shares or securities in the company. In addition, where a company has a significant shareholder, NI 58-101 provides that the Board of Directors should include a number of Directors who do not have interests in either the company or the significant shareholder. The independent Directors would exercise their responsibilities for independent oversight of management and meet independently of management whenever deemed necessary. The Company is not relying on an exemption as a Venture Issuer on the composition or independence of the Audit Committee members.

The Board is currently comprised of five (5) Directors, three (3) of whom are Independent (as defined in Section 1.2 of NI 58-101), namely Marshall K. Walker, MD, David Toyoda and Billy Williams. Robert L. Rhodes and Terrence A. Larkan are not independent as they are executive officers of the Company.

19.3 Orientation and Continuing Education

The Board has not adopted formal steps to orient new board members. The Board's continuing education is typically derived from correspondence with the legal counsels and technical advisors of the Company to remain up to date with developments in relevant corporate and securities law matters. Those with professional designations are obligated to meet Continuing Professional Education requirements of their respective professional bodies.

19.4 Directors Current Directorships

Director/Residence	Current Directorships	Jurisdiction
Robert L. Rhodes	CIC Capital Ltd.	Canada
	InnoMed Tech Ltd	Canada
Terrence A. Larkan	CIC Capital Ltd.	Canada
	InnoMed Tech Ltd	Canada
	Nakral Investments Pty Ltd.	Australia
Dr Marshall K. Walker, MD, MPH, DABR	InnoMed Tech Ltd	Canada
David Toyoda	InnoMed Tech Ltd	Canada
	CIC Capital Ltd.	Canada
	Aurora Solar	Canada
	Technologies Inc.	Canada
	Paloma Resources Inc.	Canada
	Lite Access Technologies Inc.	Canada
Billy Williams	InnoMed Tech Ltd	Canada

19.5 Ethical Business Conduct

The Board has adopted formal guidelines to encourage and promote a culture of ethical business conduct and does promote ethical business conduct by nominating Board members it considers ethical, by avoiding or minimizing conflicts of interest and by having a sufficient number of its Board members independent of corporate matters.

19.6 Nomination of Directors

The Nomination Committee determines new nominees to the Board. The nominees are generally the result of recruitment efforts by the nomination members, including both formal and informal discussions among nomination members.

19.7 Compensation

The Compensation Committee decides on the compensation for Officers and Directors, based on industry standards.

20 PLAN OF DISTRIBUTION

This is a Non-Offering Long Form Prospectus and no securities are offered pursuant to this Prospectus. The Company has applied to list the securities of the Company on the TSXV. Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc) other than the TSX Venture Exchange.

21 RISK FACTORS

21.1 General

A purchase of any of the securities of the Company involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Company should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should carefully evaluate the following risk factors associated with an investment in the Company's securities prior to purchasing any of the securities.

21.2 Risks relating to the company's business and structure

Risks associated with the Company's business

A potential investor should consider the risks and difficulties the Company expects to encounter as it attempts to execute its business strategy, including the rapidly evolving nature of the medical device industry.

Shareholders will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the medical device products and accordingly will be dependent upon the judgment and ability of the Directors to:

I. protect its intellectual property
II. implement its plan to divest the Company's medical device products after development or regulatory approval
III. negotiate acceptable divestment of medical device terms
IV. attract, integrate, retain and motivate qualified personnel and advisors
V. respond effectively to increased business operation demands
VI. defend against competitors who may develop similar medical device products that are more effective, of a better quality or less expensive than those developed by the Company
VII. secure new medical devices in accordance with the stated strategy of the Company.

Conflicts of interest

Certain Directors involved in the medical industry may be in conflict in the sectors in which the Company operates.

Certain Directors are also directors of the Company's transaction advisor CIC Capital Ltd. namely Terry Larkan, Robert Rhodes and David Toyoda. These directors have no direct or indirect material or executive relationship with the CIC Capital Ltd. that could be reasonably expected to interfere with the exercise of their independent judgment.

CIC Capital Ltd. acting as Transaction Advisor to the Company is renumerated in part with common shares in the Company. CIC Capital Ltd. has elected not to vote any of its shares in favour of minority shareholders. CIC Capital Ltd. is a related party and refer to the section 15.9 Conflicts of Interest for additional disclosure.

The Company conducts all transactions on arm's length commercial terms, under conditions consistent with industry practice. Notwithstanding such procedures, there remains a risk that such transactions may benefit such Directors or may be to the detriment of the Company.

Economic uncertainty

Future economic uncertainty or significant increases in the Company's operating costs could result in a reduction of future profits by the Company.

Since its founding, the Company has not generated positive cash flow from its operations and has incurred certain operating losses. Such losses and negative operating cash flow are expected to continue since operating funds will continued to be expended to pay its expenses.

Competition

Competitors may have filed patent applications or hold issued patents, relating to products or processes competitive with those the Company are currently developing or will develop. The patents of the Company's competitors may impair its ability to do business in a particular area. The Company's applications may not be approved or approved as desired. Others may independently develop similar products or duplicate any of the Company's or its partner's unpatented products. The Company's success will depend, in part, on its ability in the future to obtain patents, protect patents, protect trade secrets and other proprietary information and operate without infringing on the proprietary rights of others. Patent protection is uncertain and involves many complex legal, scientific and technical questions. There is no clear law or policy involving the degree of patent protection afforded under patents.

As a result, the scope of patents issued to the Company, or its partners may not successfully prevent third parties from developing similar or competitive products. The Company's practice is to enter into confidentiality agreements with its employees, suppliers and distributors. However, these confidentiality agreements may be breached, and the Company may not have adequate remedies for such breaches. Others may independently develop substantially equivalent proprietary information without infringing upon any proprietary technology belonging to the Company. Third parties may otherwise gain access to the Company's proprietary information and adopt it in a competitive manner.

Taxation

The tax rules and their interpretation relating to an investment in the Company may change during the life of the investment as may the tax residence of the Company. The levels of, and reliefs from taxation may change. The tax reliefs referred to in this document are those currently available and their value depends on the individual circumstances of investors. Any change in the tax status of any member of the Company or the tax applicable to holding Common Shares or in taxation legislation or its interpretation, could affect the value of the equity interests held by the Company, affect the Company's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders given that statements made in this document concerning the taxation of the Company and its investors are based upon current tax law and practice which is subject to change.

Tax legislation

Any change in the Company's tax status, or in taxation legislation could affect the value of its holdings in group companies and the Company's ability to achieve its objectives. Prospective investors are urged to consult their tax advisers with respect to their particular tax situations and the tax effects of an investment in the Company.

Risk of changes in foreign currency exchange rates

The Company's results are reported in United States Dollars US$. Any fluctuations in the value of the U.S. dollar and/or other currencies relative to US$ may result in variations in financial statements with possible currency exchange losses.

Legal proceedings and litigation

By the very nature of the Company's business, it is expected that from time to time the Company will be subject to complaints or claims in the normal course of business. There is no certainty that such claims or complaints will not be material and that any settlements, awards or legal expenses associated with defending or appealing against any decisions in respect of any such complaints or claims will not have a material adverse effect on the Company's financial condition. The Company's business may be materially and adversely affected if the Company and or its employees or agents are found not to have met the appropriate standard of care or exercised their discretion or authority in a prudent or appropriate manner in accordance with accepted standards.

Although management of the Company believes that there will be no litigation with respect to the Patents, there can be no assurance as to this fact. Furthermore, there may be additional patent or other litigation in connection with any of the Company's current or future products or product candidates from time to time. Currently, there is no ongoing litigation against the Company. Patent litigation, with or without merit, is time-consuming and costly and may significantly impact the Company's financial condition and results of operations. The Company has not incorporated such potential costs in any of its financial forecasts.

Significant fluctuations in quarterly results

The Company's operating results may fluctuate from quarter to quarter and from year to year due to a combination of factors, including the number medical device products in development, variations in expenditures for personnel, litigation expenses and expenses of establishing new products. Due to the foregoing and other factors, there can be no assurance that the Company will be profitable on a quarterly or annual basis, or at all.

Dependence on divestment of the Company's products

The products the Company develops may not be accepted in the marketplace, or face competitors who may develop better products to that of the Company. The Company may also elect to market the products and make other commercialization decisions with respect to products it develops without gaining market acceptance. As a result, many of the variables that may affect the Company's revenues by divestment, cash flows and net income may not exclusively be in its control.

Risk management policies and procedures

Operational risk refers to the risk of financial loss resulting from the Company's own operations including, but not limited to deficiencies in the Company's operating policy and inadequacies or breaches in the Company's control procedures.

There is no certainty that the Company's policies and procedures to mitigate its exposure to market and operational risk will be completely effective. Unforeseen events and changes in the economy may lead to market disruptions and unexpected large or rapid changes in market conditions which may have a significant adverse effect on the Company's business, financial prospects and stability.

Staff misconduct

In recent years, there have been a number of highly publicised cases involving fraud or other misconduct by staff in the financial, professional and services industries and the Company runs the risk that staff misconduct could occur. Misconduct by staff could include binding the Company to transactions that present unacceptable risks, destroying computer data, or hiding from the Company unauthorized or unsuccessful activities, which, in either case, may result in unknown and unmanaged risks or losses. Staff misconduct could also involve the improper use of confidential information, which could result in regulatory sanctions and serious reputational harm. It is not always possible to deter employee misconduct and the precautions the Company takes to prevent and detect this activity may not be effective in all cases.

The Company may require additional capital in the future and no assurance can be given that such capital will be available at all or available on terms acceptable to the Company

The Company funds its business using the proceeds from equity private placements, and debt finance from Securitisation of its illiquid assets, namely IP. In the future, the Company may pursue additional private placement debt or equity financing based upon its working capital needs from time to time. However, there can be no assurance that such financing will be available or completed on terms that are favourable to the Company. The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances however, where for sound business reasons, a reallocation of funds may be necessary.

The Company may have further capital requirements to the extent that it decides to proceed to expand its activities, or to take advantage of opportunities for product development, joint ventures or other business opportunities that may be presented to it. Whilst no such further capital requirements are currently expected, in the event that they were necessary or desirable, the Company may not be able to complete such financings in a timely manner on acceptable terms, if at all. Where the Company issues Common Shares in the future, such issuance may result in existing shareholders of the Company sustaining dilution to their relative proportion of the equity in the Company.

Securitisation of the Companies IP

The ability of the Company to redeem all the debt notes at the maturity date in full and to pay all amounts due to the Note holders will require approval of patent applications and divestment or the conversion of debt to equity in the Company subject to shareholder and any regulatory approvals. The Company's IP is held in the securitisation company (Luxembourg) Compartment PureFlowCath as security of the debt finance. The Company cannot pledge or divest any of the Company's IP whilst the debt notes have not been redeemed without the approval of CIC Fund Securitisation S.A.

Risks in a typical securitisation transaction are:

I. Credit risk may arise in transactions on non-payment by underlying borrowers in the pool of loans because of either inability or unwillingness to pay

II. Counterparty risk arises on account of non-performance of any of the counterparties involved in securitisation transactions. Typical counter parties are IP valuator, legal advisors, transaction advisors, trustee and the fiduciary

III. Legal risk may arise in a situation where if the originator (the Company) goes bankrupt, there is a possibility that the bankruptcy court may seek to seize the securitised intangible assets in favour of the debt note holders

IV. Market risk arises on account of factors external to securitisation transactions. Risks arising from prepayment of loans, movement in interest rates, and other macro-economic factors fall under this category.

21.3 Risks relating to the medical products industry

Applicability of patents and proprietary technology

Competitors may have filed patent applications or hold issued Patents, relating to products or processes competitive with those the Company are currently developing or will develop. The patents of the Company's competitors may impair its ability to do business in a particular area. The Company's patent applications may not be approved or approved as desired. Others may independently develop similar products or duplicate any of the Company's or its partner's unpatented products. The Company's success will depend, in part, on its ability in the future to obtain patents, protect patents, protect trade secrets and other proprietary information, and operate without infringing on the proprietary rights of others.

Patent protection is uncertain and involves many complex legal, scientific and technical questions. There is no clear law or policy involving the degree of patent protection afforded under Patents.

As a result, the scope of patents issued to the Company, or its partners may not successfully prevent third parties from developing similar or competitive products. The Company's practice is to enter into confidentiality agreements with its employees, suppliers and distributors. However, these confidentiality agreements may be breached, and the Company may not have adequate remedies for such breaches. Others may independently develop substantially equivalent proprietary information without infringing upon any proprietary technology belonging to the Company. Third parties may otherwise gain access to the Company's proprietary information and adopt it in a competitive manner.

Patent litigation

There has been substantial litigation in the medical device industry concerning the manufacture and supply of medical devices relating to infringement or invalidity by suing for patent infringement within 45 days of receiving notice of patent issue. If the applicant is challenged, the FDA is precluded by statute from granting clearance and approval to the applicant until the earlier of 30 months after the filing of the legal suit, a final court decision of non-infringement or patent invalidity or a court decision which abbreviates the 30 month stay period. Challenges of this type are not uncommon. Similar procedures exist in Canada under the Patented Medicines (Notice of Compliance Regulations). Although management of the Company believes that there will be no litigation with respect to the patent, there can be no assurance as to this fact. Furthermore, there may be additional patent or other litigation in connection with any of the Company's current or future products or product candidates from time to time. Currently, there is no ongoing litigation against the Company. Patent litigation, with or without merit, is time-consuming and costly and may significantly impact the Company's financial condition and results of operations. The Company has not incorporated such potential costs in any of its financial forecasts.

Meeting projected timelines

The timing of completion of future clinical trials of the Company's medical device products, anticipated regulatory approvals or clearances, or the timing of product launch may vary due to factors such as delays or setbacks in the conducting of the Company's clinical trials, regulatory approvals or clearances, patent approvals or in the manufacturing and marketing of an approved product. If the Company does not meet its timelines within the projected timeframe, the Company's business and financial results could be materially adversely affected. Also, a delay in the launch of a product could negatively impact overall revenues and profitability relating to the product.

Product liability and insurance

Medical device development involves extensive testing to ultimate regulatory approvals or clearances. Such studies create a risk of liability for personal injury or death to participants as a result of an unexpected adverse reaction to the medical device product being tested or used or as a result of negligence or misconduct and can result in product liability claims. There can be no assurance that any insurance will be adequate or will continue to be available on terms acceptable to the Company. Insurance will generally not protect the Company against certain of its own actions such as negligence.

Regulation and regulatory approval

The Company requires regulatory approvals or clearances, in the United States and other jurisdictions. There is no assurance that it will receive these regulatory approvals or clearances. Failure to obtain necessary regulatory approvals or clearances, may adversely affect the Company's business, financial condition or results of operations. The Company's regulatory strategy is to seek approval from the FDA.

The cost of obtaining and complying with government regulation can be substantial. Government authorities in the United States, Canada and comparable authorities in foreign countries regulate the research and development, manufacture, testing and safety of medical device products as well as the approval and commercialization of such products. The regulations applicable to the Company's existing and future products may change. There can be long delays in obtaining required clearances from regulatory authorities in any country after applications are filed. Government agencies in the United States, Canada and other countries in which the Company intends to carry on business regulate products intended for human use. Regulations require extensive clinical trials and other testing and government review and final approval before the Company can market its products. Requirements for approval vary widely from country to country outside of the United States and Canada. The Company time required to obtain any such approval may be longer or shorter than in the United States and Canada. Any failure or delay in obtaining regulatory approvals could adversely affect the market for any products the Company develops and therefore its business, results of operations, financial condition and cash flows.

Dependence on strategic advisors

The Company's success depends on its ability to conclude development to market of PureFlowCath medical device and future medical device products. The Company will be dependent on engaging advisors in medical sciences, engineering, testing, manufacture and these advisors:

I. may be pursuing alternative technologies or developing alternative products, either on their own or in collaboration with others, that may be competitive with the products as to which they are collaborating with the Company, which could affect their commitment to the Company's product development efforts
II. may not be able to adequately develop products that would achieve regulatory approvals or clearances, which would adversely affect revenues
III. may terminate their collaborations with the Company, which could make it difficult for the Company to attract new partners or adversely affect how the Company is perceived in the business and financial communities.

The development of medical device products is a process that requires large investments and can take years to complete. Medical device products can be abandoned along the way or regulatory authorities can refuse to approve new products. With respect to projects the Company initiates, the Company will attempt to minimize risk through the judicious selection of product candidates and by focusing on improving products that are required in the medical surgical industry.

Substantial competition and rapid technological change

The Company competes to obtain licenses for new products and competes to secure future divestment or sale of its products. Moreover, the Company's products compete with other products. The medical device industry is subject to rapid and substantial technological change. The Company's products will face intense competition. The Company will compete with companies in North America and abroad, including major surgical product manufacturing and chemical companies, research and development firms, universities and other research institutions. Many of the Company's competitors will have greater financial resources and market capabilities, have greater experience in the area of medical device development and have greater experience in obtaining FDA and other regulatory approvals. The Company's competitors may succeed in developing technologies and products that are more effective or cheaper to use than any products that the Company may develop or licence. These developments could render the Company's technologies and products obsolete or uncompetitive, which could have a material adverse effect on its business and financial results.

The publication of negative results or clinical trials may adversely impact the Company's products

The publication of negative results of studies or clinical trials related to the Company's products adversely affect the Company's business and financial results.

Key personnel and external collaborators

The Company's PureFlowCath medical device development capacity will depend, to a great extent, on its ability to attract and retain highly qualified staff and to establish and maintain relationships with research centres. The competition in the industry in which the Company operates is very intense. The Company's success will be highly dependent upon its senior officers, its scientific personnel as well as its consultants and collaborators. The loss of key employees or collaborators, if any, could compromise the pace and success of the Company's product development.

Concentration risk

Initially, the Company will have only one medical device product subsidiary, PureFlowCath. As a result, the impact on the Company's performance and the potential returns to investors will be more adversely affected if PureFlowCath were to perform badly than would be the case if a range of different medical device products were included in the business structure.

21.4 Risks relating to the common shares

Share price volatility and trading basis

Notwithstanding the fact that an application will be made for the Common Shares to be admitted to the TSXV, this should not be taken as implying that there will be a liquid market in the Common Shares and, accordingly, it may be more difficult for investors to sell their Common Shares. A return on investment in the Common Shares may, therefore, in certain circumstances be difficult to realise. The share price of publicly traded companies can be highly volatile and subject to wide fluctuations in response to a variety of factors, which could lead to losses for Shareholders. The price at which the Common Shares may trade and the price which investors may realise for their Common Shares will be influenced by a large number of factors, some specific to the Company and some which may affect quoted companies generally. These factors could include the performance of the Company's operations, large purchases or sales of shares, liquidity (or absence of liquidity) in its shares, currency fluctuations, legislative or regulatory changes (including changes in the tax regime in the jurisdiction in which the Company or its investments operate), additions or departures of key personnel at the Company, adverse press, newspaper and other media reports and general economic conditions.

In addition, stock markets from time to time suffer significant price and volume fluctuations that affect the market price for securities, which may be unrelated to the Company's performance. The value of the Common Shares will therefore fluctuate and may not reflect their underlying asset value.

Down-round provision could result in dilution

26,834,141 Common Shares have certain debt and equity financing agreements which contain a "down-round" provision ("Top-up") that allows for the issuance of incremental common shares and warrants if after a 30-day continuous trading on a designated stock exchange, the Company's average share price is lower than the then-subscription price of $0.29 per unit. The "down-round" feature was determined by the Company to be a financial liability since it creates an obligation to issue a variable number of shares. Thus, it does not meet the 'fixed-for-fixed' condition in IAS 32.

As a result of down-round provision, the Company has identified derivative liabilities on outstanding warrants with "down-round" provision and on incremental common shares and warrants that could be issued if the "down-round" provision is triggered. Derivative liabilities are remeasured at year-end, with changes in fair value recognized in profit or loss.

Should the Top-up provision be invoked then the issue of top up Common Shares will dilute the interests of Shareholders and could impact upon the price of the Common Shares.

Potential increase in financial derivative liability
The financial derivative liability is calculated on the basis of an analysis of the volatility of peer companies' share trading price performance ("Volatility Analysis"). The Volatility Analysis may not be accurate and, as such, an increase the financial derivative liability could result in further dilution of shareholder holdings.

Future issues of Common Shares could be dilutive
It may be necessary, at some future time, for the Company to issue additional Common Shares to fund the growth plans of the Company. Any such issue would dilute the interests of Shareholders and could impact upon the price of the Common Shares, including any Common Shares or warrants that may be issued as part of the Top-up provisions or the conversion of the debt notes.

Dividends
There can be no assurance as to the level or frequency of future dividends, if any. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Directors of the Company, and will depend on, among other things, the Company's earnings, financial position, cash requirements and availability of profits.

21.5 COVID-19 impact on the Company

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. Currently, COVID-19 has not had any an adverse impact on the business of the Company however, depending on the length and severity of the pandemic, COVID-19 could impact operations, could cause delays relating to approval from of patent applications.

21.6 Russia Ukraine conflict

The Board of Directors/Managers has made an assessment regarding the potential impact of the Russia-Ukraine conflict and world utility crisis. Although the quantitative effect cannot be estimated at the moment with a sufficient degree of confidence, the Board of Directors/Managers has analysed the possible impact of the changing micro and macro-economic conditions on the Company's performance, financial situation and operations, integrated consequences of the crisis within its accounting estimates and has not identified any going concern issue for the Company, nor any significant impact on the financial situation or operations of the Company in respect of this situation as of today. The Board confirms that the Company assessed the existing business relationships with Russia and Ukraine and noted no breaches of any current sanction rules.

Investors should therefore consider carefully whether investment in the Company is suitable for them, in view of the risk factors outlined above and the information contained in this document, their personal circumstances and the financial resources available to them.

22 PROMOTERS

Robert L. Rhodes, CEO of the Company, Stuart J. Bromley and CIC Capital Ltd. (Transaction Advisor) to the Company directly take the initiative in founding, organizing or substantially reorganizing the business of the issuer and are considered the promoters of the Company under the Securities Act (British Columbia).

Stuart J. Bromley is the one hundred per cent (100%) beneficial owner of CIC Fund Securitisation S.A. and a thirty-two per cent (32%) owner of CIC Capital Ltd. Other than as disclosed in this section and under Directors and Executive Officers no person who was a promoter of the Company within the last two years:

I. received anything of value directly or indirectly from the Company or a subsidiary
II. sold or otherwise transferred any asset to the Company or a subsidiary within the last 2 years
III. has been a Director, Officer or promoter of any company that during the past 10 years was the subject of a cease trade order or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets
IV. has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities' regulatory authority
V. has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision
VI. has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.

See "Directors, Officers and Promoters" above and "Executive Compensation" above for further information.

23 LEGAL PROCEEDINGS AND REGULATORY ACTIONS

From time to time the Company may be subject to legal claims, including default judgments (the "Claims") arising in the ordinary course of business. When the Company is made aware of any Claim, it endeavours to resolve any issues, and when necessary, defend any litigation. The Company is not a party to any legal proceedings or regulatory actions and is not aware of any such proceedings known to be contemplated.

No penalties or sanctions have been imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory body within the three years immediately preceding the date of this Prospectus. Management of the Company is not aware of any such penalties or sanctions imposed against the Company.

The Company has not entered into any settlement agreements before a court relating to provincial, state and territorial securities legislation or with a security's regulatory authority within the three years immediately preceding the date of this Prospectus.

24 INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No Director, Executive Officer or principal shareholder of the Company, or an associate or affiliate of a Director, Executive Officer or principal shareholder of the Company, has any material interest, direct or indirect, in any transaction which has occurred within the three years before the date of this Prospectus, or in any proposed transaction that has materially affected or will materially affect the Company. No information has been omitted on the basis that it is confidential information.

25 AUDITORS, TRANSFER AGENT AND REGISTRAR

25.1 Auditors

The auditors of the Company are RSM Canada LLC, independent registered public accountants, located at 11 King St. W., Suite 700, Box 27, Toronto, Ontario, Canada, M5H 4C7. RSM Canada LLC, is independent in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

25.2 Transfer Agent and Registrar

The transfer agent of the Company's Common Shares is Computershare Investor Services Inc., located at 510 Burrard St, 3rd Floor, Vancouver, BC, V6C 3B9.

26 MATERIAL CONTRACTS

The Company has entered into the following contracts which are considered material except for contracts made in the ordinary course of business, that are still in effect as of the date hereof:

I. An agreement dated October 26, 2019, between the Company and CIC Capital Ltd. pursuant to which CIC Capital Ltd. agrees to provide advisory services to enable a direct listing on the TSXV in consideration for an advisory fee of cash Cdn$172,961 (US$130,000) and the issue of Cdn$1,197,423 (US$900,000) in common shares in the Company with a full warrant exercisable at $0.29 per warrant on or before December 31, 2026. The parties entered into a subsequent novation agreement on November 24, 2020, to recognise InnoMed Tech Ltd. as the parent company of the Group (PureFlowCath as subsidiary).

II. An amended agreement dated September 4, 2022 (replacing prior agreements), Novation Letters April 11, 2023 between the Company and CIC Fund Securitisation Fund S.A. (Luxembourg), pursuant to which CIC Fund Securitisation Fund S.A. agrees to the establishment of the Compartment to facilitate debt financing of Euro €5,000,000 with 8.20% compound interest. In addition, 4.2% administration fee on the amounts drawn down. The principal and interest are payable at the end of the loan term being five-year anniversary of the loan draw down. Please refer to Section 2. Item 2.7 for details of the debt financial agreement. The shareholders of the Company approved the agreement, Novation letter April 11, 2023 on May 26, 2023 at the Shareholders Meeting.

   The Company can elect to convert the Debt Note and interest to equity at 20% discount to $0.29 per common share price (at $0.232 per unit). A full warrant will be issued with each common share exercisable at $0.232 on or before December 31, 2026. The Company converted the Debt Note and interest to equity on August 28, 2023.

III. A loan agreement dated March 28, 2020 between Billy Williams and the Company dated December 28, 2019 for US$500,000 plus a fixed interest charge of US$50,000. On April 18, 2020 the agreement was amended by Novation Letter, the amount of $500,000 plus $50,000 interest was converted into common shares in InnoMed Tech Ltd. at $0.29 per share or 1,896,552 common shares plus full warrant exercisable at $0.29 per warrant on or before December 31, 2026. The loan agreement is no longer in effect following the conversion to common shares in the Company.

IV. During April 2020, the Company acquired all Class I and III Member Units of PureFlowCath by way of issuing 228,777 shares in the Company for every Member unit in PureFlowCath with a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026.

   During April 2020, the Company acquired Class II Member Units in PureFlowCath by way of a Share Purchase Agreement (“SPA”) by issuing common shares at $0.29 per share with a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026. The Company owns 100% of PureFlowCath following the acquisition of the Class I, II and III Member Units. This was a common control acquisition as shareholder control remained the same and was an arm’s length transaction.

V. Escrow Agreement between the Company, Computershare Investor Services Inc., Dr Matthew McIntyre, CIC Capital Ltd. and Billy Williams for common shares referred to under “Escrowed Common Shares”.

VI. Escrow Agreement between the Company, Computershare Investor Services Inc., Dr Matthew McIntyre, CIC Capital Ltd., Billy Williams, Robert Rhodes, Terrence A. Larkan, David Toyoda and Dr Marshall K. Walker for warrants referred to under “Escrowed Common Shares” and section 16.6.

VII. An agreement dated March 17, 2022, between the Company and a subsidiary of Paragon Medical Mansfield, pursuant to which Paragon Medical Mansfield agrees to the design and development of PureFlowCath medical device prototype for a consideration of US$111,000. On January 11, 2023, the contract was extended by way of a novation letter to further engage Paragon Medical to undertake an assessment of the ancillary components necessary for the final catheter "kit" to determine which components are commercially available and which will need to be specifically engineered for the PureFlowCath Continuous Flow Catheter at a cost of US$70,000.

VIII. An agreement dated April 8, 2022, between the Company and Clark Regulatory Services LLC., pursuant to which Clark Regulatory Services agrees to provide consultancy advice to PureFlowCath medical device applications to FDA and other regulatory advice.

IX. An agreement dated February 1, 2023 between the Company and Laidebeur & Partners S.A., pursuant to which Laidebeur & Partners agrees to provide IP Legal services including managing and advising on the patent portfolio.

X. Bare Trust Agreement dated August 28, 2023, between the Company and CIC Fund Securitisation S.A. pursuant to which CIC Fund Securitisation S.A. will act as IP Asset custodian under the direction of the Company held in Compartment PureFlowCath.

A copy of any material contract may be inspected following publication of this documents and thereafter for a period of 30 days during normal business hours at the Company's offices at Suite 1000 – 409 Granville Street, Vancouver, BC Canada V6C 1T2.

27 INTEREST OF EXPERTS

To the knowledge of Management, as of the date hereof, no expert, nor any Associate or Affiliate of such person has any beneficial interest, direct or indirect, in the securities or property of the Company or of an Associate or Affiliate of any of them, and no such person is or is expected to be elected, appointed or employed as Director, Officer or employee of Company or of an Associate or Affiliate thereof.

The independent auditors of the Company are RSM Canada. RSM Canada LLP has informed the Company that it is independent with respect to the Company within the meaning of the CPA Code of Professional Conduct of Ontario.

Prospectus review have been passed upon on behalf of the Company by Pacific Star Corporate Finance Law (BC Canada). David Toyoda is the founder of Pacific Star Corporate Finance Law and is a Director of the Company. David Toyoda holds 450,000 warrants exercisable into common shares at $0.001.

Certain legal matters in connection with this Prospectus in relation to Securitisation Luxembourg have been passed upon on behalf of the Company by Ogier (Law Firm Luxembourg).

Accounting matters in connection with this Prospectus in relation to Down-round computations have been passed upon on behalf of the Company by Ernst and Young Luxembourg.

Certain legal matters in connection with this Prospectus in relation to Patent Applications and Patents ("IP") have been passed upon on behalf of the Company by Neomark Sàrl – Laidebeur & Partners (IP Law Firm Luxembourg).

28 OTHER MATERIAL FACTS

There are no other material facts other than as disclosed herein.

29 RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada/the Province of provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a Prospectus and any amendment.

Securities legislation further provides a purchaser with remedies for rescission in some jurisdictions, revisions of the price or damages if the Prospectus and any amendment contain a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

APPENDIX A

InnoMed Tech Ltd.

Interim Condensed Consolidated Financial Statements

For the three month and nine month periods ended September 30, 2023

(Expressed in US dollars)
(Unaudited)

INNOMED TECH LTD.
Interim condensed consolidated statements of financial position
As at September 30, 2023 and December 31, 2022
(Expressed in US dollars)
(Unaudited)

	Notes	**As at September 30, 2023** **$**	As at December 31, 2022 $
Assets			
Current			
Cash		**2,473**	22,307
Due from CIC Capital Ltd.	3	**2,893,165**	1,031,746
Prepaid expenses		**5,570**	11,437
Total assets		**2,901,208**	1,065,490
Liabilities			
Current			
Accounts payable and accrued liabilities		**170,186**	103,854
Non-current			
Derivative liabilities	4	**3,810,936**	3,872,322
Securitization notes payable	5	**-**	1,127,832
		3,810,936	5,000,154
		3,981,122	5,104,008
Shareholders' deficiency			
Share capital	6	**9,524,969**	7,072,284
Treasury shares	6	**(794,000)**	(794,000)
Contributed surplus	6	**1,897,093**	1,751,097
Warrant reserve	6	**3,001,092**	366,517
Deficit		**(14,709,068)**	(12,434,416)
Total shareholders' deficiency		**(1,079,914)**	(4,,038,518)
Total liabilities and shareholders' deficiency		**2,901,208**	1,065,490

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

INNOMED TECH LTD.
Interim condensed consolidated statements of operations and comprehensive loss
For the three month and nine month periods ended September 30, 2023 and 2022
(Expressed in US dollars)
(Unaudited)

	Notes		Three months ended September 30, 2023		Three months ended September 30, 2022		Nine months ended September 30, 2023		Nine months ended September 30 2022
Expenses									
Legal and professional fees	7,8	**$**	**146,755**	$	80,857	**$**	**545,522**	$	367,036
Change in fair value of derivative liabilities	4		**(39,320)**		268,324		**(156,032)**		(188,479)
Impairment loss on amount due from CIC Capital Ltd.	3		**826,000**		141,000		**704,000**		141,000
Salaries and wages	6,8		**49,500**		52,500		**693,917**		149,383
Foreign exchange loss (gain)			**(1,195)**		(7,342)		**38,439**		(3,933)
Patent and research and development			**-**		-		**46,071**		14,723
General administration			**3,919**		1,381		**8,597**		7,080
Securitization administration expenses	8		**137,536**		-		**137,536**		-
Interest on securitization notes payable	8		**138,840**		4,970		**214,994**		4,970
Travel			**-**		-		**27,563**		42,397
Marketing			**-**		5,261		**14,045**		15,629
Net loss and comprehensive loss		**$**	**(1,262,035)**	$	(546,951)	**$**	**(2,274,652)**	$	(549,806)
Weighted average shares outstanding - basic and diluted	9		**48,966,606**		47,566,468		**45,426,164**		47,566,468
Basic and diluted loss per share		**$**	**(0.03)**	$	(0.01)	**$**	**(0.05)**	$	(0.01)

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

INNOMED TECH LTD.
Interim condensed consolidated statements of changes in shareholders' deficiency
For the nine month periods ended September 30, 2023 and 2022
(Expressed in US dollars)
(Unaudited)

		Share Capital		Treasury Shares	Contributed Surplus	Warrant Reserve	Deficit	Total Shareholders' Deficiency
	Notes	Number	Amount $	$	$	$	$	$
Balance January 1, 2022		47,471,609	7,045,959	(794,000)	1,003,220	366,517	(10,376,767)	(2,755,071)
Issuance of units	6	172,414	33,108	-	-	16,892	-	50,000
Recognition of derivative liabilities	4,6	-	(6,783)	-	-	(16,892)	-	(23,675)
Net loss and comprehensive loss		-	-	-	-	-	(549,806)	(549,806)
Balance, September 30, 2022		**47,644,023**	**7,072,284**	**(794,000)**	**1,003,220**	**366,517**	**(10,926,573)**	**(3,278,552)**
Balance, January 1, 2023		**47,644,023**	**7,072,284**	**(794,000)**	**1,751,097**	**366,517**	**(12,434,416)**	**(4,038,518)**
Acquisition and cancellation of shares for no consideration	6	(6,875,949)	(893,873)-	-	893,873	-	-	-
Value of conversion rights on securitization notes	5	-	-	-	1,336,157	-	-	1,336,157
Conversion of securitization notes payable into equity	5,6	22,858,152	3,276,204	-	(2,084,034)	2,089,158	-	3,281,328
Issuance of units	6	568,966	114,245	-	-	50,755	-	165,000
Recognition of derivative liabilities	4,6	-	(43,891)	-	-	(50,755)	-	(94,646)
Share-based compensation	6	-	-	-	-	545,417	-	545,417
Net loss and comprehensive loss		-	-	-	-	-	(2,274,652)	(2,274,652)
Balance, September 30, 2023		**64,195,192**	**9,524,969**	**(794,000)**	**1,897,093**	**3,001,092**	(14,709,068)	(1,079,914)

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

INNOMED TECH LTD.

Interim condensed consolidated statements of cash flows
For the nine month periods ended September 30, 2023 and 2022
(Expressed in US dollars)
(Unaudited)

	Nine months ended September 30, 2023	Nine months ended September 30, 2022
	$	$
Cash provided by (used in)		
Operations		
Net loss	**(2,274,652)**	(549,806)
Items not affecting cash		
Share-based compensation	**545,417**	-
Impairment loss on amount due from CIC Capital Ltd.	**704,000**	141,000
Interest expense on long-term loan	**214,994**	4,970
Change in fair value of derivative liabilities	**(156,032)**	(188,479)
	(966,273)	(592,315)
Changes in non-cash working capital		
Prepaid expenses	**5,867**	(132,363)
Due from CIC Capital Ltd.	**709,240**	298,751
Accounts payable and accrued liabilities	**66,332**	60,713
	(184,834)	(365,214)
Financing		
Issuance of units for cash	**165,000**	50,000
Net change in cash	**(19,834)**	(315,214)
Cash, beginning of the period	**22,307**	315,511
Cash, end of the period	**2,473**	297
Non-cash financing activities		
Share cancellations	**893,873**	-
Proceeds from securitization notes received by CIC Capital Ltd.	**3,274,659**	-
Conversion of securitization notes payable into equity	**3,281,328**	-

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

1. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS AND GOING CONCERN

Innomed Tech Ltd. (the "Company") was incorporated and registered on November 22, 2019 under the General Corporation Law of the State of Delaware, with the name InnoMed Tech, Inc. and with registered file number 7721120. On May 27, 2020, the Company continued (change of jurisdiction of incorporation) into British Columbia ("BC") Canada under the Business Corporation Act (British Columbia) with registered number C1251506 as Innomed Tech Ltd.

The Company is in the business of developing medical devices, medical digital or science inventions. The address of the registered office of the Company is Suite 1000 – 409 Granville Street, Vancouver, BC Canada V6C 1T2.

The Company was subject to a transaction on April 15, 2020, which involved inserting a new parent company above PureFlowCath, LLC [formerly Innomed Two, LLC] ("PureFlowCath"). The parent company (the Company), a 'shell' company, issued shares to the existing controlling shareholders of PureFlowCath. Control remained the same before and after April 15, 2020. The Company has determined this transaction to be a common control business acquisition and has been accounted for using the pooling of interest method, whereby the combined assets and liabilities of the Company and PureFlowCath are recorded at their existing carrying value and no goodwill was recognized.

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, PureFlowCath (formed in the U.S. but has an inactive operation) and Compartment PureFlowCath (the "Compartment"), a compartment created under CIC Fund Securitisation S.A. ("CIC FS Luxembourg"), a public limited liability company incorporated under the laws of the Grand Duchy of Luxembourg. The Compartment is involved in asset securitization.

The Company is subject to several risks associated with the successful development of new products, the successful conduct of clinical studies and the subsequent marketing and commercialization of the results in the uncertain environment presented by the COVID-19 pandemic. It is likely that the product developed by the Company will require approval from the U.S. Food and Drug Administration and equivalent organizations in other countries before commercialization.

For the nine months ended September 30, 2023, the Company incurred a net loss of $2,274,652 and a cash-flow deficit from operations of $184,834. The Company's future operations are dependent upon its ability to secure additional funds to finance patent applications to approval, its research and development activities and in the longer-term clinical studies. It is not possible to predict whether the Company will be successful, securing new financing, patent application approvals and obtain approval from the U.S. Food and Drug Administration and equivalent organizations in other countries.

There can be no assurance that management will be successful in their efforts to generate sufficient cash-flow or that it will ever develop a self-supporting business. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company`s ability to continue as a going concern. These interim condensed consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Accordingly, these interim condensed consolidated financial statements do not reflect any adjustments to the carrying amounts which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these interim condensed consolidated financial statements. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

The interim condensed consolidated financial statements for the nine months ended September 30, 2023, have been prepared in accordance with the International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. The interim condensed consolidated financial statements do not include all disclosures required in the annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2022.

These interim condensed consolidated financial statements were approved for issue by the Board of Directors on December 7, 2023.

b) Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and its wholly owned subsidiary, PureFlowCath and the Compartment (a controlled structured entity). All intercompany transactions, and balances are eliminated upon consolidation. Assets, liabilities, income and expenses of a subsidiary are included in the interim condensed consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

c) New standards, interpretations and amendments adopted by the Company

The accounting policies followed in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2022. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments applied for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements of the Company.

d) Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's interim condensed consolidated financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

The following amendments to existing standards have been issued and are applicable to the Company for its annual period beginning on January 1, 2024, and thereafter, with an earlier application permitted:

- Classification of Liabilities as Current or Non-current – Amendments to IAS *1 Presentation of Financial Statements*;
- Non-current liabilities with covenants – Amendments to IAS 1 *Presentation of Financial Statements*;
- Lease liability in sale and leaseback – Amendment to IFRS 16 *Leases*; and
- Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*.

The Company is currently evaluating the impacts of adopting these amendments on its interim condensed consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Significant accounting judgements, estimates and assumptions

The preparation of the Company's interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of assets or liabilities affected in future periods.

3. DUE FROM CIC CAPITAL LTD

The amount due to CIC Capital Ltd. is as follows:

	September 30, 2023 $	December 31, 2022 $
Due from CIC Capital Ltd.	**3,986,165**	1,420,746
Less: Loss provision	**(1,093,000)**	(389,000)
	2,893,165	1,031,746

While the Company is finalizing the transfer of its banking facilities as part of its cash was held in trust with CIC Capital Ltd., a shareholder and advisor to the Company. The amount is due to the Company on demand, is unsecured and is non-interest bearing.

In determining the expected credit losses, management has taken into the account the financial position of the related party and general economic condition of the industry in which the related party operates, in estimating the probability of default on the receivable, as well as the loss upon default. Management determines the amount of loss provision on due from CIC Capital Ltd. is $1,093,000 (2022 - $389,000).

Changes in loss provision are as follows:

	September 30, 2023 $	December 31, 2022 $
Balance, beginning of period	**389,000**	-
Impairment loss (gain)	**704,000**	389,000
Balance, end of period	**1,093,000**	389,000

4. DERIVATIVE LIABILITIES

Certain equity financing agreements contain a “down-round” provision that allows for the issuance of incremental common shares and warrants if after a 30-day continuous trading on a designated stock exchange, the Company’s average share price is lower than the then-subscription price of $0.29 per unit. The “down-round” feature was determined by the Company to be a financial liability since it creates an obligation to issue a variable number of shares. Thus, it does not meet the ‘fixed-for-fixed’ condition in IAS 32.

As a result of down-round provision, the Company has identified derivative liabilities on outstanding warrants with “down-round” provision and on incremental common shares and warrants that could be issued if the “down-round” provision is triggered.

Derivative liabilities are remeasured at end of each reporting period, with changes in fair value recognized in profit or loss.

Changes in fair value of derivative liabilities during the period are as follows:

	Outstanding warrants with “down- round” feature $	"Down-round” feature on warrants $	"Down-round” feature on common shares $	Total $
Balance, January 1, 2023	2,113,894	553,426	1,205,003	3,872,322
Issuance during the period	50,755	12,630	31,261	94,646
Change in fair value	(184,336)	(39,285)	67,589	156,032)
Balance, September 30, 2023	1,980,313	526,770	1,303,853	3,810,936

	Outstanding warrants with “down- round” feature $	"Down-round” feature on warrants $	"Down-round” feature on common shares $	Total $
Balance, January 1, 2022	2,625,378	298,150	548,596	3,472,124
Issuance during the period	16,892	2,285	4,499	23,676
Change in fair value	(346,943)	38,652	119,812	(188,479)
Balance, September 30, 2022	2,295,327	339,087	672,907	3,307,321

The change in fair value of the derivative liabilities is presented as a separate line on the consolidated statement of operations and other comprehensive income.

The valuation method and inputs used in the valuation of the derivative on outstanding warrants on the date of grant are disclosed in Note 6.

As at September 30, 2023 and December 31, 2022, the estimated incremental shares and warrants were determined using the Monte Carlo simulation methodology. Under this methodology, the Company’s future share prices 30 days post-listing date were simulated for 5,000 times.

4. DERIVATIVE LIABILITIES (continued)

Key inputs used are (1) share price at valuation date of $0.29; (2) daily drift of 0.60% (December 31, 2022 – 0.60%), which is calculated as the 30 trading days daily post-listing return of comparable companies; and (3) daily volatility of 2.51% (December 31, 2022 – 2.46%), which is calculated as the 30 days daily post-listing volatility of comparable companies. Based on this methodology, the probability of the down-round provision being triggered is 41% (December 31, 2022 – 41%) and the average future share price is $0.23 (December 31, 2022 - $0.23), which was then adjusted for a 20% discount based on the formula given in the agreements.

Prior to December 31, 2022, the estimated incremental shares and warrants were determined using the expected value method on initial recognition and on subsequent valuation dates. Key inputs used are (1) 25% probability of the down-round provision being triggered, (2) expected share price reduction price of 20% from the then-subscription price of $0.29 per share, and (3) expected date of listing.

The fair value of the derivative on outstanding warrants and incremental warrants was determined using the Black-Scholes pricing model with the following assumptions:

	September 30, 2023		**December 31, 2022**	
	Outstanding warrants	**Incremental warrants**	**Outstanding warrants**	**Incremental warrants**
Number of warrants	23,730,693	6,312,456	23,161,727	6,063,831
Exercise price	$0.29	$0.29	$0.29	$0.29
Share price	$0.21	$0.21	$0.20	$0.20
Risk-free rate	4.64%	4.64%	3.86%	3.86%
Expected volatility	67.18%	67.18%	69.65%	69.65**%**
Expected dividend yield	0.00%	0.00%	0.00%	0.00%
Expected life (in years)	3.25	3.25	4.00	4.00

Fair value hierarchy

The fair value of outstanding warrants with "down-round" provision is classified under Level 2 fair value hierarchy. The fair value of both incremental shares and warrants is classified under Level 3 fair value hierarchy. The following table summarizes the quantitative information about the significant unobservable inputs used in the fair value measurements of incremental shares and warrants as of September 30, 2023 and December 31, 2022.

Key unobservable inputs	Relationship of unobservable inputs to fair value
Probability that the "down-round" provision will be triggered – 41% (December 31,2022 – 41%)	The lower the probability, the lower the fair value
Magnitude of share price reduction – 21% [(1)] (December 31, 2022 – 21%)	The lower the share price below the then-subscription price of $0.29, the higher the incremental common shares and warrants that could be issued. The higher the incremental shares and warrants, the higher the fair value

(1) Based on Monte Carlo simulations, average future post-listing share price is $0.23 per share, or a reduction of 21%.

There were no transfers between any levels during the period.

5. SECURITIZATION NOTES PAYABLE

	September 30, 2023 $	December 31, 2022 $
Third party accredited noteholder - including accrued interest of $nil (December 31, 2022 – $21,759)	-	1,026,002
CIC Capital Ltd. (a shareholder) –including accrued interest of $nil (December 31,2022 – $1,151)	-	101,830
	-	1,127,832

In September and December 2022, CIC FS Luxemburg, acting exclusively in the name and on behalf of the Compartment, raised financing by issuing securitization notes totalling to $1,842,554 as at December 31, 2022 to certain professional investors. Of the total funds raised, $168,410 note was issued to CIC Capital Ltd., a shareholder, as payment for certain professional fees provided by such shareholder.

On July 2, 2023, CIC FS Luxemburg, acting exclusively in the name and on behalf of the Compartment, raised financing by issuing additional securitisation notes totalling to $3,274,659 (€3,000,000) to certain professional investors.

The funds raised from these debt notes were fully drawn by the Company for working capital. The securitization notes bear interest at 8.2% per annum, compounded every December 31st. The principal and interest are payable in US Dollars at the end of the loan term being five-year anniversary of the loan draw down.

All cash flows from the IP assets transferred to the Compartment are applied to service the outstanding balance of the securitization notes, after the payment of any accrued and unpaid taxes, certain operational costs and certain transaction costs, in accordance with the terms and conditions of the securitization notes. The rights of the noteholders are limited to the cash flows arising from the IP assets.

The Company can elect to convert the securitisation notes and interest into equity in the Company before due date of loan repayment subject to any regulatory compliance.

The Company is not required but provided financial support to the Compartment for the Compartment's ongoing operating expenses, legal fees for IP management and further development of the IP assets financial support provided for the nine months ended September 30, 2023, was $160,180 (2022 - $54,447). The Compartment does not retain cash because all proceeds from issuance of securitization notes were advanced or loaned to the Company. The Company does not intend to seek reimbursement of these expenses from the Compartment.

While the Compartment is included in the Company's consolidated financial statements, the Compartment is a deemed separate legal entity and the IP assets and any cash held by the Compartment are legally owned by it and are not available to the Company's creditors.

5. SECURITIZATION NOTES PAYABLE (continued)

Conversion feature

The Company at its sole discretion can elect to convert the securitization notes and accrued interest into equity in the Company at a 20% discount from the $0.29 ($0.232) before due date of loan repayment subject to any regulatory compliance. A full warrant will be issued with each common share exercisable at $0.232 on or before December 31, 2026.

The accounting treatment under IAS 32 is less clear for convertible instruments where the issuer (rather than the holder) has the choice as to whether to settle a debt instrument with cash or another financial asset or to deliver a fixed number of shares. Given the lack of clear guidance in IAS 32, the Company adopted an accounting policy to account for the securitization notes as a compound instrument consisting of:

- an obligation to pay cash as interest during the life and principal at maturity, which is a financial liability; and
- a purchased put option over the Company's own shares (i.e. an option to exchange the obligation to pay the securitization notes for a fixed number of shares), which is equity.

The directors determined that the market interest rate of 20% per annum on securitization notes reflects the interest rate of a comparable instrument without the conversion feature. Therefore, the proceeds were allocated to the financial liability at $3,033,178 and residual value of $2,084,034 has been assigned to the conversion feature accounted for as contributed surplus.

On April 28, 2023, the Board of Directors resolved to convert the securitization notes payable, together with any accrued interest, into equity, that is, shares and warrants in the Company. The shareholders of the Company approved the agreement and novation letter on May 26, 2023, at a Special Shareholders' Meeting.

On August 28, 2023, the Company converted its securitization notes payable with a carrying value of $3,281,328 (and a face value of $5,286,854) into 22,858,152 common shares. The Company issued 22,858,152 units where each unit issued includes one full warrant exercisable at $0.29 per unit less 20% discount ($0.232).

Reconciliation of liabilities from financing activities

Changes during the year arising from financing activities:

	September 30, 2023 $	December 31, 2022 $
Balance, beginning of period	**1,127,832**	-
Non-cash – proceeds from issuance of securitization notes held by CIC Capital Ltd.	**3,274,659**	1,674,144
Securitization notes issued for expenses	**-**	168,410
Discount on securitization notes	**(1,336,157)**	(747,877)
Amortization of discount on securitization notes	**68,262**	10,245
Interest expense	**146,732**	22,910
Conversion to equity	**(3,281,328)**	-
Balance, end of period	**-**	1,127,832

6. SHARE CAPITAL AND RESERVES

Authorized

The Company is authorized to issue unlimited common shares without par value.

Common shares

At September 30, 2023 64,195,192 common shares (December 31, 2022 – 47,644,023) common shares) were issued.

During the nine months ended September 30, 2023, the Company entered into the following capital transactions:

i) The Company issued 568,966 units under various subscription agreements entered into various dates during the period for $0.29 per unit for net proceeds of $165,000. Each unit consists of one share and a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026. The subscription agreements in respect of this financing contain a "down-round" feature, which is disclosed in Note 4. All warrants granted are classified as a financial liability because they do not meet the 'fixed-for-fixed' criteria in IAS 32.

   The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	568,966
Exercise price	$0.29
Share price	$0.18 -$0.21
Risk-free interest rate	3.86% - 4.07%
Expected volatility	68.46% - 69.65%
Expected life of warrants	3.25 – 4.00 years
Expected dividend yield	0.00%
Fair value	$50,755
Fair value per warrant	$0.08 - $0.090

ii) On March 28, 2023, Innovative Medicine Partners, LLC ("IMP"), a shareholder, and previous key members of management, including certain company and consultants related to them, cancelled 6,189,638 common shares valued at $0.13 per share as a settlement regarding a dispute over the fees paid to IMP for research and development whilst acting as management prior to April 15, 2020. As a result, the Company recorded $804,653 in contributed surplus. Each cancelled unit of one share did not have any warrants.

iii) On July 30, 2023, Satterwhite Law Firm ("Satterwhite"), a shareholder, the Company cancelled 686,311 common shares valued at $0.13 per share. As a result, the Company recorded $89,220 in contributed surplus. Each cancelled unit of one share did not have any warrants.

iv) On August 28, 2023, the Company issued 22,858,152 units where each unit issued includes one full warrant exercisable at $0.29 per unit less 20% discount ($0.232).

6. SHARE CAPITAL AND RESERVES (continued)

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	22,858,152
Exercise price	$0.232
Share price	$0.21
Risk-free interest rate	4.64%
Expected volatility	67.18%
Expected life of warrants	3.25 years
Expected dividend yield	0.00%
Fair value	$2,089,158
Fair value per warrant	$0.08

During the nine months ended September 30, 2022, the Company issued 172,414 units under various subscription agreements entered into various dates during the period for $0.29 per unit for net proceeds of $50,000. Each unit consists of one share and a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026. The subscription agreements in respect of this financing contain a "down-round" feature, which is disclosed in Note 3. All warrants granted are classified as a financial liability because they do not meet the 'fixed-for-fixed' criteria in IAS 32.

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	172,414
Exercise price	$0.29
Share price	$0.18 - $0.20
Risk-free interest rate	1.02% - 3.46%
Expected volatility	92% - 121%
Expected life of warrants	2.49 – 3.00 years
Expected dividend yield	0.00%
Fair value	$16,892
Fair value per warrant	$0.09 - $0.11

6. SHARE CAPITAL AND RESERVES (continued)

Warrants

Set out below are summaries of warrants granted and classified under equity during the period:

	September 30, 2023		September 30, 2022	
	Average exercise price per warrant	Number of warrants	Average exercise price per warrant	Number of warrants
Balance, beginning of period	**$0.120**	**3,103,448**	$0.120	3,103,448
Issued to directors during the period	**$0.001**	**2,700,000**	-	-
Issued for the conversion of securitisation notes to equity during the period	**$0.232**	**22,858,152**	-	-
Balance, end of period	**$0.198**	**28,661,600**	$0.120	3,103,448
Vested and exercisable end of period	**$0.198**	**28,661,600**	$0.120	3,103,448

On March 1, 2023, the Company issued 450,000 founder warrants to each of the five directors of the Company and to the director of PureFlowCath, for a total of 2,700,000 warrants. The warrants awarded were approved by the minority shareholders at the Annual General and Special Shareholders' Meeting held on March 8, 2023. These warrants are subject to approval by either the Board of Directors or shareholders prior to their conversion to common shares. Every warrant is entitled to purchase one share at an exercise price of $0.001 per share on or before December 31, 2026.

The fair value of the warrants on the date of grant was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	2,700,000
Exercise price	$0.001
Share price	$0.203
Risk-free interest rate	4.00%
Expected volatility	68.46%
Expected life of warrants	3.8 years
Expected dividend yield	0.00%
Fair value	$545,417
Fair value per warrant	$0.20

The Company recognized a share-based compensation expense of $545,417, which is presented as part of salaries and wages, with a corresponding increase in warrant reserve, for the nine months ended September 30, 2023.

No warrants expired during the period.

As at September 30, 2023, there were 52,392,293 warrants issued and outstanding (December 31, 2022 - 26,265,175) with exercise prices between $0.001 and $0.29 and all expire on December 31, 2026. Of these warrants, 23,730,693 warrants were presented as part of the derivative liabilities (December 31, 2022 – 23,161,727).

7. LEGAL AND PROFESSIONAL FEES

Components of legal and professional fees for the period are as follows:

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
	$	$	$	$
Patent and trademark legal fees	**12,389**	28,166	**136,885**	107,259
Legal and professional fees	**42,260**	50,853	**211,626**	213,760
Accounting and audit	**92,106**	1,838	**197,011**	46,017
	146,755	80,857	**545,522**	367,036

8. RELATED PARTY TRANSACTIONS

(a) The key management personnel compensation is as follows:

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
	$	$	$	$
Short-term employee benefits [i)]	**45,000**	49,089	**135,000**	96,883
Share-based compensation	**-**	-	**545,417**	**-**
	45,000	49,089	**680,717**	96,883

i) Excludes expenses, direct monthly compensation only.

(b) The following transactions occurred with related parties for the three month and nine month periods ended:

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
	$	**$**	**$**	**$**
Purchase of professional services from CIC Capital Ltd., a shareholder	106,939	54,000	241,939	168,700
Securitisation administration expense	137,536	-	137,536	-
Interest expense on securitization note payable to CIC Capital Ltd. (Notes 5)	3,394	-	13,577	-
Purchase of professional services from certain shareholders	1,673	-	20,238	3,493

9. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted loss per share is calculated by dividing the loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares and excluding treasury shares.

The following table reflects the loss and share data used in the basic and diluted loss per share calculations for the three month and nine month periods ended:

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Net income (loss)	$ **1,262,035**	$ 546,951	$ 2,274,652	$ **549,806**
Weighted average share outstanding - basic and diluted	**48,966,606**	47,566,468	45,426,164	**47,566,468**
Basic and diluted earnings loss per share	$ 0.03	$ 0.01	$ 0.05	$ 0.01

For the periods presented, the diluted loss per share was the same as the basic loss per share as the inclusion of warrants and contingently issuable shares and warrants would have been anti-dilutive. Accordingly, the diluted loss per share for the periods presented was calculated using the basic weighted average number of common shares outstanding.

10. MANAGEMENT OF CAPITAL

The Company defines its capital as shareholders' deficiency. The Company's objectives when managing capital are to ensure there are sufficient funds available to carry out its research and development programs. To date, these programs have been funded through the sale of equity securities and issuance of securitisation notes.

The Company also intends to source non-dilutive funding by accessing grants, government assistance and tax incentives, and through partnerships with corporations and research institutions. The Company uses budgets and purchasing controls to manage its costs. The Company is not exposed to any externally imposed capital requirements.

11. FINANCIAL INSTRUMENTS

Classification of financial instruments

The following table sets out the financial instrument at year-end:

	September 30, 2023 **$**	December 31, 2022 $
Financial assets at amortized cost		
Cash	**2,473**	22,307
Due from CIC Capital Ltd.	**2,893,165**	1,031,746
	2,895,638	1,054,053
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	**170,186**	103,854
Securitization notes payable	**-**	1,127,832
Financial liabilities at fair value to profit or loss		
Derivative liabilities	**3,810,936**	3,872,322
	3,981,122	5,104,008

Fair Value

Cash, due to CIC Capital Ltd. and accounts payable and accrued liabilities are all short-term in nature and, as such, their carrying values approximate fair values.

Risks

The Company has exposure to credit risk, liquidity risk and foreign exchange risk.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises from the Company's cash and amounts due from CIC Capital Ltd. The carrying amount of these financial assets represents the maximum credit exposure. The Company follows an investment policy to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs. Cash is deposited with a major Canadian bank.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due from CIC Capital Ltd. The Company is a development stage company and is reliant on external fundraising to support its operations. Once funds have been raised, the Company manages its liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

11. FINANCIAL INSTRUMENTS (continued)

The following table summarizes the maturity profile of the Company's non-derivative financial liabilities with agreed repayment periods:

September 30, 2023	Less than 12 months $	1 to 5 years $	Total $
Accounts payable and accrued liabilities	170,186	-	170,186

c) Foreign currency Risk

Currency risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. The Company is exposed to foreign currency risk on fluctuations related to cash and accrued expenses that are denominated in Canadian dollars.

As at September 30, 2023, the Company had net monetary liabilities denominated in foreign currencies consisting of CAD$189,844 and €20,000 (December 31, 2022 – CAD$68,443 and €15,750). A 10% fluctuation in foreign exchange rates would impact the consolidated statement of operations by $16,159 (December 31, 2022 - $30,192).

Fair value estimation

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

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

Management determined the fair value as follows:

- The fair value of derivative liabilities was determined using the Monte Carlo simulation to estimate the number of incremental common shares and warrants that could be issued if the down round provision is triggered and Black-Scholes option pricing model.
- The fair value of securitization notes payable for disclosure purposes was determined using the discounted cash flows method in accordance with current financing arrangements. The discount rate used corresponds to prevailing market rates offered to the Compartment, which issued the debt instrument, for debt with the similar terms and conditions.

12. FINANCIAL INSTRUMENTS (continued)

The following table sets forth the Company's financial liabilities measured at fair value:

September 30, 2023	Level 1	Level 2	Level 3
Derivative liabilities	-	$1,980,313	$1,830,623

December 31, 2022	Level 1	Level 2	Level 3
Derivative liabilities	-	$2,113,894	$1,758,428

The following table sets forth the Company's financial liabilities not measured at fair value but for which fair value is disclosed:

September 30, 2023	Level 1	Level 2	Level 3
Securitization notes payable	$ -	$ -	$ -

December 31, 2022	Level 1	Level 2	Level 3
Securitization notes payable	$ -	$ -	$ 1,127,832

13. SEGMENT INFORMATION

The Company operates primarily in one principal business, that being the development of medical devices, medical digital and science inventions. The Company's Chief Operating Decision-Maker ("CODM") is a function comprising two C-Level executives, specifically the Chief Executive Officer and the Chief Financial Officer. The CODM is the highest level of management responsible for assessing the Company's overall performance and making operational decisions such as resource allocations related to operations, product prioritization, and delegation of authority. Management has determined that the Company operates in a single operating and reportable segment.

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MANAGEMENT DISCUSSION & ANALYSIS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023

This Management's Discussion and Analysis ("MD&A") of Innomed Tech Ltd. ("Company"), prepared as of November 27, 2023, should be read in conjunction with the financial statements and the notes thereto for the nine months period ended September 30, 2023 which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of financial statements, including IAS 34, "Interim Financial Reporting". The currency of the amounts is expressed in US dollars.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

The Board of Directors of the Company has approved the disclosure contained in this MD&A. Additional information related to the Company can be found on the Company's website at www.InnomedTec.com.

The effective date of this report is November 28, 2023.

FORWARD LOOKING STATEMENTS

This report includes certain statements that may be deemed "forward looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts that address such matters as future events or developments that the Company expects, are forward looking statements and, as such, are subject to risks, uncertainties and other factors of which are beyond the reasonable control of the Company. Such statements are not guarantees of future performance and actual results or developments may differ materially from those expressed in, or implied by, this forward-looking information. With respect to forward looking statements and information contained herein, we have made numerous assumptions including among other things, assumptions about economics and competition surrounding the services provided by the Company, anticipated costs and expenditures and the Company's ability to achieve its goals. Although management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward-looking statement or information herein will prove to be accurate.

Readers can identify many of these statements by looking for words such as "believes", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof.

Examples of forward-looking statements in this MD&A include that:

- the performance characteristics of the Company's medical devices
- projections of costs;
- future medical devices and divestment;
- securitisation of assets;
- patent approvals
- Food and Drug Administration approvals;
- capital programs;
- debt levels;
- treatment under governmental regulatory regimes and tax laws; and
- capital expenditures.

Forward looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or information. Factors that could cause actual results to differ materially from those in forward looking statements include such matters as continued availability of capital and financing and general economic, market or business conditions.

Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward looking statements or information.

Any forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and subject to change after that date and the Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

HISTORY OF THE COMPANY

The Company was incorporated and registered on November 22, 2019 under the General Corporation Law of the State of Delaware, with the name InnoMed Tech, Inc. and with registered file number 7721120. On May 27, 2020, the Company continued (change of jurisdiction of incorporation) into British Columbia (“BC”) Canada under the Business Corporation Act (British Columbia) with registered number C1251506 as Innomed Tech Ltd.

The Company was subject to transaction on April 15, 2020, which involved inserting a new parent company at the top of PureFlowCath, LLC (formerly InnoMed Two, LLC) (“PureFlowCath”). The parent company (Innomed Tech Ltd.) a ‘shell’ company issued shares to the existing controlling shareholders. Control remained the same before and after April 15, 2020 and is a common control acquisition. The New Management description being after April 15, 2020 refers to a new board being instituted representing the same control bloc namely member unit holders.

The Company has determined this transaction to be a common control business acquisition and has been accounted for using the pooling of interest method, whereby the combined assets and liabilities of the Company and PureFlowCath are recorded at their existing carrying value and no goodwill was recognized.

The address of the registered office of the Company is Suite 1000 – 409 Granville Street, Vancouver, BC Canada V6C 1T2.

BUSINESS OF THE COMPANY

The Company is in the business of medical devices and sciences working with medical practitioner innovators within the global medical community.

The Company's medical device development subsidiary, PureFlowCath, is delivering its first medical device, the PureFlowCath Catheter System for Continuous Irrigation ("CSCI"). CSCI addresses a significant market opportunity in reducing or eliminating urinary tract infections commonly associated with the use of a urinary catheter.

RESULTS OF OPERATIONS

For the nine months ended September 30, 2023, the Company had a net loss of $2,274,652 compared to a net loss of $549,806 for the nine months ended September 30, 2022.

During the nine month periods ended September 30, 2023 and 2022, Company incurred the following general and administrative expenses:

	Nine months ended September 30 2023	Nine months ended September 30 2022
Expenses		
Legal & professional fees	**$ 545,522**	$ 367,036
Change in fair value of derivative liabilities	**(156,032)**	(188,479)
Impairment loss on due from CIC Capital Ltd.	**704,000**	141,000
Interest on securitization notes payable	**214,994**	4,970
Salaries and wages	**693,917**	(3,933)
Foreign exchange loss (gain)	**38,439**	(3,933)
Patent / Research & development	**46,071**	14,723
General administration	**8,597**	7,080
Travel	**27,563**	42,397
Marketing	**14,045**	15,629
	(2,274,652)	(549,806)

Legal & professional fees expenses increased significantly during the nine month period ended September 30, 2023 $545,522 (2022 $367,036) due to the securitisation costs and significant increases in accounting and audit fees.

The Company recorded a fair value decrease of nine months ended September 2023 $156,032 (2021 – decrease of $188,479) representing change in the fair value of derivative liabilities. The decrease in the fair value of derivative liabilities was due to changes in peer analysis and an expanded sampling of per analysis companies. The Company appointed Ernst & Young to conduct the derivative liabilities and "down-round" provisions. Certain equity financing agreements contain a "down-round" provision that allows for the issuance of incremental common shares and warrants if the provision in the agreements is triggered.

Impairment loss relates to the amount is due to the Company on demand from CIC Capital Ltd (debt note proceeds held in Europe), is unsecured and is non-interest bearing. In determining the expected credit losses, management has taken into the account the financial position of the related party, adjusted for factors that are specific to the related party and general economic condition of the industry in which the related party operates, in estimating the probability of default of the receivable, as well as the loss upon default. Management determines the amount due from CIC Capital Ltd. – In Trust is $1,093,000 (2022 - $389,000).

The Company at its sole discretion elected to convert the securitization notes and accrued interest into equity in the Company at a 20% discount from the $0.29 (0.232) before due date of loan repayment subject to any regulatory compliance. A full warrant will be issued with each common share exercisable at $0.232 on or before December 31, 2026.

The Company drew down in July 2, 2023 $3,274,659 (Euro €3,000,000). On August 28, 2023, the Company converted its securitisation notes payable and the related accrued interest amounting to $5,287,118 into 22,858,152 common shares. The Company issued 22,858,152 units where each unit issued includes one full warrant exercisable at $0.29 per unit less 20% discount ($0.232). Securitisation administration expenses $137,536 was due to a 4.20% administration fee on dent finance amount draw down.

Salaries and wages included director stock-based compensation for the nine months ended September 30, 2023 ($545,417) representing the value of 450,000 director warrants were awarded each to David Toyoda, Robert Rhodes, Terrence Larkan, Billy Williams, Dr Marshall Walker and PureFlowCath LLC, a 100% subsidiary of the Company director Dr Matthew McIntyre for unpaid director compensation.

Paid director compensation during the nine month period ended September 30, 2023 was $148,500 (2022 - $96,883). The increase due to additional salary out of scope work compensation.

Since new management and Board was established on April 15, 2020, the directors have not been renumerated commensurate with their experience, standing and what they could have been renumerated should they take up board positions with other companies. Due to the passage of time and to ensure the board composition is maintained, the Company sought shareholder approval to issue Compensation Warrants. The Compensation Warrants are a one-off award and not for a defined period of service. No renumeration other that what has been paid to date, has been accrued in the Company's financial accounts.

The Compensation Warrants were approved by the minority shareholders at the Annual General and Special Shareholder meeting March 8, 2022. The warrant certificates were issued on March 1, 2023. Every Compensation Warrant is entitled to purchase one common share at exercise price of $0.001 per common share on or before 31 December 2026.

Patent / Research and Development expenses increased significantly during the nine month period ended September 30, 2023 $40,071 (2022 $14,723) due to patent awards and renewal of patent application fees remain largely constant.

Certain Common Shares issued has a "down-round" provision that allows for the issuance of incremental common shares and warrants if after a 30-day continuous trading on a designated stock exchange, the Company's average share price is lower than the then-subscription price of $0.29 per unit. The "down-round" feature was determined by the Company to be a financial liability since it creates an obligation to issue a variable number of shares.

Sensitivity Analysis

The table below details the sensitivity of possible "down-round" effects on common share and warrants and overall value.

	September 30, 2023 Valuation	10% Increase in probability of down-round, all other assumptions held constant	10% increase in average of top-up shares if down-round is triggered, all other assumptions held constant
Total number of shares subject to top-up	23,730,693	23,730,693	23,661,728
Average number of top-up shares if down-round is triggered determining using the Monte Carlo simulation	15,426,335	15,426,335	16,836,393.20
Probability of down-round	40.92%	45.01%	40.94%
Average number of each top-up shares and warrants	6,312,456	6,943,702	6,808,637
Fair value per share	$0.20	$0.20	$0.20
Fair value per warrant	$$0.09	$$0.09	$0.09
Fair value of top-up warrants	$526,771	$579,448	$588,025
Fair value of top-up shares	$1,303,853	$1,434,239	$1,380,623

As a result of down-round provision, the Company has identified derivative liabilities on outstanding warrants with "down-round" provision and on incremental common shares and warrants that could be issued if the "down-round" provision is triggered. Derivative liabilities are remeasured at year-end, with changes in fair value recognized in profit or loss. Should the Top-up provision be invoked then the issue of top up common shares will dilute all common share holder holdings.

Example: Top-Up Potential for $1,000,000 Investor After Conversion

Average trading share price example = $0.12

20% adjustment = $0.12 x .80 (80%) = $0.10

Shares issued = 1,000,000 / 0.10 = 10,000,000 common voting shares

Top up shares = 10,000,000 - 3,448,276 = 6,551,724

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected unaudited financial data for the last eight fiscal quarters to September 30, 2023, prepared in accordance with IFRS:

	Revenues	Net income (loss)	Basic and diluted earnings (loss) per share
December 31, 2021	–	(352,868)	(0.01)
March 31, 2022	–	(98,552)	(0.00)
June 30, 2022	–	95,697	(0.00)
September 30, 2022	–	(546,951)	(0.01)
December 31, 2022	–	(1,252,103)	(0.04)
March 31, 2023	–	(404,091)	(0.03)
June 30, 2023	–	(772,155)	(0.02)
September 30, 2021	–	(1,262,035)	(0.03)

The Company operations in third quarter, three months ended 30 September 2023:

- completed scope of works with Paragon initial PureFlowCath prototype development;
- conducted YE 31 December 2022 financial audit with RSM Canada LLP;
- completed prospectus drafting in association with Canadian and Luxembourg advisors; and
- review of possible medical device design/manufactures to further next phase PureFlowCath prototype development.

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

As at September 30, 2023, the Company had cash of $2,473. The Company is an early-stage entity with no revenue, while incurring costs for the development of its product and approval processes for its patent application. The Company will continue to have an operational cash flow burn and is anticipated to deplete working capital over the next twelve months.

Financing Activities

During the nine months ended September 30, 2023, the Company issued 568,966 units under various subscription agreements entered into various dates during the period for $0.29 per unit for net proceeds of $165,000. Each unit consists of one share and a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026. The subscription agreements in respect of this financing contain a "down-round" feature (refer to Results of Operations above).

In September 2022, the Company received approval of securitisation debt finance providing maximum amount of Euro €5,000,000 from CIC Fund Securitisation S.A. The Company drew down in the third quarter ended September 30, 2023, Euro €1,600,000.

The Company further converted nine months of transaction fees from CIC Capital Ltd. into debt note in the amount of Euro €157,000 in December 2022. The available debt note capital available is €400,000 at September 30, 2023.

Capital Management

The Company manages its capital structure and makes adjustments to it considering economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

a) The Key management personnel compensation is as follows:

	Three months ended September 30, 2023	**Three months ended September 30, 2022**	**Nine months ended September 30, 2023**	**Nine months ended September 30, 2022**
	$	$	$	$
Short-term employee benefits [i)]	**45,000**	49,089	**135,000**	96,883
Share-based compensation	**-**	-	**545,417**	**-**
	45,000	49,089	**680,717**	96,883

(i) Excludes expenses, direct monthly compensation only.

b) The following transactions occurred with related parties for the three month and six month periods ended:

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
	$	$	$	$
Purchase of professional services from CIC Capital Ltd., a shareholder	106,939	54,000	241,939	168.700
Securitization administration expenses	137,536		137,536	
Interest expense on securitization note payable to CIC Capital Ltd. (Notes 5)	3,394	-	13,577	-
Purchase of professional services from certain shareholders	1,673	-	20,238	3,493

Payments to Directors David Toyoda and Billy William were made at arm's length to compensate for significant time resources outside normal Director Compensation.

FINANCIAL INSTRUMENTS AND RISKS

The Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash, and accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term maturity of these instruments.

Foreign Exchange Rate Risk

Currency risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. The Company is exposed to foreign currency risk on fluctuations related to cash and accrued expenses that are denominated in Canadian dollars.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is a development stage company and is reliant on external fundraising to support its operations. Once funds have been raised, the Company manages its liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

An analysis of material components of the Company's general and administrative expenses is disclosed in the financial statements for the nine months ended September 30, 2023 to which this MD&A relates.

DISCLOSURE OF OUTSTANDING SHARE DATA

Share Capital

The Companys authorized capital consists of an unlimited number of common shares without par value.

The issued share capital of the Company at September 30, 2023 is as follows:

	September 30, 2023
Common Shares	64,195,192
Warrants	52,392,293
Options	-

As at the date of this MD&A, the Company has 64,195,192 common shares issued and outstanding and 52,392,293 warrants with no options.

Warrants outstanding	Exercise Price $	Expiry Date
26,834,141	0.290	Dec 31, 2026
22,858,152	0.232	Dec 31, 2026
2,700,000	0.001	Dec 31, 2026

On August 28, 2023, the Company converted its securitization notes payable and the related accrued interest with a face amount of $5,287,118 into 22,858,152 common shares. The Company issued 22,858,152 units where each unit issued includes one full warrant exercisable at $0.29 per unit less 20% discount ($0.232).

Director warrant awarded are 450,000 each to David Toyoda, Robert Rhodes, Terrence Larkan, Billy Williams, Dr Marshall Walker and Dr Matthew McIntyre as compensation for unpaid services rendered.

OTHER

Additional disclosures pertaining to the Company's reports, press releases and other information are available on the Company's web site www.InnomedTec.com.

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Consolidated Financial Statements

For the Years Ended December 31, 2022 and 2021

(Expressed in U.S. dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Innomed Tech Ltd.

Opinion

We have audited the consolidated financial statements of Innomed Tech Ltd. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, and the consolidated statements of operations and comprehensive loss, changes in shareholders' deficiency and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $2,057,649 and operating cash flow deficit from operations of $343,204 during the year ended December 31, 2022. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis (MD&A).

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants
Licensed Public Accountants November 2, 2023
Toronto, Ontario

INNOMED TECH LTD.
Consolidated statements of financial position
As at December 31, 2022 and 2021

	Notes	**As at December 31, 2022** **$**	As at December 31, 2021 $
Assets			
Current			
Cash		**22,307**	315,511
Due from CIC Capital Ltd.	4	**1,031,746**	301,709
Prepaid expenses		**11,437**	169,443
Total assets		**1,065,490**	786,663
Liabilities			
Current			
Accounts payable and accrued liabilities		**103,854**	69,610
Non-current			
Derivative liabilities	5,	**3,872,322**	3,472,124
Securitization notes payable	6,9,10	**1,127,832**	-
		5,000,154	3,472,124
		5,104,008	3,541,734
Shareholders' deficiency			
Share capital	7	**7,072,284**	7,045,959
Treasury shares	7	**(794,000)**	(794,000)
Contributed surplus	6,7	**1,751,097**	1,003,220
Warrant reserve		**366,517**	366,517
Deficit		**(12,434,416)**	(10,376,767)
Total shareholders' deficiency		**(4,038,518)**	(2,755,071)
Total liabilities and shareholders' deficiency		**1,065,490**	786,663

Subsequent events (Note 16)

(The accompanying notes are an integral part of these consolidated financial statements)

INNOMED TECH LTD.
Consolidated statements of operations and comprehensive loss
For the years ended December 31, 2022 and 2021

	Notes	**2022** **$**	2021 $
Expenses			
Legal and professional fees	6,8, 9, 10	**849,710**	536,562
Impairment loss on amount due from CIC Capital Ltd.	4	**389,000**	
Change in fair value of derivative liabilities	5	**376,523**	(156,394)
Salaries and wages	10	**196,883**	184,216
Foreign exchange loss		**19,712**	51,286
Patent and research and development		**33,920**	500
General administration		**7,627**	18,127
Securitization administration expenses	9, 10	**77,387**	-
Interest on securitization notes payable	9, 10	**33,155**	-
Travel		**54,983**	-
Marketing		**18,749**	-
Net loss and comprehensive loss		**2,057,649**	634,297
Weighted average shares outstanding			
Basic and diluted	12	**47,586,016**	45,023,518
Basic and diluted loss per share	12	**0.04**	0.01

(The accompanying notes are an integral part of these consolidated financial statements)

INNOMED TECH LTD.
Consolidated statements of changes in shareholders' deficiency
For the years ended December 31, 2022 and 2021

	Notes	Share Capital Number	Share Capital Amount $	Treasury Shares $	Contributed Surplus $	Warrant Reserve $	Deficit $	Total Shareholders' Deficiency $
Balance, January 1, 2021		47,800,702	6,428,929	-	-	366,517	(9,742,470)	(2,947,024)
Acquisition of treasury shares for no consideration and forgiveness of accounts payable to certain shareholders	7	(4,869,441)	-	(794,000)	1,003,220	-	-	209,220
Issuance of units	7	4,540,348	771,640	-	-	545,060	-	1,316,700
Recognition of derivative liabilities	5, 7	-	(154,610)	-	-	(545,060)	-	(699,670)
Net loss and comprehensive loss		-	-	-	-	-	(634,297)	(634,297)
, December 31, 2021		47,471,609	7,045,959	(794,000)	1,003,220	366,517	(10,376,767)	(2,755,071)
e of units	7	172,414	33,108	-	-	16,892	-	50,000
tion of derivative liabilities	5, 7	-	(6,783)	-	-	(16,892)	-	(23,675)
ion feature	6	-	-	-	747,877	-	-	747,877
and comprehensive loss		-	-	-	-	-	(2,057,649)	(2,057,649)
Balance, December 31, 2022		**47,644,023**	**7,072,284**	**(794,000)**	**1,751,097**	**366,517**	**(12,434,416)**	**(4,038,518)**

(The accompanying notes are an integral part of these consolidated financial statements)

INNOMED TECH LTD.
Consolidated statements of cash flows
For the years ended December 31, 2022 and 2021

	2022	2021
	$	$
Cash provided by (used in)		
Operations		
Net loss	**(2,057,649)**	(634,297)
Items not affecting cash		
Impairment loss on amount due from CIC Capital Ltd.	**389,000**	-
Securitization notes issued for expenses	**168,410**	-
Interest expense on long-term loan	**33,155**	-
Change in fair value of derivative liabilities	**376,523**	(156,394)
	(1,090,561)	(790,691)
Changes in non-cash working capital		
Prepaid expenses	**158,006**	16,263.00
Due from CIC Capital Ltd. – In Trust	**555,107**	(251,483)
Accounts payable and accrued liabilities	**34,244**	38,360
	(343,204)	(987,551)
Financing		
Repayment of loan payable to CIC Capital Ltd.	**-**	(17,200)
Issuance of units for cash	**50,000**	1,316,700
	50,000	1,299,500
Net change in cash	**(293,204)**	311,949
Cash, beginning of year	**315,511**	3,562
Cash, end of year	**22,307**	315,511
Non-cash financing activities		
Proceeds from securitization notes by CIC Capital Ltd.	**1,674,144**	-
Discount on securitization notes	**747,877**	**-**
IMP share return	**-**	794,000
Forgiveness of accounts payable	**-**	209,220

(The accompanying notes are an integral part of these consolidated financial statements)

1. NATURE OF OPERATIONS, CONTINUANCE OF BUSINESS AND GOING CONCERN

Innomed Tech Ltd. (the "Company") was incorporated and registered on November 22, 2019 under the General Corporation Law of the State of Delaware, with the name InnoMed Tech, Inc. On May 27, 2020, the Company continued (change of jurisdiction of incorporation) into British Columbia ("BC") Canada under the Business Corporation Act (British Columbia) as InnoMed Tech Ltd.

The Company is in the business of developing medical devices, medical digital and science inventions. The address of the registered office of the Company is Suite 1000 – 409 Granville Street, Vancouver, BC Canada V6C 1T2.

The Company was subject to a transaction on April 15, 2020, which involved inserting a new parent company above PureFlowCath, LLC [formerly Innomed Two, LLC] ("PureFlowCath"). The parent company (the Company), a 'shell' company, issued shares to the existing controlling shareholders of PureFlowCath. Control remained the same before and after April 15, 2020. The Company has determined this transaction to be a common control business acquisition and has been accounted for using the pooling of interest method, whereby the combined assets and liabilities of the Company and PureFlowCath are recorded at their existing carrying value and no goodwill was recognized.

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, PureFlowCath (formed in the U.S. but has an inactive operation) and Compartment PureFlowCath (the "Compartment"), a compartment created under CIC Fund Securitisation S.A. ("CIC FS Luxembourg"), a public limited liability company incorporated under the laws of the Grand Duchy of Luxembourg. The Compartment is involved in asset securitization.

The Company is subject to several risks associated with the successful development of new products, the successful conduct of clinical studies and the subsequent marketing and commercialization of the results in the uncertain environment presented by the COVID-19 pandemic. It is likely that the product developed by the Company will require approval from the U.S. Food and Drug Administration and equivalent organizations in other countries before commercialization.

For the year ended December 31, 2022, the Company incurred a loss of $2,057,649 (2021 - $634,297) and operating cash-flow deficit from operations of $343,204 (2021 - $987,551). The Company's future operations are dependent upon its ability to secure additional funds to finance patent applications to approval, its research and development activities and in the longer-term clinical studies. It is not possible to predict whether the Company will be successful in securing new financing, patent application approvals and obtain approval from the U.S. Food and Drug Administration and equivalent organizations in other countries.

There can be no assurance that management will be successful in their efforts to generate sufficient cash-flow or that it will ever develop a self-supporting business. These factors indicate the existence of material uncertainty that may cast significant doubt on the Company`s ability to continue as a going concern. These consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Accordingly, these consolidated financial statements do not reflect any adjustments to the carrying amounts which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were approved for issue by the Board of Directors on November 2, 2023.

(b) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, except for derivative instruments, which are measured at fair value.

(c) Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (including certain structured entity) made up to December 31 each year. Control is achieved when the Company has the power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated on consolidation.

(d) Amended accounting standards adopted

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on January 1, 2022 that have a material effect on the financial statements of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Standards issued but not yet effective

The following amendments to existing standards have been issued and are applicable to the Company for its annual period beginning on January 1, 2023 and thereafter, with an earlier application permitted:

- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2;
- Definition of Accounting Estimates – Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*; and
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 *Income Taxes*.

The following amendments to existing standards have been issued and are applicable to the Company for its annual period beginning on January 1, 2024 and thereafter, with an earlier application permitted:

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1 *Presentation of Financial Statements*
- Non-current liabilities with covenants – Amendments to IAS 1 *Presentation of Financial Statements*;
- Lease liability in sale and leaseback – Amendment to IFRS 16 *Leases*; and
- Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*.

These amendments to existing standards will have no material effect on the consolidated financial statements.

(f) Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in U.S. Dollar, which is the Company's functional and presentation currency. The functional currency of the Compartment is USD.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of operations and comprehensive loss, within finance costs. All other foreign exchange gains and losses are presented as a separate line in the consolidated statement of operations and comprehensive loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign operation

The results and financial position of a foreign operation that has a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position,
- income and expenses for each statement of operations and comprehensive loss are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognized in other comprehensive income.

When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(g) Research and development

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes.

Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and has sufficient resources to complete development and to use or sell the asset. Other development expenditures are expensed as incurred. No internal development costs have been capitalized to date.

Research and development expenses include all direct and indirect operating expenses supporting the products in development.

The costs incurred in establishing and maintaining patents are expensed as incurred.

(h) Unit share issuances

For unit share issuances consisting of common shares and warrants, the Company uses the Black-Scholes option pricing model in determining the fair value of warrants. The proceeds from the issuance of units are first allocated to the warrants and the residual amount, being the difference between the proceeds from issuance and the fair value of the warrants, is allocated to common shares.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Derivative liabilities

Certain equity financing agreements contain a down-round provision that allows for the issuance of incremental common shares and warrants if the provision in the agreements is triggered.

The Company accounts for warrants as either equity instruments or derivative liabilities, depending on the specific terms of the warrant agreement. Warrants are accounted for as a financial liability if the warrants contain a down-round provision and, therefore, do not meet the 'fixed-for-fixed' condition under IAS 32 Financial Instruments: Presentation ("IAS 32"). The Company will continue to classify the fair value of the warrants that contain down-round provision as a liability until the warrants are exercised, expire or are amended in a way that would no longer require these warrants to be classified as a liability.

On initial recognition, (1) the fair value of the derivative on outstanding warrants with down-round provision is determined using an option pricing model, (2) the fair value of the derivative on incremental common shares is determined based on the estimated incremental common shares that could be issued and estimated share price in the future, which is then applied with a probability and discount rate to arrive at the present value of the liability, and (3) the fair value of the derivative on incremental warrants is based on an option pricing model, which is then applied with a probability and discount rate to arrive at the present value of liability. These amounts are measured at fair value to profit or loss. Changes in the fair value of the derivative liabilities are charged to operations.

The remainder of the proceeds is allocated to the share capital.

(j) Financial instruments

Financial assets and financial liabilities are recognized in the Company's consolidated statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

Financial assets are classified as either financial assets at fair value through profit or loss ("FVTPL"), amortized cost, or fair value through other comprehensive income. The Company determines the classification of its financial assets at initial recognition.

FVTPL - Financial assets are classified as fair value through profit or loss if they do not meet the criteria of amortized cost or fair value through other comprehensive income. Changes in fair value are recognized in profit and loss.

Amortized cost – Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as FVTPL: 1) The objective of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the assets contractual cash flow represents solely payments of principal and interest. This category of financial assets include cash and due from CIC Capital Ltd.

2. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

(j) Financial instruments (continued)

Financial assets (continued)

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Impairment of financial assets

The expected credit loss model is applied for recognition and measurement of impairments in financial assets measured at amortized cost and debt instruments held at fair value through other comprehensive income. The loss allowance for the financial asset is measured at an amount equal to the 12-month expected credit losses. If the credit risk on the financial asset has increased significantly since initial recognition, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses. Changes in loss allowances are recognized in profit and loss.

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, considering legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted from equity as treasury shares until the shares are cancelled or reissued.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Financial instruments (continued)

Compound instruments

The component parts of a convertible instrument issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity, if any, is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured.

Financial liabilities

Initial recognition and measurement

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL, as is the case with derivative instruments and, or the Company has opted to measure the financial liability at FVTPL. All financial liabilities are recognized initially at fair value, and where applicable net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. Financial liabilities at amortized consist of accounts payable and accrued liabilities, subscription received in advance and securitization notes payable which are measured at amortized cost.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires with any associated gain or loss recognized in other income or expense in the consolidated statement of operations.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Income taxes

Deferred tax is recognized using the liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, the deferred tax is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred taxation asset is realized or the deferred tax liability is settled.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical accounting estimates and assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the amounts reported in these consolidated financial statements and notes. Accordingly, actual results may differ from estimated amounts as future confirming events occur.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant judgements and estimates made by management affecting the consolidated financial statements include:

Determining the fair value of services received in exchange for share-based payments

From time to time the Company issues common shares for services or non-cash assets. The Company's Board of Directors determines the fair market value of the services or non-cash assets received in exchange for common shares. These transactions are typically valued using the fair value of common shares issued.

Valuation of the down-round provision in equity financing agreements

Certain equity financing agreements contain a down-round provision that allows for the issuance of incremental common shares and warrants if the provision in the agreements is triggered. Management judgement is required to determine the probability of the triggering event to occur and the number of incremental common shares and warrants that could be issued, which is dependent on the Company's share price in the future. The valuation methods and assumptions used in valuing the derivative liabilities are disclosed in Note 5.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

***Critical judgements* (continued)**

Critical judgements

Consolidation of the Compartment

The Company assessed that the Compartment is a deemed separate entity (or a "silo"). The Company then assessed whether it has control of the silo rather than assessing control at the level of the broader legal entity.

The Company does not own shares in the Compartment nor has the ability to appoint its directors. In determining whether to consolidate the Compartment, the Company has evaluated whether it has control over the Compartment, in particular, whether it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Certain IP assets were sold to the Compartment. While the sale of the IP assets are without recourse, the Company continues to be exposed to variable returns from its involvement in the Compartment as it directs the relevant activities after the Compartment was created.

Consequently, the Company has control over the Compartment and has consolidated the Compartment effective September 1, 2022, the date the Compartment was created.

Functional currency

The Board of Directors considers the U.S. Dollar the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The U.S. Dollar is the currency in which the Company measures its performance and reports its results, as well as the currency in which it receives subscriptions from its investors.

Conversion feature in securitization notes

The Compartment can elect to convert the securitization notes and accrued interest into equity in the Company before due date of loan repayment subject to any regulatory compliance. The Compartment, the issuer, (rather than the holder) has the choice as to whether to settle the debt instrument in cash or another financial asset or to deliver fixed number of shares in the Company. Given the lack of clear guidance in IAS 32, the Company adopted an accounting policy to account for the securitization notes as a compound instrument.

4. DUE FROM CIC CAPITAL LTD. - IN TRUST

The amount due to CIC Capital Ltd. – In Trust is as follows:

	December 31, 2022 $	December 31, 2021 $
Due from CIC Capital Ltd.	**1,420,746**	301,709
Less: Loss provision	**(389,000)**	-
	1,031,746	301,709

While the Company is finalizing the transfer of its banking facilities part of its cash was held in trust with CIC Capital Ltd., a shareholder and advisor to the Company. The amount is due to the Company on demand, unsecured and non-interest bearing.

In determining the expected credit losses management has taken into the account the financial position of the related party and general economic condition of the industry in which the related party operates, in estimating the probability of default of the receivable, as well as the loss upon default. Management determines the amount of the loss provision on account due from CIC Capital Ltd. – In Trust is $389,000 (2021 - $nil).

5. DERIVATIVE LIABILITIES

Certain equity financing agreements contain a down-round provision that allows for the issuance of incremental common shares and warrants if after a 30-day continuous trading on a designated stock exchange, the Company's average share price is lower than the then-subscription price of $0.29 per share. The down-round feature was determined by the Company to be a financial liability since it creates an obligation to issue a variable number of shares. Thus, it does not meet the 'fixed-for-fixed' condition in IAS 32.

As a result of down-round provision, the Company has identified derivative liabilities on outstanding warrants with down-round provision and on incremental common shares and warrants that could be issued if the down-round provision is triggered. Derivative liabilities are remeasured at year-end, with changes in fair value recognized in profit or loss.

Changes in fair value of derivative liabilities during the year are as follows:

	Note	**Outstanding warrants with down-round feature $**	**Down-round feature on warrants $**	**Down-round feature on common shares $**	**Total $**
Balance, January 1, 2021		2,398,365	191,674	338,809	2,928,848
Issued during the year	5	545,060	55,832	98,778	699,670
Change in fair value		(318,047)	50,644	111,009	(156,394)
Balance, December 31, 2021		2,625,378	298,150	548,596	3,472,124
Issued during the year	5	16,892	2,284	4,499	23,675
Change in fair value		(528,376)	252,991	651,908	376,523
Balance, December 31, 2022		**2,113,894**	**553,425**	**1,205,003**	**3,872,322**

5. DERIVATIVE LIABILITIES (continued)

The change in fair value of the derivative liabilities is presented as a separate line on the consolidated statement of operations and other comprehensive income.

The valuation method and inputs used in the valuation of the derivative on outstanding warrants on the date of grant are disclosed in Note 7.

As at December 31, 2022, the estimated number of incremental shares and warrants were determined using the Monte Carlo simulation methodology. Under this methodology, the Company's future share prices 30 days post-listing date were simulated for 5,000 times. Key inputs used are (1) share price at valuation date of $0.29; (2) daily drift of 0.60%, which is calculated as the 30 trading days daily post-listing return of comparable companies; and (3) daily volatility of 2.46%, which is calculated as the 30 days daily post-listing volatility of comparable companies. Based on this methodology, the probability of the down-round provision being triggered is 41% and the average future share price is $0.23, which was then adjusted for a 20% discount based on the formula given in the agreements.

Prior to December 31, 2022, the estimated incremental shares and warrants were determined using the expected value method on initial recognition and on subsequent valuation dates. Key inputs used are (1) 25% probability of the down-round provision being triggered, (2) expected share price reduction price of 20% from the then-subscription price of $0.29 per share, and (3) expected date of listing of March 31, 2023.

The fair value of the derivative on outstanding warrants and incremental warrants was determined using the Black-Scholes pricing model with the following assumptions:

	December 31, 2022		December 31, 2021	
	Outstanding Warrants	**Incremental warrants**	Outstanding warrants	Incremental warrants
Number of warrants	23,161,727	6,063,831	22,989,313	13,243,836
Exercise price	$0.29	$0.29	$0.29	$0.29
Share price	$0.20	$0.20	$0.18	$0.23
Risk-free rate	3.86%	3.86%	1.25%	0.95%
Expected volatility	69.65%	69.65**%**	124.00%	124.00%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%
Expected life (in years)	4.00	4.00	3.00	1.75
Probability of down-round provision being triggered	41%	41%	25%	25%

5. DERIVATIVE LIABILITIES (continued)

Fair value hierarchy

The fair value of outstanding warrants with down-round provision is classified under Level 2 fair value hierarchy. The fair value of both incremental shares and warrants is classified under Level 3 fair value hierarchy.

The following table summarizes the quantitative information about the significant unobservable inputs used in the fair value measurements of incremental shares and warrants as of December 31, 2022 and 2021.

Key unobservable inputs	Relationship of unobservable inputs to fair value
Probability that the down-round provision will be triggered – 41% (2021 - 25%)	The lower the probability, the lower the fair value
Magnitude of share price reduction - 21% [i] (2021 – 20%)	The lower the share price below the then-subscription price of $0.29, the higher the incremental common shares and warrants that could be issued. The higher the incremental shares and warrants, the higher the fair value
Discount rate – n/a (2021 - 30%)	The higher the discount rate, the lower the fair value

i) Based on Monte Carlo simulations, average future post-listing share price is $0.23 per share, or a reduction of 21%.

There were no transfers between any levels during the year.

6. SECURITIZATION NOTES PAYABLE

	December31, 2022 $	December 31, 2021 $
Third party accredited noteholder including accrued interest of $21,759(2021 – $nil)	**1,026,002**	-
CIC Capital Ltd. (a shareholder) – including accrued interest of $1,1,151 (2021 – $nil)	**101,830**	-
	1,127,832	-

In September and December 2022, CIC FS Luxemburg, acting exclusively in the name and on behalf of the Compartment, raised financing by issuing securitization notes totalling to $1,842,554 as at December 31, 2022) to certain professional investors. Of the total funds raised, $168,410 note was issued to CIC Capital Ltd., a shareholder, as payment for certain professional fees provided by such shareholder. The funds raised from these debt notes were fully drawn by the Company. The securitization notes bear interest at 8.2% per annum, compounded every December 31st. The principal and interest are payable in US Dollars at the end of the loan term being five-year anniversary of the loan draw down. The securitization transaction is fully discussed in Note 9.

All IP assets transferred to the Compartment are applied to service the outstanding balance of the securitization notes, after the payment of any accrued and unpaid taxes, certain operational costs and certain transaction costs, in accordance with the terms and conditions of the securitization notes. The rights of the noteholders are limited to the cash flows arising from the IP assets.

Conversion feature

The Company, at its sole discretion, can elect to convert the securitization notes and accrued interest into equity in the Company before due date of loan repayment subject to any regulatory compliance.

The Company accounted for the securitization notes as a compound instrument consisting of:

- an obligation to pay cash as interest during the life and principal at maturity, which is a financial liability; and
- a purchased put option over the Company's own shares (i.e. an option to exchange the obligation to pay the securitization notes for a fixed number of shares), which is equity.

The directors determined that the market interest rate of 20% per annum on securitization notes reflects the interest rate of a comparable instrument without the conversion feature. Therefore, the proceeds were allocated to the financial liability at $1,094,677 and residual value of $747,877 has been assigned to the conversion feature accounted for as contributed surplus.

Reconciliation of liabilities from financing activities
Changes during the year arising from financing activities:

		2022 $
Balance, beginning of year		-
Non-cash – proceeds from issuance of securitization notes held by CIC Capital Ltd.		**1,674,144**
Securitization notes issued for expenses		**168,410**
Discount on securitization notes		**(747,877)**
Amortization of discount on securitization notes		**10,245**
Accrued interest		**22,910**
Balance, end of year	**$**	**1,127,832**

7. SHARE CAPITAL AND RESERVES

Authorized

Unlimited common shares without par value.

Common shares

As of December 31, 2022, 47,644,023 common shares (2021 - 47,471,609) were issued.

During the year ended December 31, 2022, the Company had the following share capital transactions:

Shares issued for subscriptions

The Company issued 172,414 units under various subscription agreements entered into at various dates during the year for $0.29 per unit for net proceeds of $50,000. Each unit consists of one share and a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026. The subscription agreements in respect of this financing contain a down-round feature, which is fully disclosed in Note 5. All warrants granted are classified as a financial liability because they do not meet the 'fixed-for-fixed' criteria in IAS 32.

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	172,414
Exercise price	$0.29
Share price	$0.18 - $0.20
Risk-free interest rate	1.02% - 3.46%
Expected volatility	92.00% - 121.00%
Expected life of warrants	2.5 - 3.0 years
Expected dividend yield	0.00%
Fair value	$16,892
Fair value per warrant	$0.09 - $0.11

During the year ended December 31, 2021, the Company had the following share capital transactions:

Shares issued for subscriptions

The Company issued 4,540,348 units under various subscription agreements entered into at various dates during the year for $0.29 per unit for net proceeds of $1,316,700. Each unit consists of one share and a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026. The subscription agreements in respect of this financing contain a down-round feature, which is fully disclosed in Note 5. All warrants granted are classified as a financial liability because they do not meet the 'fixed-for-fixed' criteria in IAS 32.

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	4,540,348
Exercise price	$0.29
Share price	$0.16 - $0.17
Risk-free interest rate	0.64% - 1.56%
Expected volatility	128.00% - 142.00%
Expected life of warrants	3.0 – 3.9 years
Expected dividend yield	0.00%
Fair value	$545,060
Fair value per warrant	$0.12 - $0.13

7. SHARE CAPITAL AND RESERVES (continued)

All warrants granted are classified as a financial liability because they do not meet the 'fixed-for-fixed' criteria in IAS 32 (Note 5).

Return of shares and forgiveness of accounts payable

On February 5, 2021, Innovative Medicine Partners, LLC ("IMP"), a shareholder, and previous key members of management, including certain company and consultants related to them, reached a settlement with the Company regarding a dispute over the past operation and management of PureFlowCath by IMP and regarding the number of shares issued on April 15, 2020 to IMP in exchange for its membership units in PureFlowCath. As part of the settlement, on February 18, 2021, IMP returned 4,869,441 common shares to the Company valued at $0.16 per common share or a total fair value of $794,000. In addition, $209,220 previously recorded in accounts payable as due to shareholders (IMP and related party consultant Peter Falkner), including certain company and consultants related to them, was discharged. As a result, the Company recorded $1,003,220 in contributed surplus.

Warrants

Set out below are summaries of warrants granted and classified under equity during the year:

	2022		**2021**	
	Average exercise price per warrant	**Number of warrants**	**Average exercise price per warrant**	**Number of warrants**
Balance, beginning of year and end of year	**$0.12**	**3,103,448**	$0.12	3,103,448
Vested and exercisable end of year	**$0.12**	**3,103,448**	$0.12	3,103,448

No warrants expired during the year.

As of December 31, 2022, there were 26,265,175 warrants issued and outstanding (2021 - 26,092,761) with an exercise price of $0.29 and all expire on December 31, 2026. Of these warrants, 23,161,727 warrants were presented as part of the derivative liabilities (2021 - 22,989,313).

8. LEGAL AND PROFESSIONAL FEES

Components of legal and professional fees for the year are as follows:

	2022 **$**	2021 $
Patent and trademark legal fees	**122,553**	142,336
Legal and professional fees	**604,438**	306,304
Accounting and audit	**122,719**	87,922
	849,710	536,562

9. SECURITIZATION TRANSACTION

The following table summarizes the assets and liabilities related to the consolidated compartment:

	December 31, 2022 $	December 31, 2021 $
Intangible asset	**-**	-
Securitization notes payable including accrued interest of $22,910 (2021 – $nil)	**1,127,832**	-

Under the Company's securitization transaction, CIC FS Luxembourg has established one of its segregated compartments, the Compartment. The Company, as the originator, transferred certain IP assets to CIC FS Luxembourg (acting exclusively in the name and on behalf of the Compartment) with carrying value of $nil for no consideration. CIC FS Luxembourg (acting exclusively in the name and on behalf of the Compartment) issued securities in the form of debt notes to professional investors (defined as investors who purchase minimum notes of Euro €125,000 per debt note). The funds raised from the debt notes are then loaned to the Company (Note 6).

The Company holds no equity investment in the Compartment but nevertheless directs the relevant activities remaining after the structure was created and thereby influences its own variable returns. Accordingly, the Compartment is included in the Company's consolidated financial statements effective September 1, 2022.

The Company is not required, but provided, financial support totalling $176,469 to the Compartment for the Compartment's ongoing operating expenses, legal fees for IP management and further development of the IP assets for the year ended December 31, 2022. The Compartment does not retain cash because all proceeds from issuance of securitization notes were advanced or loaned to the Company. The Company does not intend to seek reimbursement of these expenses from the Compartment.

While the Compartment is included in the Company's consolidated financial statements, the Compartment is a deemed separate legal entity and the IP assets and any cash held by the Compartment are legally owned by it and are not available to the Company's creditors.

In connection with the securitization transaction, the Company recognized an establishment fee of the Compartment and securitization parties of €99,700 (equivalent to $106,683), which is included in the legal and professional fees, and securitization administrative expenses of $77,387), which is shown as a separate line in the consolidated statement of operations. The Company also recognized an interest expense of $33,155 on securitization notes payable for the year ended December 31, 2022 (2021 - $nil).

10. RELATED PARTY TRANSACTIONS

Key management personnel compensation is as follows:

	2022 **$**	2021 $
Short-term employee benefits	**178,883**	169,816

The Company entered into an amended agreement dated September 4, 2022 (replacing prior agreements) with CIC FS Luxembourg, pursuant to which CIC FS Luxembourg agreed to the establishment of the Compartment to facilitate debt financing of up to €5,000,000 with 8.20% compound interest and a 4.2% fee on the amounts drawn down (Notes 6 and 9).

The following transactions occurred with related parties.

	2022 **$**	2021 $
Purchase of professional services from CIC Capital Ltd., a shareholder (i)	**357,423**	234,000
Establishment fee of the Compartment and securitization parties (Note 9)	**106,683**	-
Securitization administration fee (Note 9)	**77,387**	-
Interest expense on securitization note payable to CIC Capital Ltd. (Notes 6 and 9)	**1,151**	-
Purchase of professional services from certain shareholders	**1,738**	13,681
Purchase of professional services from CIC Veritas Ltd., a company with common shareholder	-	5,000

(i) Of the professional services in 2022, $168,410 (2021 -nil) was paid through the issuance of securitization notes (Note 6).

11. INCOME TAXES

The following table reconciles income tax recovery calculated at the basic Canadian corporate tax rate with the income taxes recorded in these consolidated financial statements:

	2022	2021
	$	$
Loss before income taxes	**(2,057,649)**	(634,297)
Combined federal and provincial income tax rate	**26.5%**	26.5%
Income tax recovery at statutory rate	**545,277**	168,089
Tax effect of:		
Temporary differences for which no deferred tax asset has been recognized	**(545,277)**	(168,089)
Income tax expense	**-**	-

The Company has not recognized a deferred tax asset of $1,272,532 (2021 - $727,255) with respect to the loss carry forward as it is not probable that sufficient future taxable profit will be available against which the Company may use the benefits.

The Company has non-capital tax losses of 4,802,007 (2021 - $2,744,358) in Canada that may be applied to reduce future years' taxable income. Of these losses, $2,110,061 expires in 2040, $634,297 expires in 2041 and $2,057,649 expires in 2042.

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12. LOSS PER SHARE

Loss per share is calculated by dividing the loss for the year attributable to the ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted loss per share is calculated by dividing the loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the loss and share data used in the basic and diluted EPS calculations for the years ended December 31, 2022 and 2021:

	2022	2021
Loss attributable to ordinary equity shares	**$2,057,649**	$634,297
Basic and diluted weighted average shares outstanding	**47,586,016**	45,023,518
Basic and diluted loss per share	**$0.04**	$0.01

13. MANAGEMENT OF CAPITAL

The Company defines its capital as shareholders' deficiency. The Company's objectives when managing capital are to ensure there are sufficient funds available to carry out its research and development programs. To date, these programs have been funded through the sale of equity securities. The Company also intends to source non-dilutive funding by accessing grants, government assistance and tax incentives, and through partnerships with corporations and research institutions. The Company uses budgets and purchasing controls to manage its costs. The Company is not exposed to any externally imposed capital requirements.

14. FINANCIAL INSTRUMENTS

Classification of financial instruments

	December 31, 2022 **$**	December 31, 2021 $
Financial assets at amortized cost		
Cash	**22,307**	315,511
Due from CIC Capital Ltd. - In Trust	**1,031,746**	301,709
	1,054,053	617,220
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	**103,854**	69,610
Securitization notes payable	**1,127,832**	-
Financial liabilities at fair value to profit or loss		
Derivative liabilities	**3,872,322**	3,472,124
	5,104,008	3,541,734

Cash, due from CIC Capital Ltd., and accounts payable and accrued liabilities and subscription received in advance are all short-term in nature and, as such, their carrying values approximate fair values.

Cash, as due from CIC Capital Ltd, accounts payable and accrued liabilities are all short-term in nature and, as such, their carrying values approximate fair values.

Risks

The Company has exposure to credit risk, liquidity risk and foreign exchange risk.

a. Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises from the Company's cash and amounts due from CIC Capital Ltd. – In Trust. The carrying amount of these financial assets represents the maximum credit exposure. The Company follows an investment policy to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs. Cash is deposited with a major Canadian bank.

14. FINANCIAL INSTRUMENTS (continued)

b. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is a development stage company and is reliant on external fundraising to support its operations. Once funds have been raised, the Company manages its liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

The following table summarizes the maturity profile of the Company's non-derivative financial liabilities with agreed repayment periods:

December 31, 2022	Less than 12 months $	1 to 5 years $	Total $
Accounts payable and accrued liabilities	103,854	-	103,854
Securitization notes payable	-	1,865,464	1,865,464
Total	103,854	1,865,464	1,969,318

December 31, 2021	Less than 12 months $	1 to 5 years $	Total $
Accounts payable and accrued liabilities	69,610	-	69,610

c. Foreign currency risk

Currency risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. The Company is exposed to foreign currency risk on fluctuations related to cash and accrued expenses that are denominated in Canadian dollars or Euro's.

As at December 31, 2022, the Company had net monetary liabilities denominated in foreign currencies consisting of CAD$68,443 and €15,750. A 10% fluctuation in foreign exchange rates would impact the consolidated statement of operations by $30,192.

Fair value estimation

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

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

14. FINANCIAL INSTRUMENTS (continued)

Management determined the fair value as follows:

- The fair value of derivative liabilities was determined using the Monte Carlo simulation to estimate the number of incremental common shares and warrants that could be issued if the down round provision is triggered and Black-Scholes option pricing model.
- The fair value of securitization notes payable for disclosure purposes was determined using the discounted cash flows method in accordance with current financing arrangements. The discount rate used corresponds to prevailing market rates offered to the Compartment, which issued the debt instrument, for debt with the similar terms and conditions.

The following table sets forth the Company's financial liabilities measured at fair value:

December 31, 2022	Level 1	Level 2	Level 3
Derivative liabilities	$ -	$ 2,113,894	$ 1,758,428

December 31, 2021	Level 1	Level 2	Level 3
Derivative liabilities	$ -	$ 2,625,378	$ 846,746

The following table sets forth the Company's financial liabilities not measured at fair value but for which fair value is disclosed:

December 31, 2022	Level 1	Level 2	Level 3
Securitization notes payable	$ -	$	$1,127,832

December 31, 2021	Level 1	Level 2	Level 3
Securitization notes payable	$ -	$ -	$ -

15. SEGMENT INFORMATION

The Company operates primarily in one principal business, that being the development of medical devices, medical digital and science inventions. The Company's Chief Operating Decision-Maker ("CODM") is a function comprising two C-Level executives, specifically the Chief Executive Officer and the Chief Financial Officer. The CODM is the highest level of management responsible for assessing the Company's overall performance and making operational decisions such as resource allocations related to operations, product prioritization, and delegation of authority. Management has determined that the Company operates in a single operating and reportable segment.

16. SUBSEQUENT EVENTS

Subsequent to year-end, the Company entered into the following transactions:

a) On January 3, 2023, the Company issued 68,966 units for $0.29 per unit for net proceeds of $20,000. Each unit consists of one share and a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026.

b) On March 1, 2023, the Company issued 450,000 founder warrants to each of the five directors of the Company and to the director of PureFlowCath. The warrants awarded were approved by the minority shareholders at the Annual General and Special Shareholders' Meeting held on March 8, 2023. These warrants are subject to approval by either the Board of Directors or shareholders prior to their conversion to common shares. Every warrant is entitled to purchase one share at an exercise price of $0.001 per share on or before December 31, 2026.

c) On March 28, 2023, the Company cancelled the remaining 6,189,638 common shares and 6,189,638 warrants issued to certain shareholders associated with IMP and previous key members of management, regarding a dispute over over-charging of research and development expenses of PureFlowCath in prior years by IMP before a new management team was appointed on April 15, 2020.

d) On April 28, 2023, the Board of Directors resolved that the securitization agreement dated September 4, 2022 (which replaced prior agreements), be amended by way of a novation letter, to be negotiated with CIC FS Luxembourg., to remove any down-round provisions in favor of a straight discount on conversion thereby removing any uncertainty. The shareholders of the Company approved the agreement and novation letter on May 26, 2023, at a Special Shareholders' Meeting.

e) On April 28, 2023, the Board of Directors resolved to convert the securitization notes payable, together with any accrued interest, into equity, that is, shares and warrants in the Company. The shareholders of the Company approved the agreement and novation letter on May 26, 2023, at a Special Shareholders' Meeting (see Note 16 (i) for the conversion terms).

f) On June 2, 2023, the Company issued 86,207 units for $0.29 per unit for net proceeds of $25,000. Each unit consists of one share and a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026.

g) On June 9, 2023, the Company issued 344,828 units for $0.29 per unit for net proceeds of $100,000. Each unit consists of one share and a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026.

h) On July 2,2023, CIC FS Luxembourg, acting exclusively in the name and on behalf of the Compartment issued securitization notes amounting to $3,274,658 to the third-party accredited noteholders. The securitization notes bear interest at 8.2% per annum, compounded every December 31st and 4.2% administration fee of total funds drawn. The principal and interest are payable at the end of the loan term being five-year anniversary of the loan draw down. The 4.2% administration fee covers all the Compartment regulatory and administrative direct costs over the five-year loan term.

i) On August 28, 2023, the Company converted its securitization notes payable amounting to $5,287,118, which included the amount drawn in point (h) above plus accrued interest on all amounts drawn, into equity. The Company issued 22,789,303 units where each unit issued includes one full warrant exercisable at $0.29 per unit less 20% discount ($0.232).

16. SUBSEQUENT EVENTS (continued)

j) On August 29, 2023, the Company issued 34,483 units for $0.29 per unit for net proceeds of $10,000. Each unit consists of one share and a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026.

k) On September 6, 2023, the Company issued 34,483 units for $0.29 per unit for net proceeds of $10,000. Each unit consists of one share and a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026.

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MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2022

This Management's Discussion and Analysis ("MD&A") of Innomed Tech Ltd. (the "Company"), prepared as of November 6, 2023 should be read in conjunction with the audited financial statements and the notes thereto for the for the year ended December 31, 2022 which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of financial statements. The currency the amounts are expressed US dollars.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

The Board of Directors of Innomed Tech Ltd. has approved the disclosure contained in this MD&A. Additional information related to the Company can be found on the Company's website at www.InnomedTec.com.

The effective date of this report is November 6, 2023.

FORWARD LOOKING STATEMENTS

This report includes certain statements that may be deemed "forward looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts that address such matters as future events or developments that the Company expects, are forward looking statements and, as such, are subject to risks, uncertainties and other factors of which are beyond the reasonable control of the Company. Such statements are not guarantees of future performance and actual results or developments may differ materially from those expressed in, or implied by, this forward-looking information. With respect to forward looking statements and information contained herein, we have made numerous assumptions including among other things, assumptions about economics and competition surrounding the services provided by the Company, anticipated costs and expenditures and the Company's ability to achieve its goals. Although management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward-looking statement or information herein will prove to be accurate.

Readers can identify many of these statements by looking for words such as "believes", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof. Examples of forward-looking statements in this MD&A include that:

- the performance characteristics of the Company's medical devices

- projections of costs;
- future medical devices and divestment;
- securitisation of assets;
- patent approvals
- Food and Drug Administration approvals;
- capital programs;
- debt levels;
- treatment under governmental regulatory regimes and tax laws; and
- capital expenditures.

Forward looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or information. Factors that could cause actual results to differ materially from those in forward looking statements include such matters as continued availability of capital and financing and general economic, market or business conditions.

Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward looking statements or information.

Any forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and subject to change after that date and the Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

HISTORY OF THE COMPANY

The Company was incorporated and registered on November 22, 2019 under the General Corporation Law of the State of Delaware, with the name InnoMed Tech, Inc. and with registered file number 7721120. On May 27, 2020, the Company continued (change of jurisdiction of incorporation) into British Columbia ("BC") Canada under the Business Corporation Act (British Columbia) with registered number C1251506 as InnoMed Tech Ltd.

The Company was subject to transaction on April 15, 2020, which involved inserting a new parent company, Innomed Tech Ltd as 100% equity owner of PureFlowCath LLC. (formerly Innomed Two LLC). The parent company (Innomed Tech Ltd), a 'shell' company, issued shares to the existing controlling shareholders. Control remained the same before and after April 15, 2020 and is a common control acquisition. The New Management description being after April 15, 2020 refers to a new board being instituted representing the same control bloc namely member unit holders.

The Company has determined this transaction to be a common control business acquisition and has been accounted for using the pooling of interest method, whereby the combined assets and liabilities of the Company and PureFlowCath are recorded at their existing carrying value and no goodwill was recognized.

The address of the registered office of the Company is Suite 1000 – 409 Granville Street, Vancouver, BC Canada V6C 1T2.

Year to date Highlights

- Progressed PureFlowCath patent application;
- Canada, Australia, Saudi Arabia, Panama, Morocco and Eurasia patent applications have been granted;
- In September 2022 completed the transfer of all of the PureFlowCath patents and patent applications ("IP") to CIC Fund Securitisation S.A. Compartment PureFlowCath;
- Secured $50,000 in equity financing at $0.29 per share to fund working capital;
- Secured up to $5,000,000 in debt finance following transfer of PureFlowCath IP to fund working capital; and
- Completed first phase of prototype design for the PureFlow Catheter.

BUSINESS OF THE COMPANY

The Company is in the business of medical devices and sciences working with medical practitioner innovators within the global medical community.

The Company's medical device development subsidiary, PureFlowCath, is developing its first medical device, the PureFlowCath Catheter System for Continuous Irrigation ("CSCI"). CSCI addresses a significant market opportunity in potentially reducing urinary tract infections commonly associated with the use of a urinary catheter.

OVERALL PERFORMANCE

a) For the year ended December 31, 2022, the Company had a net loss of $2,057,649

b) On August 28, 2023, the Company converted its securitization notes payable amounting to $5,287,118, which included the amount drawn on July 2, 2023 plus accrued interest on all amounts drawn, into equity. The Company issued 22,789,303 units where each unit issued includes one full warrant exercisable at $0.29 per common share less 20% discount ($0.232).

compared to a net loss of $634,297 for year ended December 31, 2021.

For the year ended December 31, 2022, net loss of $2,049,200 was due to:

- patent application filings and associated documentation preparation;
- Impairment loss on amount due from CIC Capital Ltd.
- legal and professional fees associated with debt finance;
- securitisation of patent applications;
- interest charges on debt finance; and
- Change in fair value of derivative liabilities.

During the years ended December 31, 2022 and 2021, the Company incurred the following general and administrative expenses:

	2022 **$**	2021 $
Expenses		
Legal and professional fees	**849,710**	536,562
Impairment loss on amount due from CIC Capital Ltd.	**389,000**	-
Change in fair value of derivative liabilities	**376,523**	(156,394)
Salaries and wages	**196,883**	184,216
Foreign exchange loss	**19,712**	51,286
Patent and research and development	**33,920**	500
General administration	**7,627**	18,127
Securitization administration expenses	**77,387**	-
Interest on securitization notes payable	**33,155**	-
Travel	**54,983**	-
Marketing	**18,749**	-
Net loss and comprehensive loss	**2,057,649**	634,297

SELECTED ANNUAL INFORMATION

The following table sets forth summary financial information for the Company for the years ended December 31, 2022 and 2021. This information has been summarized from the Company's audited financial statements and should only be read in conjunction with the financial statements, and accompanying notes:

	Dec. 31, 2022 **$**	**Dec. 31, 2021** **$**
Total revenue	–	–
Net Loss for the year	(2,057,649)	(634,297)
Loss per share, basic and diluted	(0.04)	(0.01)
Total assets	1,065,490	786,663
Total long-term liabilities	5,000,154 (ii)	3,472,124 (i)

(i) derivative liability $3,472,124

(ii) derivative liabilities $3,872,322, convertible loan and interest of $1,127,832

RESULTS OF OPERATIONS

During the year ended December 31, 2022, the Company recorded expenses of $2,057,649 (2021 $634,297).

The Company incurred $19,712 in foreign exchange losses due to the transfer of subscription funds and debt finance funds between Canada, the US and Europe. This loss is likely to continue but is being monitored by management. Legal and professional fees of $849,710 (2021 - $536,562) were mainly related to patent application costs and increase in consultant fees.

The Impairment loss on amount due from CIC Capital Ltd. related the debt finance proceeds held in Europe. In determining the expected credit losses, management has taken into the account the financial position of the related party and general economic condition of the industry in which the related party operates, in estimating the probability of default of the receivable, as well as the loss upon default. Management determines the amount due from CIC Capital Ltd. is $389,000 (2021 - $nil).

The Company recorded a fair value increase of $376,523, (2021 – decrease of $156,394) representing change in the fair value of derivative liabilities. The increase in the fair value of derivative liabilities was due to changes in peer analysis and an expanded sampling of per analysis companies. The Company appointed Ernst & Young to conduct the derivative liabilities and "down-round" provisions. Certain equity financing agreements contain a "down-round" provision that allows for the issuance of incremental common shares and warrants if the provision in the agreements is triggered.

During the year ended December 31, 2022, Patent / Research and Development expenses of $33,920 (2021 $500) increased significantly due to the Paragon appointment on March 16, 2022 to commence initial prototype design. Salaries and Wages remained the same with small difference due to currency fluctuations. Travel and marketing expenses increased significantly due to director's meetings in person in Europe.

The debt finance agreement between the Company and CIC Fund Securitisation Fund S.A. (Luxembourg), pursuant to which CIC Fund Securitisation Fund S.A. agreed to the establishment of the Compartment to facilitate debt financing of up to Euro €5,000,000 with 8.20% compound interest and a 4.2% fee on the amounts drawn down. The principal and interest are payable at the end of the loan term being the five-year anniversary of the loan draw down. The Company in September 2022 drew down on the debt finance provided by CIC Fund Securitisation S.A. and converted nine months of CIC Capital Ltd Transaction fees to a debt note. The Securitisation debt notes payable at December 31, 2022 was $1,,127,832.

Certain Common Shares that have been issued have a "down-round" provision that allows for the issuance of incremental common shares and warrants if after a 30-day continuous trading on a designated stock exchange, the Company's average share price is lower than $0.29 per unit. The "down-round" feature was determined by the Company to be a financial liability since it creates an obligation to issue a variable number of shares.

Sensitivity Analysis

The table below details the sensitivity of possible "down-round" effects on common share and warrants and overall value.

	December 31, 2022 Valuation	**10% increase in probability of down round**	**10% increase in average of top-up shares if down round is triggered**
Total number of shares subject to top-up	23,730,694	23,161,727	23,161,727
Average number of top-up shares if down-round is triggered using the Monte Carlo simulation	14,818,747	14,818,747	16,300,622
Probability of down round	40.92%	50.92%	40.92%
Average number of each top-up shares and warrants	6,063,831	7,545,706	6,670,215
Fair value per share	$0.2066	$ 0.2066	$0.2066
Fair value per warrant	$0.0834	$0.0834	$0.0834
Fair value of top-up warrants	$553,426	$688,672	$608,768.00
Fair value of top-up shares	$1,205,003.00	$1,499,481.00	$1,325,503.00

As a result of down-round provision, the Company has identified derivative liabilities on outstanding warrants with "down-round" provision and on incremental common shares and warrants that could be issued if the "down-round" provision is triggered. Derivative liabilities are remeasured at year-end, with changes in fair value recognized in profit or loss. Should the Top-up provision be invoked then the issue of top up common shares will dilute all common share holder holdings.

Example: Top-Up Potential for $1,000,000 Investor After Conversion

Average trading share price example = $0.12

20% adjustment = $0.12 x .80 (80%) = $0.10

Shares issued = 1,000,000 / 0.10 = 10,000,000 common voting shares

Top up shares = 10,000,000 - 3,448,276 = 6,551,724

SUMMARY OF QUARTERLY RESULTS

The following table summarizes unaudited financial data for eight quarters:

	Revenues	Net income (loss)	Basic and diluted earnings (loss) per share
March 31, 2021	–	(24,541)	(0.00)
June 30, 2021	–	(230,471)	(0.01)
September 30, 2021	–	(26,417)	(0.00)
December 31, 2021	–	(352,868)	(0.01)
March 31, 2022	–	(98,552)	(0.00)
June 30, 2022	–	95,697	(0.00)
September 30, 2022	–	(404,481)	(0.00)
December 31, 2022	–	(1,650,313)	(0.03)

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

As at December 31, 2022, the Company had cash including due from CIC Capital Ltd. of $1,054,053.

As at December 31, 2022, the Company had working capital of $961,636 and an accumulated deficit of $12,434,416

Financing Activities

For the year ended December 31, 2022, the Company issued 172,414 units under various subscription agreements entered throughout the year for $0.29 per unit for net proceeds of $50,000. Each unit consists of one share and a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026.

The Company completed in September 2022, the transfer of its Patent Applications and Patents (“IP”) to CIC Fund Securitisation S.A. acting exclusively in the name and on behalf of Compartment PureFlowCath (Luxembourg) thereby competing the required transfer to secure the release of debt finance of up to Euro €5,000,000. The patent applications and approved patents intangible asset value is not recorded in the financial statement as they are held separately by the securitisation compartment in Luxembourg. The Company’s ability to continue as a going concern is dependent upon its ability to fund any additional losses it may incur.

Capital Management

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements.

Derivative Liabilities

Certain equity financing agreements contain a "down-round" provision that allows for the issuance of incremental common shares and warrants if after a 30-day continuous trading on a designated stock exchange, the Company's average share price is lower than $0.29 per unit. The "down-round" feature was determined by the Company to be a financial liability since it creates an obligation to issue a variable number of shares. Thus, it does not meet the 'fixed-for-fixed' condition in IAS 32.

As a result of down-round provision, the Company has identified derivative liabilities on outstanding warrants with "down-round" provision and on incremental common shares and warrants that could be issued if the "down-round" provision is triggered.

Derivative liabilities are remeasured at year-end, with changes in fair value recognized in profit or loss.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The following transactions occurred with related parties during the year ending December 31, 2022:

(a) Related party balances are as follows:

	December 31, 2022	**December 31, 2021**
	$	$
Due from CIC Capital Ltd.	1,031,746	-
Convertible loan payable to CIC Capital Ltd.	101,830	-
Unpaid professional fees to CIC Capital Ltd. (included in accounts payable and accrued liabilities)	**-**	-
Unpaid directors' fees (included in accounts payable and accrued liabilities)	**-**	-

(b) The Key management personnel compensation is as follows:

	2022 $	2021 $
Short-term employee benefits [i)]	**178,883**	169,816

ii) Director's wages, excludes expenses, direct monthly compensation only.

(c) The following transactions occurred with related parties:

	2022 $	2021 $
Purchase of professional services from CIC Capital Ltd., a shareholder (i)	**357,423**	234,000
Establishment fee of the Compartment and securitization parties (Note 9)	**106,683**	-
Securitization administration fee (Note 9)	**77,387**	-
Interest expense on securitization note payable to CIC Capital Ltd. (Notes 6 and 9)	**1,151**	-
Purchase of professional services from certain shareholders	**1,738**	13,681

Purchase of professional services from CIC Veritas Ltd., a company with common shareholder	-	5,000

(j) Of the professional services in 2022, $168,410 was paid through the issuance of securitization notes (Note 6).

FOURTH QUARTER

During the fourth quarter of 2022, the Company completed the transfer of its Patent Applications to CIC Fund Securitisation S.A. (Luxembourg) Compartment PureFlow Cath.

In December 2022, the Company drew down $1,170,773 of debt finance facility for working capital and a $168,410 debt note was issued to CIC Capital Ltd., a shareholder, as a payment for certain professional fees provided by such shareholder.

The Company progressed the development of PureFlowCath catheter with Paragon (Life Sciences).

PROPOSED TRANSACTIONS

There are no proposed transactions.

FINANCIAL INSTRUMENTS AND RISKS

The Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash, due from CIC Capital Ltd., accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit risk, liquidity risk and interest rate risk

The Company has exposure to credit risk, liquidity risk and interest rate risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises from the Company's cash and amounts due from parent. The carrying amount of these financial assets represents the maximum credit exposure. The Company follows an investment policy to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs. Cash are on deposit with a major Canadian bank.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is a development stage company and is reliant on external fundraising to support its operations. Once funds have been raised, the Company manages its liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Currency risk

Currency risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. The Company is exposed to foreign currency risk on fluctuations related to cash and accrued expenses that are denominated in Canadian dollars and or Euros.

As at December 31, 2022, the Company had net monetary liabilities denominated in foreign currencies consisting of CAD$68,443 and €15,750. A 10% fluctuation in foreign exchange rates would impact the consolidated statement of operations by $30,192.

DISCLOSURE OF OUTSTANDING SHARE DATA

The issued share capital of the Company at December 31, 2022 is as follows:

	Dec 31, 2022
Common Shares	47,644,023
Warrants	26,265,175
Options	-

As at the date of this MD&A the Company has 64,057,355 common shares issued and outstanding, no options and 29,551,382 warrants.

Warrants outstanding	Exercise Price $	Expiry Date
26,265,175	0.290	Dec 31, 2026
2,700,000	0.001	Dec 31, 2026

OTHER

Additional disclosures pertaining to the Company's reports, press releases and other information are available on the Company's web site www.InnomedTec.com.

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Consolidated Financial Statements

For the Years Ended December 31, 2020 and 2021

(Expressed in US dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Innomed Tech Ltd.

Opinion

We have audited the consolidated financial statements of Innomed Tech Ltd., (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020 and the consolidated statements of operations and comprehensive loss, changes in shareholders' deficiency and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $634,297 and operating cash flow deficit of $987,551 during the year ended December 31, 2021. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants
Licensed Public Accountants
. une 15, 2023
Toronto, Ontario

INNOMED TECH LTD.
Consolidated statements of financial position
As at December 31, 2020 and 2021

	Notes	**2021** **$**	2020 $
Assets			
Current			
Cash		**315,511**	3,562
Due from CIC Capital Ltd.	3	**301,709**	50,226
Prepaid expenses		**169,443**	185,706
Total assets		**786,663**	239,494
Liabilities			
Current			
Accounts payable and accrued liabilities	4	**69,610**	240,470
Loan payable to CIC Capital Ltd.	5	**-**	17,200
		69,610	257,670
Non-current			
Derivative liabilities	6	**3,472,124**	2,928,848
Shareholders' deficiency			
Share capital	7	**7,045,959**	6,428,929
Treasury shares	7	**(794,000)**	-
Contributed surplus	7	**1,003,220**	-
Warrant reserve	7	**366,517**	366,517
Deficit		**(10,376,767)**	(9,742,470)
Total shareholders' deficiency		**(2,755,071)**	(2,947,024)
Total liabilities and shareholders' deficiency		**786,663**	239,494

Subsequent events (Note 15)

(The accompanying notes are an integral part of these consolidated financial statements.)

INNOMED TECH LTD.
Consolidated statements of operations and comprehensive loss
For the years ended December 31, 2020 and 2021

	Notes	**2021 $**	2020 $
Expenses			
Legal and professional fees	8, 9	**536,562**	1,560,268
Change in fair value of derivative liabilities	6	**(156,394)**	273,969
Salaries and wages		**184,216**	93,705
Interest expense		**-**	50,000
Foreign exchange loss		**51,286**	40,058
Patent/research and development		**500**	23,831
General administration		**18,127**	2,193
Net loss and comprehensive loss		**634,297**	2,044,024
Weighted average shares outstanding			
- Basic and diluted	11	**45,023,518**	39,341,315
Basic and diluted loss per share	11	**(0.01)**	(0.05)

(The accompanying notes are an integral part of these consolidated financial statements.)

INNOMED TECH LTD.
Consolidated statements of changes in shareholders' deficiency
For the years ended December 31, 2020 and 2021

	Notes	Class II Units	Class III Units	Share Capital		Treasury Shares	Contributed Surplus	Warrant Reserve	Deficit	Total Shareholders' Deficiency
		$	$	# of Shares	Amount $	$	$	$	$	$
Balance, January 1, 2020		3,820,200	2,036,250	-	-	-	-	-	(6,534,571)	(678,121)
Innomed Two LLC. Member unit conversion		(3,820,200)	(2,036,250)	32,493,566	4,300,707	-	-	1,555,743	-	-
Recognition of derivative liabilities on Class II units conversion	6, 7	-	-	-	(310,877)	-	-	(1,555,743)	-	(1,866,620)
Loan conversion	7	-	-	1,896,552	326,017	-	-	-	-	326,017
Issuance of units	7	-	-	6,482,758	949,207	-	-	366,517	-	1,315,724
Issuance of shares for no consideration	7	-	-	6,927,826	1,163,875	-	-	-	(1,163,875)	-
Net loss and comprehensive loss		-	-	-	-	-	-	-	(2,044,024)	(2,044,024)
Balance, December 31, 2020		**-**	**-**	**47,800,702**	**6,428,929**	**-**	**-**	**366,517**	**(9,742,470)**	**(2,947,024)**
IMP share return for no consideration and forgiveness of accounts payable	7	-	-	(4,869,441)	-	(794,000)	1,003,220	-	-	209,220
Issuance of units	7	-	-	4,540,348	771,640	-	-	545,060	-	1,316,700
Recognition of derivative liabilities	6, 7	-	-	-	(154,610)	-	-	(545,060)	-	(699,670)
Net loss and comprehensive loss		-	-	-	-	-	-	-	(634,297)	(634,297)
Balance, December 31, 2021		-	-	**47,471,609**	**7,045,959**	**(794,000)**	**1,003,220**	**366,517**	**(10,376,767)**	**(2,755,071)**

(The accompanying notes are an integral part of these consolidated financial statements.)

INNOMED TECH LTD.
Consolidated statements of cash flows
For the years ended December 31, 2020 and 2021

	2021 **$**	2020 $
Cash provided by (used in)		
Operations		
Net loss	**(634,297)**	(2,044,024)
Items not affecting cash		
Shares issued for professional fees	**-**	900,000
Interest converted to shares	**-**	50,000
Change in fair value of derivative liabilities	**(156,394)**	273,969
	(790,691)	(820,055)
Changes in non-cash working capital		
Due from CIC Capital Ltd.	**(251,483)**	(50,226)
Prepaid expenses	**16,263**	(185,706)
Due from Innovative Medicine Partners, LLC	-	359,531
Accounts payable and accrued liabilities	**38,360**	(528,451)
	(987,551)	**(1,224,907)**
Financing		
Loan payable to CIC Capital Ltd.	**(17,200)**	17,200
Issuance of units	**1,316,700**	980,000
	1,299,500	997,200
Net change in cash	**311,949**	(227,707)
Cash, beginning of the year	**3,562**	231,269
Cash, end of the year	**315,511**	3,562
Non-cash financing activities		
IMP share return	**794,000**	-
Forgiveness of accounts payable	**209,220**	-
Conversion of promissory note and related interest into equity	**-**	550,000

(The accompanying notes are an integral part of these consolidated financial statements.)

1. NATURE OF OPERATIONS, CONTINUANCE OF BUSINESS AND GOING CONCERN

Innomed Tech Ltd. (the "Company") was incorporated and registered on November 22, 2019 under the General Corporation Law of the State of Delaware, with the name InnoMedTech, Inc. On May 27, 2020, the Company continued (change of jurisdiction of incorporation) into British Columbia ("BC") Canada under the Business Corporation Act (British Columbia) as Innomed Tech Ltd.

The Company is in the business of developing medical devices, medical digital and science inventions. The address of the registered office of the Company is Suite 1000 – 409 Granville Street, Vancouver, BC Canada V6C 1T2.

The Company was subject to a transaction on April 15, 2020, which involved inserting a new parent company above PureFlowCath, LLC [formerly Innomed Two, LLC] ("PureFlowCath"). The parent company (the Company), a 'shell' company, issued shares to the existing controlling shareholders of PureFlowCath. Control remained the same before and after April 15, 2020. The Company has determined this transaction to be a common control business acquisition and has been accounted for using the pooling of interest method, whereby the combined assets and liabilities of the Company and PureFlowCath are recorded at their existing carrying value and no goodwill was recognized. All comparative figures reflect those of PureFlowCath only.

The Company is subject to several risks associated with the successful development of new products, the successful conduct of clinical studies and the subsequent marketing and commercialization of the results in the uncertain environment presented by the COVID-19 pandemic. It is likely that the product developed by the Company will require approval from the U.S. Food and Drug Administration and equivalent organizations in other countries before commercialization.

For the year ended December 31, 2021, the Company incurred a loss of $634,297 (2020 - $2,044,024) and cash-flow deficit from operations of $987,551 (2020 - $1,224,907). The Company's future operations are dependent upon its ability to secure additional funds to finance patent applications to approval, its research and development activities and in the longer-term clinical studies. It is not possible to predict whether the Company will be successful, securing new financing, patent application approvals and obtain approval from the U.S. Food and Drug Administration and equivalent organizations in other countries.

There can be no assurance that management will be successful in their efforts to generate sufficient cash-flow or that it will ever develop a self-supporting business. These factors may cast significant doubt on the Company`s ability to continue as a going concern. These consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Accordingly, these consolidated financial statements do not reflect any adjustments to the carrying amounts which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements.

1. **NATURE OF OPERATIONS, CONTINUANCE OF BUSINESS AND GOING CONCERN (continued)**

The Company has been closely monitoring developments related to the novel strain of coronavirus, specifically identified as "COVID-19", including the existing and potential impact on global and local economies. The Company has implemented its business continuity plan ensuring minimal interruption to the business. Governments worldwide have since put in place various measures to contain the spread of the virus, which have directly and indirectly impacted many businesses. The COVID-19 pandemic presented some challenges in delays in raising financing but otherwise did not have any other significant impact on the Company's consolidated financial statements. The longer-term impacts of the COVID-19 situation will depend on future developments which are highly uncertain, rapidly evolving and difficult to predict. These impacts may differ in magnitude depending on a number of scenarios, which the Company continues to monitor and take into consideration.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were approved for issue by the Board of Directors on May 13, 2022.

(b) Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis, except for derivative instruments, which are measured at fair value.

(c) Amended Accounting Standards Adopted

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on January 1, 2021 that have a material effect on the financial statements of the Company.

(d) Standards Issued but Not Yet Effective

The following amendments to existing standards have been issued and are applicable to the Company for its annual period beginning on January 1, 2022 and thereafter, with an earlier application permitted:

- Reference to the Conceptual Reference to the Conceptual Framework – Amendments to IFRS 3 *Business Combinations*
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and
- Annual Improvements to IFRS Standards 2018–2020.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The following amendments to existing standards have been issued and are applicable to the Company for its annual period beginning on January 1, 2023 and thereafter, with an earlier application permitted:

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1;
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2;
- Definition of Accounting Estimates – Amendments to IAS 8; and
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 *Income Taxes*.

The Company is currently evaluating the impacts of adopting these amendments on its consolidated financial statements.

(e) Functional and Presentation Currency

These consolidated financial statements are presented in United States dollars, which is the Company's functional currency.

(f) Significant Estimates and Assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Determining the fair value of services received in exchange for share-based payments

From time to time the Company issues common shares for services or non-cash assets. The Company's Board of Directors determines the fair market value of the services or non-cash assets received in exchange for common shares. These transactions are typically valued using the fair value of common shares issued.

Valuation of the "down-round" provision in equity agreements

Certain equity financing agreements contain a "down-round" provision that allows for the issuance of incremental common shares and warrants if the provision in the agreements is triggered. Management judgement is required to determine the probability of the triggering event to occur and the number of incremental common shares and warrants that could be issued, which is dependent on the Company's share price in the future. The valuation method and assumptions used in valuing the derivative liabilities are disclosed in Note 6.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Valuation of warrants

The Company uses the Black-Scholes option pricing model to determine the fair value of warrants in order to calculate the warrant liabilities. The Black-Scholes model involves six key inputs to determine fair value of a warrant: risk-free interest rate, exercise price, market price at the date of issue, expected dividend yield, expected life and expected volatility. Certain of the inputs are estimates that involved considerable judgment and could be affected by significant factors that are out of the Company's control.

(g) Research and Development

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes.

Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and has sufficient resources to complete development and to use or sell the asset. Other development expenditures are expensed as incurred. No internal development costs have been capitalized to date.

Research and development expenses include all direct and indirect operating expenses supporting the products in development.

The costs incurred in establishing and maintaining patents are expensed as incurred.

(h) Unit Share Issuances

For unit share issuances consisting of common shares and warrants, the Company uses the Black-Scholes option pricing model in determining the fair value of warrants. The proceeds from the issuance of units are first allocated to the warrants and the residual amount, being the difference between the proceeds from issuance and the fair value of the warrants, is allocated to common shares.

(i) Derivative Liabilities

Certain equity financing agreements contain a "down-round" provision that allows for the issuance of incremental common shares and warrants if the provision in the agreements is triggered.

The Company accounts for warrants as either equity instruments or derivative liabilities, depending on the specific terms of the warrant agreement. Warrants are accounted for as a financial liability if the warrants contain a "down-round" provision and, therefore, do not meet the 'fixed-for-fixed' condition under IAS 32 *Financial Instruments: Presentation* ("IAS 32"). The Company will continue to classify the fair value of the warrants that contain "down-round" provision as a liability until the warrants are exercised, expire or are amended in a way that would no longer require these warrants to be classified as a liability.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Derivative Liabilities (continued)

On initial recognition, (1) the fair value of the derivative on outstanding warrants with "down-round" provision is determined using an option pricing model, (2) the fair value of the derivative on incremental common shares is determined based on the estimated incremental common shares that could be issued and estimated share price in the future, which is then applied with a probability and discount rate to arrive at the present value of the liability, and (3) the fair value of the derivative on incremental warrants is based on an option pricing model, which is then applied with a probability and discount rate to arrive at the present value of liability. These amounts are measured at fair value to profit or loss. Changes in the fair value of the derivative liabilities are charged to operations.

The remainder of the proceeds is allocated to the share capital.

(j) Financial Instruments

Classification and measurement of financial instruments

Financial assets are required to be initially measured at fair value and subsequently classified at amortized cost or fair value on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Company's financial assets includes cash and due from CIC Capital Ltd. – In Trust, which are classified at amortized cost because the Company's business model is to hold these financial instruments to maturity to collect contractual cash flows consisting solely of payments of principal and interest on the principal amount outstanding.

Financial liabilities include accounts payable and accrued liabilities, and loan payable to CIC Capital Ltd. which were initially measured at fair value and subsequent classified at amortized cost.

Impairment of financial assets

For the impairment of financial assets under IFRS 9, the Company is required to apply an expected credit loss ("ECL") model to all debt financial assets not held at FVTPL, where credit losses that are expected to transpire in future years are provided for, irrespective of whether a loss event has occurred or not as at the date of the statement of financial position. The Company recognizes a loss allowance for expected credit losses on loan receivables which are measured at amortized cost. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial Instruments (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognized is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets, with the exception of loan receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statement of operations and comprehensive loss.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the consolidated statement of operations and comprehensive loss for the period to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(l) Income Taxes

Deferred tax is recognized using the liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, the deferred tax is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred taxation asset is realized or the deferred tax liability is settled.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

4. DUE FROM CIC CAPITAL LTD. – IN TRUST

While the Company is finalising the transfer of its banking facilities part of its cash was held in trust with CIC Capital Ltd., a shareholder and advisor to the Company. The cash is due to the Company on demand and is non-interest bearing.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities at December 31, 2020 was $203,220 owing to the previous key members of management (who are also shareholders) of PureFlowCath, including certain company and consultants related to them, arising from provision of research and development, professional and marketing services. During the year ended December 31, 2021, these balances were forgiven as part of the settlement agreement disclosed in Note 7.

5. LOAN PAYABLE TO CIC CAPITAL LTD.

Loan payable to CIC Capital Ltd. is unsecured, non-interest bearing and has no fixed terms of repayment. The loan was repaid in full during 2021.

6. DERIVATIVE LIABILITIES

Certain equity financing agreements contain a "down-round" provision that allows for the issuance of incremental common shares and warrants if after a 30-day continuous trading on a designated stock exchange, the Company's average share price is lower than the then-subscription price of $0.29 per unit. The "down-round" feature was determined by the Company to be a financial liability since it creates an obligation to issue a variable number of shares. Thus, it does not meet the 'fixed-for-fixed' condition in IAS 32.

As a result of down-round provision, the Company has identified derivative liabilities on outstanding warrants with "down-round" provision and on incremental common shares and warrants that could be issued if the "down-round" provision is triggered. Derivative liabilities are remeasured at year-end, with changes in fair value recognized in profit or loss.

Changes in fair value of derivative liabilities during the year are as follows:

	Note	Outstanding warrants with "down-round" feature $	"Down-round" feature on warrants $	"Down-round" feature on common shares $	Total $
Balance, January 1, 2020		-	-	-	-
Issued during the year	7	2,192,002	167,261	295,616	2,654,879
Change in fair value		206,363	24,413	43,193	273,969
Balance, December 31, 2020		2,398,365	191,674	338,809	2,928,848
Issued during the year	7	545,060	55,832	98,778	699,670
Change in fair value		(318,047)	50,644	111,009	(156,394)
Balance, December 31, 2021		**2,625,378**	**298,150**	**548,596**	**3,472,124**

6. DERIVATIVE LIABILITIES (continued)

The change in fair value of the derivative liabilities is presented as a separate line on the consolidated statement of operations and other comprehensive income.

Valuation of derivative on incremental common shares
On initial recognition, the Company assumed that the probability of the share price to go down by 20% is 25% (2020 – 25%) and the probability of the share price to remain at the then-subscription price of $0.29 or to go higher is 75% (2020 = 75%).

Valuation of derivative on outstanding warrants and incremental warrants

The valuation method and inputs used in the valuation of the derivative on outstanding warrants on the date of grant are disclosed in Note 7.

The fair value of the derivative on outstanding warrants and incremental warrants was determined using the Black-Scholes pricing model with the following assumptions:

	December 31, 2021		December 31, 2020	
	Outstanding Warrants	**Incremental warrants**	Outstanding warrants	Incremental warrants
Number of warrants	**22,989,313**	**13,243,836**	18,448,965	10,628,208
Exercise price	**$0.29**	**$0.29**	$0.29	$0.29
Share price	**$0.18**	**$0.23**	$0.16	$0.23
Risk-free rate	**1.25%**	**0.95%**	0.39%	1.05%
Expected volatility	**124.00%**	**124.00%**	146.00%	1.29%
Expected dividend yield	**0.00%**	**0.00%**	0.00%	0.00%
Expected life (in years)	**3.00**	**1.75**	4.00	1.75

On initial recognition, the Company assumed that the probability of the share price to go down by 20% is 25% (2020 – 25%) and the probability of the share price to remain at the then-subscription price of $0.29 or to go higher is 75% (2020 – 75%).

Fair value hierarchy

The fair value of outstanding warrants with "down-round" provision is classified under Level 2 fair value hierarchy. The fair value of both incremental shares and warrants is classified under Level 3 fair value hierarchy.

The following table summarizes the quantitative information about the significant unobservable inputs used in the fair value measurements of incremental shares and warrants as of December 31, 2020 and 2021.

Key unobservable inputs	**Relationship of unobservable inputs to fair value**
Probability that the "down-round" provision will be triggered – 25%	The lower the probability, the lower the fair value
Magnitude of share price reduction – 20%	The lower the share price below the then-subscription price of $0.29, the higher the incremental common shares and warrants that could be issued. The higher the incremental shares and warrants, the higher the fair value
Discount rate – 30%	The higher the discount rate, the lower the fair value

There were no transfers between any levels during the year.

7. SHARE CAPITAL AND RESERVES

Authorized
Unlimited common shares without par value.

Common shares

As of December 31, 2021, 47,471,609 common shares (2020 – 47,800,702 common shares) were issued.

During the year ended December 31, 2021, the Company had the following share capital transactions:

Shares issued for subscriptions

The Company issued 4,540,348 units under various subscription agreements entered into at various dates during the year for $0.29 per unit for net proceeds of $1,316,700. Each unit consists of one share and a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026. The subscription agreements in respect of this financing contain a "down-round" feature, which is fully disclosed in Note 6. All warrants granted are classified as a financial liability because they do not meet the 'fixed-for-fixed' criteria in IAS 32.

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	4,540,348
Exercise price	$0.29
Share price	$0.16 - $0.17
Risk-free interest rate	0.64% - 1.56%
Expected volatility	128.00% - 142.00%
Expected life of warrants	3.0 – 3.9 years
Expected dividend yield	0.00%
Fair value	$545,060
Fair value per warrant	$0.12 - $0.13

All warrants granted are classified as a financial liability because they do not meet the 'fixed-for-fixed' criteria in IAS 32 (Note 6).

Return of shares and forgiveness of accounts payable

On February 5, 2021, Innovative Medicine Partners, LLC ("IMP"), a shareholder, and previous key members of management, including certain company and consultants related to them, reached a settlement with the Company regarding a dispute over the past operation and management of PureFlowCath by IMP and regarding the number of shares issued on April 15, 2020 to IMP in exchange for its membership units in PureFlowCath. As part of the settlement, on February 18, 2021, IMP returned 4,869,441 common shares to the Company valued at $0.16 per common share or total fair value of $794,000. In addition, $209,220 previously recorded in accounts payable as due to shareholders (IMP and related party consultant Peter Faulkner), including certain company and consultants related to them, was discharged (Note 4). As a result, the Company recorded $1,003,220 in contributed surplus.

7. SHARE CAPITAL AND RESERVES (continued)

During the year ended December 31, 2020, the Company had the following share capital transactions:

PureFlowCath Member unit's conversion to shares in the Company

On April 15, 2020, the Company acquired all Class I and III Member Units of PureFlowCath by way of issuing 228,777 shares in the Company for every member unit in PureFlowCath. This transaction involved inserting a new parent company at the top of PureFlowCath. The parent company (the Company), a 'shell' company, issued shares to the existing controlling shareholders and is a common control acquisition. The Company acquired Class II Member Units in PureFlowCath by way of issuing shares at $0.29 per share with a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026. The conversion agreements entered into with Class II unitholders contain a "down-round" feature, which is disclosed in Note 6.

Member Units PureFlowCath			Conversion to Common Shares of the Company			Total Common Shares of the Company
Class I	**Class II**	**Class III**	**Class I**	**Class II**	**Class III**	
71.66	11.00	17.34	16,490,247	13,173,103	2,830,216	**32,493,566**

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	13,173,103
Exercise price	$0.29
Share price	$0.17
Risk-free interest rate	0.41%
Expected volatility	106.00%
Expected life of warrants	4.8 years
Expected dividend yield	0.00%
Fair value	$1,555,743
Fair value per warrant	$0.12

All warrants granted are classified as a financial liability because they do not meet the 'fixed-for-fixed' criteria in IAS 32 (Note 6).

Shares issued for subscription and services

The Company issued 3,379,310 units under various subscription agreements entered between April 2020 and August 2020 for $0.29 per unit for net proceeds totalling $980,000. Each unit consists of one share and a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026. The subscription agreements in respect of this financing contain a "down-round" feature, which is fully disclosed in Note 6.

On April 15, 2020, the Company issued 3,103,448 common shares plus a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026 as consideration for professional services of $900,000 received from CIC Capital Ltd.

7. SHARE CAPITAL AND RESERVES (continued)

Shares issued for subscription and services

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	6,482,758
Exercise price	$0.29
Share price	$0.15 - $0.17
Risk-free interest rate	0.23 – 0.41%
Expected volatility	106.00 – 196.00%
Expected life of warrants	4.3 – 4.8 years
Expected dividend yield	0.00%
Fair value	$778,793
Fair value per warrant	$0.12 - $0.14

As presented:	**$**
Warrant liability	412,276
Warrant reserve	366,517
Total	778,793

Loan conversion (promissory note)

On December 28, 2019, PureFlowCath issued an unsecured promissory note for $500,000, bearing interest of 10% per annum, with principal and interest due on April 1, 2021. On April 4, 2020, the principal amount of $500,000 plus $50,000 interest was converted into equity in the Company at $0.29 per unit or 1,896,552 units. Each unit consists of one common share and one warrant. Each warrant is exercisable for one common share at $0.29 per common share on or before December 31, 2026. The amended agreement in respect of this financing contains a “down-round” feature, which is disclosed in Note 6.

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	1,896,552
Exercise price	$0.29
Share price	$0.17
Risk-free interest rate	0.41%
Expected volatility	106.00%
Expected life of warrants	4.8 years
Expected dividend yield	0.00%
Fair value	$223,983
Fair value per warrant	$0.12

All warrants granted are classified as a financial liability because they do not meet the ‘fixed-for-fixed’ criteria in IAS 32 (Note 6).

Shares issued for no consideration

During the year ended December 31, 2020, the Company issued 6,927,826 common shares to certain individual and institutional investors for no consideration, but these investors are required to purchase 5 common shares on the market for each common share issued to them within 60 days from the date of the Company’s listing on a designated exchange. The shares issued were recorded at fair value, with corresponding increase in deficit. The fair value of the shares was based on most recent arm’s length financing transactions.

7. SHARE CAPITAL AND RESERVES (continued)

Warrants

Set out below are summaries of warrants granted and classified under equity during the year:

	2021		2020	
	Average exercise price per warrant	Number of warrants	Average exercise price per warrant	Number of warrants
Balance, beginning of year	$0.12	3,103,448	-	-
Granted during the year	-	-	$0.12	3,103,448
Balance end of year		3,103,448		3,103,448
Vested and exercisable, end of year	$0.12	3,103,448	$0.12	3,103,448

No warrants expired during the year.

As of December 31, 2021, there were 26,092,761 warrants issued and outstanding (2020 - 21,552,413 warrants) with an exercise price of $0.29 and all expire on December 31, 2026. Of these warrants, 22,989,313 warrants were presented as part of the derivative liabilities (2020 - 18,448,965 warrants).

8. LEGAL AND PROFESSIONAL FEES

Components of legal and professional fees for the year are as follows:

	2021	2020
	$	$
Patent and trademark legal fees	**142,336**	101,664
Legal and professional fees	**306,304**	1,396,998
Accounting and audit	**87,922**	61,606
	536,562	1,560,268

9. RELATED PARTY TRANSACTIONS

Key management personnel compensation is as follows:

	2021 **$**	2020 $
Short-term employee benefits	**169,816**	86,505

The following transactions occurred with related parties.

	2021 **$**	2020 $
Purchase of professional services from CIC Capital Ltd., a shareholder (i)	**234,000**	1,000,700
Purchase of professional services from CIC Veritas Ltd., a company with common shareholder	**5,000**	-
Purchase of professional services from two minority shareholders	**13,681**	47,125

(i) Of the professional services in 2020, $900,000 was paid through the issuance of common shares and warrants (Note 7).

10. INCOME TAXES

The following table reconciles income tax recovery calculated at the basic Canadian corporate tax rate with the income taxes recorded in these consolidated financial statements:

	2021 **$**	2020 $
Loss before income taxes	**(634,297)**	(2,044,024)
Combined federal and provincial income tax rate	**26.5%**	26.5%
Income tax recovery at statutory rate	**168,089**	541,666
Tax effect of:		
Temporary differences for which no deferred tax income asset has been recognized	**(168,089)**	(559,166)
Net income not taxable as an Alabama corporation prior to the move to Canada	**-**	17,500
Income tax expense	**-**	**-**

The Company has not recognized a deferred tax asset of $727,255 (2020 - $559,166) with respect to the loss carry forward as it is not probable that sufficient future taxable profit will be available against which the Company may use the benefits.

The Company has non-capital tax losses of $2,744,358 (2020 - $2,110,061) in Canada that may be applied to reduce future years' taxable income. Of these losses, $2,110,061 expires in 2040 and $634,297 expires in 2041.

11. LOSS PER SHARE

Loss per share is calculated by dividing the loss for the year attributable to the ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. Loss per share is calculated by dividing the loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the loss and share data used in the basic and diluted EPS calculations for the years ended December 31, 2021 and 2020:

		2021		2020
Loss attributable to ordinary equity shares	**$**	**634,297**	$	2,044,024
Basic and diluted weighted average shares outstanding		**45,023,518**		39,341,315
Basic and diluted loss per share	**$**	**(0.01)**	$	(0.05)

12. MANAGEMENT OF CAPITAL

The Company defines its capital as share capital and deficit. The Company's objectives when managing capital are to ensure there are sufficient funds available to carry out its research and development programs. To date, these programs have been funded through the sale of equity securities. The Company also intends to source non-dilutive funding by accessing grants, government assistance and tax incentives, and through partnerships with corporations and research institutions. The Company uses budgets and purchasing controls to manage its costs. The Company is not exposed to any externally imposed capital requirements.

13. FINANCIAL INSTRUMENTS

Fair value

Cash, due from CIC Capital Ltd. – in Trust, accounts payable and accrued liabilities and loan payable to CIC Capital Ltd. are all short-term in nature and, as such, their carrying values approximate fair values.

Risks

The Company has exposure to credit risk, liquidity risk and foreign exchange risk.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises from the Company's cash and amounts due from related parties. The carrying amount of these financial assets represents the maximum credit exposure. The Company follows an investment policy to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs. Cash is deposited with a major Canadian bank.

13. FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is a development stage company and is reliant on external fundraising to support its operations. Once funds have been raised, the Company manages its liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

(b) Foreign currency risk

Currency risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. The Company is exposed to foreign currency risk on fluctuations related to cash and accrued expenses that are denominated in Canadian dollars.

As at December 31, 2021 $245,902 in net assets were denominated in Canadian Dollars and a 10% fluctuation in foreign exchange rate would impact the consolidated statement of loss and comprehensive loss by $22,355. As at December 31, 2020, the Company did not have any significant monetary accounts that were exposed to any foreign currency risk.

14. SECURITIZATION AGREEMENT

PureFlowCath entered into an agreement dated October 26, 2019 with CIC Fund Securitisation Fund S.A. ("CIC FS Luxembourg"), a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, acting as an unregulated securitization company (*société de titrisation*) within the meaning of, and governed by, the Luxembourg Securitization Law. Pursuant to the agreement, CIC FS Luxembourg agreed to provide services in relation to the securitization of PureFlowCath's intellectual property in Luxembourg. Such services include the establishment of a dedicated PureFlowCath compartment to facilitate debt financing of €90,000,000, with the first note raising €10,000,000. As consideration, PureFlowCath agreed to pay CIC FS Luxembourg CAD$12,726 (equivalent to US$10,038) in cash, administration fee of 4.2% annually of the value of a note issued for the life of the securitization entity and €93,000 on completion of the securitization transaction. At year-end, the securitization transaction is still in progress.

15. SUBSEQUENT EVENTS

Subsequent to year-end, the Company entered into the following transactions:

a. On January 1, 2022, the Company issued 51,724 units under various subscription agreements entered into for $0.29 per unit for net proceeds of $15,000. Each unit consists of one share and a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026.

15. SUBSEQUENT EVENTS (continued)

b. On April 17, 2022, the Company issued 172,414 units under various subscription agreements entered into for $0.29 per unit for net proceeds of $50,000. Each unit consists of one share and a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026.

c. On May 14, 2022, the Company issued 34,483 units under various subscription agreements entered into for $0.29 per unit for net proceeds of $10,000. Each unit consists of one share and a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026.

d. On September 1, 2022, the Company transferred for no consideration both the legal and beneficial interest in certain intellectual property assets to Compartment PureFlowCath, a compartment created by CIC FS Luxembourg in 2020.

e. An amended agreement dated September 4, 2022 (replacing prior agreements, including the agreement disclosed in Note 14) and novation letter dated April 11, 2023, between the Company and CIC FS Luxembourg, pursuant to which CIC Fund Securitisation S.A. (Luxembourg) agreed to the establishment of the Compartment PureFlowCath to facilitate debt financing of €5,000,000 with 8.20% compound interest and a 4.2% fee on the amounts drawn down. The principal and interest are payable at the end of the loan term being five-year anniversary of the loan draw down. The shareholders of the Company approved the agreement and novation letter on May 26, 2023 at a Special Shareholders' Meeting.

f. In September and December 2022, CIC FS Luxemburg, acting exclusively in the name and on behalf of Compartment PureFlowCath, raised financing by issuing debt notes amounting to €1,757,000 (equivalent to US$1,884,688 as of December 31, 2022) to certain professional investors. Of the total funds raised, €157,000 note was issued to CIC Capital Ltd., a shareholder, as a payment for certain professional fees provided by such shareholder. The funds raised from these debt notes were fully drawn by the Company. The Company's loans from Compartment PureFlowCath bear interest at 8.2% per annum, compounded monthly. The principal and interest are payable at the end of the loan term being five-year anniversary of the loan draw down.

g. On January 3, 2023, the Company issued 68,966 units under various subscription agreements entered into, for $0.29 per unit for net proceeds of $20,000. Each unit consists of one share and a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026.

h. On March 1, 2023, the Company issued 450,000 founder warrants to each of the five directors of the Company and to the director of PureFlowCath. The warrants awarded were approved by the minority shareholders at the Annual General and Special Shareholders' Meeting held on March 8, 2023. These warrants are subject to approval by either the Board of Directors or shareholders prior to their conversion to common shares. Every warrant is entitled to purchase one share at an exercise price of $0.001 per share on or before December 31, 2026.

15. SUBSEQUENT EVENTS (continued)

i. On March 28, 2023, the Company cancelled the remaining 6,189,638 common shares and 6,189,638 warrants issued to certain shareholders associated with IMP and previous key members of management, regarding over over-charging of research and development expenses of PureFlowCath in prior years by IMP before a new management was appointed on April 15, 2020.

j. On May 24, 2023, the Company issued 517,241 units under various subscription agreements entered into, for $0.29 per unit for net proceeds of $125,000. Each unit consists of one share and a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026.

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MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2021

This Management's Discussion and Analysis ("MD&A") of Innomed Tech Ltd. (the "Company"), prepared as of May 15, 2022, should be read in conjunction with the audited financial statements and the notes thereto for the for the year ended December 31, 2021 which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of financial statements. The currency the amounts are expressed US dollars.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

The Board of Directors of Innomed Tech Ltd. has approved the disclosure contained in this MD&A. Additional information related to the Company can be found on the Company's website at www.InnomedTec.com.

The effective date of this report is May 15, 2022.

FORWARD LOOKING STATEMENTS

This report includes certain statements that may be deemed "forward looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts that address such matters as future events or developments that the Company expects, are forward looking statements and, as such, are subject to risks, uncertainties and other factors of which are beyond the reasonable control of the Company. Such statements are not guarantees of future performance and actual results or developments may differ materially from those expressed in, or implied by, this forward-looking information. With respect to forward looking statements and information contained herein, we have made numerous assumptions including among other things, assumptions about economics and competition surrounding the services provided by the Company, anticipated costs and expenditures and the Company's ability to achieve its goals. Although management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward-looking statement or information herein will prove to be accurate.

Readers can identify many of these statements by looking for words such as "believes", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof. Examples of forward-looking statements in this MD&A include that:

- the performance characteristics of the Company's medical devices
- projections of costs;

- future medical devices and divestment;
- securitisation of assets;
- patent approvals
- Food and Drug Administration approvals;
- capital programs;
- debt levels;
- treatment under governmental regulatory regimes and tax laws; and
- capital expenditures.

Forward looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or information. Factors that could cause actual results to differ materially from those in forward looking statements include such matters as continued availability of capital and financing and general economic, market or business conditions.

Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward looking statements or information.

Any forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and subject to change after that date and the Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

HISTORY OF THE COMPANY

The Company was incorporated and registered on November 22, 2019 under the General Corporation Law of the State of Delaware, with the name InnoMed Tech, Inc. and with registered file number 7721120. On May 27, 2020, the Company continued (change of jurisdiction of incorporation) into British Columbia ("BC") Canada under the Business Corporation Act (British Columbia) with registered number C1251506 as InnoMed Tech Ltd.

The Company was subject to transaction on April 15, 2020, which involved inserting a new parent company, Innomed Tech Ltd as 100% equity owner of PureFlowCath LLC. (formerly Innomed Two LLC). The parent company (Innomed Tech Ltd), a 'shell' company, issued shares to the existing controlling shareholders. Control remained the same before and after April 15, 2020 and is a common control acquisition. The New Management description being after April 15, 2020 refers to a new board being instituted representing the same control bloc namely member unit holders.

The Company has determined this transaction to be a common control business acquisition and has been accounted for using the pooling of interest method, whereby the combined assets and liabilities of the Company and PureFlowCath are recorded at their existing carrying value and no goodwill was recognized.

The address of the registered office of the Company is Suite 1000 – 409 Granville Street, Vancouver, BC Canada V6C 1T2.

Year to date Highlights

- Progressed the public listing application with a regulator;
- Progressed PureFlowCath patent application in all jurisdictions;
- Australia, Saudi Arabia, Panama, Morocco and Eurasia patent applications have been approved;
- Return to treasury 4,869,441 common shares by issued to previous managers of the Company;
- Secured $1,331,700 by way of equity finance at $0.29 per unit to fund working capital; and
- Secured $15,000 post year ended December 31, 2021 to the date of this MD&A by equity finance at $0.29 per unit to fund working capital and regulated public listing.

BUSINESS OF THE COMPANY

The Company is in the business of medical devices and sciences working with medical practitioner innovators within the global medical community.

The Company's medical device development subsidiary, PureFlowCath, is delivering its first medical device, the PureFlowCath Catheter System for Continuous Irrigation ("CSCI"). CSCI addresses a significant market opportunity in reducing urinary tract infections commonly associated with the use of a urinary catheter.

OVERALL PERFORMANCE

For the year ended December 31, 2021, the Company had a net loss of $634,297 compared to a net loss of $2,044,024 for year ended December 31, 2020.

For the year ended December 31, 2021, net loss of $634,297 was due to:

I. patent application filings and associated documentation preparation
II. legal and professional fees associated with application for regulated listing
III. securitisation of patent applications.

The Company incurred $51,286 in foreign exchanges loss due to cash subscriptions coming from US investors being transferred to Canadian bank account. Cash subscription was slightly higher in 2021 compared to 2020 by $40,058 due to increased subscriptions in 2021.

This loss is likely to continue but is being monitored by management. Legal and professional fees mainly related to patent application costs and consultant fees decreased to $536,562 in 2021 from $1,560,268 in 2020 due to less consultancy requirements as the majority of work was completed in 2020.

Salaries and wages in 2021 of $184,216 increased over 2020 from $93,705 as the Company paid out its first full year of salaries.

The Company recorded a fair value gain of $156,394 representing change in the fair value of derivative liabilities. Certain equity financing agreements contain a "down-round" provision that allows for the issuance of incremental common shares and warrants if the provision in the agreements is triggered.

During the years ended December 31, 2021 and 2020, Company incurred the following general and administrative expenses: -

	2021	2020

Expenses			
Legal and professional fees	$	536,562	1,560,268
Change in fair value of derivative liabilities		(156,394)	273,969
Salaries and wages		184,216	93,705
Interest expense		-	50,000
Foreign exchange loss		51,286	40,058
Patent/research and development		500	23,831
General administration		18,127	2,193
	$	**634,297**	**2,044,024**

SELECTED ANNUAL INFORMATION

The following table sets forth summary financial information for the Company for the years ended December 31, 2021 and 2020. This information has been summarized from the Company's audited financial statements and should only be read in conjunction with the financial statements, and accompanying notes:

	Dec. 31, 2021 **$**	**Dec. 31, 2020** **$**
Total revenue	–	–
Net Loss for the year	(634,297)	(2,044,024)
Loss per share, basic and diluted	(0.01)	(0.05)
Total assets	786,663	239,494
Total long-term liabilities	3,472,124	2,928,848

RESULTS OF OPERATIONS

During the year ended December 31, 2021, the Company had a net loss of $634,297 compared to a net loss of $2,044,024 for the year ended December 31, 2020.

During the year ended December 31, 2021, the Company recorded expenses of $634,297 (2020 $2,044,024).

The Company incurred $51,286 in foreign exchanges loss due to cash subscriptions coming from US investors being transferred to Canadian bank account. This loss is likely to continue but is being monitored by management. Legal and professional fees of $536,562 were mainly related to patent application costs and consultant fees.

Prepaid expenses to December 31, 2021 of $169,443 (2021: $185,706) are related to the debt financing as follows: -

	31-Dec-20	**Addition**	**Expensed**	**31-Dec-21**
CIC Securitization	141,423	-	-	141,423
Office Freylinger	44,284	116,072	(142,336)	18,020
Satterwhite	-	10,000		10,000
Total	185,706	126,072	(142,336)	169,443

The Company recorded a fair value gain of $156,394 representing change in the fair value of derivative liabilities. Certain equity financing agreements contain a "down-round" provision that allows for the issuance of incremental common shares and warrants if the provision in the agreements is triggered.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes unaudited financial data for eight quarters:

	Revenues	Net income (loss)	Basic and diluted earnings (loss) per share
March 31, 2020	–	(24,541)	(0.00)
June 30, 2020	–	(1,757,640)	(0.05)
September 30, 2020	–	(307,798)	(0.01)
December 31, 2020	–	45,955	0.00
March 31, 2021	–	400	(0.00)
June 30, 2021	–	(230,471)	(0.01)
September 30, 2021	–	(93,425)	(0.00)
December 31, 2021	–	(319,400)	(0.01)

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

As at December 31, 2021, the Company had cash (including due from CIC Capital Ltd.) of $617,220.

As at December 31, 2021, the Company has no assets other than cash and prepaid expenses $169,443, a working capital of $717,053, and an accumulated deficit of $10,376,767.

Financing Activities

For the year ended December 31, 2021, the Company issued 4,540,348 units under various subscription agreements entered into various dates during the year for $0.29 per unit for net proceeds of $1,316,700. Each unit consists of one share and a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026.

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The Company transferred the majority of its Patent Applications to CIC Fund Securitisation S.A. (Luxembourg) as part of the process of securing debt finance of initial up to Euro €5,000,000. The patent applications and approved patents intangible asset value is not recorded in the financial statement as they are held separately by the securitisation compartment in Luxembourg. The Company's ability to continue as a going concern is dependent upon its ability to fund any additional losses it may incur.

Capital Management

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements.

Derivative Liabilities

Certain equity financing agreements contain a "down-round" provision that allows for the issuance of incremental common shares and warrants if the provision in the agreements is triggered.

The Company accounts for warrants as either equity instruments or derivative liabilities, depending on the specific terms of the warrant agreement. Warrants are accounted for as a financial liability if the warrants contain a "down-round" provision and, therefore, do not meet the 'fixed-for-fixed' condition under IAS 32 Financial Instruments: Presentation. The Company will continue to classify the fair value of the warrants that contain "down-round" provision as a liability until the warrants are exercised, expire or are amended in a way that would no longer require these warrants to be classified as a liability.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The following transactions occurred with related parties during the year ending December 31, 2021:

		2021		2020
Purchase of professional services from CIC Capital Ltd., a shareholder(i)	**$**	**234,000**	$	1,000,700
Purchase of professional services from CIC Veritas Ltd., a company with common Shareholder (Stuart J. Bromley)		**5,000**		-
Purchase of services from two directors (Billy Williams and David Toyoda)		**13,681**		47,125

(i) Of the professional services, $900,000 was paid through the issuance of common shares and warrants.

FOURTH QUARTER

During the fourth quarter of 2021, the Company:

I. completed the majority transfer of majority Patent Applications to CIC Fund Securitisation S.A. (Luxembourg) as part of the process of debt finance of initial Euro €,000,000.

PROPOSED TRANSACTIONS

There are no proposed transactions.

FINANCIAL INSTRUMENTS AND RISKS

The Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash, due from CIC Capital Ltd.-In Trust, accounts payable and accrued liabilities, loan payable to CIC Capital Ltd. and due from Innovative Medicine Partners LLC, approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit risk, liquidity risk and interest rate risk

The Company has exposure to credit risk, liquidity risk and interest rate risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises from the Company's cash and amounts due from parent. The carrying amount of these financial assets represents the maximum credit exposure. The Company follows an investment policy to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs. Cash are on deposit with a major American bank.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is a development stage company and is reliant on external fundraising to support its operations. Once funds have been raised, the Company manages its liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate price risk to the extent that the promissory note is at a fixed interest rate.

Currency risk

Currency risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. The Company is exposed to foreign currency risk on fluctuations related to cash and accrued expenses that are denominated in Canadian dollars.

As at December 31, 2021 $245,902 in net assets were denominated in Canadian Dollars and a 10% fluctuation in foreign exchange rate would impact the consolidated statement of loss and comprehensive loss by $22,355. As at December 31, 2021, the Company did not have any significant monetary accounts that were exposed to any foreign currency risk.

DISCLOSURE OF OUTSTANDING SHARE DATA

The issued share capital of the Company at December 31, 2021:

	Dec 31, 2021
Common Shares	47,471,609
Warrants	26,092,761
Options	-

Common shares at the date of this MD&A are 47,523,333, no options and 23,041,037 warrants.

Shares Issued for Subscription

For the year ended December 31, 2021, the Company issued 4,540,348 units under various subscription agreements entered into various dates during the year for $0.29 per unit for net proceeds of $1,316,700. Each unit consists of one share and a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026. The subscription agreements in respect of this financing contain a "down-round" feature.

Return of shares and forgiveness of accounts payable

On February 5, 2021, Innovative Medicine Partners, LLC ("IMP"), a shareholder, and previous key members of management, including certain company and consultants related to them, reached a settlement with the Company regarding dispute over past operation and management of PureFlowCath by IMP and regarding the number of shares issued on April 15, 2020 to IMP in exchange for its membership units in PureFlowCath. As part of the settlement, IMP was required to return 4,869,441 common shares valued at $0.16 per common share or total fair value of $794,000. On February 18, 2021, IMP returned 4,869,441 common shares to the Company. In addition, $209,220 in accounts payable to shareholders (IMP and related party consultants Peter Falkner), including certain company and consultants related to them, was discharged. As a result, the Company recorded $1,003,220 in contributed surplus.

OTHER

Additional disclosures pertaining to the Company's reports, press releases and other information are available on the Company's web site www.InnomedTec.com

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Consolidated Financial Statements

For the Years Ended December 31, 2020 and 2019

(Expressed in US dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Innomed Tech Ltd.

Opinion

We have audited the consolidated financial statements of Innomed Tech Ltd., (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019 and the consolidated statements of operations and comprehensive income, changes in stockholders'/members' deficiency and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $2,044,024 and cash-flow deficit from operations of $1,224,907 during the year ended December 31, 2020. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
December 10, 2021 (except as to Note 17, which is as of March 3, 2022)
Toronto, Ontario

INNOMED TECH LTD.
Consolidated statements of financial position
As at December 31, 2020 and 2019
(Expressed in US dollars)

		2020		2019
Assets				
Current				
Cash	**$**	**3,562**	$	231,269
Due from CIC Capital Ltd. (Note 3)		**50,226**		-
Prepaid expenses		**185,706**		-
Due from Innovative Medicine Partners LLC (Note 4)		**-**		359,531
Total assets	**$**	**239,494**	$	590,800
Liabilities				
Current				
Accounts payable and accrued liabilities (Note 5)	**$**	**240,470**	$	768,921
Loan payable to CIC Capital Ltd. (Note 6)		**17,200**		-
		257,670		768,921
Non-current				
Derivative liabilities (Note 7)		**2,928,848**		-
Promissory note (Note 8)		**-**		500,000
		2,928,848		500,000
Total liabilities		**3,186,518**		1,268,921
Shareholders'/members' deficiency				
Share capital (Note 8)		**6,428,929**		-
Membership units (Note 8)		**-**		5,856,450
Warrant reserve (Note 8)		**366,517**		-
Deficit		**(9,742,470)**		(6,534,571)
Total shareholders'/members' deficiency		**(2,947,024)**		(678,121)
Total liabilities and shareholders'/members' deficiency	**$**	**239,494**	$	590,800

Subsequent events (Note 16)

(The accompanying notes are an integral part of these consolidated financial statements)

INNOMED TECH LTD.
Consolidated statements of operations and comprehensive income
For the years ended December 31, 2020 and 2019
(Expressed in US dollars)

		2020		2019
Expenses				
Legal and professional fees (Notes 9 and 10)	**$**	**1,560,268**	$	405,540
Change in fair value of derivative liabilities (Note 7)		**273,969**		-
Salaries and wages		**93,705**		-
Interest expense		**50,000**		-
Foreign exchange loss		**40,058**		-
Patent/research and development (Note 10)		**23,831**		725,230
General administration		**2,193**		10,011
Management fees (Note 10)		**-**		360,000
Automobile expense		**-**		81
Marketing and multimedia (Note 10)		**-**		19,825
Share-based payments		**-**		66,250
Net loss and comprehensive loss	**$**	**2,044,024**	$	1,586,937
Weighted average shares outstanding - Basic and diluted (Note 12)		**39,341,315**		30,224,809
Basic and diluted loss per share (Note 12)		**(0.05)**		(0.05)

(The accompanying notes are an integral part of these consolidated financial statements)

INNOMED TECH LTD.
Consolidated statements of changes in stockholders'/members' deficiency
For the years ended December 31, 2020 and 2019
(Expressed in US dollars)

	Class I Units	Class II Units	Class III Units	Share Capital		Warrant Reserve	Deficit	Total Shareholders'/ Members' Deficiency
	$	$	$	# of Shares	Amount $	$	$	$
Balance, January 1, 2019	-	1,223,750	1,970,000	-	-	-	(4,947,634)	(1,753,884)
Issuance of units		2,596,450	66,250	-	-	-	-	2,662,700
Net loss and comprehensive loss	-	-	-	-	-	-	(1,586,937)	(1,586,937)
Balance, December 31, 2019	-	3,820,200	2,036,250	-	-	-	(6,534,571)	(678,121)
Innomed Two LLC. Member unit conversion	**-**	**(3,820,200)**	**(2,036,250)**	**32,493,566**	**4,300,707**	**1,555,743**	**-**	**-**
Recognition of derivative liabilities on Class II units conversion	**-**	**-**	**-**	**-**	**(310,877)**	**(1,555,743)**	**-**	**(1,866,620)**
Loan conversion	**-**	**-**	**-**	**1,896,552**	**326,017**	**-**	**-**	**326,017**
Issuance of units	**-**	**-**	**-**	**6,482,758**	**949,207**	**366,517**	**-**	**1,315,724**
Issuance of shares for no consideration	**-**	**-**	**-**	**6,927,826**	**1,163,875**	**-**	**(1,163,875)**	**-**
Net loss and comprehensive loss	**-**	**-**	**-**	**-**	**-**	**-**	**(2,044,024)**	**(2,044,024)**
Balance, December 31, 2020	**-**	**-**	**-**	**47,800,702**	**6,428,929**	**366,517**	**(9,742,470)**	**(2,947,024)**

Innomed Tech Ltd. acquired Innomed Two, LLC (PureFlowCath, LLC) on April 15, 2020.

(The accompanying notes are an integral part of these consolidated financial statements)

INNOMED TECH LTD.
Consolidated statements of cash flows
For the years ended December 31, 2020 and 2019
(Expressed in US dollars)

		2020		2019
Cash provided by (used in)				
Operations				
Net loss	**$**	**(2,044,024)**	$	(1,586,937)
Items not affecting cash				
Shares issued for professional fees		**900,000**		-
Interest converted to shares		**50,000**		-
Change in fair value of derivative liabilities		**273,969**		-
Share-based payments		**-**		66,250
		(820,055)		(1,520,687)
Changes in non-cash working capital				
Prepaid expenses		**(185,706)**		-
Due from CIC Capital Ltd.		**(50,226)**		-
Due from Innovative Medicine Partners, LLC		**359,531**		(1,229,293)
Accounts payable and accrued liabilities		**(528,451)**		(233,431)
		(1,224,907)		(2,983,411)
Financing				
Loan payable to CIC Capital Ltd.		**17,200**		-
Proceeds from promissory note		**-**		500,000
Issuance of shares		**980,000**		-
Contributions		**-**		2,596,450
		997,200		3,096,450
Net change in cash		**(227,707)**		113,039
Cash, beginning of the year		**231,269**		118,230
Cash, end of the year	**$**	**3,562**	$	231,269
Non-cash financing activity				
Conversion of promissory note and related interest into equity	**$**	**550,000**	$	-

(The accompanying notes are an integral part of these consolidated financial statements)

1. NATURE OF OPERATIONS, CONTINUANCE OF BUSINESS AND GOING CONCERN

Innomed Tech Ltd. (the "Company") was incorporated and registered on November 22, 2019 under the General Corporation Law of the State of Delaware, with the name InnoMedTech, Inc. On May 27, 2020, the Company continued (change of jurisdiction of incorporation) into British Columbia ("BC") Canada under the Business Corporation Act (British Columbia) as InnoMed Tech Ltd. The Company is in the business of developing medical devices, medical digital or science inventions. The address of the registered office of the Company is Suite 1000 – 409 Granville Street, Vancouver, BC Canada V6C 1T2.

The Company was subject to a transaction on April 15, 2020, which involved inserting a new parent company at the top of PureFlowCath, LLC [formerly Innomed Two, LLC] ("PureFlowCath"). The parent company (the Company), a 'shell' company, issued shares to the existing controlling shareholders of PureFlowCath. Control remained the same before and after April 15, 2020. The Company has determined this transaction to be a common control business acquisition and has been accounted for using the pooling of interest method, whereby the combined assets and liabilities of the Company and PureFlowCath are recorded at their existing carrying value and no goodwill is recognized. All comparative figures reflect those of PureFlowCath only.

The consolidated financial statements were prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company is subject to several risks associated with the successful development of new products and their marketing and the conduct of its clinical studies and their results, in addition to the uncertainties presented by the COVID-19 pandemic. It is likely that the product developed by the Company will require approval from the U.S. Food and Drug Administration and equivalent organizations in other countries before sales can be authorized. For the year ended December 31, 2020, the Company incurred a loss of $2,044,024 (2019 - $1,586,937) and cash-flow deficit from operations of $1,224,907 (2019 - $2,983,411). The Company's future operations are dependent upon its ability to secure additional funds to finance patent applications to approval, its research and development activities and in the longer-term clinical studies. It is not possible to predict whether the Company will be successful, securing new financing, patent application approvals and obtain approval from the U.S. Food and Drug Administration and equivalent organization in other countries.

There can be no assurance that management will be successful in its efforts to generate sufficient cash-flow or that it will ever develop a self-supporting business. These factors may cast significant doubt on the Company`s ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments to the carrying amounts which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements.

The Company has been closely monitoring developments related to the novel strain of coronavirus, specifically identified as "COVID-19", including the existing and potential impact on global and local economies. The Company has implemented its business continuity plan ensuring minimal interruption to the business. Governments worldwide have since put in place various measures to contain the spread of the virus, which have directly and indirectly impacted many businesses. The COVID-19 pandemic presented some challenges in delays in raising financing but otherwise did not have any other significant impact on the Company's consolidated financial statements. The longer term impacts of the COVID-19 situation will depend on future developments which are highly uncertain, rapidly evolving and difficult to predict. These impacts may differ in magnitude depending on a number of scenarios, which the Company continues to monitor and take into consideration.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were approved for issue by the Board of Directors on December 3, 2021.

(b) Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis.

(c) Amended Accounting Standards Adopted

The Company has adopted all the new or amended Accounting Standards and Interpretations issued by the IASB that are mandatory for the current reporting period.

The following amendments are most relevant to the Company:

- Amendments to IFRS 3 *Business Combinations* improve the definition of a business. The amendments help entities determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others.

- *Definition of Material* (Amendments to IAS 1 *Presentation of Financial Statements* ["IAS 1"] and to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* ["IAS 8"]) is intended to make the definition of material in IAS 1 easier to understand and is not intended to alter the underlying concept of materiality in IFRS Standards. The concept of "obscuring" material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from "could influence" to "could reasonably be expected to influence". The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1.

The adoption by the Company of the amendments listed above did not have any impact on the Company's consolidated financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Standards issued but not yet effective

The following amendment to an existing standard has been issued and is applicable to the Company beginning on June 1, 2020 and thereafter, with an earlier application permitted:

- *COVID-19 Related Rent Concessions* (Amendment to IFRS 16, *Leases*): i) provide lessees with a practical expedient that relieves a lessee from assessing whether a COVID-19-related rent concession is a lease modification; ii) require lessees that apply the practical expedient to account for COVID-19-related rent concessions as if they were not lease modifications.

The following amendments to existing standards have been issued and are applicable to the Company for its annual period beginning on January 1, 2022 and thereafter, with an earlier application permitted:

- Reference to the Conceptual Reference to the Conceptual Framework – Amendments to IFRS 3 *Business Combinations*
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and
- Annual Improvements to IFRS Standards 2018–2020.

The following amendments to existing standards have been issued and are applicable to the Company for its annual period beginning on January 1, 2023 and thereafter, with an earlier application permitted:

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1;
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2;
- Definition of Accounting Estimates – Amendments to IAS 8; and
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 *Income Taxes*.

The Company is currently evaluating the impacts of adopting these amendments on its consolidated financial statements.

(e) Functional and Presentation Currency
These consolidated financial statements are presented in United States dollars, which is the Company's functional currency.

(f) Significant Estimates and Assumptions
The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Significant Estimates and Assumptions (continued)

Determining the fair value of services received in exchange for share-based payments
From time to time the Company issues common shares for services or non-cash assets. The Company's Board of Directors determines the fair market value of the services or non-cash assets received in exchange for common shares. These transactions are typically valued using the fair value of common shares issued.

Valuation of the "down-round" provision in debt and equity agreements
Certain debt and equity financing agreements contain a "down-round" provision that allows for the issuance of incremental common shares and warrants if the provision in the agreements is triggered. Management judgment is required to determine the probability of the triggering event to occur and the number of incremental common shares and warrants that could be issued, which is dependent on the Company's share price in the future. The valuation method and assumptions used in valuing the derivative liabilities are disclosed in Note 7.

Valuation of warrants
The Company uses the Black-Scholes option pricing model to determine the fair value of stock options in order to calculate stock-based compensation expense. The Black-Scholes model involves six key inputs to determine fair value of a stock option: risk-free interest rate, exercise price, market price at the date of issue, expected dividend yield, expected life and expected volatility. Certain of the inputs are estimates that involved considerable judgment and are or could be affected by significant factors that are out of the Company's control.

(g) Research and Development
Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes.

Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and has sufficient resources to complete development and to use or sell the asset. Other development expenditures are expensed as incurred. No internal development costs have been capitalized to date.

Research and development expenses include all direct and indirect operating expenses supporting the products in development. The costs incurred in establishing and maintaining patents are expensed as incurred.

(h) Share-based Payments

The Company issues share-based payments to employees or consultants. The fair value of the shares issued is recognized over the applicable vesting period as compensation expense unless there are no vesting requirements in which case the entire amount is recognized immediately.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Unit Share Issuances

For unit share issuances consisting of common shares and warrants, the Company uses the Black-Scholes option pricing model in determining the fair value of warrants. The proceeds from the issuance of units are first allocated to the warrants and the residual amount, being the difference between the proceeds from issuance and the fair value of the warrants, is allocated to common shares.

(j) Derivative Liabilities

Certain debt and equity financing agreements contain a "down-round" provision that allows for the issuance of incremental common shares and warrants if the provision in the agreements is triggered.

The Company accounts for warrants as either equity instruments or derivative liabilities, depending on the specific terms of the warrant agreement. Warrants are accounted for as a financial liability if the warrants contain a "down-round" provision and, therefore, do not meet the 'fixed-for-fixed' condition under IAS 32 *Financial Instruments: Presentation* ("IAS 32"). The Company will continue to classify the fair value of the warrants that contain "down-round" provision as a liability until the warrants are exercised, expire or are amended in a way that would no longer require these warrants to be classified as a liability.

On initial recognition, (1) the fair value of the derivative on outstanding warrants with "down-round" provision is determined using an option pricing model, (2) the fair value of the derivative on incremental common shares is determined based on the estimated incremental common shares that could be issued and estimated share price in the future, which is then applied with a probability and discount rate to arrive at the present value of the liability, and (3) the fair value of the derivative on incremental warrants is based on an option pricing model, which is then applied with a probability and discount rate to arrive at the present value of liability. These amounts are measured at fair value to profit or loss. Changes in the fair value of the derivative liabilities are charged to operations.

The remainder of the proceeds is allocated to the share capital.

(k) Financial Instruments

Classification and measurement of financial instruments

Financial assets are required to be initially measured at fair value and subsequently classified at amortized cost or fair value on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Company's financial assets includes cash, cash due from CIC Capital Ltd. and due from Innovative Medicine Partners LLC, which are classified at amortized cost because the Company's business model is to hold these financial instruments to maturity to collect contractual cash flows consisting solely of payments of principal and interest on the principal amount outstanding.

Financial liabilities include accounts payable and accrued liabilities, loan payable to CIC Capital Ltd. and promissory note which were initially measured at fair value and subsequent classified as amortized cost.

Impairment of financial assets

For the impairment of financial assets under IFRS 9, the Company is required to apply an expected credit loss ("ECL") model to all debt financial assets not held at FVTPL, where credit losses that are expected to transpire in future years are provided for, irrespective of whether a loss event has occurred or not as at the date of the statement of financial position. The Company recognizes a loss allowance for expected credit losses on loan receivables which are measured at amortized cost. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial Instruments (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognized is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets, with the exception of loan receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statement of operations and comprehensive loss.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the consolidated statement of operations and comprehensive loss for the period to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(l) Income Taxes

Deferred tax is recognized using the liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, the deferred tax is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred taxation asset is realized or the deferred tax liability is settled.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

3. DUE FROM CIC CAPITAL LTD.

Due from CIC Capital Ltd. comprises of cash held by CIC Capital Ltd., a shareholder and advisor to the Company, is due on demand and non-interest bearing.

(Expressed in US dollars)

4. DUE FROM INNOVATIVE MEDICINE PARTNERS LLC

As at December 31, 2020, amount due of nil (2019: $359,531) from Innovative Medicine Partners, LLC ("IMP"), a shareholder, was non-interest bearing, had no fixed terms of repayment and was secured against common shares held in the Company.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in the accounts payable and accrued liabilities are amounts owed to the previous key members of management of PureFlowCath, including certain company and consultants related to them, in the amount of $203,020 (2019: $751,596) arising from provision of research and development, professional and marketing services.

Subsequent to year-end, the outstanding balance was settled as part of the settlement agreement disclosed in Note 15.

6. LOAN PAYABLE TO CIC CAPITAL LTD.

Loan payable to CIC Capital Ltd., a shareholder and advisor to the Company, is unsecured, non-interest bearing and has no fixed terms of repayment.

7. DERIVATIVE LIABILITIES

Certain debt and equity financing agreements contain a "down-round" provision that allows for the issuance of incremental common shares and warrants if after a 30-day continuous trading on a designated stock exchange, the Company's average share price is lower than the then-subscription price of $0.29 per unit. The "down-round" feature was determined by the Company to be a financial liability since it creates an obligation to issue a variable number of shares. Thus, it does not meet the 'fixed-for-fixed' condition in IAS 32.

As a result of down-round provision, the Company has identified derivative liabilities on outstanding warrants with "down-round" provision and on incremental common shares and warrants that could be issued if the "down-round" provision is triggered. Derivative liabilities are remeasured at year-end, with changes in fair value recognized in profit or loss.

Changes in fair value of derivative liabilities during the year are as follows:

	Outstanding warrants with "down-round" feature	"Down-round" feature on warrants	"Down-round" feature on common shares	Total
Balance, January 1, 2020	$ -	$ -	$ -	$ -
Issuance during the year (Note 8)	2,192,002	167,261	295,616	2,654,879
Change in fair value	206,363	24,413	43,193	273,969
Balance, December 31, 2020	$ 2,398,365	$ 191,674	$ 338,809	$ 2,928,848

(Expressed in US dollars)

7. DERIVATIVE LIABILITIES (continued)

The change in fair value of the derivative liabilities is presented as a separate line on the consolidated statement of operations and other comprehensive income.

Valuation of derivative on incremental common shares

On initial recognition, the Company assumed that the probability of the share price to go down by 20% is 25% and the probability of the share price to remain at the then-subscription price of $0.29 or to go higher is 75%. Accordingly, the Company recognized $295,616 in liability for incremental common shares on initial recognition. The fair value of the liability for incremental common shares as of December 31, 2020 is $338,809.

Valuation of derivative on outstanding warrants and incremental warrants

The valuation method and inputs used in the valuation of the derivative on outstanding warrants on the date of grant are disclosed in Note 8.

As of December 31, 2020, the fair value of the derivative on outstanding warrants and incremental warrants was determined using the Black-Scholes pricing model with the following assumptions:

	Outstanding warrants	Incremental warrants
Number of warrants	18,448,965	10,628,208
Exercise price	$0.29	$0.29
Share price	$0.16	$0.23
Risk-free rate	0.39%	1.05%
Expected volatility	146%	129%
Expected dividend yield	0%	0%
Expected life (in years)	4.00	1.75

On initial recognition, the Company assumed that the probability of the share price to go down by 20% is 25% and the probability of the share price to remain at the then-subscription price of $0.29 or to go higher is 75%. Accordingly, the Company recognized $167,261 in liability for the incremental warrants on initial recognition. The fair value of the liability for incremental warrants as of December 31, 2020 is $191,674.

(Expressed in US dollars)

7. DERIVATIVE LIABILITIES (continued)

Fair value hierarchy

The fair value of outstanding warrants with "down-round" provision is classified under Level 2 fair value hierarchy.

The fair value of both incremental shares and warrants is classified under Level 3 fair value hierarchy.

The following table summarizes the quantitative information about the significant unobservable inputs used in the fair value measurements of incremental shares and warrants as of December 31, 2020.

Key unobservable inputs	Relationship of unobservable inputs to fair value
Probability that the "down-round" provision will be triggered - 25%	The lower the probability, the lower the fair value
Magnitude of share price reduction - 20%	The lower the share price below the then-subscription price of $0.29, the higher the incremental common shares and warrants that could be issued. The higher the incremental shares and warrants, the higher the fair value
Discount rate - 30%	The higher the discount rate, the lower the fair value

There were no transfers between any levels during the year.

8. SHARE CAPITAL AND RESERVES

Subsequent to conversion to shares in the Company

Authorized
Unlimited common shares without par value.

Common shares

47,800,702 common shares were issued during year ended December 31, 2020.

PureFlowCath Member unit's conversion to shares in the Company

On April 15, 2020, the Company acquired all Class I and III Member Units of PureFlowCath by way of issuing 228,777 shares in the Company for every member unit in PureFlowCath. This transaction involved inserting a new parent company at the top of PureFlowCath. The parent company (the Company), a 'shell' company, issued shares to the existing controlling shareholders and is a common control acquisition. The Company acquired Class II Member Units in PureFlowCath by way of issuing shares at $0.29 per share with a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026. The conversion agreements entered into with Class II unitholders contain a "down-round" feature, which is fully disclosed in Note 7.

(Expressed in US dollars)

8. SHARE CAPITAL AND RESERVES (continued)

Member Units PureFlowCath			Conversion to Common Shares of the Company			Total Common Shares of the Company
Class I	**Class II**	**Class III**	**Class I**	**Class II**	**Class III**	
71.66	11.00	17.34	16,490,247	13,173,103	2,830,216	**32,493,566**

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	13,173,103
Exercise price	$0.29
Share price	$0.17
Risk-free interest rate	0.41%
Expected volatility	106%
Expected life of warrants	4.8 years
Expected dividend yield	0%
Fair value	$1,555,743
Fair value per warrant	$0.12

All warrants granted are classified as a financial liability because they do not meet the 'fixed-for-fixed' criteria in IAS 32 (see Note 7).

Shares Issued for Subscription and Services

The Company issued 3,379,310 units under various subscription agreements entered between April 2020 and August 2020 for $0.29 per unit for net proceeds totalling $980,000. Each unit consists of one share and a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026. The subscription agreements in respect of this financing contain a "down-round" feature, which is fully disclosed in Note 7.

On April 15, 2020, the Company issued 3,103,448 common shares plus a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026 as consideration for professional services of $900,000 received from CIC Capital Ltd.

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	6,482,758
Exercise price	$0.29
Share price	$0.15 - $0.17
Risk-free interest rate	0.23 - 0.41%
Expected volatility	106 - 196%
Expected life of warrants	4.3 - 4.8 years
Expected dividend yield	0%
Fair value	$778,793
Fair value per warrant	$0.12 - $0.14

(Expressed in US dollars)

8. SHARE CAPITAL AND RESERVES (continued)

As presented:		
Warrant liability	$	412,276
Warrant reserve		366,517
Total	$	778,793

Loan Conversion (Promissory Note)

On December 28, 2019, PureFlowCath issued an unsecured promissory note for $500,000, bearing interest of 10% per annum, with principal and interest due on April 1, 2021. On April 4, 2020, the principal amount of $500,000 plus $50,000 interest was converted into equity in the Company at $0.29 per unit or 1,896,552 units. Each unit consists of one common share and one warrant. Each warrant is exercisable for one common share at $0.29 per common share on or before December 31, 2026. The amended agreement in respect of this financing contains a "down-round" feature, which is fully disclosed in Note 7.

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	1,896,552
Exercise price	$0.29
Share price	$0.17
Risk-free interest rate	0.41%
Expected volatility	106%
Expected life of warrants	4.8 years
Expected dividend yield	0%
Fair value	$223,983
Fair value per warrant	$0.12

All warrants granted are classified as a financial liability because they do not meet the 'fixed-for-fixed' criteria in IAS 32 (see Note 7).

Shares Issued for No Consideration

During the year ended December 31, 2020, the Company issued 6,927,826 common shares to certain individual and institutional investors for no consideration, but these investors are required to purchase 5 common shares on the market for each common share issued to them when the Company is listed on a designated exchange. The shares issued were recorded at fair value, with corresponding increase in deficit. The fair value of the shares was based on most recent arm's length financing transactions.

Warrants

As of December 31, 2020, there were 21,552,413 warrants issued and outstanding with an exercise price of $0.29 and all expire on December 31, 2026. Of these warrants, 18,448,965 warrants were presented as part of the derivative liabilities.

Prior to conversion to shares in the Company

Authorized

The authorized unit capital of the Company consists of 3 units of ownership: Class I Units (100 units), Class II Units (33.5 units) and Class III Units (15 units).

(Expressed in US dollars)

8. SHARE CAPITAL AND RESERVES (continued)

Member Units Issued

As of December 31, 2019 and conversion, the Company had issued 100 units of Class I Units[(a)], 16.38 units of Class II Units [(ii)] and 9.75 Class III Units [(iii)].

(i) Class I Units are voting
(ii) Class II Units are non-voting
(iii) Class III Units are for the purpose of compensating certain consultants and professionals and are non-voting

9. LEGAL AND PROFESSIONAL FEES

Components of legal and professional fees for the year are as follows:

		2020		2019
Patent and trademark legal fees	**$**	**101,664**	$	173,451
Legal and professional fees		**1,396,998**		170,114
Accounting and audit		**61,606**		61,975
	$	**1,560,268**	$	405,540

10. RELATED PARTY TRANSACTIONS

The following transactions occurred with related parties:

		2020		2019
Purchase of professional services from CIC Capital Ltd., a shareholder in 2020 [(i)]	**$**	**1,000,700**	$	-
Purchase of management services from IMP, a shareholder		**-**		360,000
Purchase of research and development services from a consultant related to the President and Chief Operating Officer of PureFlowCath		**-**		480,000
Purchase of research and development services from consultants that are part of the management team of IMP		**-**		180,000
Purchase of professional services from two minority shareholders		**47,125**		129,559
Purchase of marketing services from a company with common ownership as the Company		**-**		6,950

(i) Of the professional services, $900,000 was paid through the issuance of common shares and warrants. See Note 8.

(Expressed in US dollars)

11. INCOME TAXES

The following table reconciles income tax recovery calculated at the basic Canadian corporate tax rate with the income taxes recorded in these consolidated financial statements:

		2020
Loss before income taxes	$	(2,044,024)
Combined federal and provincial income tax rate		26.5%
Income tax recovery at statutory rate		541,666
Tax effect of:		
Temporary differences for which no deferred tax income asset has been recognized		(559,166)
Net income not taxable as an Alabama corporation prior to move to Canada (PureFlowCath)		17,500
Income tax expense	$	-

The Company has not recognized a deferred tax asset of $559,166 (2019 - $nil) with respect of the loss carry forward as it is not probable that sufficient future taxable profit will be available which the Company may use the benefits.

The Company has non-capital tax losses of $2,110,061 in Canada that may be applied to reduce future taxable income. The losses expire in 2040.

12. LOSS PER SHARE

The Company defines its capital as share capital and deficit. The Company's objectives holders of the Company by the weighted average number of ordinary shares outstanding during the year. Loss per share is calculated by dividing the loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the loss and share data used in the basic and diluted EPS calculations for the years ended December 31, 2020 and 2019:

		2020		2019
Loss attributable to ordinary equity shares	**$**	2,044,024	**$**	1,586,937
Basic and diluted weighted average shares outstanding		39,341,315		30,224,809
Basic and diluted loss per share	**$**	(0.05)	**$**	(0.05)

For purposes of calculating the weighted average shares outstanding for 2019, the unitholders' membership units were multiplied by the conversion ratios established in the conversion agreements.

13. MANAGEMENT OF CAPITAL

The Company defines its capital as share capital and deficit. The Company's objectives when managing capital are to ensure there are sufficient funds available to carry out its research and development programs. To date, these programs have been funded through the sale of equity securities.

The Company also intends to source non-dilutive funding by accessing grants, government assistance and tax incentives, and through partnerships with corporations and research institutions. The Company uses budgets and purchasing controls to manage its costs. The Company is not exposed to any externally imposed capital requirements.

14. FINANCIAL INSTRUMENTS

Fair Value

Cash and accounts payable and accrued liabilities and loan payable to CIC Capital Ltd. are all short-term in nature and, as such, their carrying values approximate fair values.

Risks

The Company has exposure to credit risk, liquidity risk and interest rate risk.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises from the Company's cash and amounts due from related parties. The carrying amount of these financial assets represents the maximum credit exposure. The Company follows an investment policy to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs. Cash are on deposit with a major American bank.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is a development stage company and is reliant on external fundraising to support its operations. Once funds have been raised, the Company manages its liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company was exposed to interest rate price risk to the extent that the promissory note was at a fixed interest rate.

15. SECURITIZATION AGREEMENT

PureFlowCath entered into an agreement dated October 26, 2019 with CIC Fund Securitisation Fund S.A., a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, acting as an unregulated securitization company (*société de titrisation*) within the meaning of, and governed by, the Luxembourg Securitization Law. Pursuant to the agreement, CIC Fund Securitisation Fund S.A. agrees to provide services in relation to the securitization of PureFlowCath's intellectual property in Luxembourg. Such services include the establishment of a dedicated PureFlowCath compartment to facilitate debt financing of €5,000,000. As consideration, PureFlowCath agreed to pay CIC Fund Securitisation S.A. CAD$12,726 (€8,700) in cash, administration fee of 4.2% of value of a note issued for the life of the securitization entity and €93,000 on completion of the securitization transaction. At year-end, the securitization transaction is still in progress.

16. SUBSEQUENT EVENTS

On February 5, 2021, Innovative Medicine Partners, LLC ("IMP"), a shareholder, and previous key members of management, including certain company and consultants related to them, reached a settlement with the Company regarding dispute over past operation and management of PureFlowCath by IMP and regarding the number of shares issued on April 15, 2020 to IMP in exchange for its membership units in PureFlowCath. As part of the settlement, IMP was required to return 4,869,441 common shares valued at $0.16 per common share or total fair value of $794,000. On February 18, 2021, IMP returned 4,869,441 common shares to the Company. In addition, $209,220 in accounts payable to shareholders (IMP and related party consultant Peter Falkner), including certain company and consultants related to them, was discharged. As a result, the Company credited $1,003,220 in contributed surplus.

On October 19, 2021, the board of directors approved the issuance of 500,000 warrants to each of the five directors of the Company, and to the director of PureFlowCath as founder's warrants. These securities have not been issued as are to be approved by the shareholders of the Company.

17. AMENDMENTS TO THE PREVIOUSLY ISSUED CONSOLIDATED FINANCIAL STATEMENTS

In connection with the Company's filing of a non-offering Prospectus, these consolidated financial statements were amended for the items set out below.

- The amount and expiry date of unused tax losses for which no deferred tax asset was recognized in the consolidated statement of financial position have been disclosed in Note 11; and
- Loss per share information has been disclosed in Note 12.

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MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2020

This Management's Discussion and Analysis ("MD&A") of Innomed Tech Ltd. (the "Company"), prepared as of May 15, 2022, should be read in conjunction with the audited financial statements and the notes thereto for the for the year ended December 31, 2020 which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of financial statements. The currency amounts are expressed US$.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

The Board of Directors of Innomed Tech Ltd. has approved the disclosure contained in this MD&A. Additional information related to the Company can be found on the Company's website at www.InnomedTec.com.

The effective date of this report is May 15, 2022.

FORWARD LOOKING STATEMENTS

This report includes certain statements that may be deemed "forward looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts that address such matters as future events or developments that the Company expects, are forward looking statements and, as such, are subject to risks, uncertainties and other factors of which are beyond the reasonable control of the Company. Such statements are not guarantees of future performance and actual results or developments may differ materially from those expressed in, or implied by, this forward-looking information. With respect to forward looking statements and information contained herein, we have made numerous assumptions including among other things, assumptions about economics and competition surrounding the services provided by the Company, anticipated costs and expenditures and the Company's ability to achieve its goals. Although management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward-looking statement or information herein will prove to be accurate.

Readers can identify many of these statements by looking for words such as "believes", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof. Examples of forward-looking statements in this Management Discussion & Analysis include that:

- the performance characteristics of the Company's medical devices
- projections of costs;
- future medical devices and divestment;
- securitisation of assets;
- patent approvals
- FDA approvals;

- capital programs;
- debt levels;
- treatment under governmental regulatory regimes and tax laws; and
- capital expenditures.

Forward looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or information. Factors that could cause actual results to differ materially from those in forward looking statements include such matters as continued availability of capital and financing and general economic, market or business conditions.

Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward looking statements or information.

Any forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and subject to change after that date and the Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

HISTORY OF THE COMPANY

The Company was incorporated and registered on November 22, 2019 under the General Corporation Law of the State of Delaware, with the name InnoMed Tech, Inc. and with registered file number 7721120. On May 27, 2020, the Company continued (change of jurisdiction of incorporation) into British Columbia ("BC") Canada under the Business Corporation Act (British Columbia) with registered number C1251506 as InnoMed Tech Ltd. (the "Company").

The Company was subject to transaction on April 15, 2020, which involved inserting a new parent company, Innomed Tech Ltd as 100% equity owner of PureFlowCath LLC. (formerly Innomed Two LLC). The parent company (Innomed Tech Ltd) a 'shell' company issued shares to the existing controlling shareholders. Control remained the same before and after April 15, 2020 and is a common control acquisition. The New Management description being after April 15, 2020 refers to a new board being instituted representing the same control bloc namely member unit holders.

The Company has determined this transaction to be a common control business acquisition and has been accounted for using the pooling of interest method, whereby the combined assets and liabilities of the Company and PureFlowCath are recorded at their existing carrying value and no goodwill is recognized.

The address of the registered office of the Company is Suite 1000 – 409 Granville Street, Vancouver, BC Canada V6C 1T2.

Year to date Highlights

- Office Freylinger Luxembourg was appointed as Patent Counsel and regulated Patent valuer
- Shareholders restructured the Board with specific expertise to affect a regulated public listing and gain approval for patent applications
- Transferred Patent Applications to CIC Fund Securitisation S.A. (Luxembourg) as part of the process of debt finance of initial Euro €5,000,000
- Completed Share Purchase Agreement to acquire 100% ownership pf PureFlowCath LLC
- Secured US$980,000 year ended December 31, 2020 by subscription and equity finance at US$ 29 cents per share to fund working capital and regulated public listing
- Secured US$2,311,700 post year ended December 31, 2020 to date of this MD&A by subscription and equity finance at US$ 29 cents per share to fund working capital and regulated public listing

BUSINESS OF THE COMPANY

The Company is in the business of medical devices and sciences working with medical practitioner innovators within the global medical community.

The Company's first medical device development subsidiary, PureFlowCath, is delivering the first medical device, the PureFlowCath Catheter System for Continuous Irrigation ("CSCI"). CSCI addresses a significant market opportunity in reducing or eliminating urinary tract infections commonly associated with the use of a urinary catheter.

OVERALL PERFORMANCE

For the year ended December 31, 2020, the Company (including PureFlowCath - consolidated) had a net loss of ($2,044,024) compared to a net loss of $1,586,937 for year ending December 31, 2019 (PureFlowCath).

In year ending December 31, 2020, operating loss OF ($2,044,024) was due to:

- patent application filings and associated documentation preparation;
- legal and professional fees associated with application for regulated listing; and
- securitisation of patent applications.

SELECTED ANNUAL INFORMATION

The following table sets forth summary financial information for the Company for the years ended December 31, 2020 and 2019. This information has been summarized from the Company's audited financial statements and should only be read in conjunction with the financial statements, and accompanying notes:

	Dec. 31, 2020 $	Dec. 31, 2019 $
Total revenue	–	–
Net Loss for the year	(2,044,024)	(1,586,937)
Loss per share, basic and diluted	(0.05)	(0.05)
Total assets	239,494	590,800
Total long-term liabilities	2,928,518	500,000

RESULTS OF OPERATIONS

During the year ended December 31, 2020, the Company had net loss of ($2,044,024) compared to a net loss of ($1,586,937) for the year ended December 31, 2019.

During the year ended December 31, 2020, the Company recorded:

	US $
General administration	2,193
Salaries and wages	93,705
Legal and professional fees	1,560,268
Interest expense	50,000
Patent/research and development	23,831
Change in fair value of derivative liabilities	273,969
Foreign exchange loss	40,058

The Company incurred US$40,058 in foreign exchanges loss due to cash subscriptions coming from US investors being transferred to Canadian bank account. This loss is likely to continue but is being monitored by management. Legal and professional fees include US$900,000 recorded for transaction advisory. On April 15, 2020, the Company issued 3,103,448 common shares plus a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026 as consideration for professional services of $900,000 received from the transaction advisor. Other significant costs are the maintenance and application of patent applications and legal advisors.

Prepaid expenses to December 31, 2020 of $185,707 are mainly related to the debt financing as follows: -

	31-Dec-20	Addition	Expensed	31-Dec-21
CIC Securitization	141,423	-	-	141,423
Office Freylinger	44,284	116,072	(142,336)	18,020
Satterwhite	-	10,000		10,000
Total	185,707	126,072	(142,336)	169,443

The Company recorded a fair value loss of US$273,969 representing change in the fair value of derivative liabilities. Certain debt and equity financing agreements contain a “down-round” provision that allows for the issuance of incremental common shares and warrants if the provision in the agreements is triggered.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes unaudited financial data from incorporation date November 22, 2019 to December 31, 2020.

	Revenues	Net income (loss) $	Basic and diluted earnings (loss) per share $
March 31, 2020	–	(24,541)	(0.00)
June 30, 2020	–	(1,757,640)	(0.05)
September 30, 2020	–	(307,798)	(0.01)
December 31, 2020	–	45,955	0.00

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities
As at December 31, 2020, the Company had cash (including cash held in trust) of $53,788.

As at December 31, 2020, the Company has no assets other than cash and prepaid expenses US$185,706, a working capital deficit of $(18,176), and an accumulated deficit of $(9,742,470).

For the year ended December 31, 2020, the Company issued 3,103,448 common shares plus a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026 as consideration for professional services of $900,000 received from the Transaction Advisor.

Financing Activities
For the year ended December 31, 2020, the Company raised $980,000 in equity financing at $0.29 cents per share with a full warrant exercisable on or before December 31, 2026. A total of 3,379,310 common voting shares and warrants were issued.

For the year ended December 31, 2020, the promissory note of $500,000 plus $50,000 interest was converted into equity in the Company at $0.29 per unit or 1,896,552 units. Each unit consists of one common share and one warrant.

The Company progressed the transfer of its Patent Applications to CIC Fund Securitisation S.A. (Luxembourg) as part of the process of securing debt finance of initial Euro €5,000,000. The patent applications and approved patents intangible asset value is not recorded in the financial statement as they are held separately by Securitisation in Luxembourg.

The Company ability to continue as a going concern is dependent upon its ability to fund any additional losses it may incur.

Capital Management
The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements.

Derivative Liabilities
Certain debt and equity financing agreements contain a “down-round” provision that allows for the issuance of incremental common shares and warrants if the provision in the agreements is triggered.

The Company accounts for warrants as either equity instruments or derivative liabilities, depending on the specific terms of the warrant agreement. Warrants are accounted for as a financial liability if the warrants contain a “down-round” provision and, therefore, do not meet the ‘fixed-for-fixed’ condition under IAS 32 Financial Instruments: Presentation (“IAS 32”). The Company will continue to classify the fair value of the warrants that contain “down-round” provision as a liability until the warrants are exercised, expire or are amended in a way that would no longer require these warrants to be classified as a liability.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The following transactions occurred with related parties during the year ending December 31, 2020.:

	2020	2019
Purchase of professional services from CIC Capital Ltd., a shareholder in 2020 (i) (Stuart J. Bromley)	$ 1,000,700	$ -
Purchase of management services from IMP, a shareholder	-	360,000
Purchase of research and development services from a consultant related to the President and Chief Operating Officer of PureFlowCath (Carla Falkner)	-	480,000
Purchase of research and development services from consultants that are part of the management team of IMP (Kirby Plessala and Peter Falkner)	-	180,000
Purchase of professional services from two minority shareholders (Harry Satterwhite and Billy Williams)	47,125	129,559
Purchase of marketing services from a company with common ownership in the Company (Terry Ediker)	-	6,950

(ii) Of the professional services, $900,000 was paid through the issuance of common shares and warrants.

FOURTH QUARTER

During the fourth quarter of 2020, the Company:

II. completed the progressed the transfer of Patent Applications to CIC Fund Securitisation S.A. (Luxembourg) as part of the process of debt finance of initial Euro €5,000,000.

PROPOSED TRANSACTIONS

There are no proposed transactions.

FINANCIAL INSTRUMENTS AND RISKS

The Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash, due from CIC Capital Ltd. -In Trust, accounts payable and accrued liabilities, loan payable to CIC Capital Ltd. and due from Innovative Medicine Partners LLC, approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit risk, liquidity risk and interest rate risk

The Company has exposure to credit risk, liquidity risk and interest rate risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises from the Company's cash and amounts due from parent. The carrying amount of these financial assets represents the maximum credit exposure. The Company follows an investment policy to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs. Cash are on deposit with a major American bank.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is a development stage company and is reliant on external fundraising to support its operations. Once funds have been raised, the Company manages its liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate price risk to the extent that the promissory note is at a fixed interest rate.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

An analysis of material components of the Company's general and administrative expenses is disclosed in the financial statements for the year ended December 31, 2020 to which this MD&A relates.

DISCLOSURE OF OUTSTANDING SHARE DATA

Share Capital during the from period January 1, 2020 to April 15, 2020

During the period from January 1, 2020 to April 15, 2020, the authorized unit capital of the Company consists of 3 units of ownership: Class I Units, Class II Units and Class III Units. There were no common shares warrants, options, or any other securities.

	January 1, 2020	Issuance of Units	April 15, 2020
Class I	71.66	0	71.66
Class II (ii)	11.00	0	11.00
Class III (iii)	17.34	0	17.34

PureFlowCath Member unit's conversion to shares in the Company

On April 15, 2020, the Company acquired all Class I and III Member Units of PureFlowCath by way of issuing 228,777 shares in the Company for every member unit in PureFlowCath. This transaction involved inserting a new parent company at the top of PureFlowCath. The parent company (the Company), a 'shell' company, issued shares to the existing controlling shareholders and is a common control acquisition. The Company acquired Class II Member Units in PureFlowCath by way of issuing shares at $0.29 per share with a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026.

Member Units PureFlowCath			Conversion to Common Shares of the Company			Total Common Shares of the Company
Class I	Class II	Class III	Class I	Class II	Class III	
71.66	11.00	17.34	16,490,247	13,173,103	2,830,216	**32,493,566**

Share Capital during the period from April 15, 2020 to December 31, 2020

The authorized share capital of the Company at December 31, 2020:

	Dec 31, 2020
Common Shares	47,800,702
Warrants	21,552,413
Options	-

Common shares at the date of this MD&A are 47,523,333, no options and 23,041,037 warrants.

Shares Issued for Subscription and Services

The Company issued 3,379,310 units under various subscription agreements entered between April 2020 and August 2020 for $0.29 per unit for net proceeds totalling $980,000. Each unit consists of one share and a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026. The subscription agreements in respect of this financing contain a “down-round” feature.

On April 15, 2020, the Company issued 3,103,448 common shares plus a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026 as consideration for professional services of $900,000 received from CIC Capital Ltd.

Shares Issued for No Consideration

During the year ended December 31, 2020, the Company issued 6,927,826 common shares to certain individual and institutional investors for no consideration, but these investors are required to purchase 5 common shares on the market for each common share issued to them when the Company is listed on a designated exchange. The shares issued were recorded at fair value, with corresponding increase in deficit. The fair value of the shares was based on most recent arm’s length financing transactions.

Loan Conversion (Promissory Note)

On December 28, 2019, PureFlowCath issued an unsecured promissory note for $500,000, bearing interest of 10% per annum, with principal and interest due on April 1, 2021. On April 4, 2020, the principal amount of $500,000 plus $50,000 interest was converted into equity in the Company at $0.29 per unit or 1,896,552 units. Each unit consists of one common share and one warrant. Each warrant is exercisable for one common share at $0.29 per common share on or before December 31, 2026.

OTHER

Additional disclosures pertaining to the Company’s reports, press releases and other information are available on the SEDAR website at www.sedar.com or on the Company’s web site www.InnomedTec.com

APPENDIX B

InnoMed Two, LLC. (PureFlowCath, LLC)

INNOMED TWO, LLC.

Interim Financial Statements

Period from January 1, 2020 to April 15, 2020

(Expressed in US dollars)
(unaudited)

INNOMED TWO, LLC
Consolidated interim statement of financial position
As at April 15, 2020
(Expressed in US dollars)
(Unaudited)

		As at April 15, 2020		As at December 31, 2019
Assets				
Current				
Cash	$	**3,904**	$	231,269
Due from Innovative Medicine Partners, LLC (Note 5)		**441,031**		359,351
Due from Synergy Management (Note 5)		**101,345**		-
		546,280		590,800
Patents and copyrights		**37,155**		-
Total Assets	**$**	**583,435**	$	590,800
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities (Note 6)	**$**	**791,097**	$	768,921
		791,097		768,921
Promissory note (Note 7)		**500,000**		500,000
		1,291,097		1,268,921
Members' Deficiency		**(707,662)**		(678121)
Total Liabilities and Members' Deficiency	**$**	**583,435**	$	590,800

(The accompanying notes are an integral part of these interim financial statements)

INNOMED TWO, LLC.
Consolidated interim statement of operations and comprehensive income
For the period from January 1, 2020 to April 15, 2020
(Expressed in US dollars)
(Unaudited)

		Period from January 1, 2020 to April 15, 2020 (4.5 months)		Year ended December 31, 2019 (12 months)
Expenses				
General administration	**$**	**1,615**	$	10,011
Professional fees		**9,496**		405,540
Management fees		**-**		360,000
Research and development		**18,430**		725,230
Automobile expense		**-**		81
Marketing and multimedia		**-**		19,825
Share-based payments		**-**		66,250
		29,541		1,586,937
Net loss and comprehensive loss	**$**	**(29,541)**	$	(1,586,937)

(The accompanying notes are an integral part of these interim financial statements)

INNOMED TWO, LLC
Consolidated interim statement of changes in members' deficiency
For the period from January 1, 2020 to April 15, 2020
(Expressed in US dollars)
(Unaudited)

	Class I Units	Class II Units	Class III Units	Total Members' Deficiency
Balance, January 1, 2018	$ (1,646,666)	$ (16,627)	$ 356,721	$ (1,306,572)
Issuance of units	-	833,750	1,600,000	2,433,750
Net loss	(1,822,669)	(933,451)	(124,942)	(2,881,062)
Balance, December 31, 2018	(3,469,335)	(116,328)	1,831,779	(1,753,884)
Issuance of units	-	2,596,450	66,250	2,662,700
Net loss	-	(1,586,937)	-	(1,586,937)
Balance, December 31, 2019	(3,469,335)	893,185	1,898,029	(678,121)
Net loss	-	(29,541)	-	(29,541)
Balance, April 15, 2020	**$ (3,469,335)**	**$ 863,644**	**$ 1,898,029**	**$ (707,662)**

(The accompanying notes are an integral part of these interim financial statements)

INNOMED TWO, LLC
Consolidated interim statements of cash flows
For the period from January 1, 2020 to April 15, 2020
(Expressed in US dollars)
(Unaudited)

		Period from January 1, 2020 to April 15, 2020 (4.5 months)		Year ended December 31, 2019 (12 months)
Cash provided by (used in) operations				
Net loss	**$**	**(29,541)**	$	(1,586,937)
Items not affecting cash				
Share-based payments		-		66,250
		(29,541)		(1,520,687)
Net changes in non-cash working capital				
Due to/from Innovative Medicine Partners, LLC		**(81,680)**		(1,229,293)
Due from Synergy Management		**(101,345)**		-
Accounts payable and accrued liabilities		**22,176**		(233,431)
		(190,390)		(2,983,411)
Investing				
Acquisition of patent and copyrights		**(37,155)**		-
Financing				
Capital contributions		-		2,596,450
Proceeds from promissory note		-		500,000
		-		3,096,450
Net change in cash		**(227,365)**		113,039
Cash, beginning of period		**231,269**		118,230
Cash, end of period	**$**	**3,904**	$	231,269

(The accompanying notes are an integral part of these interim financial statements)

1. NATURE OF OPERATIONS AND GOING CONCERN

InnoMed Two, LLC (the "Company") was organized under the laws of the State of Alabama, USA on January 3, 2017.

The Company's head office, principal address and address of its registered and records office is 1100 Dauphin Street, Suite B, Mobile, AL, 36604, USA.

The Company is developing, patenting and clinically testing a new technology in the area of Urology.

The financial statements were prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company is subject to several risks associated with the successful development of new products and their marketing and the conduct of its clinical studies and their results, in addition to the uncertainties presented by the COVID-19 pandemic (note 10). It is likely that the product developed by the Company will require approval from the U.S. Food and Drug Administration and equivalent organizations in other countries before sales can be authorized. For the period from January 1, 2020 to April 15, 2020, the Company incurred a loss of $29,541 and cash-flow deficit from operations of $190,390. The Company's future operations are dependent upon its ability to secure additional funds to finance its research and development activities and its clinical studies. If the Company is unsuccessful in obtaining adequate financing in the future the Company will have to consider postponing research activities until market conditions improve. It is not possible to predict whether the Company will be successful in securing new financing or acquire approval from the U.S. Food and Drug Administration and equivalent organization in other countries. These circumstances and conditions may cast significant doubt about the Company's ability to continue as a going concern.

These interim financial statements do not reflect the adjustments to carrying amounts of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was deemed inappropriate. Such adjustments could be material.

2. BASIS OF PRESENTATION

Statement of Compliance

The interim financial statements for the period from January 1, 2020 to April 15, 2020 have been prepared in accordance with the International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. The interim financial statements do not include all disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2019.

These interim financial statements were approved for issue by the Board of Directors on July 7, 2020.

Basis of Measurement

These financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities measured at fair value.

2. BASIS OF PRESENTATION (continued)

Functional and Presentation Currency

These financial statements are presented in United States dollars, which is the Company's functional currency.

Use of Significant Estimates and Assumptions

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses, related disclosures of contingent assets and liabilities. Significant estimates and judgements include going concern assumption and the valuation of share-based payments. Actual results could differ materially from these estimates and assumptions. The Company reviews its estimates and underlying assumptions on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and may impact future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in these financial statements.

Research and Development

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes.

Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and has sufficient resources to complete development and to use or sell the asset. Other development expenditures are expensed as incurred. No internal development costs have been capitalized to date.

Research and development expenses include all direct and indirect operating expenses supporting the products in development.

The costs incurred in establishing and maintaining patents are expensed as incurred.

Share-Based Payments

The Company issues share-based payments to employees or consultants. The fair value of the shares issued is recognized over the applicable vesting period as compensation expense unless there are no vesting requirements in which case the entire amount is recognized immediately. The fair value of the shares is calculated using the value of similar Class II units that were recently issued less the value of the preferred return.

3. SIGNIFICANT ACCOUNTING POLIIES (continued)

Financial Instruments

Classification and measurement of financial instruments
Financial assets are required to be initially measured at fair value and subsequently classified at amortized cost or fair value on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Company's financial assets includes cash and due from parent which are classified at amortized cost because the Company's business model is to hold these financial instruments to maturity to collect contractual cash flows consisting solely of payments of principal and interest on the principal amount outstanding.

Financial liabilities include accounts payable and accrued liabilities, due to parent and due to unitholder which were initially measured at fair value and subsequent classified as amortized cost.

Impairment of financial assets

For the impairment of financial assets under IFRS 9, the Company is required to apply an expected credit loss ("ECL") model to all debt financial assets not held at FVTPL, where credit losses that are expected to transpire in future years are provided for, irrespective of whether a loss event has occurred or not as at the date of the statement of financial position. The Company recognizes a loss allowance for expected credit losses on loan receivables which are measured at amortized cost. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognized is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of loan receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statement of operations and comprehensive loss.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the consolidated statement of operations and comprehensive loss for the period to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(Expressed in US dollars)

4. MEMBERS' DEFICIENCY

Authorized

The authorized unit capital of the Company consists of 3 units of ownership: Class I Units (100 units), Class II Units (33.5 units) and Class III Units (15 units).

Member Units Issued

For the period from January 1, 2020 to April 15, 2020

	Beginning of Period	Issuance of Units	End of Period
Class I (i)	71.66	-	71.66
Class II (ii)	11.00	-	11.00
Class III (iii)	17.34	-	17.34

(i) Class I Units are voting and fully dilutable.

(ii) Class II Units are non-voting and are entitled to a preferred return which upon a sale, license or royalty agreement of the Company's intellectual property. The Class II units would receive an additional distribution of 10-35% depending on the proceeds in accordance with the LLC agreement.

(iii) Class III Units are for the purpose of compensating certain consultants and professionals and are non-voting.

5. RELATED PARTY TRANSACTIONS

The Company had a $441,031 receivable from Innovative Medicine Partners LLC (December 31, 2019 - $359,531). The receivable is unsecured, non-interest bearing with no set terms of repayment.

The Company had a $101,345 receivable from Synergy Management, a company owned by the President and Chief Operating Officer of the Company (December 31, 2019 - $nil). The receivable is unsecured, non-interest bearing with no set of terms of repayment.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in the accounts payable and accrued liabilities are amounts owed to the key members of management of the Company, including certain company and consultants related to them, in the amount of $$736,000 as at April 15, 2020 (December 31, 2019 - $745,396) arising from provision of research and development, professional and marketing services

7. PROMISSORY NOTE

On April 15, 2020, the Company issued an unsecured promissory note for $500,000, bearing interest 10% per annum, with principal and interest due on April 1, 2021. As at April 15, 2020, current portion of the promissory note was $500,000 (December 31, 2019 - $nil).

8. MANAGEMENT OF CAPITAL

The Company defines its capital as member units and deficit. The Company's objectives when managing capital are to ensure there are sufficient funds available to carry out its research and development programs. To date, these programs have been funded through the sale of equity securities.

The Company also intends to source non-dilutive funding by accessing grants, government assistance and tax incentives, and through partnerships with corporations and research institutions. The Company uses budgets and purchasing controls to manage its costs. The Company is not exposed to any externally imposed capital requirements.

9. FINANCIAL INSTRUMENTS

Fair Value

Fair Value Measurement provides a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs are those that reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions with respect to how market participants would price an asset or liability. These two inputs used to measure fair value fall into the following three different levels of the fair value hierarchy:

Level 1 Quoted prices in active markets for identical instruments that are observable.

Level 2 Quoted prices in active markets for similar instruments; inputs other than quoted prices that are observable and derived from or corroborated by observable market data.

Level 3 Valuations derived from valuation techniques in which one or more significant inputs are unobservable.

The hierarchy requires the use of observable market data when available.

Cash, due from Innovative Medicine Partners LLC, due from Synergy Management, accounts payable and accrued liabilities and promissory note are all short-term in nature and, as such, their carrying values approximate fair values.

Risks

The Company has exposure to credit risk, liquidity risk and interest rate risk.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises from the Company's cash and amounts due from parent. The carrying amount of these financial assets represents the maximum credit exposure. The Company follows an investment policy to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs. Cash are on deposit with a major American bank.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is a development stage company and is reliant on external fundraising to support its operations. Once funds have been raised, the Company manages its liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

9. FINANCIAL INSTRUMENTS (continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate price risk to the extent that the promissory note is at a fixed interest rate.

10. SUBSEQUENT EVENTS

a) The Company is subject to transaction on April 15, 2020, which involved inserting a new parent company at the top of Innomed Two, LLC. The parent company (Innomed Tech Ltd) a 'shell' company issued shares to the existing controlling shareholders. Control remained the same before and after April 15, 2020 and is a common control acquisition. The New Management description being after April 15, 2020 refers to a new board being instituted representing the same control bloc namely member unit holders.

The Company has determined this transaction to be a common control business acquisition and has been accounted for using the pooling of interest method, whereby the combined assets and liabilities of the Company and PureFlowCath are recorded at their existing carrying value and no goodwill is recognized.

b) Promissory note of $500,000 plus $50,000 interest (fixed interest) entered into on December 31, 2019 has been amended whereby $550,000 can be converted into common shares in InnoMed Tech Ltd. at 20% less trading price plus a full warrant exercisable at same price.

c) The Company changed its name from Innomed Two, LLC to PureFlowCath, LLC (Alabama US) on May 27, 2020 and is a subsidiary of InnoMed Tech Ltd.

d) On various dates between April 15, 2020 and July 7, 2020 (inclusive), the Company issued 1,741,379 units under various subscription agreements entered into for $0.29 per unit for net proceeds of $505,000. Each unit consists of one share and a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026.

e) On April 15, 2020, the Company issued 3,103,448 common shares plus a full warrant exercisable for one common share at $0.29 per common share on or before December 31, 2026 as consideration for professional services of $900,000 received from CIC Capital Ltd.

f) Amounts due from Innovative Medicine Partners, LLC and Synergy Management totaling $542,375 were offset against accounts payable to certain members of IMP management and related party consultant.

g) Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods. However, depending on the length and severity of the pandemic, COVID-19 could impact operations, could cause delays relating to approval from U.S. Food and Drug Administration and equivalent organizations in other countries, could postpone research activities, and could impair the Company's ability to raise funds depending on COVID-19's effect on capital markets.

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MANAGEMENT DISCUSSION & ANALYSIS

FOR THE INTERIM PERIOD JANUARY 1, 2020 TO APRIL 15, 2020

This Management's Discussion and Analysis ("MD&A") of Innomed Two, LLC." (the ("Company" or "Innomed Two, LLC."), prepared as of August 16, 2022, should be read in conjunction with the financial statements and the notes thereto for the for the period January 1, 2020 to April 15, 2020 which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of financial statements, including IAS 34, "Interim Financial Reporting".

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

The Board of Directors of Innomed Two has approved the disclosure contained in this MD&A.

The effective date of this report is August 16, 2022.

FORWARD LOOKING STATEMENTS

This report includes certain statements that may be deemed "forward looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts that address such matters as future events or developments that the Company expects, are forward looking statements and, as such, are subject to risks, uncertainties and other factors of which are beyond the reasonable control of the Company. Such statements are not guarantees of future performance and actual results or developments may differ materially from those expressed in, or implied by, this forward-looking information. With respect to forward looking statements and information contained herein, we have made numerous assumptions including among other things, assumptions about economics and competition surrounding the services provided by the Innomed Two, anticipated costs and expenditures and the Innomed Two's ability to achieve its goals. Although management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward-looking statement or information herein will prove to be accurate.

Readers can identify many of these statements by looking for words such as "believes", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof. Examples of forward-looking statements in this Management Discussion & Analysis include that:

- the performance characteristics of the Company's medical devices
- projections of costs;
- future medical devices and divestment;
- securitisation of assets;
- patent approvals
- FDA approvals;
- capital programs;

- debt levels;
- treatment under governmental regulatory regimes and tax laws; and
- capital expenditures.

Forward looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or information. Factors that could cause actual results to differ materially from those in forward looking statements include such matters as continued availability of capital and financing and general economic, market or business conditions.

Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward looking statements or information.

Any forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and subject to change after that date and the Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

HISTORY OF THE COMPANY

Innomed Two was incorporated and registered on January 3, 2017 under Alabama Business and Non Profit Entities Code of the State of Alabama, with the name Innomed Two, LLC. and with registered file number 380-038. On July 6, 2020, Innomed Two, LLC. changed its name to PureFlowCath LLC. (“PureFlowCath”).

The Company was subject to transaction on April 15, 2020, which involved inserting a new parent company, Innomed Tech Ltd as 100% equity owner of PureFlowCath LLC. (formerly Innomed Two LLC). The parent company (Innomed Tech Ltd) a ‘shell’ company issued shares to the existing controlling shareholders. Control remained the same before and after April 15, 2020 and is a common control acquisition. The New Management description being after April 15, 2020 refers to a new board being instituted representing the same control bloc namely member unit holders.

The Company has determined this transaction to be a common control business acquisition and has been accounted for using the pooling of interest method, whereby the combined assets and liabilities of the Company and PureFlowCath are recorded at their existing carrying value and no goodwill is recognized.

The address of the registered office of the Company is Suite 1000 – 409 Granville Street, Vancouver, BC Canada V6C 1T2.

BUSINESS OF THE INNOMED TWO

The Company is in the business of medical devices and sciences working with medical practitioner innovators within the global medical community.

The Company’s first medical device development subsidiary, PureFlowCath, is delivering the first medical device, the PureFlowCath Catheter System for Continuous Irrigation (“CSCI”). CSCI addresses a significant market opportunity in reducing or eliminating urinary tract infections commonly associated with the use of a urinary catheter.

RESULTS OF OPERATIONS

During the year period ended April 15, 2020, the Company had a net loss of US$29,541, compared to a net loss of US$1,586,937 for the year ended December 31, 2019. This loss related to research and development costs US$18,430 relating to patent application compliance, professional advisor fees US$9,496 and administration costs US$1,615.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected unaudited quarterly financial data for prepared in accordance with IFRS:

	Revenues	Net loss	Net loss per share (basic and diluted)
March 31, 2020	–	(24,541)	0.00
April 15, 2020*	–	(5,000)	0.00

* The Company was acquired by Innomed Tech Ltd. on April 15, 2020

The Company was not a reporting issuer and was not required to prepare interim financial statements therefore, quarterly results are not available. The Company conducted in prior years, annual financial statements with no quarterly reporting (not required in US).

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

As at April 15, 2020, the Company had cash US$3,904.

Financing Activities

For the period ended April 15, 2020, the Company did not raise any capital.

Capital Management

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Company had a $441,031 receivable from its parent (2019 - $359,531). The receivable is unsecured, non-interest bearing with no set terms of repayment.

The Company had a $101,345 receivable from Synergy Management, a company owned by Carla Falkner, President and Chief Operating Officer of the Company (December 31, 2019 - $nil). The receivable is unsecured, non-interest bearing with no set of terms of repayment.

PROPOSED TRANSACTIONS

The Company was subject to transaction on April 15, 2020, which involved inserting a new parent company, Innomed Tech Ltd as 100% equity owner of PureFlowCath LLC. (formerly Innomed Two LLC). The parent company (Innomed Tech Ltd.) a 'shell' company issued shares to the existing controlling shareholders. Control remained the same before and after April 15, 2020 and is a common control acquisition. The New Management description being after April 15, 2020 refers to a new board being instituted representing the same control bloc namely member unit holders.

The Company has determined this transaction to be a common control business acquisition and has been accounted for using the pooling of interest method, whereby the combined assets and liabilities of the Company and Innomed Tech Ltd are recorded at their existing carrying value and no goodwill is recognized.

The address of the registered office of the Company is Suite 1000 – 409 Granville Street, Vancouver, BC Canada V6C 1T2.

FINANCIAL INSTRUMENTS AND RISKS

The Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- The fair values of financial instruments, which include cash, due from Innovative Medical Partners LLC, due from Synergy Management, accounts payable and accrued liabilities and promissory note, approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit risk, liquidity risk and interest rate risk

The Company has exposure to credit risk, liquidity risk and interest rate risk.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises from the Company's cash and amounts due from parent. The carrying amount of these financial assets represents the maximum credit exposure. The Company follows an investment policy to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs. Cash are on deposit with a major American bank.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is a development stage company and is reliant on external fundraising to support its operations. Once funds have been raised, the Company manages its liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate price risk to the extent that the promissory note is at a fixed interest rate.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

An analysis of material components of the Company's general and administrative expenses is disclosed in the financial statements for the year ended December 31, 2019 to which this MD&A relates.

DISCLOSURE OF OUTSTANDING SHARE DATA

Share Capital

The authorized unit capital of the Company consists of 3 units of ownership: Class I Units, Class II Units and Class III Units. There are no common shares warrants, options, or any other securities.

For the period ended April 15, 2020:

	Beginning of Year	Issuance of Units	End of Period 15 Apr 2020
Class I	71.66	0	71.66
Class II (ii)	11.00	0	11.00
Class III (iii)	17.34	0	17.34

OTHER

Additional disclosures pertaining to the Company's reports, press releases and other information are available on the Company's web site www.InnomedTec.com.

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InnoMed Two, LLC

Financial Statements

For the Years Ended December 31, 2019 and 2018

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of InnoMed Two, LLC

Opinion

We have audited the financial statements of InnoMed Two, LLC, (the "Company"), which comprise the statements of financial position as at December 31, 2019 and 2018 and the statements of loss and comprehensive loss, changes in members' deficiency and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $1,586,937 during the year ended December 31, 2019 and cash-flow deficit from operations of $2,983,411. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants
Licensed Public Accountants
July 7, 2020
Toronto, Ontario

INNOMED TWO, LLC
Statement of Financial Position
As at December 31, 2019 and 2018

		2019		2018
Assets				
Current				
Cash	$	**231,269**	$	118,230
Due from Parent (Note 6))		**359,531**		**-**
		590,800		118,230
Liabilities				
Current				
Accounts payable and accrued liabilities (Note 6)	**$**	**791,097**	$	1,002,352
Due to Parent (Note 6)		-		869,762
		791,097		768,921
Promissory note (Note 7)		**500,000**		-
		1,291,097		1,872,114
Members' Deficiency		**(678,121)**		(1,753,884)
	$	**590,800**	$	118,230

Subsequent events (Note 10)

Approved by the Board _____
Director

See accompanying notes

INNOMED TWO, LLC.
Statement of Loss and Comprehensive Loss
As at December 31, 2019 and 2018

		2019		2018
Expenses				
General administration	**$**	**10,011**	$	425
Professional fees		**405,540**		266,478
Management fees		**360,000**		360,000
Research and development		**725,230**		683,671
Automobile expense		**81**		-
Marketing and multimedia		**19,825**		10,488
Share-based payments		**66,250**		1,600,000
		1,586,937		2,881,062
Net loss	**$**	**(1,586,937)**	$	(2,881,062)

See accompanying notes

INNOMED TWO, LLC
Statement of Changes in Members' Deficiency
As at December 31, 2019 and 2018

	Class I Units	Class II Units	Class III Units	Total Members' Deficiency
Balance, January 1, 2018	$ (1,646,666)	$ (16,627)	$ 356,721	$ (1,306,572)
Issuance of units	-	833,750	1,600,000	2,433,750
Net loss	(1,822,669)	(933,451)	(124,942)	(2,881,062)
Balance, December 31, 2018	(3,469,335)	(116,328)	1,831,779	(1,753,884)
Issuance of units	-	2,596,450	66,250	2,662,700
Net loss	-	(1,586,937)	-	(1,586,937)
Balance, December 31, 2019	**$ (3,469,335)**	**$ 893,185**	**$ 1,898,029**	**$ (678,121)**

See accompanying notes

INNOMED TWO, LLC
Statements of Cash Flows
As at December 31, 2019 and 2018

		2019		2018
Cash provided by (used in) operations				
Net loss	**$**	**(1,586,937)**	$	(2,881,062)
Items not affecting cash				
Share-based payments		**- 66,250**		1,600,000
		(1,520,687)		(1,281,062)
Net changes in non-cash working capital				
Accounts payable and accrued liabilities		**(1,229,293)**		429,596
Due to/from parent		**(233,431)**		35,586
		(2,983,411)		815,880
Financing				
Contributions		**(2,596,450**		833,750
Proceeds from promissory note		**500,000**		-
		3,096,450		833,750
Net change in cash		**113,039**		17,870
Cash, beginning of year		**118,230**		100,360
Cash, end of year	**$**	**231,269**	$	118,230

See accompanying notes

1. NATURE OF OPERATIONS AND GOING CONCERN

InnoMed Two, LLC (the "Company") was organized under the laws of the State of Alabama, USA on January 3, 2017.

The Company's head office, principal address and address of its registered and records office is 1100 Dauphin Street, Suite B, Mobile, AL, 36604, USA.

The Company is developing, patenting and clinically testing a new technology in the area of Urology.

The financial statements were prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company is subject to several risks associated with the successful development of new products and their marketing and the conduct of its clinical studies and their results, in addition to the uncertainties presented by the COVID-19 pandemic (note 10). It is likely that the product developed by the Company will require approval from the U.S. Food and Drug Administration and equivalent organizations in other countries before sales can be authorized. For the period from January 1, 2020 to April 15, 2020, the Company incurred a loss of $29,541 and cash-flow deficit from operations of $190,390. The Company's future operations are dependent upon its ability to secure additional funds to finance its research and development activities and its clinical studies. If the Company is unsuccessful in obtaining adequate financing in the future the Company will have to consider postponing research activities until market conditions improve. It is not possible to predict whether the Company will be successful in securing new financing or acquire approval from the U.S. Food and Drug Administration and equivalent organization in other countries. These circumstances and conditions may cast significant doubt about the Company's ability to continue as a going concern.

These interim financial statements do not reflect the adjustments to carrying amounts of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was deemed inappropriate. Such adjustments could be material.

2. BASIS OF PRESENTATION

Statement of Compliance

The interim financial statements for the period from January 1, 2020 to April 15, 2020 have been prepared in accordance with the International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. The interim financial statements do not include all disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2019.

These interim financial statements were approved for issue by the Board of Directors on March 2, 2022.

Basis of Measurement

These financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities measured at fair value.

2. BASIS OF PRESENTATION (continued)

Functional and Presentation Currency

These financial statements are presented in United States dollars, which is the Company's functional currency.

Use of Significant Estimates and Assumptions

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses, related disclosures of contingent assets and liabilities. Significant estimates and judgements include going concern assumption and the valuation of share-based payments. Actual results could differ materially from these estimates and assumptions. The Company reviews its estimates and underlying assumptions on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and may impact future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in these financial statements.

Research and Development

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes.

Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and has sufficient resources to complete development and to use or sell the asset. Other development expenditures are expensed as incurred. No internal development costs have been capitalized to date.

Research and development expenses include all direct and indirect operating expenses supporting the products in development.

The costs incurred in establishing and maintaining patents are expensed as incurred.

Share-Based Payments

The Company issues share-based payments to employees or consultants. The fair value of the shares issued is recognized over the applicable vesting period as compensation expense unless there are no vesting requirements in which case the entire amount is recognized immediately. The fair value of the shares is calculated using the value of similar Class II units that were recently issued less the value of the preferred return.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments

Classification and measurement of financial instruments

Financial assets are required to be initially measured at fair value and subsequently classified at amortized cost or fair value on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Company's financial assets includes cash and due from parent which are classified at amortized cost because the Company's business model is to hold these financial instruments to maturity to collect contractual cash flows consisting solely of payments of principal and interest on the principal amount outstanding.

Financial liabilities include accounts payable and accrued liabilities, due to parent and due to unitholder which were initially measured at fair value and subsequent classified as amortized cost.

Impairment of financial assets

For the impairment of financial assets under IFRS 9, the Company is required to apply an expected credit loss ("ECL") model to all debt financial assets not held at FVTPL, where credit losses that are expected to transpire in future years are provided for, irrespective of whether a loss event has occurred or not as at the date of the statement of financial position. The Company recognizes a loss allowance for expected credit losses on loan receivables which are measured at amortized cost. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognized is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of loan receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statement of operations and comprehensive loss.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the consolidated statement of operations and comprehensive loss for the period to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

4. MEMBERS' DEFICIENCY

Authorized

The authorized unit capital of the Company consists of 3 units of ownership: Class I Units (100 units), Class II Units (33.5 units) and Class III Units (15 units).

Member Units Issued

For the period ended December 31,2019

	Beginning of Year	Issuance of Units	End of Year
Class I (i)	100.00	-	100.00
Class II (ii)	7.38	9.00	16.38
Class III (iii)	9.50	0.25	9.75

For the period ended December 31,2018

	Beginning of Year	Issuance of Units	End of Year
Class I (i)	100.00	-	100.00
Class II (ii)	3.00	4.38	7.38
Class III (iii)	2.50	7.00	9.50

(i) Class I Units are voting and as of December 31, 2019 represents 73.87% (2018 - 83.125%) interest of the Company.

(iii) Class II Units are non-voting as of December 31, 2019 represents 16.38% (2018 -7.375%) interest of the Company. The Class II units are entitled to a preferred return which upon a sale, license or royalty agreement of the Company's intellectual property, the Class II units would receive an additional distribution of 10-35% depending on the proceeds in accordance with the LLC agreement. During the year, the Company issued 9.005 units of Class II units (2018 – 4.375 units) for proceeds of $2,596,450 (2018 - $833,750).

(iv) Class III Units are for the purpose of compensating certain consultants and professionals and are non-voting and as of December 31, 2019 represents 9.75% (2018 – 9.50%) interest of the Company. During the year, the Company granted 0.25 units of Class III units (2018 – 7 units) to various consultants and professionals for services provided to the Company. The fair value of these units issued in 2019 was determined to be $66,250 (2018 - $1,600,000) based on the value of Class II units less the value of the preferred return that were recently issued.

5. PROFESSIONAL ADVISOR FEES

Components of professional advisor expenses for the period ended December 31, 2019 and 2018 were as follows:

		2019		2018
Patent and Trademark Legal Fees	$	**173,451**	$	12,929
Other Legal Fees		**88,776**		131,533
Accounting & Audit		**61,975**		27,710
Other Professional Advisors		**81,338**		54,406
	$	**405,540**	$	226,578

6. RELATED PARTY TRANSACTIONS

In 2019, the Company paid $360,000 (2018 - $360,000) to the Company's parent for management fees. As at December 31, 2019, the Company had a $359,531 receivable from its parent (2018 - payable of $869,762). The receivable is unsecured, non-interest bearing with no set terms of repayment.

As at December 31, 2019, the Company had $51,500 (2018 - $299,000) outstanding payable to a company related to the President and COO of the Company.

The Company incurred research & development consulting fees of $480,000 (2018 - $480,000) to a consultant related to the President and COO of the Company. As of December 31, 2019, the Company had $380,000 (2018 - $260,000) of payables outstanding to this consultant.

The Company incurred research & development consulting fees of $180,000 (2018 - $180,000) to consultants that are part of the management team of the parent of the Company. As of December 31, 2019, the Company had $304,500 (2018 - $319,500) of payables outstanding to these consultants.

The Company incurred professional fees of $129,559 (2018 - $170,845) to two minority unitholders of the Company. As of December 31, 2019, the Company had $9,396 (2018 - 105,688) of payables outstanding to these unitholders.

The Company incurred marketing expenses of $6,950 (2018 - $9,600) to a company with common ownership of the Company. As of December 31, 2019, the Company had $nil (2018 - $175) of payables outstanding to this company.

7. PROMISSORY NOTE

On December 31, 2019, the Company issued an unsecured promissory note for $500,000, bearing interest 10% per annum, with principal and interest due on April 1, 2021.

8. MANAGEMENT OF CAPITAL

The Company defines its capital as member units and deficit. The Company's objectives when managing capital are to ensure there are sufficient funds available to carry out its research and development programs. To date, these programs have been funded through the sale of equity securities.

The Company also intends to source non-dilutive funding by accessing grants, government assistance and tax incentives, and through partnerships with corporations and research institutions. The Company uses budgets and purchasing controls to manage its costs. The Company is not exposed to any externally imposed capital requirements.

9. FINANCIAL INSTRUMENTS

Fair Value

Fair Value Measurement provides a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs are those that reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions with respect to how market participants would price an asset or liability. These two inputs used to measure fair value fall into the following three different levels of the fair value hierarchy:

Level 1 Quoted prices in active markets for identical instruments that are observable.

Level 2 Quoted prices in active markets for similar instruments; inputs other than quoted prices that are observable and derived from or corroborated by observable market data.

Level 3 Valuations derived from valuation techniques in which one or more significant inputs are unobservable.

The hierarchy requires the use of observable market data when available.

Cash and accounts payable are all short-term in nature and, as such, their carrying values approximate fair values.

Risks

The Company has exposure to credit risk, liquidity risk and interest rate risk.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises from the Company's cash and amounts due from parent. The carrying amount of these financial assets represents the maximum credit exposure. The Company follows an investment policy to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs. Cash are on deposit with a major American bank.

9. FINANCIAL INSTRUMENTS (Cont'd)

Risks (Cont'd)

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is a development stage company and is reliant on external fundraising to support its operations. Once funds have been raised, the Company manages its liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate price risk to the extent that the promissory note is at a fixed interest rate.

10. SUBSEQUENT EVENTS

a) The member units of InnoMed Two, LLC were converted by way of conversion agreements, effective April 15, 2020, between the unitholders and InnoMed Tech Ltd. whereby their units were exchanged into common shares of Innomed Tech Ltd. Subsequent to the conversion, InnoMed Tech Ltd. owns a majority interest of the Company.

b) Promissory note of $500,000 plus $50,000 interest (fixed interest) entered into on December 31, 2019 has been amended whereby $550,000 can be converted into common shares in InnoMed Tech Ltd. at 20% less trading price plus a full warrant exercisable at same price.

c) InnoMed Two, LLC changed its name to PureFlowCath, LLC (Alberta) and is a subsidiary of InnoMed Tech Ltd.

d) Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods. However, depending on the length and severity of the pandemic, COVID-19 could impact operations, could cause delays relating to approval from U.S. Food and Drug Administration and equivalent organizations in other countries, could postpone research activities, and could impair the Company's ability to raise funds depending on COVID-19's effect on capital markets.

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MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2019

This Management's Discussion and Analysis ("MD&A") of Innomed Two LLC. (the "Company" or "Innomed Two"), prepared as of August 16, 2022, should be read in conjunction with the audited financial statements and the notes thereto for the for the year ended December 31, 2019 which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of financial statements, including IAS 34, "Interim Financial Reporting". The currency amounts are expressed US$.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. The Innomed Two undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

The Board of Directors of Innomed Tech Ltd. has approved the disclosure contained in this MD&A.

The effective date of this report is August 16, 2022.

FORWARD LOOKING STATEMENTS

This report includes certain statements that may be deemed "forward looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts that address such matters as future events or developments that the Innomed Two expects, are forward looking statements and, as such, are subject to risks, uncertainties and other factors of which are beyond the reasonable control of the Innomed Two. Such statements are not guarantees of future performance and actual results or developments may differ materially from those expressed in, or implied by, this forward-looking information. With respect to forward looking statements and information contained herein, we have made numerous assumptions including among other things, assumptions about economics and competition surrounding the services provided by the Innomed Two, anticipated costs and expenditures and the Innomed Two's ability to achieve its goals. Although management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward-looking statement or information herein will prove to be accurate.

Readers can identify many of these statements by looking for words such as "believes", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof. Examples of forward-looking statements in this MD&A include that:

- the performance characteristics of the Innomed Two's medical devices
- projections of costs;
- future medical devices and divestment;
- securitisation of assets;
- patent approvals
- FDA approvals;
- capital programs;
- debt levels;
- treatment under governmental regulatory regimes and tax laws; and
- capital expenditures.

Forward looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or information. Factors that could cause actual results to differ materially from those in forward looking statements include such matters as continued availability of capital and financing and general economic, market or business conditions.

Although the Innomed Two has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward looking statements or information.

Any forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and subject to change after that date and the Innomed Two does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

HISTORY OF THE INNOMED TWO

The Innomed Two was incorporated and registered on January 3, 2017 under Alabama Business and Non Profit Entities Code of the State of Alabama, with the name Innomed Two, LLC. and with registered file number 380-038. On July 6, 2020, Innomed Two, LLC. changed its name to Innomed Two LLC. (“Innomed Two”).

Management and majority owner of Innomed Two was Medicine Partners LLC. (“IMP”).

The address of the registered office of the Innomed Two is Suite 1000 – 409 Granville Street, Vancouver, BC Canada V6C 1T2.

BUSINESS OF THE INNOMED TWO

The Company is in the business of medical devices and sciences working with medical practitioner innovators within the global medical community.

The Company’s first medical device development subsidiary, PureFlowCath, is delivering the first medical device, the PureFlowCath Catheter System for Continuous Irrigation (“CSCI”). CSCI addresses a significant market opportunity in reducing or eliminating urinary tract infections commonly associated with the use of a urinary catheter.

OVERALL PERFORMANCE

In year ending December 31, 2018 operating loss ($2,881,062) was due to patent application filing and associated documentation preparation. In year ending December 31, 2019 the operating loss ($1,586,937) was mainly due to development costs of on-going patent applications by the parent company Innovative Medicine Partners LLC. (“IMP”).

SELECTED ANNUAL INFORMATION

The following table sets forth summary financial information for the Innomed Two for the year then ended December 31, 2019. This information has been summarized from the Innomed Two's audited financial statements for the years ended December 31, 2018 and 2019, and unaudited financial statements for the year ended December 31, 2017, and should only be read in conjunction with the financial statements and notes:

	Dec. 31, 2019 $	Dec. 31, 2018 $	Dec. 31, 2017 $
Total revenue	–	–	–
Net loss for the year	(1,586,937)	(2,881,062)	(342,000)
Loss per share, basic and diluted	–	–	–
Total assets	590,800	118,230	–
Total long-term liabilities	500,000	y–	–

RESULTS OF OPERATIONS

During the year ended December 31, 2019, Innomed Two had a net loss of $1,586,937 compared to a net loss of $2,881,062 for the year ended December 31, 2018.

During the year ended December 31, 2019 Innomed Two recorded:

- General administration $10,011
- Professional advisors $405,540
- IMP Management fees $360,000
- Research & development $725,230
- Marketing & multimedia $19,825
- Share-based payments $66,250

SUMMARY OF QUARTERLY RESULTS

The Company was not a reporting issuer and was not required to prepare interim financial statements therefore, quarterly results are not available. The Company conducted in prior years, annual financial statements with no quarterly reporting (not required in US).

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

As at December 31, 2019, the Innomed Two had cash $231,269.

Financing Activities

For the year ended December 31, 2019, Innomed Two raised $2,596,450 in cash financing by issuing Class II membership units. Innomed Two also issued promissory note for $500,000.

Capital Management

The Innomed Two manages its capital structure and makes adjustments to it in light of economic conditions. The Innomed Two, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Innomed Two is not subject to externally imposed capital requirements.

OFF-BALANCE SHEET ARRANGEMENTS

The Innomed Two does not utilize off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

In 2019, the Company paid $360,000 (2018 - $360,000) to the Company's parent (IMP) for management fees. As at December 31, 2019, the Company had a $359,531 receivable from its parent (2018 -payable of $869,762). The receivable is unsecured, non-interest bearing with no set terms of repayment.

As at December 31, 2019, the Company had $51,500 (2018 - $299,000) outstanding payable to a company related to the President and COO (Carla Falkner) of the Company.

The Company incurred research & development consulting fees of $480,000 (2018 - $480,000) to a consultant related to the President and COO of the Company (Peter Falkner). As of December 31, 2019, the Company had $380,000 (2018 - $260,000) of payables outstanding to this consultant.

The Company incurred research & development consulting fees of $180,000 (2018 - $180,000) to consultants (Kirby Plessala and Peter Falkner) that are part of the management team of the parent of the Company. As of December 31, 2019, the Company had $304,500 (2018 - $319,500) of payables outstanding to these consultants.

The Company incurred professional fees of $129,559 (2018 - $170,845) to two minority unitholders (Harry Satterwhite and Peter Falkner) of the Company. As of December 31, 2019, the Company had $9,396 (2018 - 105,688) of payables outstanding to these unitholders.

The Company incurred marketing expenses of $6,950 (2018 - $9,600) to a company (IMP) with common ownership of the Company. As of December 31, 2019, the Company had $nil (2018 - $175) of payables outstanding to this company.

FOURTH QUARTER

During the fourth quarter of 2019, the Company:

I. Entered into Transaction Advisory agreements to list the Company on a designed stock exchange through a new parent company;

II. Secured US$500,000 for further working capital; and

III. Progress patent applications for approval.

PROPOSED TRANSACTIONS

Innomed Tech Ltd. was established to acquire Innomed Two by way of Share Purchase Agreement (SPA) whereby, the owners or member unit holders would convert their member units in Innomed Two pro rata for common shares in Innomed Tech (the “Conversion”).

The Innomed Two member unit holders individually would have to agree to the conversion. The Old Management board was of the belief at this time from direct solicitation to member unit holders that they would convert as there was a future public listing of Innomed Tech.

FINANCIAL INSTRUMENTS AND RISKS

The Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include accounts payable and accrued liabilities, and convertible debt, approximate their carrying values due to the relatively short-term maturity of these instruments.

Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate risk.

Credit risk, liquidity risk and interest rate risk

The Company has exposure to credit risk, liquidity risk and interest rate risk.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises from the Company's cash and amounts due from parent. The carrying amount of these financial assets represents the maximum credit exposure. The Company follows an investment policy to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs. Cash are on deposit with a major American bank.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is a development stage company and is reliant on external fundraising to support its operations. Once funds have been raised, the Company manages its liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate price risk to the extent that the promissory note is at a fixed interest rate.

DISCLOSURE OF OUTSTANDING SHARE DATA

Share Capital

The authorized unit capital of the Company consists of 3 units of ownership: Class I Units, Class II Units and Class III Units. There are no common shares warrants, options, or any other securities.

For the year ended December 31, 2019:

	Beginning of Year	Issuance of Units	End of Year
Class I (i)	100.00	-	100.00
Class II (ii)	7.38	9.00	16.38
Class III (iii)	9.50	0.25	9.75

OTHER

Additional disclosures pertaining to the Innomed Two's reports, press releases and other information are available on the web site www.InnomedTec.com

SCHEDULE 1

Luxembourg Taxation on IP - Office Freylinger S.A. (Luxembourg)

OFFICE FREYLINGER

PATENT AND TRADEMARK ATTORNEYS

ARTICLE 50ter L.I.R.

TAX EXEMPTION ON INTELLECTUAL PROPERTY RIGHTS REVENUES

KNOWLEDGE CENTRE

ARTICLE 50ter L.I.R.

Under this IP tax scheme, eligible net income from qualifying IP assets benefits from an 80% exemption from income taxes.

Eligible assets

Two main groups of IP assets are eligible to benefit from the new regime:

- Inventions protected under patents, utility models, and other similar IP rights, including supplementary protection certificates, plant variety certificates.
- Software protected by copyright under national or international norms.

Trademarks, designs and domain names are not eligible.

To be eligible, the IP asset needs to have been constituted, developed or improved after 31 December 2007, as part of the R&D activities of the IP rights owner. Such activities may be conducted in Luxembourg, or through a foreign permanent establishment as long as this is located within the EEA and does not benefit from a similar IP regime in its country of location.

Eligible expenditure

Eligible expenditure is solely that which is necessary for R&D activity directly connected to the eligible IP asset. Expenditure must be incurred within the framework of an R&D activity undertaken either by the IP owner itself or outsourced to an unrelated, third party.

Some expenditure is not eligible:

- Acquisition costs of existing IP assets
- Financing costs
- Real property-related costs
- Other costs not directly linked to a specific eligible IP asset.

Eligible income

In determining gross eligible income, the IP owner can take into consideration the IP revenues earned for its own use (based on a part of the sale price of its own products or services), the license to use granted to third parties of the eligible IP asset, or damages awarded on the basis of the eligible IP asset. Capital gains realised upon disposal of the eligible IP asset are eligible income as well.

Total expenditure linked to the IP asset must also be computed. This comprises

- Eligible expenditure, as specified above;
- Acquisition costs
- Necessary R&D expenditure directly linked to the IP asset being created or developed, payable to any related party

The net eligible income must then be determined. This is defined as gross eligible income, less total expenditure, less any other expenditure indirectly linked to the eligible IP asset, multiplied by the nexus ratio.

"nexus ratio"

The "nexus ratio" multiplier is defined as

$$\text{Nexus} = \frac{\text{Eligible expenditure x 130\% (capped at 1.00) relating to all previous periods}}{\text{Total expenditure relating to all previous periods}}$$

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SCHEDULE 2

Approved Patent Certificates

Patent application in Australia based on PCT/US2017/026450

Designated state: Australia

Certificate attached for example of award

Patent application in Panama based on PCT/US2017/026450

Designated state: Panama

Patent application in Eurasia based on PCT/US2017/026450

Designated states: Armenia, Azerbaijan, Belarus, Kyrgyzstan, Kazakhstan, Russian Federation, Tajikistan, and Turkmenistan

Patent application in Morocco based on PCT/US2017/026450

Designated state: Morocco

Patent application in Japan based on PCT/US2017/026450

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Designated state: Philippines

Australian Government
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CERTIFICATE OF GRANT
STANDARD PATENT

Patent number: 2017397418

The Commissioner of Patents has granted the above patent on 26 August 2021, and certifies that the below particulars have been registered in the Register of Patents.

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Name of inventor(s):

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Number	*Date*	*Filed with*
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(54) Title: CATHETER SYSTEM FOR CONTINUOUS IRRIGATION

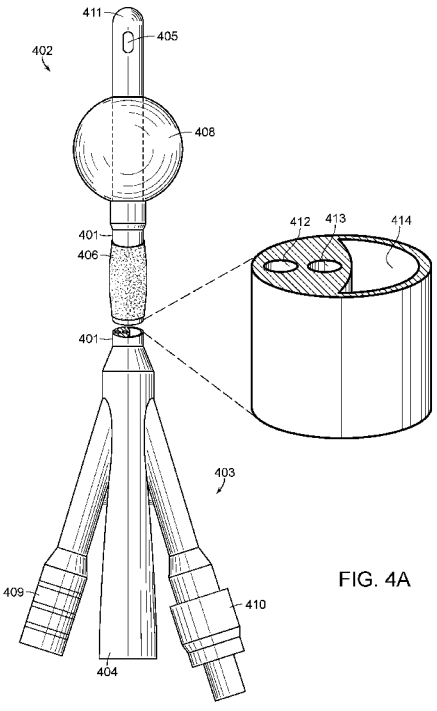

FIG. 4A

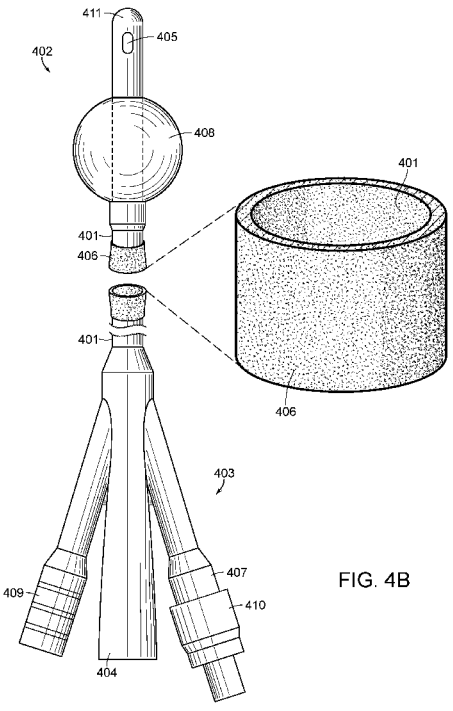

FIG. 4B

(57) Abstract: An indwelling urinary catheter system having an elongated tubular catheter body 401 having a distal end and a proximal end; at least one sleeve portion 406 constructed out of a semi-permeable membranes surrounding at least one portion of the catheter body; at least one lumen to instill fluid into the catheter body; and a means to continuously efflux the instilled fluid through the semi-permeable membrane for circumferential egress of fluid out of the membrane around the catheter body. The catheter may further include a drainage lumen 414 extending through the catheter body from just short of the distal end to the proximal end and an opening or eyelet 405 in the catheter body just short of the distal end of the catheter body to permit urine to drain from a patient's bladder into the drainage lumen. A retaining mechanism may also be comprised.

[Continued on next page]

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Patent Cooperation Treaty Patent Application

TITLE: CATHETER SYSTEM FOR CONTINUOUS IRRIGATION

INVENTOR(S): MATTHEW G. MCINTYRE

[0001] RELATED APPLICATIONS

[0002] This application claims priority to U.S. Provisional Application No. 62/454,829 filed February 5, 2017. The entire contents of the above application are hereby incorporated by reference as though fully set forth herein.

[0003] FIELD

[0004] The present invention pertains to a catheter, and more particularly, to intra-urethral or indwelling catheters capable of effluxing fluids.

[0005] BACKGROUND

[0006] The traditional Foley-type catheter is well known in the art and comprises an inflatable balloon disposed within the patient's bladder and a discharge tube extending through the urethra to the exterior. The Foley-type catheter provides passive urinary drainage, and the ability to clamp the catheter closed at a location exterior of the patient.

[0007] Urethral catheters, such as Foley-catheters, are used to drain urine from the bladder. A urinary tract infection (also called "UTI") is an infection in the urinary system, which includes the bladder and kidneys. When a urinary catheter is inserted into the bladder, germs can migrate along the catheter and cause an infection in the bladder or kidney; resulting in a catheter-associated urinary tract infection (or "CAUTI"). CAUTIs are the most common of hospital-acquired infections. In fact, 40% of all nosocomial

infections and over 100,000 admissions to hospital within the USA annually are attributable to CAUTIs. [1] Outcomes associated with CAUTIs include bacteremia and sepsis. While morbidity that is attributable to a single episode of catheterization is limited, the high frequency of catheter use (around 25% of hospitalized patients) means that the cumulative burden of CAUTIs on patients and hospitals is substantial.[2]

[0008] When sterile urinary catheters are inserted into the bladder, components in urine, blood, or surrounding tissue, such as polysaccharides, ions, and glycoproteins, are deposited on the surface of the device allowing the formation of biofilms. Biofilms are highly structured and actively growing bacterial communities that consist of multiple bacterial layers protected by a thick exopolysaccharide layer[3]. Biofilms are resistant to antibiotics/antimicrobials due to the fact that these agents cannot penetrate sufficiently through the exopolysaccharide layer.

[0009] According to Centers for Disease Control and Prevention (CDC), there was no change in overall catheter-associated urinary tract infections (CAUTI) rates between 2009 and 2014. (see https://www.cdc.gov/hai/surveillance/). This is not surprising, as while a variety of approaches for prevention of biofilm formation include the use of biocoatings, impregnating materials with antibiotics, antimicrobials or other

[1] D. Cardo et al. National Nosocomial Infections Surveillance (NNIS) System Report, data summary from January 1992 through June 2004, issued October 2004. Am. J. Infect. Control, 32 (2004), pp. 470–485.

[2] Lo, E. et al. (2008). Strategies to Prevent Catheter- Associated Urinary Tract Infections in Acute Care Hospitals. *Infection Control and Hospital Epidemiology, 29*(S1), S41-S50. doi:10.1086/591066

[3] Tenke, P.; Koves, B.; Nagy, K.; Hultgren, S.J.; Mendling, W.; Wullt, B.; Grabe, M.; Wagenlehner, F.M.; Cek, M.; Pickard, R.; et al. Update on biofilm infections in the urinary tract. World J. Urol. 2012, 30, 51–57.

materials as well as catheters capable of eluting antibiotics and/or antimicrobials have been used, none have been fully effective. Further, one of the major complications associated with antibiotic based coatings is the development of resistance. For example, one approach has been to attach active biocides such as antibiotics to biomaterial surfaces, or to impregnate them into the biomaterial itself by coating device surfaces or impregnating device surfaces with antibiotics such as ciprofloxacin, gentamicin, norfloxacin, and nitrofurazone. When used in clinical studies, the uncontrolled release profiles of the drugs resulted in the elution of initial high local concentrations that may initially damage the cells followed by concentrations that are not inhibitory.[4] By not killing all of the bacteria effectively, any subsequent infection will be more difficult to eradicate due to the development of resistance.

[00010] Looking at the physiology of the urethra, UTIs are generally avoided because the act of urination (voiding) flushes everything, including bacteria. Further, there are glands in urethra that secretes protecting mucus. Several drug eluting urinary catheters are known in the prior art. Drug-eluting urinary catheters generally consist of three parts - the catheter tube, a polymer coating that binds the drug to the tube and releases the drug. The drug is slowly and continuously released into the bladder or along urethra; however, there is no continual washing of the periurethral space, where bacteria adhere, form biofilms and result in bacterial infections.

[4] Walder, B.; Pittet, D.; Tramer, M.R. Prevention of bloodstream infections with central venous catheters treated with anti-infective agents depends on catheter type and insertion time: Evidence from a meta-analysis. Infect. Control Hosp. Epidemiol. 2002, 23, 748–756.

[00011] It would therefore be useful to magnify the effect of the glands in the urethra that protect from infection in the context of catheters.

[00012] **BRIEF SUMMARY OF THE INVENTION**

[00013] It is therefore one object of the present invention to provide an indwelling urinary catheter system having (1) an elongated tubular catheter body having a distal end and a proximal end; (2) at least one sleeve portion constructed substantially out of a semipermeable membranes surrounding at least one portion of the catheter body; (3) at least one lumen to instill fluid into the catheter body; and (4) a means to continuously efflux the instilled fluid through the semipermeable membrane of at least one sleeve resulting in the circumferential egress of fluid out of the semipermeable membrane around the catheter body. The catheter may further include a drainage lumen extending through the catheter body from just short of the distal end to the proximal end and an opening or eyelet in the catheter body just short of the distal end of the catheter body to permit urine to drain from a patient's bladder into the drainage lumen. The catheter body is disposed within the urethra of the patient and a retaining mechanism, such as an inflatable balloon, is disposed within the patient's bladder to retain the catheter in position. The fluid instilled into the catheter body and effluxed from the sleeve portion(s) may include, but is not limited to, antiseptics, antibiotics or antimicrobials, and/or combinations thereof to prevent biofilm formation on the exterior surface of the catheter body. The fluid may also include certain therapeutic agents used in intravesical therapy, such as immunotherapy agents or chemotherapeutic agents. The fluid may also include agents for patient comfort, such as antispasmodics and pain medicines. All such agents

can be effluxed directly into the bladder through the semipermeable sleeve portion around the catheter tip placed within the bladder.

[00014] It is another object of the present invention to provide different embodiments of the urinary catheter system that match the particular anatomical characteristics of a patient with respect to male or female anatomy. For example, a retention collar may be positioned on the catheter body for female patients or a space may be provided for the prostate for male patients.

[00015] **BRIEF DESCRIPTION OF THE DRAWINGS**

[00016] **Figure 1.** Figure 1 is cross section view of a traditional catheter for insertion into the bladder.

[00017] **Figure 2.** Figure 2 is a front perspective view of a traditional 2-way urinary catheter.

[00018] **Figure 3.** Figure 3 is a front perspective view of a traditional 3-way urinary catheter with a cutaway cross section of the catheter body.

[00019] **Figure 4A.** Figure 4A is a front perspective view of one embodiment of the urinary catheter of the present invention with a cutaway cross section of the catheter body.

[00020] **Figure 4B.** Figure 4B is a front perspective view of one embodiment of the urinary catheter of the present invention with a cutaway cross section of the sleeve section.

[00021] **Figure 5A.** Figure 5A is a front perspective view of an alternative embodiment of the urinary catheter of the present invention with a cutaway cross section of the catheter body.

[00022] **Figure 5B.** Figure 5B is a front perspective view of an alternative embodiment of the urinary catheter of the present invention with a cutaway cross section of the sleeve.

[00023] **Figure 6A.** Figure 6A is a front perspective view of an alternative embodiment of the urinary catheter of the present invention with a cutaway cross section of the catheter body.

[00024] **Figure 6B.** Figure 6B is a front perspective view of an alternative embodiment of the urinary catheter of the present invention with a cutaway cross section of the sleeve.

[00025] **Figure 7A.** Figure 7A is a cross section view of the placement of a catheter in a male.

[00026] **Figure 7B.** Figure 7B is a cross section view of the placement of a catheter in a female.

[00027] **Figure 8A.** Figure 8A is a front perspective view of one embodiment of the present invention for use in female patients.

[00028] **Figure 8B.** Figure 8B is a front perspective view of one embodiment of the present invention for use in female patients with a cutaway cross section of the sleeve.

[00029] **Figure 9A.** Figure 9A is a front perspective view of one embodiment of the present invention for use in male patients.

[00030] **Figure 9B.** Figure 9B is a front perspective view of one embodiment of the present invention for use in male patients with a cutaway cross section of the sleeve.

[00031] **Figure 10A.** Figure 10A is a front perspective view of one embodiment of the present invention with a couvelaire tip.

[00032] **Figure 10B.** Figure 10B is a front perspective view of one embodiment of the present invention with a dufour tip.

[00033] **Figure 10C.** Figure 10C is a front perspective view of one embodiment of the present invention with a coude tip.

[00034] **Figure 11A.** Figure 11A is a front perspective view of an alternative embodiment of the present invention with a couvelaire tip.

[00035] **Figure 11B.** Figure 11B is a front perspective view of an alternative embodiment of the present invention with a dufour tip.

[00036] **Figure 11C.** Figure 11C is a front perspective view of an alternative embodiment of the present invention with a coude tip.

[00037] **Figure 12A.** Figure 12A is a front perspective view of an alternative embodiment of the present invention with a couvelaire tip.

[00038] **Figure 12B.** Figure 12B is a front perspective view of an alternative embodiment of the present invention with a dufour tip.

[00039] **Figure 12C.** Figure 12C is a front perspective view of an alternative embodiment of the present invention with a coude tip.

[00040] **DETAILED DESCRIPTION**

[00041] For the purposes of the present invention, the term "semipermeable" is intended to encompass not only those materials that are semipermeable by their nature (i.e. those that allow certain substances to pass through it while not allowing other materials to pass through it) but materials that may be made semipermeable by creating

pores of a predetermined size that would allow certain substances to pass through it while not allowing other materials to pass through it.

[00042] Turning to the drawings, there shown in Fig. 1 is a traditional catheter for insertion into a cavity, duct, or a vessel to permit injection or withdrawal of fluids into or from the cavity, duct, or vessel, or to establish patency of a passageway. For example, the catheter body **16** may be inserted through a patient's urethra and into the patient's bladder **10** for draining urine from the bladder and/or instilling fluid into the bladder through slots in the tip **12** of the catheter. A retaining device, such as the balloon **14**, is used to maintain placement of the catheter in the bladder.

[00043] Turning to Fig. 2, a traditional 2-way urinary catheter is represented with a catheter body **201** having a distal end **202** and a proximal end **203** with the catheter body **201** connecting an opening or eyelet **204** at the distal end **202** to a drainage lumen **205** at the proximal end **203** of the catheter body **201** through which fluid may flow into the drainage lumen **205** when the catheter is used to drain fluid from the bladder. An inflatable tube section **206** with an inflation lumen **207** extends along the length of the catheter body **201** and communicates with the inflatable tube section **206**. Inflation fluid, such as distilled water, is passed through inflation lumen **207** into the tube section **206** to inflate the tube section **206**, and the inflation fluid is withdrawn from the tube section **206** into and through the inflation lumen **207** when it is desired to deflate the tube section **206**.

[00044] Turning to Fig. 3, a traditional 3-way urinary catheter is represented that is essentially the same as the catheter shown in Fig. 2, except it includes an instillation lumen **309** that extends from the catheter body **301** at the proximal end **303.** The fluid

instilled into the catheter body **301** is passed through tube **311** in the catheter body **301** and into the bladder through the opening or eyelet **304** and then the fluid is subsequently drained through the opening or eyelet **308** through tube **312** in the catheter body **301** and out the drainage lumen **305**. As shown in the cross section, the fluid instilled into the catheter body **301** passes through tube **311** in the catheter body. Inflation fluid is passed through inflation lumen **307** and through tube **310** to inflate the tube section **306**. Fluid that is drained through eyelet **308** at the distal end **302** passes through tube **312** and out the drainage lumen **305.**

[00045] Referring to Fig. 4A, the catheter of the present invention includes an elongated tubular catheter body **401** having a distal end **402** and a proximal end **403**. A drainage lumen **404** extends through tube **414** in the catheter body **401** from the distal end **402** to the proximal end **403**. The drainage lumen **404** communicates with an opening or eyelet **405** in the catheter body **401** at the distal end **402** of the catheter body **401** through which the fluid may flow into the drainage lumen **404** when the catheter is used to drain a fluid from a cavity, duct, or vessel (e.g., draining urine from a person's bladder). A sleeve portion **406** constructed from a semipermeable membrane is formed over the catheter body **401.** An instillation lumen **410** extends from the catheter body **401** at the proximal end **403.** The instillation lumen **410** connects with the sleeve portion **406** using tube **413** that runs through the length of the catheter body **401**. The fluid instilled into the catheter body **401** through the tube **413** is continuously effluxed from the sleeve portion **406** through the semipermeable membrane in a circumferential controlled delivery to continuously irrigate the periurethral space and the catheter body **401** to prevent formation of biofilm and further ensuing bacterial infection. The fluid may include, but is

not limited to, antiseptics, antibiotics or antimicrobials and/or combinations thereof to prevent biofilm formation on the exterior surface of the catheter body. Inflation fluid is passed through inflation lumen **409** and through tube **412** in the catheter body **401** to inflate the tube section **408**.

[00046] Turning to Fig. 4B, a cross section cutaway of the sleeve portion **406** illustrates that the sleeve circumferentially surrounds the catheter body **401**. In the preferred embodiment, the sleeve **406** is manufactured as a continuous part over the catheter body **401**. It may be secured to the catheter body **401** using methods known in the art such as adhesive attachment or heat press melting. Additionally, the sleeve **406** is preferably constructed from a non-elastic material to allow the effluxed fluid to irrigate the periurethral space without putting pressure on the urethra. In the preferred embodiment, the fluid effluxed from the sleeve **406** exits through the urethral opening and may be collected by a sponge or padded surface. Ideally around 300-500mL of fluid a day would be effluxed resulting in a collection rate in the sponge or padded surface of about 20ccs per hour. This is manageable in a hospital care setting with intermittent replacement of the sponge or padded surface.

[00047] Referring to Fig.4A, the preferred embodiment a retaining mechanism near the distal end **402** of the catheter body **401** is generally an inflatable tube section **408** with an inflation lumen **409** that extends the length of the catheter body **401** through tube **412** and communicates with the inflatable tube section **408**. Inflation fluid, such as distilled water, is passed through inflation lumen **409** into the tube section **408** to inflate the tube section **408**, and the inflation fluid is withdrawn from the tube section **408** into and through the inflation lumen **409** when it is desired to deflate the tube section **408**.

When the inflatable tube section **408** is not inflated, it lies substantially parallel along the central axis of the catheter body **401**, forming a cylinder having a diameter that substantially matches the outer diameter of the catheter body **401**.

[00048] The fluid instilled into the catheter body **401** and effluxed out of the semipermeable membrane sleeve **406** of the catheter body may be pushed through the device using various mechanisms, including but not limited to, a pressure and flow regulating valve to control rate of flow for a specific fluid at a specific pressure that is installed at the effluxing instillation lumen **410** or using a pump tension device, such as a plastic ball that is blown up and then pushes fluid out at a constant rate. It is also contemplated that an intravenous (IV) pump operating at a continuous rate may also be used to move fluid through the instillation lumen **410** and out of the semipermeable membrane of the sleeve portion **406**. Again, the rate would be predetermined based on the semipermeable membrane material as well as the molecular weight cut off (MWCO) of the agent instilled into the catheter and effluxed through the semipermeable membrane to ensure that the agent is being pushed with sufficient pressure and at a sufficient rate to effectively continuously wash the periurethral space around the catheter body **401**.

[00049] It is further contemplated that a drug eluting portion could be located within the tip **411** of catheter body **401** that goes into the bladder that could be used to deliver drugs to the bladder itself, such as an antispasmodic, pain medicines, antibiotics, antiseptics, antimicrobials and combinations thereof.

[00050] Turning to Fig. 5A, an alternative embodiment of the present invention is represented with an elongated tubular catheter body **501** having a distal end **502** and a proximal end **503**. A drainage lumen **504** extends through tube **513** in the catheter body

501 from the distal end **502** to the proximal end **503**, and the drainage lumen **503** communicates with an opening or eyelet **505** in the catheter body **501** at the distal end **502** of the catheter body **501** through which the fluid may flow into the drainage lumen **504** when the catheter is used to drain a fluid from a cavity, duct, or vessel (e.g., draining urine from a person's bladder). The retaining mechanism in this example is an inflatable tube section **507** with an inflation lumen **508** that extends though the length of the catheter body **501** though tube **511** and communicates with the inflatable tube section **507**. Inflation fluid, such as distilled water, is passed through inflation lumen **508** into the tube section **507** to inflate the tube section **507**, and the inflation fluid is withdrawn from the tube section **507** into and through the inflation lumen **508** when it is desired to deflate the tube section **507**. When the inflatable tube section **507** is not inflated, it lies substantially parallel along the central axis of the catheter body **501**, forming a cylinder having a diameter that substantially matches the outer diameter of the catheter body **501**.

[00051] A sleeve portion **506** constructed from a semipermeable membrane is formed over the catheter body **501** above the tube section **507**. An instillation lumen **509** extends from the catheter body **501** at the proximal end **504.** The instillation lumen **509** connects with the sleeve portion **506** using tube **512** that runs through the length of the catheter body **501.** The fluid instilled into the catheter body **501** through the tube is continuously effluxed from the sleeve portion **506** through the semipermeable membrane and into the bladder.

[00052] Turning to Fig. 5B, a cross section cutaway of the sleeve portion **506** illustrates that the sleeve circumferentially surrounds the catheter body **501**. In the preferred embodiment, the sleeve **506** is manufactured as a continuous part over the

catheter body **501**. It may be secured to the catheter body **501** using methods known in the art such as adhesive attachment or heat press melting. The fluid effluxed through the sleeve **506** includes, but is not limited to, certain therapeutic agents used in intravesical therapy, such as immunotherapy agents or chemotherapeutic agents, as well as antispasmodic agents and numbing agents such as lidocaine. The semipermeable membrane of the sleeve **506** allows certain substances to pass through it but not others, such as allowing fluids to efflux out of the sleeve **506** but not allowing bacteria or other contaminants into the sleeve **506**. The semipermeable membrane also allows the use of a small amount of fluid everywhere circumfrentially along the length of the catheter body portion in the bladder as well as into the bladder space. The pore size of the semipermeable membrane is predetermined based on the agent instilled into the catheter and effluxed from the semipermeable membrane to ensure that the agent may pass through the semipermeable membrane of the sleeve **506** and may be effluxed with sufficient pressure and at a sufficient rate to effectively continuously wash the bladder with the fluid. This method is a superior mechanism to deliver therapies such as antispasmodic agents and numbing agents than an instillation performed using a traditional catheter. With a traditional catheter, instillations are performed on an intermittent basis wherein the medicine is delivered through a single lumen catheter and then removed. The patient then voids the bladder to remove the medicine. The present invention allows the medicine to be slowly effluxed into the bladder at a continuous rate. This is especially useful after transurethral surgery on a patient. The catheter of the present invention can be placed shortly after surgery so that a drug, such as an

antispasmodic or pain medication, may be effluxed from the sleeve **506** for the next four to six hours, resulting in steady patient pain and discomfort management.

[00053] The fluid instilled into the catheter body and effluxed out of the semipermeable membrane of the sleeve portion **506** over the catheter body **501** and into the bladder may be pushed through the device using various mechanisms, including but not limited to, a pressure and flow regulating valve to control rate of flow for a specific fluid at a specific pressure that is installed at the effluxing instillation lumen port **510** or using a pump tension device, such as a plastic ball that is blown up and it then pushes fluid out at a constant rate. It is also contemplated that an intravenous (IV) pump operating at a continuous rate may also be used to move fluid through the instillation lumen and out of the semipermeable membrane of the sleeve portion **506**. Again, the rate would be predetermined based on the agent instilled into the catheter and effluxed from the semipermeable membrane to ensure that the agent is being pushed with sufficient pressure and at a sufficient rate to effectively continuously wash the bladder space.

[00054] Turning to Figs. 6A-B, another embodiment of the present invention uses both sleeve portions of Figs. 4-5. This results in a 4 way catheter capable of both effluxing fluid to continuously irrigate the periurethral space as well as effluxing fluid to continuously wash the bladder space.

[00055] As shown in Fig. 6A an elongated tubular catheter body **601** having a distal end **602** and a proximal end **603**. A drainage lumen **604** extends through tube **617** in the catheter body **601** from the distal end **602** to the proximal end **603**, and the drainage lumen **604** communicates with an opening or eyelet **605** in the catheter body **601** at the distal end **602** of the catheter body **601** through which the fluid may flow into

the drainage lumen **604** when the catheter is used to drain a fluid from a cavity, duct, or vessel (e.g., draining urine from a person's bladder). A first sleeve portion **606** constructed from a semipermeable membrane is formed over the catheter body **601.** An instillation lumen **607** extends from the catheter body **601** at the distal end **602.** The instillation lumen **607** connects with the first sleeve portion **606** using tube **616** that runs through the length of the catheter body **601.** The fluid instilled into the catheter body **601** through the tube is continuously effluxed from the sleeve portion **606** through the semipermeable membrane in a circumferential controlled delivery to continuously irrigate the periurethral space and the catheter body **601** to prevent formation of biofilm and further ensuring bacterial infection. The fluid may include, but is not limited to, antiseptics, antibiotics or antimicrobials and/or combinations thereof to prevent biofilm formation on the exterior surface of the catheter body.

[00056] A second sleeve portion **609** constructed from a semipermeable membrane is formed over the catheter body **601** above the tube section **610**. An instillation lumen **611** extends from the catheter body **601** at the distal end **602.** The instillation lumen **611** connects with the sleeve portion **609** using tube **618** that runs through the length of the catheter body **601** The fluid instilled into the catheter body **601** through the tube **618** is continuously effluxed from the sleeve portion **609** through the semipermeable membrane and into the bladder itself.

[00057] The fluid effluxed through the sleeve **609** includes, but is not limited to, certain therapeutic agents used in intravesical therapy such as immunotherapy agents or chemotherapeutic agents, antispasmodic agents and numbing agents, such as lidocaine.

[00058] The fluid instilled into the catheter body and effluxed out of the semipermeable membrane of the sleeve portions **606** and **609** may be pushed through the device using various mechanisms, including but not limited to, pressure and flow regulating valves to control rate of flow for a specific fluid at a specific pressure that is installed at the effluxing instillation lumen ports **607** and **611,** or using a pump tension device, such as a plastic ball that you blow up and it then pushes fluid out at a constant rate. It is also contemplated that an intravenous (IV) pump operating at a continuous rate may also be used to move fluid through the instillation lumens **607** and **611** and out of the semipermeable membrane of the sleeve portions **606** and **609**, respectively. Again, the rate would be predetermined based on the agent instilled into the catheter and effluxed from the semipermeable membrane to ensure that the agent is being pushed with sufficient pressure and at a sufficient rate to effectively continuously wash the periuretheral and bladder spaces.

[00059] Turning to Fig. 6B, a cross section cutaway of the sleeve portions **606** and **609** illustrates that the sleeve circumferentially surrounds the catheter body **601**. In the preferred embodiment, the sleeve portions **606** and **609** are manufactured as continuous parts over the catheter body **601**. They may be secured to the catheter body **601** using methods known in the art such as adhesive attachment or heat press melting.

[00060] Turning to Fig. 7A-B, the differences in anatomy for the placement of a urinary catheter are shown. The male anatomy of Fig. 7A results in a larger portion of the catheter body in the periurethral space than the female counterpart. Fig. 7A shows the bladder **701**, rectum **702**, pubic bone **703**, prostate **704**, urethra **705** and the catheter **706.**

The catheter **706** must also be fed past the prostate **704** in males before it can be retained in the bladder **701**. The female anatomy of Fig. 7B results in a shorter portion of the catheter body needed to fill the periurethral space. Fig. 7B shows the bladder **707**, rectum **708**, pubic bone **709**, vagina **710**, urethra **711** and catheter **712**.

[00061] Taking these anatomical differences into consideration, Fig. 8A-B shows the distal end of the catheter of Fig. 4 as used for female anatomy whereas Fig. 9A-B shows the distal end of the catheter of Fig. 5 as used for male anatomy. The sleeve portion **801** of Fig. 8A-B is shorter than the sleeve portion **901** of Fig. 9A-B. Additionally, there is a larger space **903** between the sleeve portion **901** and the inflatable portion **902** than the space **803** between the sleeve portion **801** and the inflatable portion **802**, which accommodates placement of the catheter in the presence of the prostate.

[00062] As shown in Figs. 10A-C, one embodiment of the invention shown in Figs. 4A-B with sleeve portion **1001**, catheter body **1002**, retaining device **1003**, drainage eyelet **1004** and alternative instillation eyelet **1005** may have various shapes to the end that is inserted into the bladder. For example, Fig. 10 A shows a couvelaire tip, Fig. 10B shows a dufour tip and Fig. 10C shows a coude tip.

[00063] As shown in Figs. 11A-C, one embodiment of the invention shown in Figs. 5A-B with sleeve portion **1006**, catheter body **1002**, retaining device **1003**, drainage eyelet **1004** and alternative instillation eyelet **1005** may have various shapes to the end that is inserted into the bladder. For example, Fig. 11 A shows a couvelaire tip, Fig. 11B shows a dufour tip and Fig. 11C shows a coude tip.

[00064] As shown in Figs. 12A-C, one embodiment of the invention shown in Figs. 6A-B with sleeve portions **1001** and **1006**, catheter body **1002**, retaining device

1003, drainage eyelet **1004** and alternative instillation eyelet **1005** may have various shapes to the end that is inserted into the bladder. For example, Fig. 12 A shows a couvelaire tip, Fig. 12B shows a dufour tip and Fig. 12C shows a coude tip.

[00065] It is necessary for the fluid to be effluxed continuously at a basal rate to effect the continual washing of the periurethral space, where bacteria adhere, to prevent formation of biofilms and resulting bacterial infections. However, it is also contemplated that the fluid may be continuously effluxed from the semipermeable membrane(s) in a peristaltic wave action along the length of the catheter body in addition to the basal rate.

[00066] For the purposes of promoting an understanding of the principles of the invention, reference has been made to the preferred embodiments illustrated in the drawings, and specific language has been used to describe these embodiments. However, this specific language intends no limitation of the scope of the invention, and the invention should be construed to encompass all embodiments that would normally occur to one of ordinary skill in the art. The particular implementations shown and described herein are illustrative examples of the invention and are not intended to otherwise limit the scope of the invention in any way. For the sake of brevity, conventional aspects of the method (and components of the individual operating components of the method) may not be described in detail. Furthermore, the connecting lines, or connectors shown in the various figures presented are intended to represent exemplary functional relationships and/or physical or logical couplings between the various elements. It should be noted that many alternative or additional functional relationships, physical connections or logical connections might be present in a practical device. Moreover, no item or component is essential to the practice of the invention unless the element is specifically described as

"essential" or "critical". Numerous modifications and adaptations will be readily apparent to those skilled in this art without departing from the spirit and scope of the present invention.

CLAIMS

1. A urinary catheter assembly comprising:

an elongate catheter body having a proximal end and a distal end,

a first sleeve portion comprising a semipermeable membrane, wherein the first sleeve portion is disposed on an outer surface of at least one portion of the catheter body; and;

an inflation lumen at the proximal end of the catheter body, wherein the inflation lumen is in fluid communication with an inflatable tube section; wherein an inflation fluid is passed through an inflation lumen, and a through tube in the catheter body to inflate the tube section,

wherein the urinary catheter assembly further comprises:

a first instillation lumen at the proximal end of the catheter body, wherein the first instillation lumen is in fluid communication with the first sleeve portion;

a pump in fluid communication with said first instillation lumen

wherein the pump is operable to continuously move a first fluid through the first instillation lumen to the first sleeve portion and to continuously and circumferentially efflux the first fluid out of the semipermeable membrane of the first sleeve.

2. The urinary catheter assembly according to claim 1, wherein the first sleeve portion is at the tip of the distal end of the catheter body

3. The urinary catheter assembly according to claim 1 or 2, further comprising a pressure and flow regulating valve operable to regulate a flow rate and a pressure of the first fluid effluxing through the first sleeve portion.

4. The urinary catheter assembly according to claim 3, wherein the pump comprises a pump tension device operable to regulate a flow rate and a pressure of the first fluid effluxing through the first sleeve portion.

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5. The urinary catheter assembly according to claim 3, wherein the pump comprises an intravenous (IV) pump operable to operate at a continuous rate and operable to regulate a flow rate and a pressure of the first fluid effluxing through the first sleeve portion.

6. The urinary catheter assembly according to any one of claims 3 to 5, wherein the flow rate and the pressure of the first fluid effluxing through the first sleeve portion is predetermined based on the material used for the semipermeable membrane of the first sleeve portion and calculated based on a molecular weight cut off (MWCO) of the first fluid.

7. The urinary catheter assembly according to any one of the preceding claims, wherein the pore size of the semipermeable membrane of the first sleeve portion is predetermined and calculated based on a molecular weight cut off (MWCO) of the first fluid.

8. The urinary catheter assembly according to any one of the preceding claims, further comprising:

a second sleeve portion comprising a semipermeable membrane, wherein the second sleeve portion is disposed on the outer surface of at least one portion of the catheter body;

a second instillation lumen at the proximal end end of the catheter body in fluid communication with the second sleeve portion; and

a second pump in fluid communication with said second instillation lumen; wherein the second pump is operable to continuously move a second fluid through the second instillation lumen to the second sleeve portion and to continuously and circumferentially efflux the second fluid out of the semipermeable membrane of the second sleeve portion.

9. The urinary catheter assembly according to claim 8, further comprising a second pressure and flow regulating valve operable to regulate a flow rate and a pressure of the second fluid effluxing through the second sleeve portion.

10. The urinary catheter assembly according to claim 8 or 9, wherein the second pump comprises a pump tension device operable to regulate a flow rate and a pressure of the second fluid effluxing through the second sleeve portion.

11. The urinary catheter assembly according to any one of claims 8 to 10, wherein the second pump is an intravenous (IV) pump operable to operate at a continuous rate and operable to regulate a flow rate and a pressure of the second fluid effluxing through the second sleeve portion.

12. The urinary catheter assembly according to any one of claims 8 to 11, wherein the flow rate and the pressure of the second fluid effluxing through the second sleeve portion (609) is predetermined based on the material used for the semipermeable membrane of the second sleeve portion (609) and calculated based on a molecular weight cut off (MWCO) of the second fluid.

13. The urinary catheter assembly according to any one of claims 8 to 12, wherein the pore size of the semipermeable membrane of the second sleeve portion is predetermined and calculated based on the molecular weight cut off (MWCO) of the second fluid.

14. The urinary catheter assembly according to any one of claims 8 to 13, further comprising a retaining mechanism towards the distal end of the catheter body.

15. The urinary catheter assembly according to claim 14, wherein the first sleeve portion is between the proximal end of the catheter body and the retaining mechanism.

16. The urinary catheter assembly according to claim 14 or 15, wherein the second sleeve portion is between the distal end of the catheter body and the retaining mechanism.

17. The urinary catheter assembly according to any one of claims 14 to 16, wherein the first sleeve portion is at the tip of the distal end of the catheter body and the second sleeve portion is located between the proximal end of the catheter body and the retaining mechanism.

18. The urinary catheter assembly according to any one of the preceding claims, further comprising a drainage lumen and at least one drainage opening at the distal end of the catheter body, wherein the drainage lumen extends through the catheter body and is in fluid communication with the at least one drainage opening.

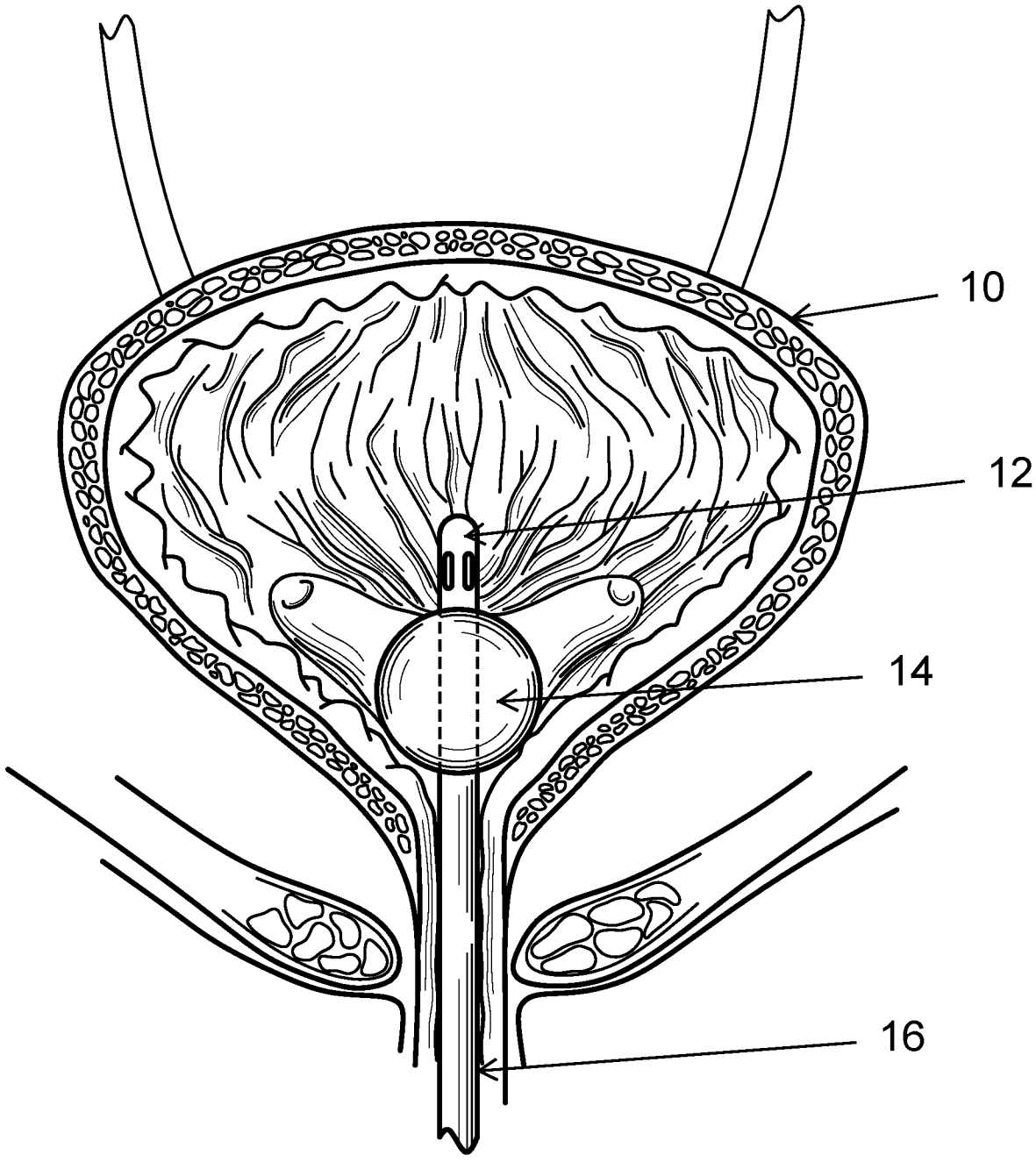

FIG. 1

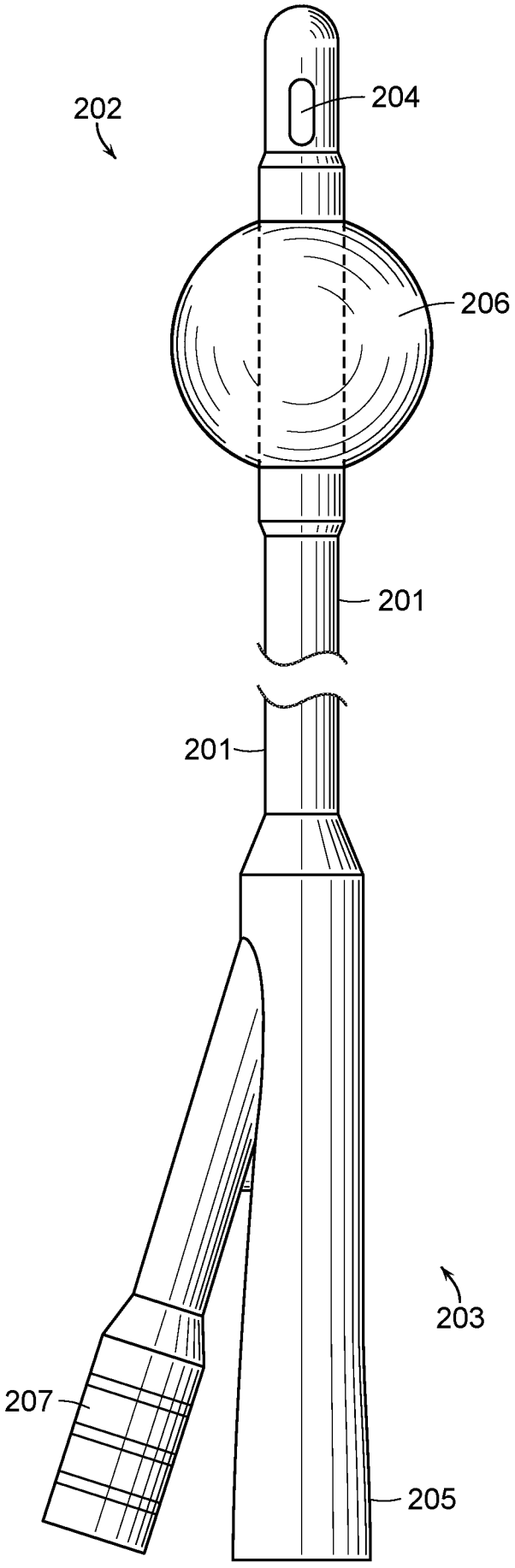

FIG. 2

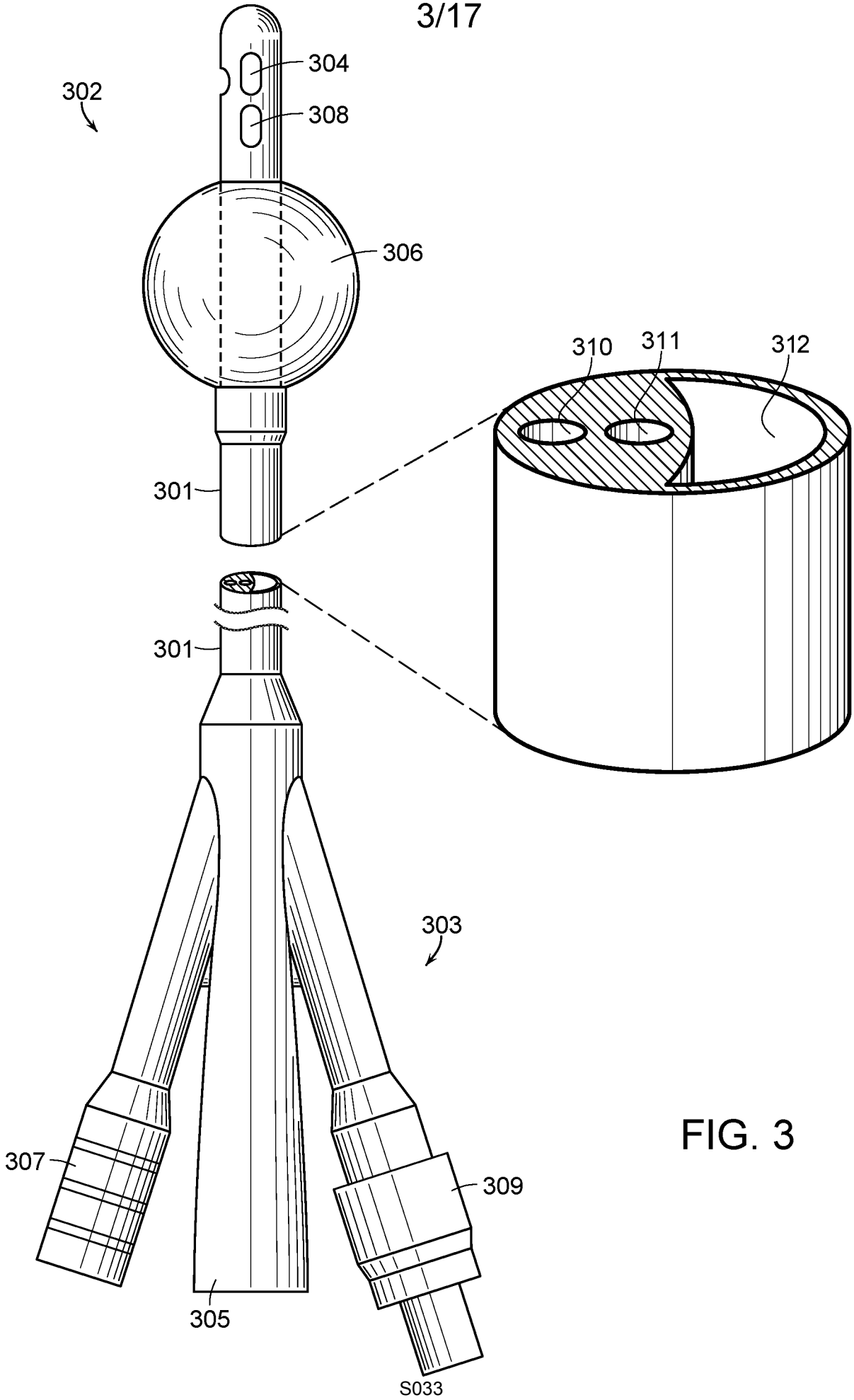

FIG. 3

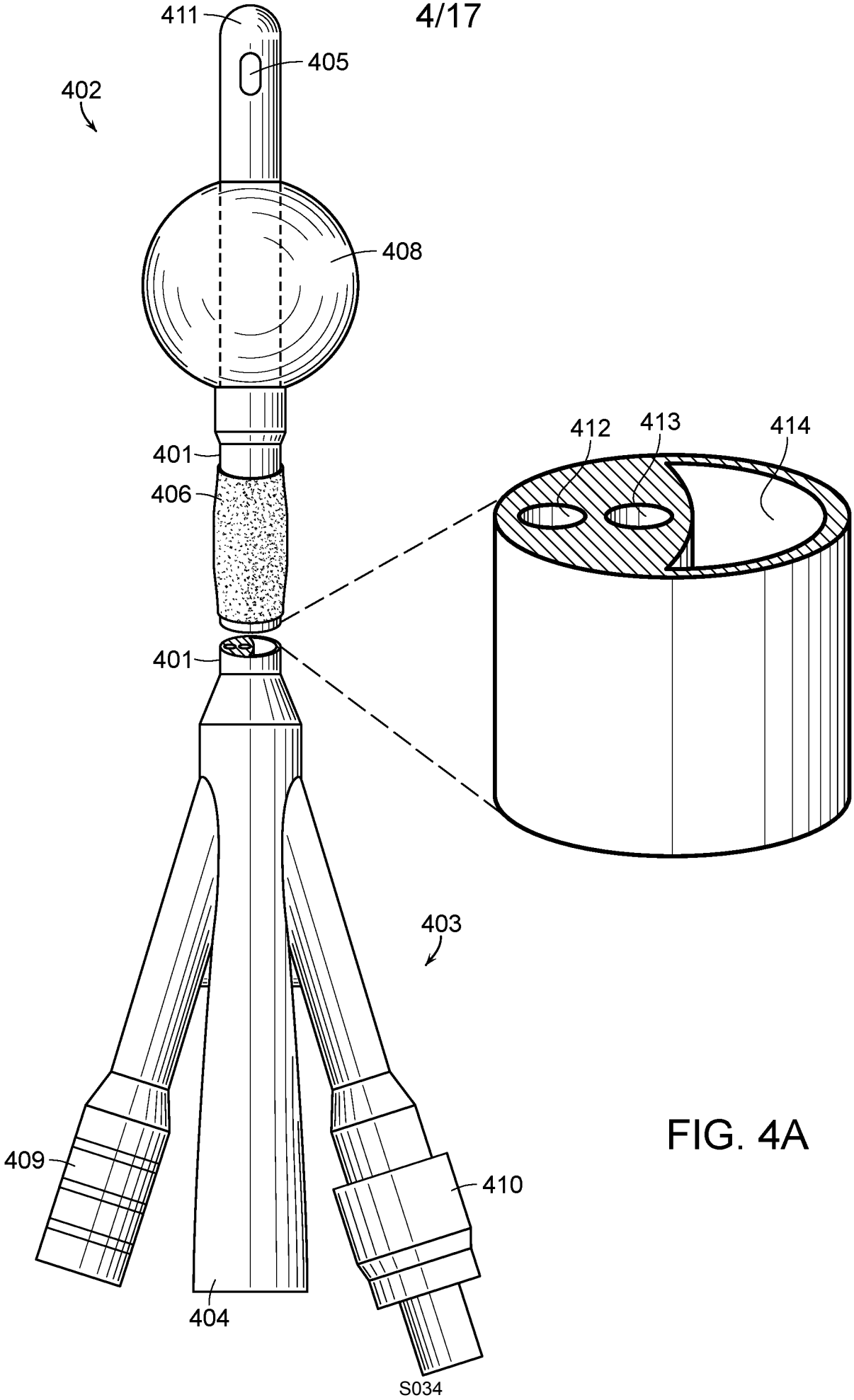

FIG. 4A

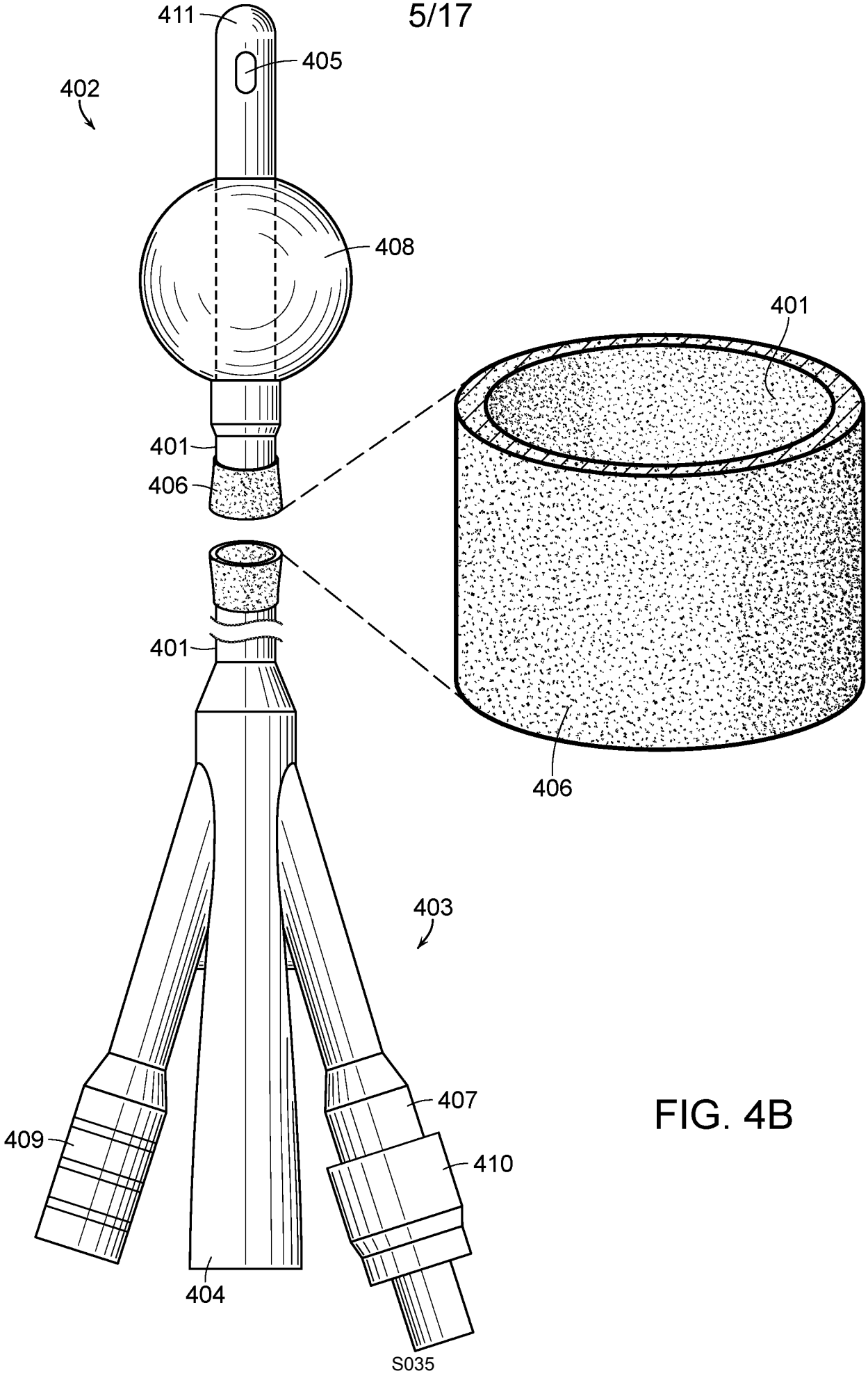

FIG. 4B

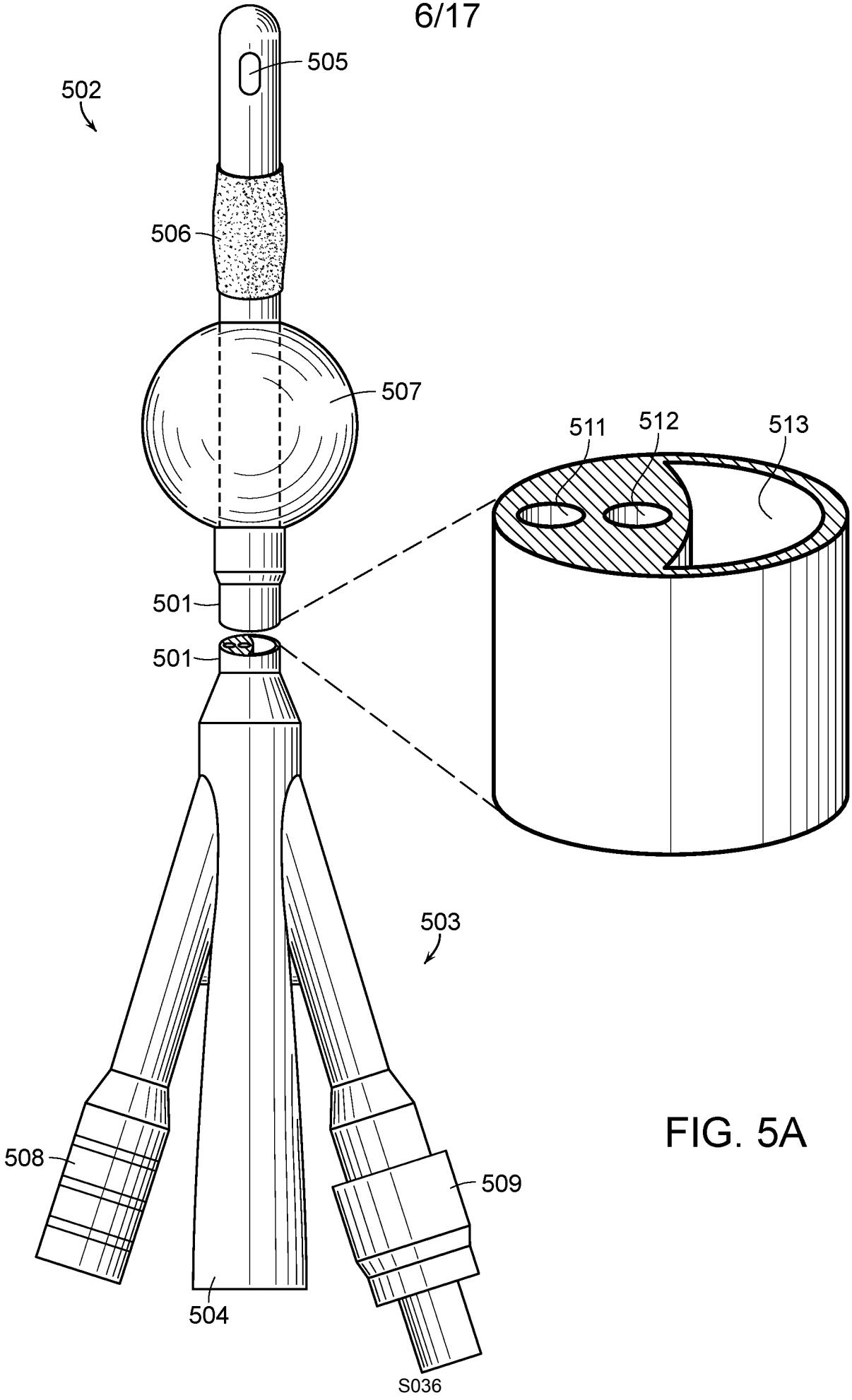

FIG. 5A

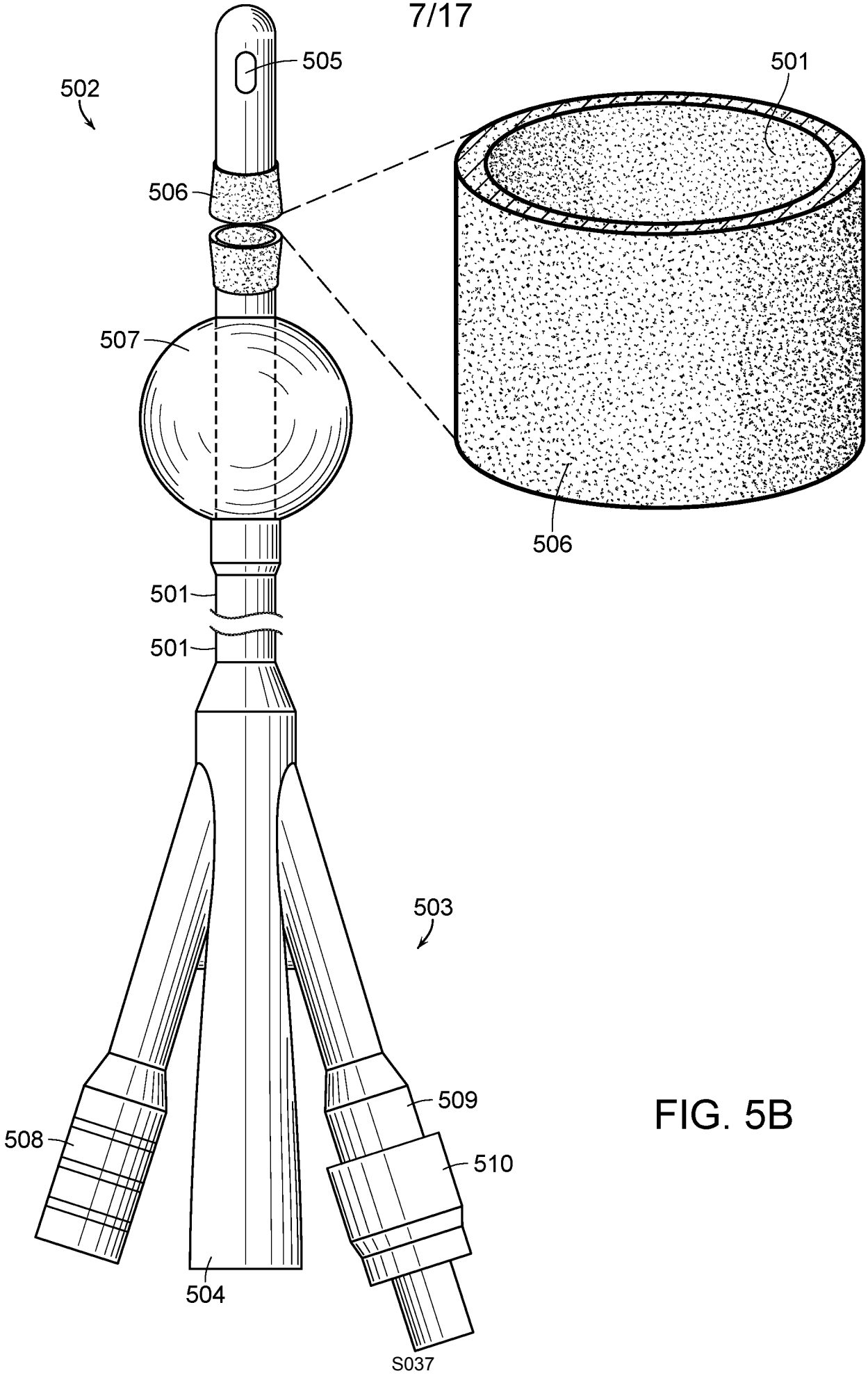

FIG. 5B

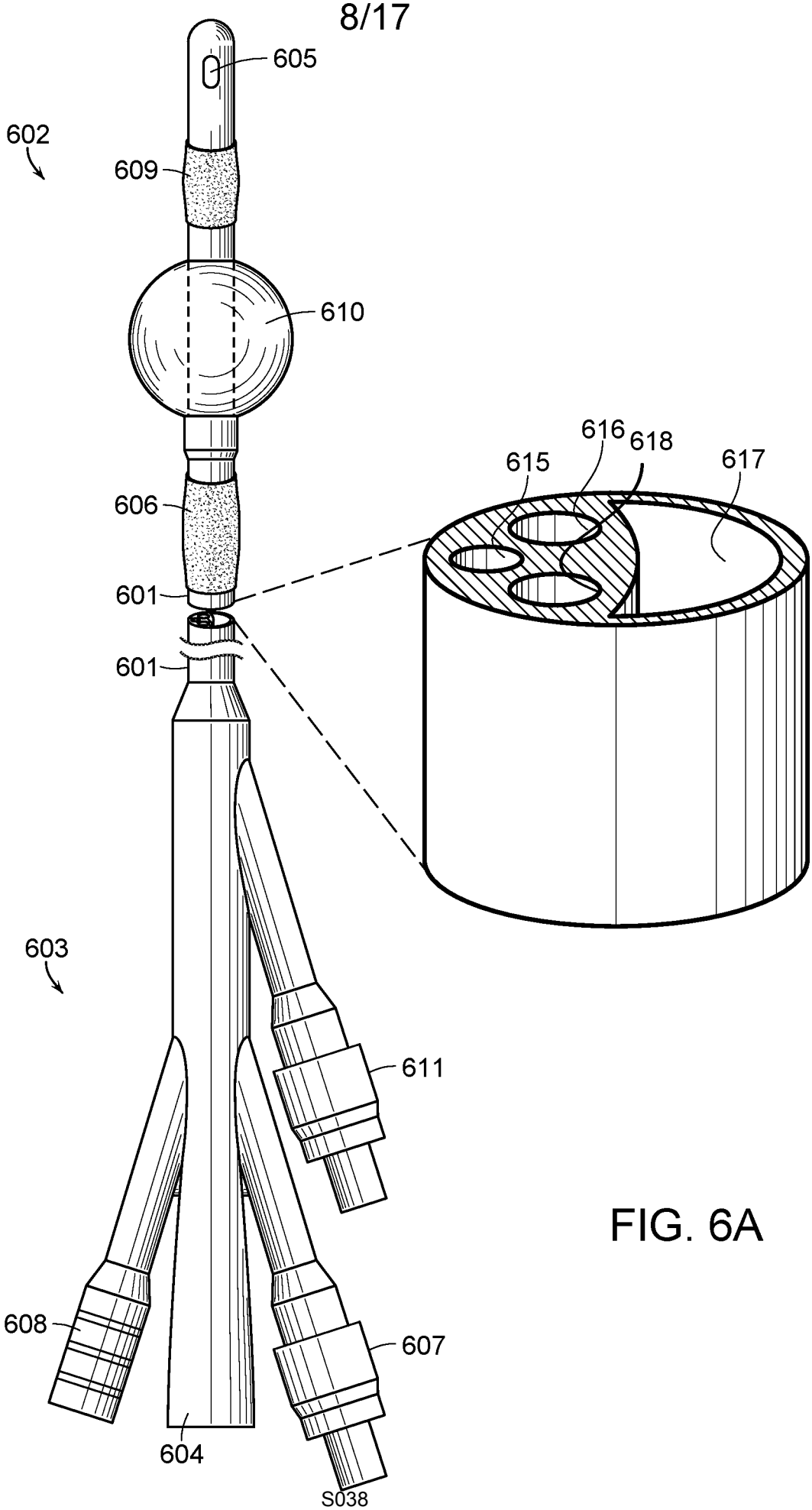
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FIG. 6A

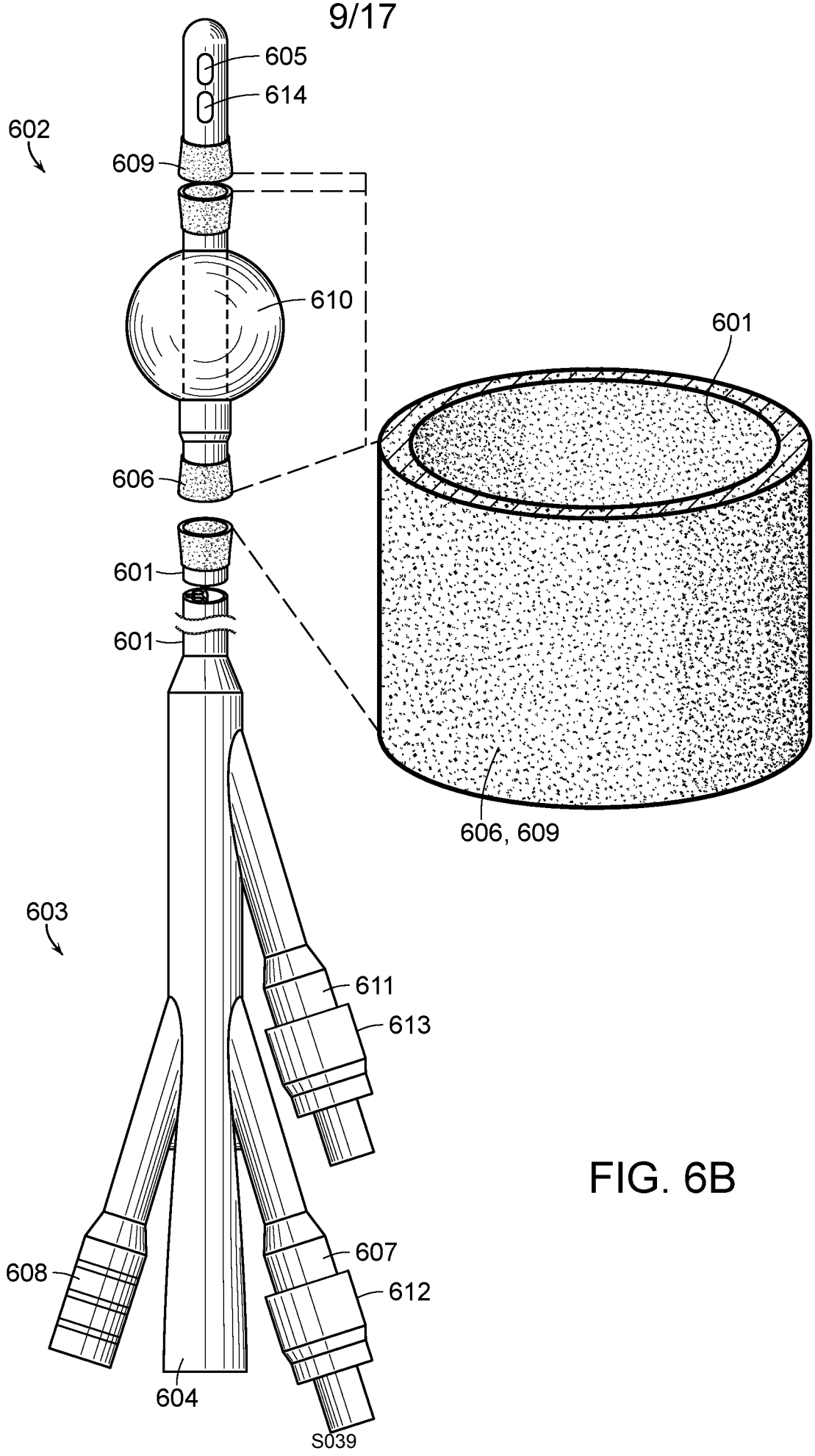
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FIG. 6B

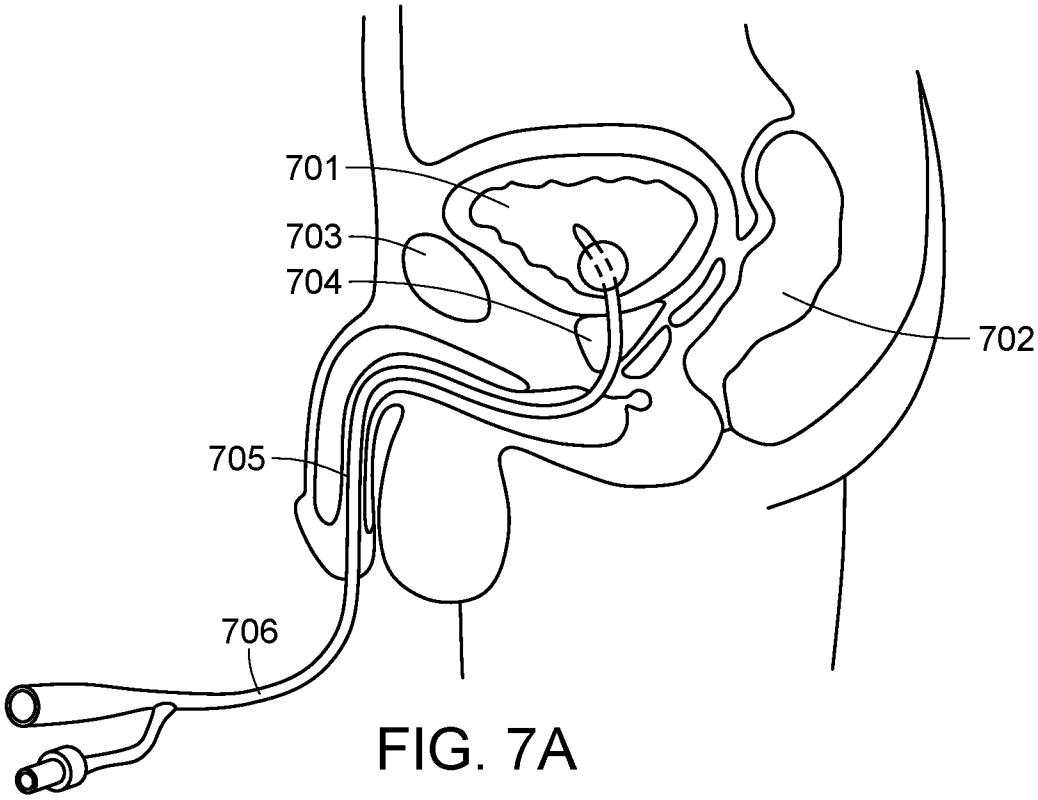

FIG. 7A

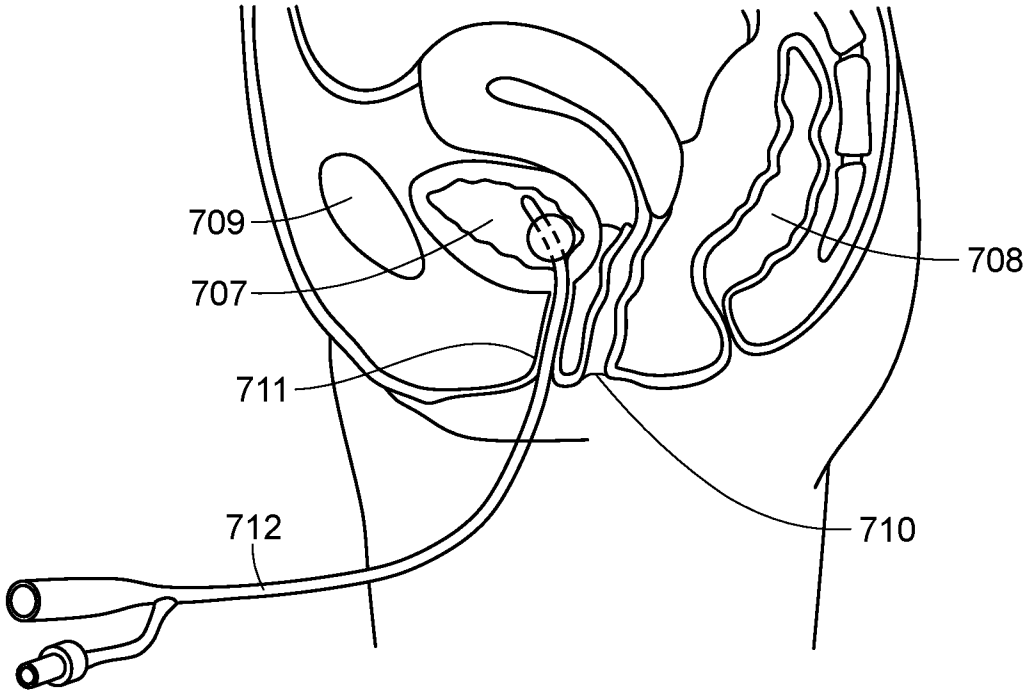

FIG. 7B

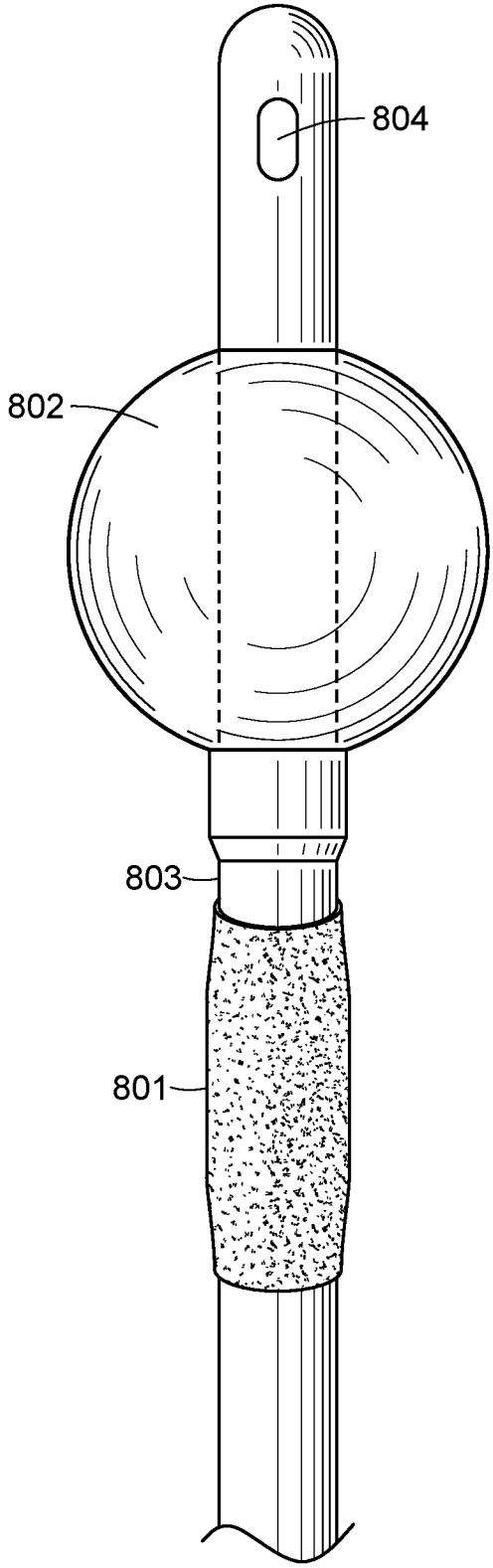

FIG. 8A

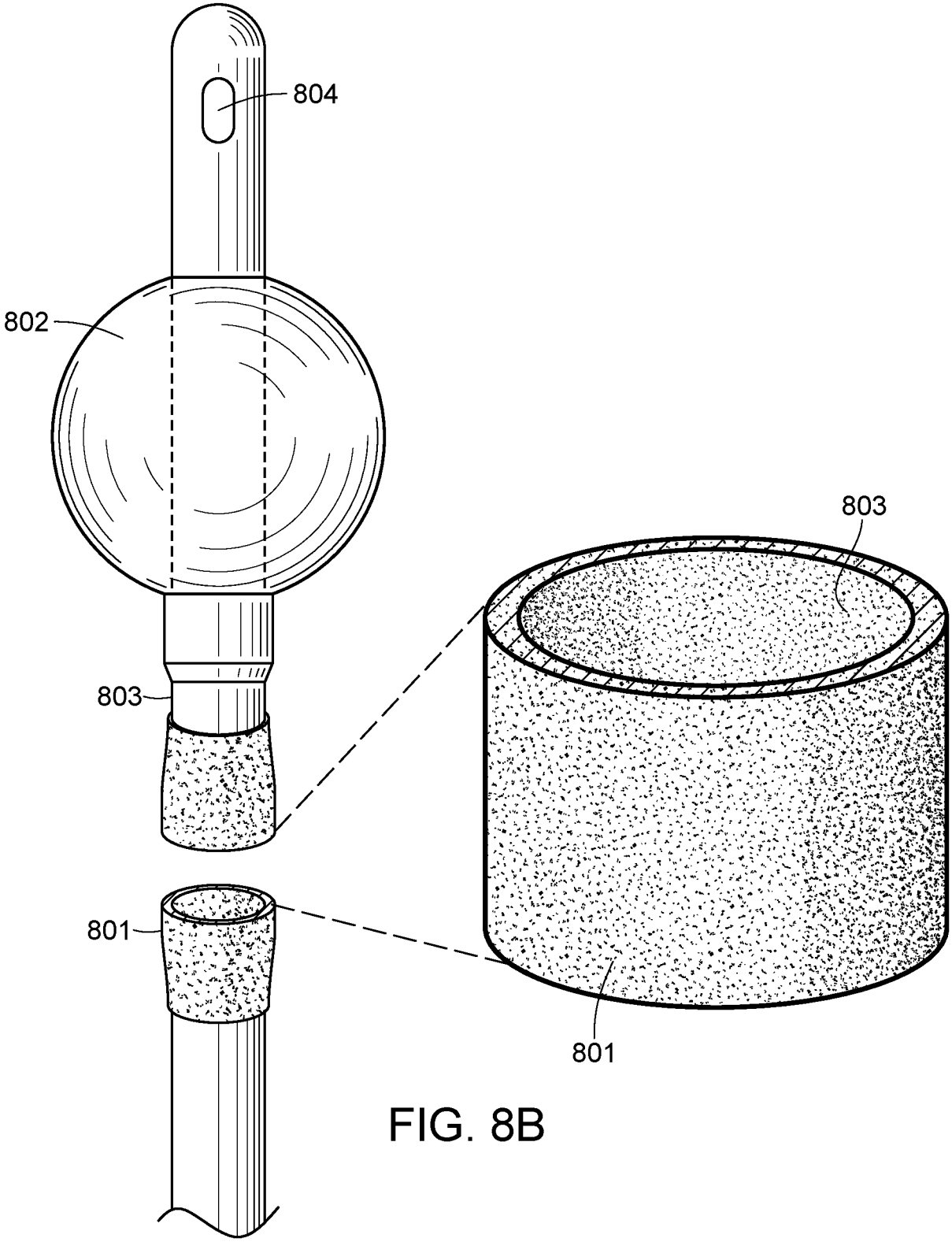

FIG. 8B

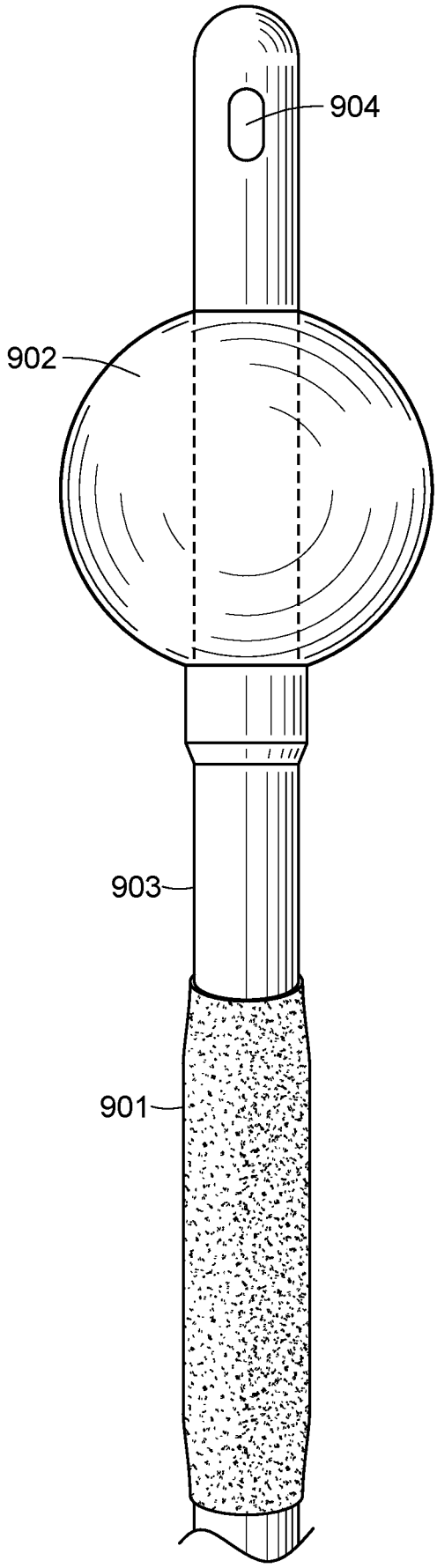

FIG. 9A

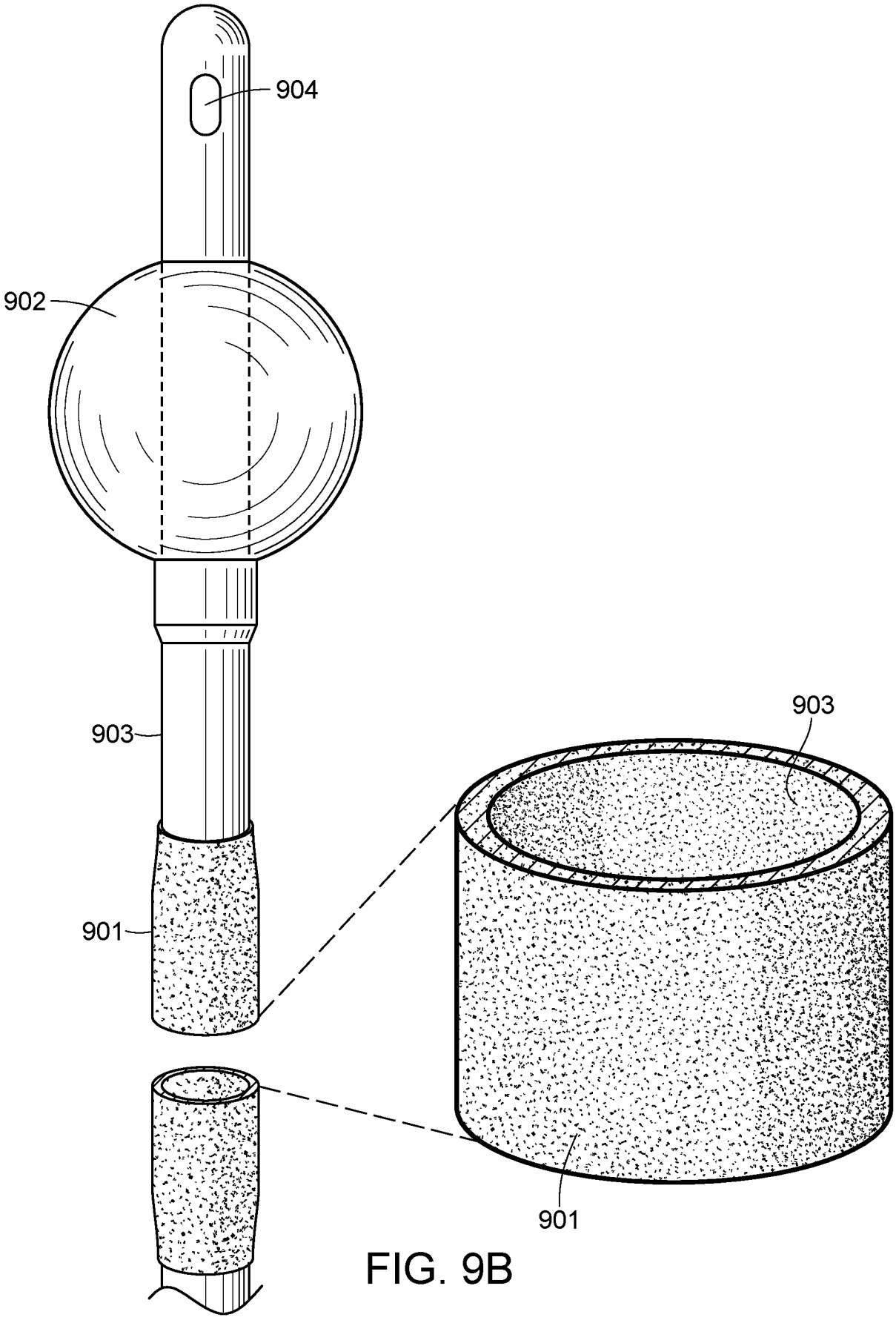

FIG. 9B

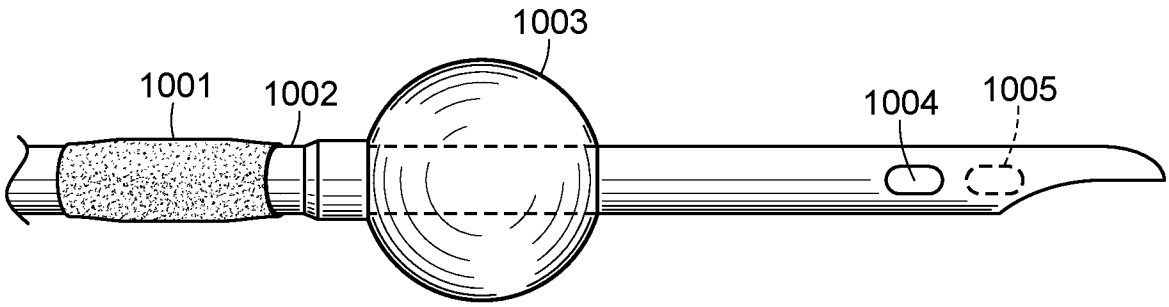

FIG. 10A

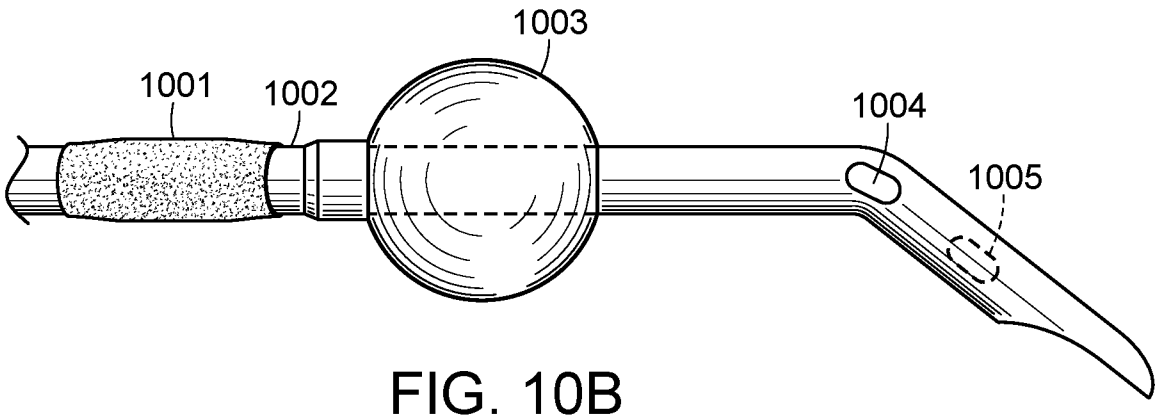

FIG. 10B

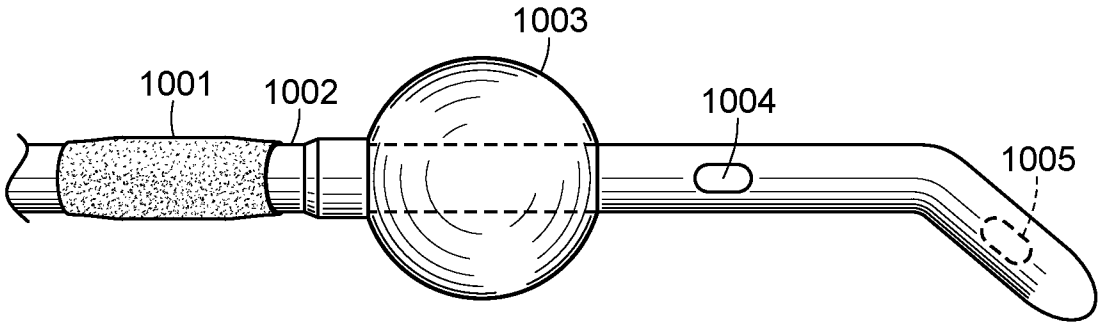

FIG. 10C

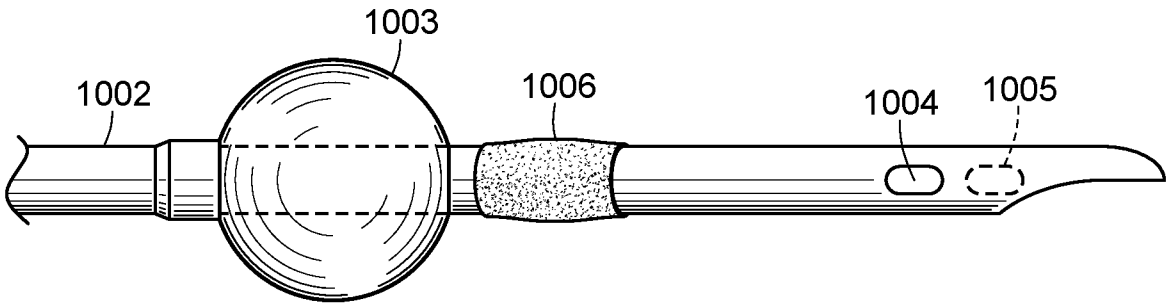

FIG. 11A

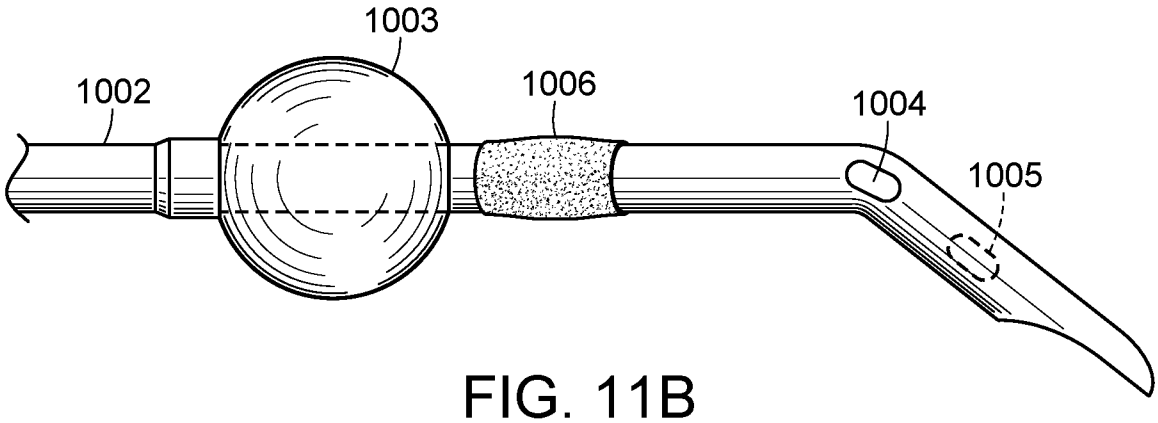

FIG. 11B

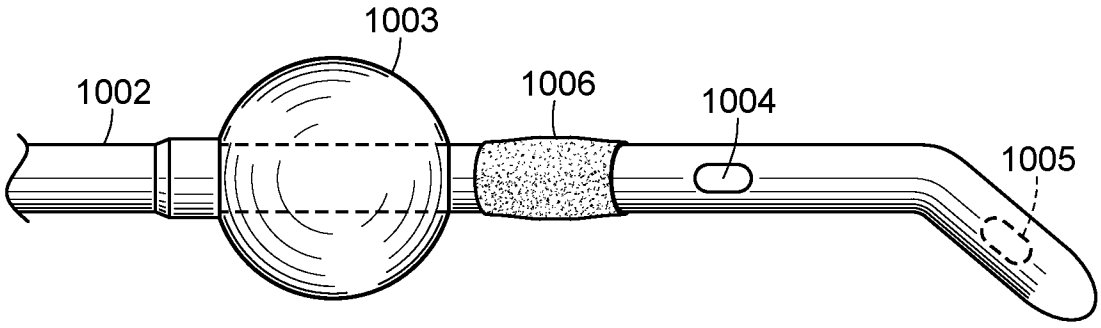

FIG. 11C

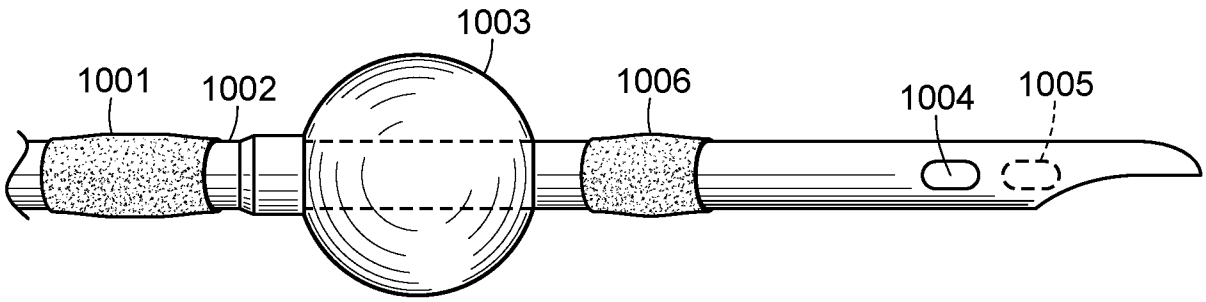

FIG. 12A

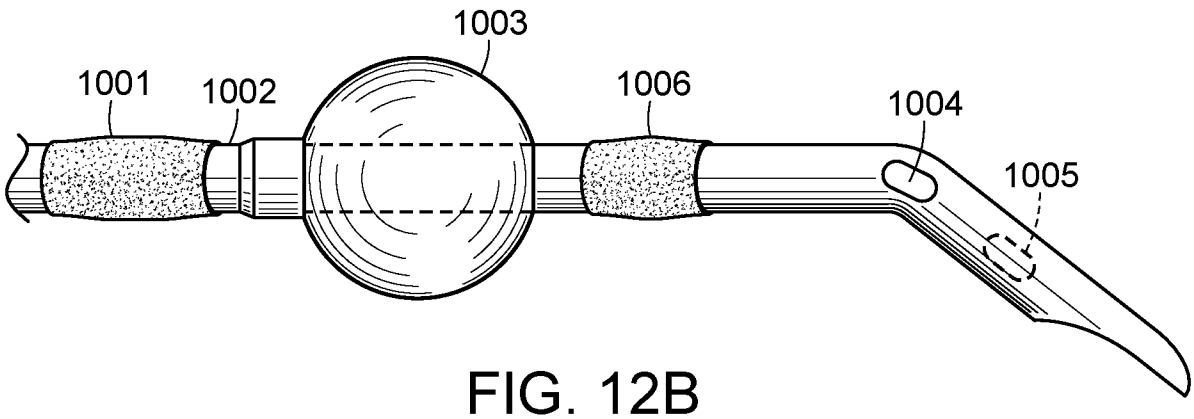

FIG. 12B

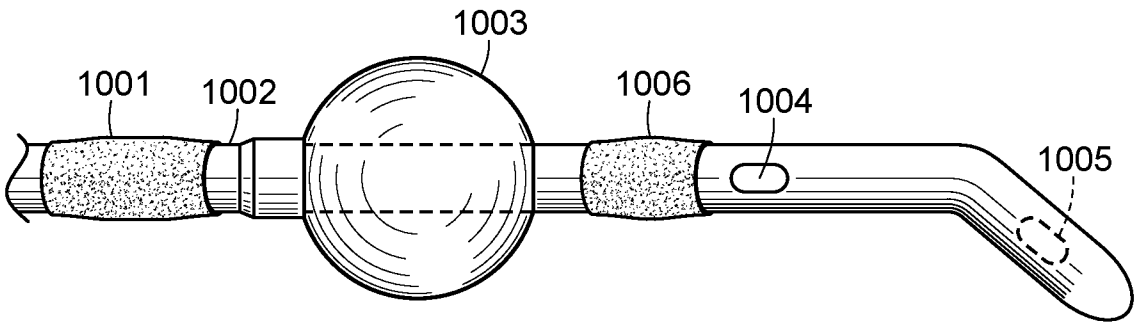

FIG. 12C

SCHEDULE 3

Patent Applications

Date : *17/11/2023*

Reference	Countries	Status	Name	Application date	Application number	Grant date	Grant number	Next annuity date
P-INNOME-001/WOAU	Australia	Granted	CATHETER SYSTEM FOR CONTINUOUS IRRIGATION	2017-04-06	2017397418	2021-08-26	2017397418	2024-04-06
P-INNOME-001/WOBR	Brazil	Application	CATHETER SYSTEM FOR CONTINUOUS IRRIGATION	2017-04-06	112019016172-4			2024-04-06
P-INNOME-001/WOCA	Canada	Granted	CATHETER SYSTEM FOR CONTINUOUS IRRIGATION	2017-04-06	3 052 434	2023-08-15	3052434	2024-04-06
P-INNOME-001/WOCN	China	Application	CATHETER SYSTEM FOR CONTINUOUS IRRIGATION	2017-04-06	201780089343.1			
P-INNOME-001/WOEA	Armenia Azerbaijan Belarus Kazakhstan Kyrgyzstan Russian Federation Tajikistan Turkmenistan	Granted	CATHETER SYSTEM FOR CONTINUOUS IRRIGATION	2017-04-06	201991844	2022-01-17	39346	2024-04-06
P-INNOME-001/WOEP	European Patent	Application	CATHETER SYSTEM FOR CONTINUOUS IRRIGATION	2017-04-06	17718690.5			2024-04-30
P-INNOME-001/WOHK	HongKong	Application	CATHETER SYSTEM FOR CONTINUOUS IRRIGATION	2017-04-06	62020005088			2026-04-06
P-INNOME-001/WOID	Indonesia	Application	CATHETER SYSTEM FOR CONTINUOUS IRRIGATION	2017-04-06	P00201907684			
P-INNOME-001/WOIL	Israel	Application	CATHETER SYSTEM FOR CONTINUOUS IRRIGATION	2017-04-06	268317	2023-08-17	To be received	
P-INNOME-001/WOIN	India	Application	CATHETER SYSTEM FOR CONTINUOUS IRRIGATION	2017-04-06	201917031888			
P-INNOME-001/WOJP	Japan	Granted	CATHETER SYSTEM FOR CONTINUOUS IRRIGATION	2017-04-06	2019-564004	2022-07-12	7104726	2025-07-12
P-INNOME-001/WOKR	South Korea	Granted	CATHETER SYSTEM FOR CONTINUOUS IRRIGATION	2017-04-06	2019-7024321	2023-10-13	To be received	
P-INNOME-001/WOMA	Morocco	Granted	CATHETER SYSTEM FOR CONTINUOUS IRRIGATION	2017-04-06	46674	2021-10-29	46674	2024-04-06
P-INNOME-001/WOMO	Macau	Application	CATHETER SYSTEM FOR CONTINUOUS IRRIGATION	2017-04-06				

Date : *17/11/2023*

Reference	Countries	Status	Name	Application date	Application number	Grant date	Grant number	Next annuity date
P-INNOME-001/WOMX	Mexico	Application	CATHETER SYSTEM FOR CONTINUOUS IRRIGATION	2017-04-06	MX/a/2019/009192			
P-INNOME-001/WOMY	Malaysia	Application	CATHETER SYSTEM FOR CONTINUOUS IRRIGATION	2017-04-06	PI2019004473			
P-INNOME-001/WONZ	New Zealand	Application	CATHETER SYSTEM FOR CONTINUOUS IRRIGATION	2017-04-06	755964			2024-04-06
P-INNOME-001/WOPA	Panama	Granted	CATHETER SYSTEM FOR CONTINUOUS IRRIGATION	2017-04-06	92758-01	2021-12-23	92758-1	2027-04-06
P-INNOME-001/WOPH	Philippines	Granted	CATHETER SYSTEM FOR CONTINUOUS IRRIGATION	2017-04-06	1-2019-501805	2023-02-09	1/2019/501805	2024-08-09
P-INNOME-001/WOSA	Saudi Arabia	Granted	CATHETER SYSTEM FOR CONTINUOUS IRRIGATION	2017-04-06	519402382	2023-09-18	To be received	2024-03-31
P-INNOME-001/WOTH	Thailand	Application	CATHETER SYSTEM FOR CONTINUOUS IRRIGATION	2017-04-06	1901004807			
P-INNOME-001/WOUS	United States	Application	CATHETER SYSTEM FOR CONTINUOUS IRRIGATION	2017-04-06	16/482,374			
P-INNOME-001/WOVN	Vietnam	Granted	CATHETER SYSTEM FOR CONTINUOUS IRRIGATION	2017-04-06	1-2019-04861	2023-10-30	To be received	
P-INNOME-001/WOZA	South Africa	Application	CATHETER SYSTEM FOR CONTINUOUS IRRIGATION	2017-04-06	2019/06801			2024-04-06
P-INNOME-005/WOEA	Armenia Azerbaijan Belarus Kazakhstan Kyrgyzstan Russian Federation Tajikistan Turkmenistan	Granted	ABSORBENT DEVICE FOR USE WITH CATHETER	2020-04-17	202192797	2023-07-18	044020	2024-04-17

SCHEDULE 4

Audit Committee Charter

Audit Committee Charter

I. Audit Committee Purpose

The Audit Committee (the "**Committee**") is a committee selected from the board of directors (the "**Board**") of InnoMed Tech Ltd. (the "**Corporation**") whose primary function is to manage and maintain the effectiveness of the financial aspects of the governance structure of the Corporation.

The Objectives of the Committee include:

1.1 To increase shareholder confidence and to ensure the credibility and objectivity of published financial information.

1.2 To assist the Board in meeting its financial reporting responsibilities.

1.3 To assist the Board in ensuring the effectiveness of the Company's internal accounting and financial controls.

1.4 To strengthen the independent position of the Company's external auditors by providing channels of communication between them and the non-executive directors.

1.5 To review the performance of the Company's internal and external auditing functions.

II. Committee Composition, Appointment and Procedures

1. Structure and Composition of Committee

The Committee is a sub-committee of the Board and as such exercises such powers of the Board as have been delegated to it, is answerable to the Board.

The Committee shall be comprised of not less than three directors, at least two of whom must be independent non-executive directors in accordance with applicable regulatory and stock exchange requirements. In the event securities of the Company are traded on the Toronto Stock Exchange, a majority of the members of the audit committee must be independent within the meaning of "National Instrument 52-110 – Audit Committees".

The membership of this Committee is to be set out in the annual report and accounts of the Company.

2. Financial Literacy

All members of the Committee shall have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the financial statements of the Corporation.

3. Appointment of Committee Members

Members of the Committee shall be appointed from time to time and shall hold office at the pleasure of the Board, upon the recommendation of the Corporate Governance and Nominating Committee.

4. Vacancies

(a) Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board.

(b) The Board shall fill any vacancy if the membership of the Committee is less than three Directors.

5. Committee Chairman

The Board shall appoint a Chairman for the Committee. The Chairman of the Committee shall be available at the Annual General Meeting to answer questions.

6. Absence of Committee Chairman

If the Chairman of the Committee is not present at any meeting of the Committee, one of the other members of the Committee who is present at the meeting shall be chosen by the Committee to preside at the meeting.

7. Secretary of Committee

The Secretary of the Corporation shall serve as the secretary of the Committee.

8. Meetings

(a) The Chairman of the Committee or the Chairman of the Board, or any two members of the Committee may call a meeting of the Committee.

(b) The Audit Committee shall meet not less than four times a year and at such other times as circumstances require. The external auditors may request a meeting if they consider it necessary.

(c) The Committee will ordinarily meet in camera at the end of each of its formal meetings and may meet in camera at any other time as required.

(d) There shall be three senior management personnel available for meetings of the Committee at the invitation of the Chairman of the Committee. These three persons will be those holding the positions of Chief Executive Officer, Chief Financial Officer and Corporate Secretary.

(e) Representatives of the external auditors shall be available for Committee meetings at the invitation of the Chairman of the Committee.

9. Quorum

A Majority of the members of the Committee shall constitute a quorum.

10. Notice of Meetings

(a) Notice of the time and place of every meeting shall be given in writing (including by way of written facsimile communication) to each member of the Committee at least 72 hours prior to the time fixed for such meeting; provided, however, that a member may in any manner waive a notice of a meeting.

(b) Attendance of a member at a meeting constitutes a waiver of notice of the meeting except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

11. Review

The Committee shall review its performance and this Charter annually or otherwise as it deems appropriate and propose recommended changes to the Board.

III. Responsibilities of the Committee

12. The Committee shall:

(a) Review all quarterly un-audited and annual audited financial statements and accompanying reports to the shareholders, MD&A, related annual and interim earnings press releases, earnings guidance disclosure or any other disclosure based on the Corporation's financial statements prior to the release of those statements.

(b) Make recommendations to the Board for approval with respect to the annual audited financial statements and, in each case, review:

(i) The appropriateness of the Corporation's significant accounting principles and practices, including acceptable alternatives, and the appropriateness of any significant changes in accounting principles and practices.

(ii) The existence and substance of significant accruals, estimates, or accounting judgments, and the level of conservatism.

(iii) Unusual or extraordinary items, transaction with related parties and adequacy of disclosures.

(iv) Asset and liability carrying values.

(v) Income tax status and related reserves.

(vi) Qualifications contained in letters of representation.

(vii) Assurances of compliance with covenants in trust deeds or loan agreements.

(viii) Business risks, uncertainties, commitment, and contingent liabilities.

(ix) The adequacy of explanations for significant financial variances between years.

(c) Review the Corporation's Annual Information Form and management proxy circular and make a recommendation for approval thereof to the Board.

(d) to assist in the preparation of Form 52-110F2 (or, if the Company ceases to be a "Venture Issuer" for Canadian securities law purposes, Form 52-110F1) which requires the Company to disclose certain matters in respect of the audit committee.

(e) Oversee the external audit process, including:

(i) The selection and appointment of an auditing firm to conduct the annual audit of the Corporation's annual financial statements and review of the Corporation's quarterly financial statements (and related notes and management's discussion and analysis in each case).

(ii) Assessing the independence of appointed auditing firm.

(iii) Reviewing of the external audit plan comprising a fee estimate, objectives scope, materiality, timing, locations to be visited, areas of audit risk, and co-ordination with Internal Audit.

(iv) Reviewing of audit reports and reviews and findings, including corresponding management responses.

(v) Approving the audit fee.

(vi) Establishing, from time to time, pre-approval arrangements for specific categories of permitted audit related services.

(vii) Private discussions regarding the quality of financial personnel, the level of co-operation received unresolved material differences of opinion or disputes, and the effectiveness of the work of Internal Audit.

(viii) Co-ordinate the audit where more than one firm is involved.

(ix) Monitoring and review any problems or reservations arising from the audit and to discuss any matters which the external auditor wishes to discuss, without executive Board members present.

(x) Considering communications from the external auditors on audit planning and findings and on material weaknesses in accounting and internal control systems that have come to the auditors' attention.

(xi) To review and discuss with management and auditors the preliminary results, interim information and annual financial statements before submission to the Board, focusing particularly on:

(a) the quality and acceptability of the accounting policies and practices and financial reporting disclosures and changes thereto;

(b) areas involving significant judgement, estimation or uncertainty;

(c) material misstatements detected by the auditors that individually or in aggregate have not been corrected and management's explanations as to why they have not been adjusted;

(d) the basis for the going concern assumption;

(e) compliance with financial reporting standards and relevant financial and governance reporting requirements;

(f) Oversee the external non-audit process, including:

(i) Approving the nature of any non-audit services provided and any material mandates by the auditing firm to the Corporation or its subsidiary entities, the fees charged by the firm for such services and the impact on the independence of the auditor provided that the auditing firm is prohibited from providing appraisal or valuation services, fairness opinions, actuarial services, internal audit outsourcing services, management functions or human resources, bookkeeping or other services relating to the accounting records or financial statements of the Corporation or financial information systems designed in implementation.

(ii) Information as to the non-audit services provided by the auditing firm, the fees charged by the firm for such services and the impact on the independence of the auditor.

(g) Oversee the internal audit function including:

(i) Reviewing the annual audit plan including risk assessment, the location and activities selected to ensure appropriate involvement in the control systems and financial reporting, time and cost budgets, resources (both personnel and technological), and organizational reporting structure.

(ii) Reviewing audit progress, findings, recommendations, responses and follow up actions.

(iii) Private discussions as to internal audit independence, cooperation received from management, interaction with external audit, and any unresolved material disagreements with management.

(iv) Annual approval of audit mandate.

(v) Monitoring of compliance with the Corporation's financial code of conduct.

(vi) Considering the appointment, resignation or dismissal of the head of internal audit.

(vii) Reviewing and discuss with the head of internal audit the scope of work of the internal audit function, its plans, the issues identified as a result of its work and how management is addressing these issues;

(viii) Ensuring that the function is adequately resourced, and has appropriate authority and standing within the Company; and

(ix) Reviewing co-ordination between the internal and external auditors.

(h) Review the effectiveness of control and control systems utilized by the Corporation in connection with financial reporting and other identified business risks.

(i) Review with senior management and the external auditors the audits of subsidiaries performed by different external auditors, including significant issues and recommendations.

(j) Review incidents of fraud, illegal acts and conflicts of interest. Ensure that arrangements are in place for investigation of possible impropriety in financial reporting or other matters.

(k) Review documents filed with securities commissions, including the Corporation's annual information form and annual report.

(l) Review material valuation issues.

(m) Review the quality and accuracy of computerized accounting systems, the adequacy of the protection against damage and disruption, and security of confidential information through information systems reporting.

(n) Review with senior management, the external auditors and legal counsel any litigation claim or other contingency that could have a material effect upon the financial position or operating results of the company with a view to appropriate disclosure.

(o) Review the expenses and perquisites, including the use of company assets, by senior officers

(p) Review material matters that come before audit committees of subsidiaries.

(q) Review cases where management has sought accounting advice on a specific issue from an accounting firm other than the one appointed as Auditor.

(r) Review policies and practices concerning officers' expenses and perquisites and, where appropriate, refer any issue to the Compensation Committee or to the Board of Directors.

(s) Establish financial procedures for:

(i) The receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters.

(ii) The confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

(t) Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

13. The Committee may, at the request of the Board, investigate such other matters as the Board considers appropriate in the circumstances.

IV. Resources Meetings and Reports

14. The Committee shall have adequate resources to discharge its responsibilities. The Committee may, for and on behalf of the Corporation and at the Corporation's sole expense, engage such consultants as it considers in its sole discretion necessary to assist it in fulfilling its duties and responsibilities.

16. The meetings of the Committee shall ordinarily include the auditors and the Chairman of the Board shall be an ex officio member of the Committee if not otherwise appointed as a member of the Committee. The Committee may request the attendance of other officers at its meetings from time to time.

17. The Board shall be kept informed of the Committee's activities by a report presented at the Board meeting following each Committee meeting.

18. The Committee shall keep minutes of its meetings in which shall be recorded all actions taken by the Committee which minutes shall be made available to the Board.

19. The members of the Committee shall have the right, for the purposes of discharging the powers and responsibilities of the Committee, to inspect any relevant records of the Corporation and its subsidiaries.

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CERTIFICATE OF PROMOTER THE COMPANY

Dated: March 15, 2024

This amended and restated prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Company as required by the securities legislation of British Columbia.

"Robert L. Rhodes"

"Stuart J. Bromley"
For and Behalf of CIC Capital Ltd."

CERTIFICATE OF THE COMPANY

Dated: March 15, 2024

This amended and restated prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Company as required by the securities legislation of British Columbia.

"Robert L. Rhodes"
CEO / Executive Director

"Terrence A. Larkan"
CFO / Executive Chairman

ON BEHALF OF THE BOARD OF DIRECTORS

"Dr Marshall K. Walker, MD"
Director

"David Toyoda"
Director

"Billy R. Williams"
Director