UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of November 2021

Commission File Number: **0-30314**

Portage Biotech Inc.
(Translation of registrant's name into English)

N/A
(Translation of registrant's name into English)

British Virgin Islands
(Jurisdiction of incorporation or organization)

Craigmuir Chambers, Road Town, Tortola, British Virgin Islands, VG1110
(Address of principal executive offices)

c/o Portage Biotech, Inc., Ian Walters, 203.221.7376
6 Adelaide Street East, Suite 300, Toronto, Ontario, Canada M5C 1H6
(Name, telephone, e-mail and/or facsimile number and Address of Company Contact Person)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.
Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

EXHIBITS

Exhibit No.	Exhibit
99.1	Unaudited Condensed Consolidated Interim Financial Statements for the three and six months ended September 30, 2021. Unaudited - Prepared by Management as of November 23, 2021.
99.2	Management's Discussion and Analysis for the three months and six months ended September 30, 2021.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: November 23, 2021

PORTAGE BIOTECH INC.

By: /s/ Allan Shaw
Allan Shaw
Chief Financial Officer

Portage Biotech Inc.

Condensed Consolidated Interim Financial Statements

For the Three and Six Months Ended September 30, 2021

(Unaudited – Prepared by Management)

(U.S. Dollars)

Portage Biotech Inc.
Condensed Consolidated Interim Financial Statements

NOTICE TO READER OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements for Portage Biotech Inc. are comprised of the condensed consolidated statements of financial position as of September 30, 2021 and March 31, 2021, and the condensed consolidated interim statements of operations and comprehensive loss for the three and six months ended September 30, 2021 and 2020 and the statements of equity and cash flows for each of the six months then ended and are the responsibility of the Company's management.

The condensed consolidated interim financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these condensed consolidated interim financial statements in accordance with International Financial Reporting Standards.

"signed"	"signed"
Allan Shaw, CFO	Ian Walters MD, Director

DATE: November 23, 2021

Portage Biotech Inc.
Condensed Consolidated Interim Statements of Financial Position
(U.S. Dollars in thousands)
(Unaudited – see Notice to Reader dated November 23, 2021)

As of,	Notes	September 30, 2021	March 31, 2021
			(Audited)
Assets			
Current assets			
Cash and cash equivalents		**$ 27,261**	$ 2,770
Prepaid expenses and other receivables	**5**	**1,384**	2,176
		28,645	4,946
Long-term assets			
Long-term portion of other receivables	**5**	**–**	22
Investment in associate	**7**	**1,633**	1,735
Investments in private companies	**9**	**7,409**	7,409
Goodwill	**10**	**43,324**	43,324
In-process research and development	**11**	**117,388**	117,388
Other assets		**38**	36
Total assets		**$ 198,437**	$ 174,860
Liabilities and Equity			
Current liabilities			
Accounts payable and accrued liabilities		**$ 809**	$ 1,938
Warrant liability	**13**	**535**	1,120
Unsecured notes payable	**12**	**–**	150
		1,344	3,208
Non-current liabilities			
Deferred tax liability	**11**	**23,514**	24,050
		23,514	24,050
Total liabilities		**24,858**	27,258
Shareholders' Equity			
Capital stock	**14**	**158,216**	130,649
Stock option reserve	**15**	**12,142**	7,977
Accumulated other comprehensive income		**958**	958
Accumulated deficit		**(44,176)**	(38,135)
Total equity attributable to owners of the Company		**127,140**	101,449
Non-controlling interest	**21**	**46,439**	46,153
Total equity		**$ 173,579**	$ 147,602
Total liabilities and equity		**$ 198,437**	$ 174,860

Commitments and Contingent Liabilities (Note 17)

On behalf of the Board "Allan Shaw" (signed) Chief Financial Officer "Ian Walters" (signed) Director

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

Portage Biotech Inc.
Condensed Consolidated Interim Statements of Operations and Other Comprehensive (Loss)
(U.S. Dollars in thousands, except per share amounts)
(Unaudited – see Notice to Reader dated November 23, 2021)

	Note	Three months ended September 30,		Six months ended September 30,	
		2021	2020	**2021**	**2020**
		In 000'$	In 000'$	**In 000'$**	In 000'$
Expenses					
Research and development		**$ 1,330**	$ 792	**$ 2,876**	$ 1,244
General and administrative expenses		**2,000**	376	**4,047**	897
Loss from operations		**(3,330)**	(1,168)	**(6,923)**	(2,141)
Change in fair value of warrant liability	**13**	**15**	59	**384**	59
Share of (loss) income in associate accounted for using equity method	**7**	**(58)**	(49)	**(102)**	391
(Loss) on equity issued at a discount	**14**	**–**	(1,333)	**–**	(1,333)
Gain on sale of marketable equity securities	**6**	**–**	72	**–**	72
(Loss) on extinguishment of notes payable	**12**	**–**	(223)	**–**	(223)
Interest (expense)		**(7)**	(47)	**(41)**	(169)
Loss before provision for income taxes		**(3,380)**	(2,689)	**(6,682)**	(3,344)
Income tax benefit		**503**	–	**582**	–
Net (loss)		**(2,877)**	(2,689)	**(6,100)**	(3,344)
Other comprehensive income (loss)					
Unrealized (loss) on investment	**6, 9**	**–**	(78)	**–**	–
Total comprehensive (loss) for period		**$ (2,877)**	$ (2,767)	**$ (6,100)**	$ (3,344)
Net (loss) income attributable to:					
Owners of the Company		**$ (2,975)**	$ (2,455)	**$ (6,041)**	$ (3,151)
Non-controlling interest	**21**	**98**	(234)	**(59)**	(193)
		$ (2,877)	$ (2,689)	**$ (6,100)**	$ (3,344)
Comprehensive (loss) income attributable to:					
Owners of the Company	**21**	**$ (2,975)**	$ (2,533)	**$ (6,041)**	$ (3,151)
Non-controlling interest		**98**	(234)	**(59)**	(193)
		$ (2,877)	$ (2,767)	**$ (6,100)**	$ (3,344)
(Loss) per share (Actual)	**16**				
Basic and diluted		**$ (0.22)**	$ (0.21)	**$ (0.47)**	$ (0.28)
Weighted average shares outstanding	**16**				
Basic and diluted		**13,332**	11,686	**12,776**	11,411

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

Portage Biotech Inc.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
For the Six Months Ended September 30, 2021 and 2020
(U.S. Dollars)
(Unaudited – see Notice to Reader dated November 23, 2021)

	Number of Shares	Capital Stock	Stock Option Reserve	Accumulated Other Comprehensive Income	Retained Earnings (Accumulated Deficit)	Equity Attributable to Owners of Company	Non-controlling Interest	Total Equity
	In '000'	In '000'$	In '000'$	In '000'$	In '000'$	In '000'$	In '000'$	In '000'$
Balance, April 1, 2021	**12,084**	**$ 130,649**	**$ 7,977**	**$ 958**	**$ (38,135)**	**$ 101,449**	**$ 46,153**	**$ 147,602**
Share-based compensation	**–**	**–**	**4,165**	**–**	**–**	**4,165**	**161**	**4,326**
Shares issued under ATM	**91**	**2,643**	**–**	**–**	**–**	**2,643**	**–**	**2,643**
Shares issued under offering	**1,150**	**26,450**	**–**	**–**	**–**	**26,450**	**–**	**26,450**
Share issuance costs	**–**	**(1,877)**	**–**	**–**	**–**	**(1,877)**	**–**	**(1,877)**
Shares issued or accrued for services	**3**	**60**	**–**	**–**	**–**	**60**	**–**	**60**
Warrants exercised	**13**	**291**	**–**	**–**	**–**	**291**	**–**	**291**
Exchange of notes payable and accrued interest for iOx shares	**–**	**–**	**–**	**–**	**–**	**–**	**184**	**184**
Net loss for period	**–**	**–**	**–**	**–**	**(6,041)**	**(6,041)**	**(59)**	**(6,100)**
Balance, September 30, 2021	**13,341**	**$ 158,216**	**$ 12,142**	**$ 958**	**$ (44,176)**	**$ 127,140**	**$ 46,439**	**$ 173,579**
Balance, April 1, 2020	10,988	$ 117,817	$ 58	$ 958	$ (22,302)	$ 96,531	$ 49,110	$ 145,641
Shares issued under private placement	698	6,980	–	–	–	6,980	–	6,980
Share issuance costs	–	(248)	–	–	–	(248)	–	(248)
Share-based compensation	–	–	–	–	–	–	529	529
Exchange of SalvaRx warrants for Portage warrants	–	2,451	–	–	–	2,451	(2,451)	–
Warrant liability at contract price	–	(330)	–	–	–	(330)	–	(330)
Net loss for period	–	–	–	–	(3,151)	(3,151)	(193)	(3,344)
Balance, September 30, 2020	11,686	$ 126,670	$ 58	$ 958	$ (25,453)	$ 102,233	$ 46,995	$ 149,228

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

Portage Biotech Inc.
Condensed Consolidated Interim Statements of Cash Flows
For the Six Months Ended September 30, 2021 and 2020
(U.S. Dollars in thousands)
(Unaudited – see Notice to Reader dated November 23, 2021

	Six Months Ended September 30,	
	2021	**2020**
Cash flows provided by (used in) operating activities:		
Net loss for the period	**$ (6,100)**	$ (3,344)
Adjustments for non-cash items:		
Share-based compensation expense	**4,326**	529
(Decrease) in deferred tax liability	**(536)**	–
(Income) on fair value of warrant liability	**(384)**	(59)
Value of shares issued for services	**60**	–
Share of loss (gain) in associate	**102**	(391)
Gain on sale of marketable securities	**–**	(72)
Loss on accrued equity issuable at a discount	**–**	1,333
Amortization of debt discount	**–**	76
Loss on early extinguishment of debt	**–**	223
Changes in operating working capital:		
Accounts receivable	**(41)**	96
Prepaid expenses and other receivables	**858**	2
Accounts payable and accrued liabilities	**(1,140)**	(925)
Other assets	**(2)**	(36)
Other	**2**	(5)
Net cash used in operating activities	**(2,855)**	(2,573)
Cash flows provided by (used in) investing activities:		
Proceeds from sale of marketable securities	**–**	140
Investment in associates	**–**	(1,000)
Net cash used in investing activities	**–**	(860)
Cash flows provided by (used in) financing activities:		
Proceeds from shares issued under registered offering	**29,093**	6,980
Share issuance costs	**(1,852)**	(248)
Proceeds from exercise of stock purchase warrants	**90**	–
Advance payment of warrants exercised	**15**	–
Repayment of unsecured notes payable	**–**	(1,020)
Repayment of advance from related party	**–**	(1,000)
Net cash provided by financing activities	**27,346**	4,712
Increase in cash and cash equivalents during period	**24,491**	1,279
Cash and cash equivalents at beginning of period	**2,770**	3,152
Cash and cash equivalents at end of period	**$ 27,261**	$ 4,431
Supplemental disclosure of cash flow information:		
Cash paid for interest	**$ 16**	$ 748
Increase in accounts payable for stock issuance costs	**$ 25**	$ –
Supplemental disclosure of non-cash investing and financing activities:		
Fair value of warrant liability for Portage warrants issued	**$ 535**	$ 271
Decrease in warrant liability from warrant exercise	**$ 201**	$ –
Exchange of iOx shares for settlement of notes payable, accrued interest and warrants	**$ 184**	$ –
Shares issued pursuant to settlement of SalvaRx notes and warrants	**$ –**	$ 2,640

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

NOTE 1. NATURE OF OPERATIONS

Portage Biotech Inc. (the "Company" or “Portage”) is incorporated in the British Virgin Islands ("BVI") with its registered office located at FH Chambers, P.O. Box 4649, Road Town, Tortola, BVI. Its USA agent, Portage Development Services ("PDS"), is located at 61 Wilton Road, Westport, CT, 06880, USA.

The Company is a foreign private issuer under SEC rules. It is also a reporting issuer under the securities legislation of the provinces of Ontario and British Columbia. Its ordinary shares were listed on the Canadian Stock Exchange (“CSE”) under the symbol “PBT.U”. On February 25, 2021, the ordinary shares of the Company began trading on the NASDAQ Capital Market (“NASDAQ”) under the symbol “PRTG”. As the principal market for the Company’s ordinary shares is now NASDAQ, the Company voluntarily delisted from the CSE at the market close on April 23, 2021.

Portage is a clinical stage immune-oncology company focused on overcoming immune resistance and currently managing 10 immuno-oncology assets at various development stages. We source, nurture and develop the creation of early- to mid-stage, first- and best-in-class therapies for a variety of cancers, by funding, implementing viable, cost effective product development strategies, clinical counsel/trial design, shared services, financial and project management to enable efficient, turnkey execution of commercially informed development plans. Our drug development pipeline portfolio encompasses products or technologies based on biology addressing known resistance pathways/mechanisms of current check point inhibitors with established scientific rationales, including intratumoral delivery, nanoparticles, liposomes, aptamers, and virus-like particles.

On August 13, 2018, the Company reached a definitive agreement to acquire 100% of SalvaRx Limited (“SalvaRx”) in exchange for 8,050,701 ordinary shares of the Company (the "SalvaRx Acquisition"). The SalvaRx Acquisition was completed on January 8, 2019 (the “Acquisition Date”) upon receiving shareholder and regulatory approval. In connection with the SalvaRx Acquisition, the Company acquired interests in SalvaRx’s five research and development invested entities and subsidiaries: iOx Therapeutics Ltd. (“iOx”), Nekonal Oncology Limited (“Nekonal”), Intensity Therapeutics, Inc. (“Intensity”), Saugatuck Therapeutics Ltd. (“Saugatuck”) and Rift Biotherapeutics Inc. (“Rift”). The Company also acquired an option in Nekonal SARL, a Luxembourg-based company holding intellectual property rights for therapeutics and diagnostics in the field of autoimmune disorders and oncology, to participate in the funding of its autoimmune programs. During fiscal 2021, the Company abandoned its interests in Nekonal.

On June 5, 2020, the Company effected a 100:1 reverse stock split. All share and per share information included in the consolidated financial statements have been retroactively adjusted to reflect the impact of the reverse stock split. The shares of ordinary shares authorized remained at an unlimited number of ordinary shares without par value.

Portage filed a shelf registration statement and prospectus with the Securities and Exchange Commission (“SEC”) under which it may sell shares, debt securities, warrants and units that Portage may sell in one or more offerings from time to time, which became effective on March 8, 2021 (“Registration Statement” or “Prospectus”). The specific terms of any securities to be offered pursuant to the base prospectus are specified in the sales agreement prospectus. The Registration Statement currently includes:

- a base prospectus, which covers the offering, issuance and sales by us of up to $200,000,000 in the aggregate of the securities identified above from time to time in one or more offerings;
- a sales agreement supplemental prospectus covering the offer, issuance and sale by us in an “at the market” offering of up to a maximum aggregate offering price of up to $50,000,000 of our ordinary shares that may be issued and sold from time to time under sales agreement, or sales agreement, with Cantor Fitzgerald & Co., or Cantor Fitzgerald, the sales agent; and
- a prospectus supplement dated June 24, 2021, for the offer, issuance and sale by us of 1,150,000 ordinary shares for gross proceeds of approximately $26.5 million in a firm commitment underwriting with Cantor Fitzgerald.

NOTE 1. NATURE OF OPERATIONS *(Cont'd)*

The sales agreement with Cantor Fitzgerald permits the Company to sell in an at the market offering up to $50,000,000 of ordinary shares from time to time, the amount of which is included in the $200,000,000 of securities that may be offered, issued and sold by us under the base prospectus. The sales under the prospectus will be deemed to be made pursuant to an "at the market" offering as defined in Rule 415(a)(4) promulgated under the Securities Act of 1933 (the Securities Act). Upon termination of the sales agreement, any portion of the $50,000,000 included in the sales agreement prospectus that is not sold pursuant to the sales agreement will be available for sale in other offerings pursuant to the base prospectus, and if no shares are sold under the sales agreement, the full $50,000,000 of securities may be sold in other offerings pursuant to the base prospectus. See Note 2, "Liquidity" and Note 14, "Capital Stock" for a further discussion.

NOTE 2. LIQUIDITY

As of September 30, 2021, the Company had cash and cash equivalents of $27.3 million and total current liabilities of $1.3 millionlusive of $0.5 million warrant liability settleable on a non-cash basis). For the six months ended September 30, 2021, the Company is reporting a net loss of ($6.1)million and cash used in operating activities of $2.8million. As of October 31, 2021, we had approximately $26.9 million of cash on hand.

During the quarter ended June 30, 2021, the Company commenced an "at the market" offering, under which it sold 90,888 shares generating gross proceeds of approximately $2.6 million ($2.5 million, net of commissions).

On June 24, 2021, the Company completed a firm commitment underwritten public offering of 1,150,000 ordinary shares at a public offering price of $23.00 per share for gross proceeds of approximately $26.5 million and was settled June 28, 2021. The Company incurred aggregate offering expenses for the public offering of approximately $1.8 million, including approximately $1.6 million of management, underwriting and selling expenses. Management believes the funds generated, along with existing cash, will be sufficient to fund the Company's research and development activities, as well as the expansion of its operating infrastructure and achievement of numerous developmental milestones. The amount raised is at least sufficient to fund operations through December 2022.

The Company has incurred substantial operating losses since inception and expects to continue to incur significant operating losses for the foreseeable future and may never become profitable. The losses result primarily from its conduct of research and development activities.

The Company historically has funded its operations principally from proceeds from issuances of equity and debt securities and would expect to enter the capital markets if additional funding is required.

NOTE 2. LIQUIDITY *(Cont'd)*

COVID-19 Effect

Beginning in early March 2020, the COVID-19 pandemic and the measures imposed to contain this pandemic have disrupted and are expected to continue to impact the Company's business operations. The magnitude of the impact of the COVID-19 pandemic on the Company's productivity, results of operations and financial position, and its disruption to the Company's business and clinical programs and timelines, will depend, in part, on the length and severity of these restrictions and on the Company's ability to conduct business in the ordinary course.

NOTE 3. BASIS OF PRESENTATION

Statement of Compliance and Basis of Presentation

These condensed consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), IAS 34 *Interim Financial Reporting* and interpretations of the International Financial Reporting Interpretations Committee. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Company for the year ended March 31, 2021.

These condensed consolidated interim financial statements have been prepared on an historical cost basis except for items disclosed herein at fair value (see Note 19, "Financial Instruments and Risk Management"). In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The Company has only one reportable operating segment.

These condensed consolidated interim financial statements were approved and authorized for issuance by the Audit Committee and Board of Directors on November 18, 2021.

Consolidation

The condensed consolidated interim financial statements include the accounts of the Company and,

(a) SalvaRx Limited ("SalvaRx"), a wholly-owned subsidiary, incorporated on May 6, 2015 in the British Virgin Islands.

(b) iOx Therapeutics Ltd. ("iOx"), a United Kingdom based immune-oncology company, a 60.49% subsidiary, incorporated in the United Kingdom on February 10, 2015. In September 2021, the Company, through SalvaRx, exchanged certain notes, accrued interest, warrants and receivables in exchange for shares of iOx. As a result of this exchange, the Company, through SalvaRx, increased its ownership up from 60.49% to 78.32%.

(c) Saugatuck Therapeutics, Ltd. ("Saugatuck"), a 70% owned subsidiary incorporated in the British Virgin Islands.

(d) Portage Developmental Services, a 100% owned subsidiary incorporated in Delaware, which provides human resources, and other services to each operating subsidiary via a shared services agreement.

NOTE 3. BASIS OF PRESENTATION *(Cont'd)*

Consolidation (Cont'd)

The following companies were disposed of on March 3, 2021 (see Note 8, "Disposition of PPL"):

- Portage Pharmaceuticals Ltd. ("PPL"), a wholly-owned subsidiary acquired in a merger on July 23, 2013, incorporated in the British Virgin Islands.
- EyGen Limited, ("EyGen"), a wholly-owned subsidiary of PPL, incorporated on September 20, 2016, in the British Virgin Islands.
- Portage Glasgow Ltd. ("PGL"), a 65% subsidiary of PPL, incorporated in Glasgow, Scotland.

All inter-company balances and transactions have been eliminated in consolidation.

Non-controlling interest in the equity of a subsidiary is accounted for and reported as a component of stockholders' equity. Non-controlling interests represent the 21.68% shareholder ownership interest in iOx and the 30% shareholder ownership interest in Saugatuck, which are consolidated by the Company. In years prior to March 31, 2021, non-controlling interest also included 35% in PGL. See Note 12, "Unsecured Notes Payable – iOx Unsecured Notes Payable" for a discussion of the Company's settlement of loans with iOx.

Functional and Presentation Currency

The Company's functional and presentation currency is the U.S. Dollar.

Use of Estimates and Judgments

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 areas where estimates are made include valuation of financial instruments, research and development costs, fair value used for acquisition and measurement of share-based compensation. Significant areas where critical judgments are applied include assessment of impairment of investments and goodwill and the determination of the accounting acquirer and acquiree in the business combination accounting.

Reclassifications

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

NOTE 4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies are set out in Note 4 to the fiscal 2021 audited consolidated financial statements. These policies have been applied consistently to all periods presented in these condensed consolidated interim financial statements.

Recent Accounting Pronouncements

Impact of Adoption of Significant New IFRS Standards in 2020

(a) IAS 1: Presentation of Financial Statements, and IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors (Amendment)

The amendments to IAS 1 and IAS 8 clarify the definition of material and seek to align the definition used in the Conceptual Framework with that in the standards themselves, as well as ensuring the definition of material is consistent across all IFRS. The Company adopted these amendments effective January 1, 2020. The adoption of these amendments did not have a significant impact on the Company's annual consolidated financial statements.

(b) Conceptual Framework for Financial Reporting

Together with the revised Conceptual Framework published in March 2018, the IASB also issued Amendments to References to the Conceptual Framework in IFRS Standards. The Company adopted the Revised Conceptual Framework effective January 1, 2020. The adoption of these amendments did not have a significant impact on the Company's annual consolidated financial statements.

IFRS Pronouncements Issued But Not Yet Effective

New Accounting Standards, Interpretations and Amendments

Standards issued but not yet effective up to the date of issuance of the Company's condensed consolidated interim financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

(c) Annual Improvements to IFRS Standards 2018-2020

The annual improvements process addresses issues in the 2018-2020 reporting cycles including changes to IFRS 9, "Financial Instruments," IFRS 1, "First Time Adoption of IFRS," IFRS 16, "Leases," and IAS 41, "Biological Assets".

i) The amendment to IFRS 9 addresses which fees should be included in the 10% test for derecognition of financial liabilities.

ii) The amendment to IFRS 1 allows a subsidiary adopting IFRS at a later date than its parent to also measure cumulative translation differences using the amounts reported by the parent based on the parent's date of transition to IFRS.

iii) The amendment to IFRS 16's illustrative example 13 removes the illustration of payments from the lessor related to leasehold improvements.

These amendments will be effective for annual periods beginning on or after January 1, 2022. The Company is currently evaluating the new guidance and impacts on its consolidated financial statements.

NOTE 4. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

(d) IAS 37: Onerous Contracts - Cost of Fulfilling a Contract

The amendment to IAS 37 clarifies the meaning of costs to fulfil a contract and that before a separate provision for an onerous contract is established, an entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to the contract. This amendment will be effective for annual periods beginning on or after January 1, 2022. The Company is currently evaluating the new guidance and impacts on its consolidated financial statements.

(e) IAS 16: Proceeds Before Intended Use

The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of Property, plant and equipment any proceeds received from selling items produced while the entity is preparing the assets for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). It also clarifies that an entity is testing whether the asset is functioning properly when it assesses the technical and physical performance of the asset. The amendment also requires certain related disclosures. This amendment will be effective for annual periods beginning on or after January 1, 2022. The Company is currently evaluating the new guidance and impacts on its consolidated financial statements.

(f) IAS 1: Presentation of Financial Statements

The amendment to IAS 1 clarifies how to classify debt and other liabilities as either current or non-current. The amendment will be effective for annual periods beginning on or after January 1, 2023. The Company is currently evaluating the new guidance and impacts on its consolidated financial statements.

(g) Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture

The amendment addresses the conflict between IFRS 10, “Consolidated Financial Statements,” and IAS 28, “Investments in Associates and Joint Ventures,” in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, “Business Combinations,” between an investor and its associate or joint venture, is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Company is evaluating whether the adoption of the above amendment will have a material impact on its financial statements.

NOTE 5. PREPAID EXPENSES AND OTHER RECEIVABLES

(In thousands)	As of September 30, 2021	As of March 31, 2021
Prepaid insurance	$ 619	$ 1,445
Research & development tax credits	694	649
Other prepaid expenses	16	48
Other receivables	55	34
Total prepaid expenses and other receivables	$ 1,384	$ 2,176

In October 2016, the Company's wholly-owned subsidiary, PPL, agreed to a settlement, from a claim made against a supplier, to receive $120,000 in annual instalments of $11,250. Through September 30, 2021, the Company has collected the full amount. The balance of $33,750 was classified $11,250 as a current asset in prepaid expenses and other receivables and $22,500 as a long-term receivable as of March 31, 2021. The installment note receivable was assigned to Portage by PPL prior to the disposition of PPL (see Note 8, “Disposition of PPL”).

NOTE 6. INVESTMENT IN MARKETABLE EQUITY SECURITIES

As of March 31, 2020, the Company’s investment in marketable equity securities was comprised of 2,000 shares in Biohaven Pharmaceutical Holding Company Limited (“Biohaven”), a public company listed on the New York Stock Exchange. The Company accounted for its investment in Biohaven as a financial asset classified as fair value through the statement of other comprehensive income (“FVTOCI”).

In August 2020, the Company sold the shares of Biohaven for proceeds of $140,000 resulting in a gain of $72,000.

The following table is a roll-forward of the investment in Biohaven as of September 30, 2021 and 2020:

(In thousands)	Six Months Ended September 30, 2021	2020
Balance, beginning of period	$ –	$ 68
Unrealized (loss) on investment	–	–
Proceeds from the sale of the investment	–	(140)
Gain on sale	–	72
Balance, end of period	$ –	$ –

NOTE 7. INVESTMENT IN ASSOCIATE

Details of the Company's associate as of September 30, 2021 and March 31, 2021 are as follows:

Name	Principal Activity	Place of Incorporation and Principal Place of Business	Voting Rights Held as of September 30, 2021	Voting Rights Held as of March 31, 2021
Associate: Stimunity S.A.	Biotechnology	Paris, France	44.0%	44.0%

The following table is a roll-forward of the Company's investment in Stimunity S.A. as of and for the six months ended September 30, 2021 and 2020:

	As of and for the Six Months Ended September 30,	
(In thousands)	2021	2020
Balance, beginning of period	$ 1,735	$ 1,225
Additional investment	–	1,000
Share of (loss) income	(102)	391
Balance, end of period	$ 1,633	$ 2,616

On June 1, 2020, the Company made an additional $1.0 million investment in Stimunity upon Stimunity's achievement of certain agreed milestones, increasing its equity share in Stimunity to 44% (see Note 17, "Commitments and Contingent Liabilities").

The Company accounts for its investment in Stimunity under the equity method and accordingly, records its share of Stimunity's earnings or loss based on its ownership percentage. The Company recorded equity in (loss) income in Stimunity of ($58,000) and $(49,000) for the three months ended September 30, 2021 and 2020, respectively, and $(102,000) and $391,000 for the six months ended September 30, 2021 and 2021, respectively.

Under the shareholders agreement, Portage has (i) a preferential subscription right to maintain its equity interest in Stimunity in the event of a capital increase from the issuance of new securities by Stimunity, except for issuances of new securities for stock options under a merger plan or for an acquisition, or (ii) the right to vote against any (a) issuances of additional securities that would call for the Company to waive its preferential subscription right, or (b) any dilutive issuance.

NOTE 8. DISPOSITION OF PPL

On March 3, 2021, the Company disposed of 100% of its interest in PPL, which includes PPL's interest in PGL and EyGen for $10 to an entity controlled by one of the Company's current directors and one of the Company's former directors (the "Purchaser's Executives"). Under the terms of the arrangement, all outstanding payable obligations were assumed by the purchaser. Simultaneously, the Company and the Purchaser's Executives entered into a Revenue Share Deed with PPL under which they will be entitled to certain revenue shares based on the achievement of milestones defined in the Revenue Share Deed. The Company may also be entitled to recover an intercompany receivable from the purchaser in the amount of $229,848 on the fourth anniversary of the Revenue Share Deed. The Company valued its interest in the Revenue Share Deed and the recovery of the $229,848 at zero for financials statement purposes. All other intercompany balances were cancelled. The Company no longer has any interest or obligations associated with PPL, PGL and EyGen, other than the interests provided for in the Revenue Share Deed.

NOTE 9. INVESTMENTS IN PRIVATE COMPANIES

The following is a discussion of our investments in private companies as of September 30, 2021 and March 31, 2021.

Intensity

In connection with the SalvaRx Acquisition in fiscal 2019, the Company acquired a $4.5 million interest in Intensity, a clinical stage biotechnology company, of 1.0 million shares, which represented a 7.5% equity interest in Intensity. The investment was recorded at fair value (which approximates cost) at the acquisition date. The investment in Intensity has been irrevocably designated as a financial asset recorded at fair value with gains and losses recorded through other comprehensive income. The fair value of the asset is determined by considering other comparable equity funding transactions by Intensity with unrelated investors.

On July 11, 2019, the Company entered into an agreement with Fast Forward Innovations Limited ("Fast Forward") to purchase Intensity Holdings Limited ("IHL"), a wholly-owned subsidiary of Fast Forward. The Company paid $1.3 million for IHL through the issuance of 129,806 ordinary shares. The sole asset of IHL consists of 288,458 shares of the private company, Intensity. This transaction increased the Company's ownership to 1,288,458 shares of Intensity.

During the year ended March 31, 2020, the Company recorded an unrealized gain of $1.6 million with respect to its investment in Intensity based upon Intensity's then most recent valuation. There were no unrealized gains or losses recognized during the three and six months ended September 30, 2021 and 2020.

As of each of September 30, 2021 and March 31, 2021, the Company owned approximately 8% of the outstanding shares of Intensity, on a fully diluted basis. See Note 22, "Events After the Balance Sheet Date" for a further discussion.

Sentien

In August 2015, the Company acquired 210,210 shares of Series A preferred stock in Sentien ("Preferred Stock"), a Medford, MA based private company for $700,000 of cash. The Preferred Stock is fully convertible into an equal number of common shares. The Company's holdings represent 5.06% of the equity of Sentien on a fully diluted basis as of each of September 30, 2021 and March 31, 2021. The investment in Sentien has been irrevocably designated as a financial asset recorded at fair value with changes in fair value recorded through other comprehensive income. As of March 31, 2020, the Company recorded an unrealized loss of $0.7 million after determining that cost no longer was the best estimate of fair value due to a significant change in the strategy of Sentien and determined that the investment in Sentien no longer had any fair value as Sentien was no longer pursing the proposed indication from the time of the Company's initial investment.

NOTE 10. GOODWILL

(In thousands)	As of September 30, 2021	As of March 31, 2021
Balance, beginning of period	$ 43,324	$ 43,324
Balance, end of period	$ 43,324	$ 43,324

The Company's goodwill arose from the acquisition of SalvaRx and its portfolio of several projects and investments.

As of September 30, 2021, the Company determined that it has only one cash-generating unit ("CGU"), the consolidated Portage Biotech, Inc.

Impairment Review

On an annual basis, pursuant to IAS 36, "Impairment of Assets," the Company assesses its long-lived assets with definite lives, which are not yet available for use, for potential indicators of impairment.

If any such indication exists, the Company estimates the recoverable amount of the asset or CGU and compares it to the carrying value.

The Company performed its annual impairment test in each of fiscal 2021 and fiscal 2020 and estimated the recoverable amount of the above-noted CGU based on its value in use, which was determined using a capitalized cash flow methodology and categorized within level 3 of the fair market value hierarchy.

The recoverable amount of the CGU has been determined based on its value in use. The recoverable amount considered assumptions based on probabilities of technical, regulatory and clinical acceptances and financial support. Further, management uses risk-adjusted cash flow projections based on financial budgets. Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed its recoverable amount. The discount rate has been determined based on the Company's best estimate of a risk adjusted discount rate.

The key assumptions used in the calculation of the recoverable amount include forecasts of the following:

(a) revenues;
(b) normalized operating expenses;
(c) income taxes; and
(d) capital expenditures.

Discounted cash flows are determined with reference to undiscounted risk adjusted cash flows, and the discount rate approximated 20.0% and 20.5% as of March 31, 2021 and 2020, respectively, based on the individual characteristics of the Company's CGU, the risk-free rate of return and other economic and operating factors.

NOTE 10. GOODWILL *(Cont'd)*

Additionally, at the end of each reporting period, the Company is required to assess whether there is any indication that an asset may be impaired. Pursuant to IAS 36, the Company reviewed its assets for any indicators of impairment and considered underlying fundamentals, execution, de-risking/advancement of assets and the value creation activities during the three and six months ended September 30, 2021.

As of September 30, 2021, management assessed whether any indications of impairment existed for the Company's CGU and concluded no indicators were present. Therefore, a test for impairment was not required and no impairment was recorded for the three and six months ended September 30, 2021.

NOTE 11. IN-PROCESS RESEARCH AND DEVELOPMENT AND DEFERRED TAX LIABILITY

In-process research and development ("IPR&D") consists of the following projects (in 000'$):

Project #	Description	Value as of September 30, 2021	Value as of March 31, 2021
iOx:			
PORT 2 (IMM60)	Melanoma & Lung Cancers	$ 84,213	$ 84,213
PORT 3 (IMM65)	Ovarian/Prostate Cancers	32,997	32,997
		117,210	117,210
Oncomer/Saugatuck	DNA Aptamers	178	178
		$ 117,388	$ 117,388
Deferred tax liability		$ 23,514	$ 24,050

As of September 30, 2021, management assessed whether any indications of impairment existed for the Company's IPR&D and concluded no indicators were present. Therefore, a test for impairment was not required and no impairment was recorded for the three and six months ended September 30, 2021.

Deferred tax liability (DTL) represents iOx's estimated tax on the difference between book and tax basis of the IPR&D, which is taxable in the United Kingdom. During the three and six months ended September 30, 2021, the Company recorded deferred tax benefit of $0.5 million and 0.6 million, respectively, to reflect the effect of the change in currency translation rates, for this obligation settleable in Great British Pounds.

NOTE 12. UNSECURED NOTES PAYABLE

Following is a roll-forward of notes payable:

(In thousands)	CURRENT PPL	CURRENT iOx	NON-CURRENT SalvaRx	Total
Balance, April 1, 2020	$ 200	$ 100	$ 3,361	$ 3,661
Repayment	–	–	(1,020)	(1,020)
Amortization of debt discount	–	–	76	76
Value of notes exchanged in warrant exercise	–	–	(2,640)	(2,640)
Settlement in connection with disposition of PPL	(200)	–	–	(200)
Loss on extinguishment of debt	–	–	223	223
Proceeds from loan payable	–	50	–	50
Balance, March 31, 2021	$ –	$ 150	$ –	$ 150
Exchange of notes payable and accrued interest for iOx shares	–	(150)	–	(150)
Balance, September 30, 2021	$ –	$ –	$ –	$ –

PPL and EyGen Unsecured Notes Payable

During the year ended March 31, 2017, the Company's subsidiaries, PPL and EyGen, completed a private placement of unsecured notes (the "PPL Unsecured Notes"). The balance outstanding as of March 31, 2020 was $0.2 million.

The PPL Unsecured Notes were settled as part of the disposition of PPL in March 2021 (see Note 8, “Disposition of PPL”).

SalvaRx Unsecured Notes Payable and Warrants

In connection with the SalvaRx Acquisition in January 2019, the Company assumed $3.96 million of principal in unsecured notes due on March 2, 2021 (or earlier upon a qualifying event), that bear interest at 7% per annum (the "SalvaRx Notes"). The fair value of the SalvaRx Notes was determined to be $3.4 million at January 2019. As the SalvaRx Acquisition was a qualifying event, the SalvaRx Notes became due upon the acquisition. In December 2019, the maturity date of the SalvaRx Notes was extended to June 2021.

The holders of the SalvaRx Notes received $7,500 of warrants in respect of each $10 thousand of principal issued. The warrants vest in the event of a qualifying transaction and are exercisable at a 30% discount to the implied valuation of SalvaRx. On the Acquisition Date, the fair value of the warrants, which are included in non-controlling interest, was determined to be $2.5 million using the Black-Scholes Model.

During September 2020, the Company settled the SalvaRx Notes obligations originally due in June 2021 in an aggregate principal amount of approximately $3.7 million, plus accrued interest of $0.75 million in exchange for cash payments totaling $1.77 million and 397,604 of the associated SalvaRx warrants with an exercise price of $6.64 per share. The noteholders who accepted the offer exchanged their SalvaRx warrants for an equal number of Portage shares at the same price per share. The Company accounted for the contractual value of the exercised and outstanding warrants of $2.64 million (397,604 shares at $6.64 per share) as accrued equity issuable at September 30, 2020. The Company also recorded a loss of $1.26 million during the year ended March 31, 2021, to recognize the discount between the fair value of the underlying shares on October 13, 2020, the settlement date, ($9.80 per share) and the warrant exercise (contract) price of $6.64 per share.

NOTE 12. UNSECURED NOTES PAYABLE *(Cont'd)*

Four of the Company's directors, Gregory Bailey, James Mellon (former director), Steven Mintz (in trust) and Kam Shah, received, in total, 363,718 of the warrants pursuant to this transaction. Subsequent to the exercise of the warrants in October 2020, Portage had 12,083,395 and 49,701 issued and outstanding shares and warrants, respectively.

The Company also recorded a loss on early extinguishment of debt of $0.22 million in the year ended March 31, 2021.

iOx Unsecured Notes Payable

In connection with the SalvaRx Acquisition in January 2019, the Company assumed $2.0 million of 7% convertible notes issued by iOx, a wholly-owned subsidiary of SalvaRx (the "Convertible Notes"), of which the Company holds $1.9 million. As a result of the SalvaRx Acquisition, iOx became a subsidiary of the Company during the year ended March 31, 2019. In accordance with IFRS 3, the fair value, including interest receivable, of the Convertible Notes were effectively settled against the note receivable upon the business combination.

On September 8, 2021, the Company, through SalvaRx, completed a settlement of loans (including interest) to and receivables from iOx for services rendered in exchange for 23,772 ordinary shares of iOx at a price of £162. Simultaneously, the Company entered into an agreement with Oxford Sciences Innovation, Plc ("OSI"), the holder of $0.15 million notes plus accrued interest under which OSI exchanged the notes plus accrued interest for 820 shares of iOx. The Company followed the guidance provided by an IFRS Discussion Group Public Meeting dated November 29, 2016, following the general tenets of IAS 39, "Financial Instruments: Recognition and Measurement," and IFRIC 19, "Extinguishing Financial Liabilities with Equity Instruments" and recorded the exchange at historical cost. Additionally, no profit or loss was recorded in connection with the exchange. As a result of these transactions, the Company, through SalvaRx, increased its ownership up from 60.49% to 78.32%.

NOTE 13. WARRANT LIABILITY

Below is the roll-forward of warrants issued by entity (see Note 12, "Unsecured Notes Payable"):

	PBI		
	Exercise Price	Warrants	Amount
			In 000'$
Warrants outstanding, April 1, 2021	$ 6.64	49,701	$ 1,120
Exercise of warrants as of September 30, 2021	$ 6.64	(13,554)	(90)
Fair value adjustment as of September 30, 2021 (1) (2)	–	–	(495)
Warrants outstanding, September 30, 2021	$ 6.64	36,147	$ 535

(1) Portage warrant liability valued at contract price, adjusted for fair value using the Black-Scholes model.
The Black-Scholes assumptions used in the fair value calculation of the warrants as of September 30, 2021 were:
Risk free rate: 0.09%
Expected Dividend: $0
Expected Life: 1.03 years
Volatility: 88.6%

(2) The Company recognized a gain of $0.01 million and $0.4 million in the three and six months ended September 30, 2021, respectively, to reflect the change in fair value of the underlying warrants. The Company recognized a gain of $0.1 million in each of the three and six months ended September 30, 2020 to reflect the change in fair value of the underlying warrants.

NOTE 14. CAPITAL STOCK

(a) Authorized ordinary shares**:** Unlimited number of common shares without par value.
(b) Following is a roll-forward of ordinary shares as of September 30, 2021 and 2020:

	Six Months Ended September 30,			
	2021		2020	
	Ordinary Shares	Amount	Ordinary Shares (c)	Amount
	In 000'	In 000'$	In 000'	In 000'$
Balance, beginning of period	12,084	$ 130,649	10,988	$ 117,817
Shares issued in public offering and ATM	1,241	27,216	–	–
Shares issued in a private placement, net of issue costs	–	–	698	6,732
Warrants exercised	13	291	–	–
Shares issued for services	3	60	–	–
To reflect warrants issued and outstanding (d)	–	–	–	(330)
Exchange of SalvaRx warrants for Portage warrants	–	–	–	2,451
Balance, end of period	13,341	$ 158,216	11,686	$ 126,670

(c) Number of ordinary shares have been retroactively adjusted to reflect the impact of 100:1 reverse stock split on June 5, 2020.
(d) Represents the contractual value of the Portage warrants, which was adjusted to fair value of $271 using the Black-Scholes model in the six months ended September 30, 2020.

On June 16, 2020, the Company completed a private placement of 698,145 restricted ordinary shares at a price of $10.00 per share for gross proceeds of $6.98 million to accredited investors. Directors of the Company subscribed for 215,000 shares, or approximately 30.8% of the private placement, for proceeds of $2.15 million. The Company incurred costs of approximately $0.25 million in connection with the offering, which was treated as contra-equity on the Company's balance sheet.

During the quarter ended June 30, 2021, the Company commenced an "at the market" offering, under which it sold 90,888 shares generating gross proceeds of approximately $2.6 million ($2.5 million, net of commissions).

On June 24, 2021, the Company completed a firm commitment underwritten public offering of 1,150,000 ordinary shares at a public offering price of $23.00 per share for gross proceeds of approximately $26.5 million and was settled June 28, 2021. The Company incurred aggregate offering expenses for the public offering of approximately $1.8 million, including approximately $1.6 million of management, underwriting and selling expenses. The Company will use the net proceeds raised to fund its research and development activities and support operations. The amount raised is sufficient to fund operations through at least September 2022. Funds may be used to accelerate development activities to advance the Company's product portfolio, working capital and general corporate purposes.

NOTE 15. STOCK OPTION RESERVE

(a) The following table provides the activity for the Company's stock option reserve for the six months ended September 30, 2021 and 2020:

	Six Months Ended September 30,			
	2021		2020	
(In thousands)	Non-Controlling Interest	Stock Option Reserve	Non-Controlling Interest	Stock Option Reserve
Balance, beginning of period	$ 11,468	$ 7,977	$ 10,618	$ 58
Share-based compensation expense	161	4,165	529	–
Balance, end of period	$ 11,629	$ 12,142	$ 11,147	$ 58

Stock Options

The Board of Directors of the Company (the "Board") established a stock option plan (the "2013 Option Plan") under which options to acquire ordinary shares of the Company are granted to directors, employees and consultants of the Company. The maximum number of ordinary shares issuable under the 2013 Option Plan shall not exceed 10% of the total number of issued and outstanding ordinary shares, inclusive of all shares presently reserved for issuance pursuant to previously granted stock options. If a stock option was surrendered, terminated or expired without being exercised, the ordinary shares reserved for issuance pursuant to such stock option were available for new stock options granted under the 2013 Option Plan. The options vest on a schedule determined by the Board of Directors, generally over two to four years, and expire after five years.

As of March 31, 2019, the Board decided to discontinue the 2013 Option Plan and during the year ended March 31, 2021, 2,980 outstanding options issued under the plan expired unexercised and no options remained outstanding under the 2013 Option Plan.

On June 25, 2020, at the annual meeting of shareholders, the Company's new incentive stock option plan (the "2020 Stock Option Plan") was approved, which authorized the directors to fix the option exercise price and to issue stock options under the plan as they see fit. The Company's 2020 Stock Option Plan is a 10% rolling stock option plan under which the directors are authorized to grant up to a maximum of 10% of the issued and outstanding ordinary shares on the date of grant.

Effective January 13, 2021, the Company amended and restated its 2020 Stock Option Plan to permit the grant of additional types of equity compensation securities, including restricted stock units and dividend equivalent rights (the "2021 Equity Incentive Plan"). The aggregate number of equity securities, which may be issued under the 2021 Equity Incentive Plan has not been changed. Pursuant to the 2021 Equity Incentive Plan, on January 13, 2021, the Company granted an aggregate of 868,000 stock options exercisable at a price of US$17.75 per share, representing the closing price of the shares on the day immediately preceding the grant date, which expire on January 13, 2031 to various directors, officers and consultants of the Company. 350,000 options granted to members of the board of directors' vest 1/3 on grant date, 1/3 on the first anniversary of the grant and 1/3 on the second anniversary of the grant. 518,000 options granted to consultants (one of whom is also a director) vest 1/3 on each of the first three anniversaries of the date of grant.

(U.S. Dollars)

NOTE 15. STOCK OPTION RESERVE *(Cont'd)*

Additionally, the Company granted 243,000 restricted stock units on January 13, 2021, with a fair value of $17.75 per share, which was the closing price on the day immediately preceding the grant date. The restricted stock units vested on the date of grant, but underlying shares cannot be sold until one of four conditions are met. In accordance with IFRS 2, "Share-based Payment," the Company recognized compensation expense of $4.3 million in the year ended March 31, 2021, in connection with the RSU grants.

(b) The movements in the number of options issued for the six months ended September 30, 2021 and 2020 were:

	PBI 2021 Equity Incentive Plan		PBI 2013 Option Plan		iOx Option Plan (Subsidiary Plan)	
	Six Months Ended Sept. 30,		Six Months Ended Sept. 30,		Six Months Ended Sept. 30,	
	2021	2020	2021	2020	2021	2020
Balance, beginning of period	868,000	–	–	2,980	1,924	2,599
Granted	–	–	–	–	–	–
Expired or forfeited	–	–	–	–	–	–
Balance, end of period	868,000	–	–	2,980	1,924	2,599
Exercisable, end of period	116,666	–	–	2,980	1,844	1,723

The Board discontinued the 2013 Option Plan in fiscal 2019.

(c) The following are the weighted average exercise price and the remaining contractual life for outstanding options by plan as of September 30, 2021 and 2020:

	PBI 2021 Equity Incentive Plan		PBI 2013 Option Plan		iOx Option Plan (Subsidiary Plan)	
	As of September 30,		As of September 30,		As of September 30,	
	2021	2020	2021	2020	2021	2020
Weighted average exercise price	$ 17.75	$ –	$ –	$ 15.00	$ 161.51	$ 154.46
Weighted average remaining contractual life (in years)	9.29	–	–	1.22	0.45	1.13

The vested options can be exercised at any time in accordance with the applicable option agreement. The exercise price was greater than the market price on the date of the grants for all options outstanding as of September 30, 2021 and March 31, 2021.

The Company recorded approximately $2.1 million and $4.2 million of share-based compensation expense with respect to the 2021 Equity Incentive Plan in the three and six months ended September 30, 2021, respectively. There were no stock options outstanding in the prior year period under this plan. The Company expects to record additional share-based compensation expense of approximately $6.8 million through January 2024 with respect to the 2021 Equity Incentive Plan. Additionally, the intrinsic value of the stock options granted under the 2021 Equity Incentive Plan was approximately $2.2 million at September 30, 2021, of which approximately $0.3 million is associated with vested exercisable options.

The Company recorded approximately $0.1 million and $0.2 million of share-based compensation expense related to the iOx stock option plan for the three and six months ended September 30, 2021, respectively, and approximately $0.2 million and $0.5 million for the three and six months ended September 30, 2020, respectively. The Company expects to record approximately $0.03 million of aggregate share-based compensation expense through the remaining vesting period of outstanding iOx options. Additionally, the intrinsic value of the iOx stock options was approximately $0.1 million at September 30, 2021, substantially all of which is associated with vested exercisable options.

NOTE 16. (LOSS) PER SHARE

Basic earnings per share ("EPS") is calculated by dividing the net income (loss) attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the net income (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 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 (dollars in thousands, except per share amounts):

	Three Months Ended September 30,		Six Months Ended September 30,	
	2021	2020	2021	2020
Numerator (in 000'$)				
Net loss attributable to owners of the Company	$ (2,975)	$ (2,455)	$ (6,041)	$ (3,151)
Denominator (in 000')				
Weighted average number of shares – Basic and Diluted	13,332	11,686	12,776	11,411
Basic and diluted (loss) per share (Actual)	$ (0.22)	$ (0.21)	$ (0.47)	$ (0.28)

The inclusion of the Company's stock options, restricted stock units and share purchase warrants in the computation of diluted loss per share would have an anti-dilutive effect on loss per share and are therefore excluded from the computation. Consequently, there is no difference between basic loss per share and diluted loss per share for the three and six months ended September 30, 2021, and 2020. The following table reflects the outstanding securities by year that would have an anti-dilutive effect on loss per share, and accordingly, were excluded from the calculation.

	As of September 30,	
	2021	2020
Stock options	868,000	2,980
Restricted stock units	243,000	–
Warrants	36,147	–

Inclusion of outstanding options or other common stock equivalents in the computation of diluted loss per share would have an anti-dilutive effect on the loss per share and are therefore excluded from the computation. Consequently, there is no difference between loss per share and diluted loss per share.

NOTE 17. COMMITMENTS AND CONTINGENT LIABILITIES

The Company is committed to invest approximately €1.5 million ($1.9 million) in Stimunity upon Stimunity's achievement of certain agreed milestones. During the year ended March 31, 2019, the Company made a discretionary investment of €600,129 ($688,359) and on June 1, 2020, the Company made an additional discretionary investment of €800,000 ($1.0 million) investment towards the commitment. The remaining commitment was €100,000 as of September 30, 2021 (see Note 7, "Investment in Associate").

NOTE 18. RELATED PARTY TRANSACTIONS

Investments

The Company has entered into related party transactions and certain services agreements with its investees. Key management of the Company has also entered into related party transactions with investees. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company. The Board of Directors, Chairman, Chief Executive Officer and Chief Financial Officer are key management personnel.

The following subsidiaries and associates are considered related parties:

(a) **Stimunity**. One of the two directors on the Board of Directors of Stimunity is controlled by Portage (see Note 7, "Investment in Associate").

(b) **iOx**. Two of the three directorships on the Board of Directors of iOx is controlled by Portage. Additionally, Portage has an observer on the Board of iOx. The CEO of the Company is also the CEO of iOx, and the management team of the Company comprise the management team of iOx.

(c) **Saugatuck**. One of the three directorships on the Board of Directors of Saugatuck is controlled by Portage. Additionally, the CEO of the Company is also the CEO of Saugatuck and the management team of the Company comprise the management team of Saugatuck.

(d) **Intensity**. One of the four directorships on the Board of Directors of Intensity is represented by Portage. Additionally, the CEO of the Company is an officer and employee of Intensity (see Note 9, "Investments in Private Companies").

(e) **PGL**. PPL holds 65% equity in PGL, committed to provide financing and also handles financial and administrative matters of PGL. The Company disposed of 100% of its interests in PPL and PGL on March 3, 2021 (see Note 8, "Disposition of PPL").

(f) **Portage Development Services**. A 100% owned subsidiary incorporated in Delaware, which provides human resources, and other services to each operating subsidiary via a shared services agreement.

The following are significant related party balances and transactions other than those disclosed elsewhere in the condensed consolidated interim financial statements:

Interest expense includes $22,231 and $78,427 interest incurred for the three and six months ended September 30, 2020, respectively, on notes issued to members of the Portage board of directors. The SalvaRx Notes were settled as of August 6, 2020 and, accordingly, no further interest expense was incurred. In connection with the settlement of the SalvaRx unsecured notes, $692,045 of accrued interest and $805,000 of principal was paid to directors. The directors also exchanged an aggregate $2,415,000 of notes payable for SalvaRx warrants at a price of $6.64, which were exchanged for Portage warrants and converted to Portage stock on October 13, 2020 (see Note 12, "Unsecured Notes Payable").

In January 2020, a board member of the Company advanced the Company $1.0 million, which was repaid in July 2020. There was no interest or fees associated with this advance.

Transactions between the parent company and its subsidiaries, which are related parties, have been eliminated in consolidation and are not disclosed in this note.

(U.S. Dollars)

NOTE 19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments recognized in the Company's condensed consolidated interim statements of financial position consist of the following:

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The following table summarizes the Company's financial instruments as of September 30, 2021 and March 31, 2021:

	As of September 30, 2021		As of March 31, 2021	
	Amortized Cost	Fair Value through Other Comprehensive Income (FVTOCI)	Amortized Cost	FVTOCI
Financial assets				
Cash and cash equivalents	$ 27,261	$ –	$ 2,770	$ –
Prepaid expenses and other receivables	$ 1,384	$ –	$ 2,176	$ –
Investments	$ –	$ 9,042	$ –	$ 9,144

	Amortized Cost	Fair Value through Profit or Loss (FVTPL)	Amortized Cost	FVTPL
Financial liabilities				
Accounts payable and accrued liabilities	$ 809	$ –	$ 1,938	$ –
Unsecured notes payable	$ –	$ –	$ 150	$ –
Warrant liability	$ –	$ 535	$ –	$ 1,120

A summary of the Company's risk exposures as it relates to financial instruments are reflected below.

Fair value of financial instruments

The Company's financial assets and liabilities are comprised of cash, receivables and investments in equities and private entities, accounts payable, warrant liability and unsecured notes payable.

The Company classifies the fair value of these transactions according to the following fair value hierarchy based on the amount of observable inputs used to value the instrument:

● Level 1 – Values are based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.

● Level 2 – Values are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.

● Level 3 – Values are based on prices or valuation techniques that are not based on observable market data. Investments are classified as Level 3 financial instrument.

NOTE 19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(Cont'd)*

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy.

Management has assessed that the fair values of cash and cash equivalents, other receivables and accounts payable approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate their fair values:

Investment in Biohaven: Fair value was based on a quoted market price of $34.03 per share as of March 31, 2020 (Level 1). The investment was sold in August 2020.

Investment in Sentien: Fair value of the asset is determined by considering strategy changes by Sentien (Level 3).

Investment in Intensity: Fair value of the asset is determined by considering other comparable equity funding transactions by Intensity with unrelated investors (Level 3).

Accrued equity issuable: The fair value is estimated based on the average of the quoted market prices for the period in which the shares were earned (Level 1).

Unsecured notes payable: The fair value is estimated using a Black-Scholes model (Level 3) (see Note 12, Unsecured Notes Payable").

Warrant Liability: The fair value is estimated using a Black-Scholes model (Level 3) (see Note 13, "Warrant Liability").

There have been no transfers between levels of the fair value hierarchy for the six months ended September 30, 2021 and the year ended March 31, 2021.

The Company's financial instruments are exposed to certain financial risks: credit risk and liquidity risk.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value as reflected in the Company's condensed consolidated interim statements of financial position.

***Cash*.** Cash is held with major international financial institutions and therefore the risk of loss is minimal.

Other receivables. The Company was exposed to credit risk attributable to its debtor since a significant portion of this amount represents the amount agreed on a settlement of a claim by PPL (see Note 5, "Prepaid Expenses and Other Receivables"), originally payable over the next four years. The installment note was repaid in full in July 2021.

NOTE 19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(Cont'd)*

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation. The Company holds sufficient cash to satisfy obligations under accounts payable and accruals.

The Company monitors its liquidity position regularly to assess whether it has the funds necessary to meet its operating needs and needs for investing in new projects. The Company believes that it has sufficient funding to finance the committed drug development work, apart from meeting its operational needs for the foreseeable future.

However, as a biotech company at an early stage of development and without significant internally generated cash flows, there are inherent liquidity risks, including the possibility that additional financing may not be available to the Company, or that actual drug development expenditures may exceed those planned. The current uncertainty in global markets could have an impact on the Company's future ability to access capital on terms that are acceptable to the Company. There can be no assurance that required financing will be available to the Company. See Note 2, "Liquidity" and Note 14, "Capital Stock" for a discussion of the Company's share offering.

NOTE 20. CAPITAL DISCLOSURES

The Company considers the items included in shareholders' equity as capital. The Company had accounts payable and accrued expenses of approximately $0.8 million as of September 30, 2021 (approximately $1.9 million as of March 31, 2021) and current assets of approximately $28.6 million September 30, 2021 (approximately $4.9 million as of March 31, 2021). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue new business opportunities and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

As of September 30, 2021, shareholders' equity attributable to the owners of the company was approximately $127.1 millionapproximately $101.4 million as of March 31, 2021).

The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. There have been no changes to the Company's approach to capital management during the six months ended September 30, 2021 and 2020.

NOTE 21. NON-CONTROLLING INTEREST

(In thousands)	PGL	SalvaRx	iOx	Saugatuck	Total
Non-controlling interest as of April 1, 2021	$ –	$ –	$ 46,173	$ (20)	$ 46,153
Share-based compensation expense	–	–	161	–	161
Exchange of notes payable, accrued interest and warrants for iOx shares	–	–	184	–	184
Net (loss) attributable to non-controlling interest	–	–	(20)	(39)	(59)
Non-controlling interest as of September 30, 2021	$ –	$ –	$ 46,498	$ (59)	$ 46,439

(In thousands)	PGL	SalvaRx	iOx	Saugatuck	Total
Non-controlling interest as of April 1, 2020	$ (81)	$ 2,451	$ 46,712	$ 28	$ 49,110
Share-based compensation expense	–	–	529	–	529
Exchange of SalvaRx warrants for Portage warrants in SalvaRx Note settlement	–	(2,451)	–	–	(2,451)
Net loss attributable to non-controlling interest	–	–	(165)	(28)	(193)
Non-controlling interest as of September 30, 2020	$ (81)	$ –	$ 47,076	$ –	$ 46,995

On September 8, 2021, the Company, through SalvaRx, completed a settlement of loans (including interest) to and receivables from iOx for services rendered in exchange for 23,772 ordinary shares of iOx at a price of £162. See Note 12, “Unsecured Notes Payable – iOx Unsecured Notes Payable” for a further discussion.

NOTE 22. EVENTS AFTER THE BALANCE SHEET DATE

On October 28, 2021, Intensity Therapeutics, Inc. filed a Form S-1 Registration Statement with the SEC to register shares for a public offering. The Form S-1 Registration Statement is currently under review by the SEC. The proceeds generated by the offering, if successful, will be substantially used to fund its research and development activities through September 2023, including general operating expenses.

PORTAGE BIOTECH INC.

THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Prepared as of November 23, 2021

Index

Management Discussion and Analysis

The following discussion and analysis by management of the financial condition and financial results for Portage Biotech Inc. for the three and six months ended September 30, 2021, should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and six months ended September 30, 2020 and for the three months ended June 30, 2021, together with the related Management's Discussion and Analysis and audited consolidated financial statements for the year ended March 31, 2021, and Annual Report on Form 20-F for the same period.

Forward-Looking Statements

This document includes "forward looking statements." All statements, other than statements of historical facts, included herein or incorporated by reference herein, including without limitation, statements regarding our business strategy, plans and objectives of management for future operations and those statements preceded by, followed by or that otherwise include the words "believe," "expects," "anticipates," "intends," "estimates" or similar expressions or variations on such expressions are forward-looking statements. We can give no assurances that such forward-looking statements will prove to be correct.

Each forward-looking statement reflects our current view of future events and is subject to risks, uncertainties and other factors that could cause actual results to differ materially from any results expressed or implied by our forward-looking statements.

Risks and uncertainties include, but are not limited to:

- our plans and ability to develop and commercialize product candidates and the timing of these development programs;
- clinical development of our product candidates, including the results of current and future clinical trials;
- the benefits and risks of our product candidates as compared to others;
- our maintenance and establishment of intellectual property rights in our product candidates;
- our need for additional financing and our estimates regarding our capital requirements and future revenues and profitability;
- our estimates of the size of the potential markets for our product candidates; and
- our selection and licensing of product candidates.

These statements are based on assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments based on the focus of our business activities on biotechnology, as well as other factors we believe are appropriate in particular circumstances. However, whether actual results and developments will meet our expectations and predictions depends on a number of risks and uncertainties, which could cause actual results to differ materially from our expectations, including the risks set forth in "Item 3 - Key Information-Risk Factors" in the Company's Annual Report on Form 20-F for the year ended March 31, 2021.

Our business focus is that of a pharmaceutical development business subject to all of the risks of a pharmaceutical development business. We do not anticipate directly engaging in the post pharmaceutical development endeavors of manufacturing, marketing and distribution of our development products.

Consequently, all of the forward-looking statements made in this document are qualified by these cautionary statements. We cannot assure you that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected effect on us or our business or operations.

Unless the context indicates otherwise the terms "Portage Biotech Inc.," "the Company," "Portage," "we," "us," or "our" are used interchangeably in this document and refer to Portage Biotech Inc. and its subsidiaries.

Nature of Operations and Overview

Portage is a clinical stage immune-oncology company focused on overcoming immune resistance. It currently manages 10 immuno-oncology assets at various development stages. We source, nurture and develop the creation of early- to mid-stage, first- and best-in-class therapies for a variety of cancers, by funding, implementing viable, cost-effective product development strategies, clinical counsel/trial design, shared services, financial and project management to enable efficient, turnkey execution of commercially informed development plans. Our drug development pipeline portfolio encompasses products or technologies based on biology addressing known resistance pathways/mechanisms of current check point inhibitors with established scientific rationales, including intratumoral delivery, nanoparticles, liposomes, aptamers, and virus-like particles.

The Portage Approach

Our mission is to advance and grow a portfolio of innovative, early-stage oncology assets based on the latest scientific breakthroughs focused on overcoming immune resistance. Given these foundations, we manage capital allocation and risk as much as we oversee drug development. By focusing our efforts on translational medicine and pipeline diversification, we seek to mitigate overall exposure to many of the inherent risks of drug development. Our approach is guided by the following core elements:

- Portfolio diversification to mitigate risk and maximize optionality;
- Capital allocation based on risk-adjusted potential, including staged funding to pre-specified scientific and clinical results;
- Virtual infrastructure and key external relationships to maintain a lean operating base;
- Internal development capabilities complemented by external business development;
- Rigorous asset selection with disciplined ongoing evaluation; and
- Focus on translational medicine and therapeutic candidates with in vivo single agent activity.

We believe that our corporate structure results in enhanced operational efficiency and maintains an optimal cost structure by centralizing strategic/tactical support, shared services, including all research and development operations, capital allocation/ contribution, human resources, administrative services, and business development, as well as other services to each of our immuno-oncology platforms and assets currently in various development stages. Our execution is achieved, in part, through our internal core team and utilizing our large network of experts, contract labs, and academic partners.

Our Science Strategy

Our goal is to develop immuno-oncology therapeutics that will dramatically improve the standard-of-care for patients with cancer. The key elements of our scientific strategy are to:

- Build a pipeline of differentiated oncology therapeutic candidates that are diversified by mechanism, therapeutic approach, modality, stage of development, leading to a variety of deal types that can be executed with partners;
- Expand our pipeline through research collaborations, business development, and internally designed programs;
- Continue to advance and evolve our pipeline with a goal of advancing one therapeutic candidate into the clinic and one program into IND-enabling studies each year; and
- Evaluate strategic opportunities to accelerate development timelines and maximize the value of our portfolio.

Our Pipeline

We have built a pipeline of targeted oncology and immuno-oncology therapeutic candidates and programs that are diversified by mechanism, therapeutic approach, modality, and stage of development. On an ongoing basis, we rigorously assess each of our programs using internally defined success criteria to justify continued investment and determine proper capital allocation. When certain programs do not meet our de-risking criteria for advancement, we look to monetize or terminate those programs and preserve our capital and resources to invest in programs with greater potential. As a result, our pipeline will continue to be dynamic.

The chart below sets forth only as of November 1, 2021, the current state of our immuno-oncology therapeutic candidates and programs. The chart contains forward looking information and projections based on management's current estimates. The chart information is based on and subject to many assumptions, as determined by management and not verified by any independent third party, which may change or may not occur as modeled. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Before you make an investment decision regarding the Company, you should make your own analysis of forward-looking statements and our projections about candidate and program development and results.

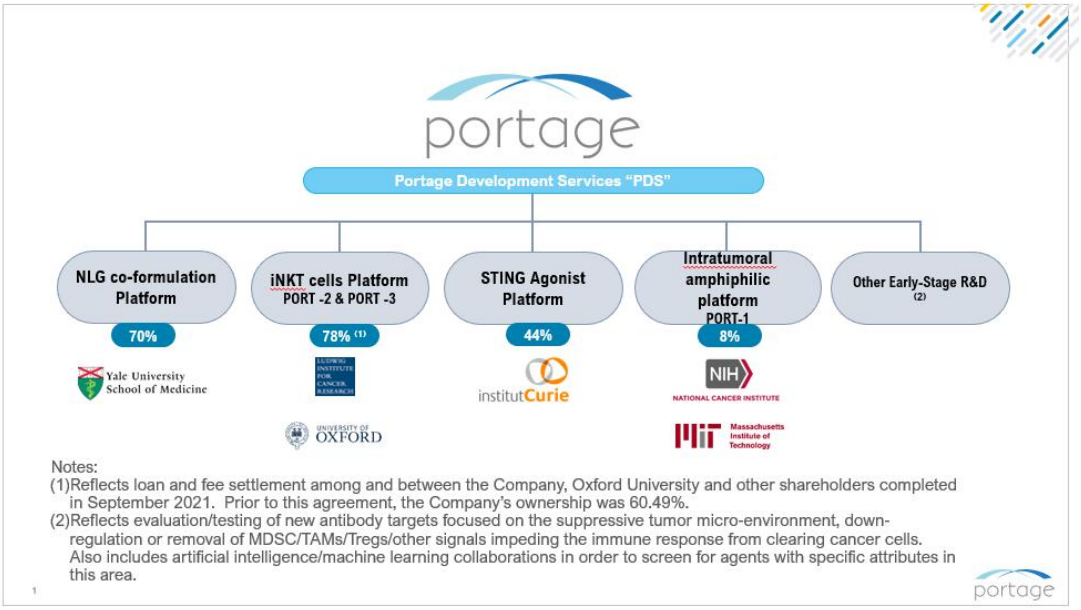
Our Business Model

We employ a shared service business model to execute our strategy of building a diversified oncology company in a capital efficient manner and to provide us with the flexibility to either advance therapeutic candidates ourselves or through transactions with third parties. Our flat organization consists of a holding company, Portage Biotech Inc. and an operating company, Portage Development Services ("PDS"), which provide human resources, and other services to each operating entity via a shared services agreement. We believe that by centralizing these shared services, including all research and development operations, administrative services, and business development, and allocating employees and resources to each operating entity, we can enhance operational efficiency and maintain an optimal cost structure.

Our business model also enables us to access both internal and external expertise to build and develop our pipeline. We incubate internal programs in our hub, leveraging PDS's internal resources and network of service providers as needed to support our discovery, lead optimization, and IND-enabling efforts. When we decide to license from or collaborate with external parties, we establish distinct operating entities, to hold and advance those programs. This structure enables us to keep licensors economically incentivized at the program level through our ability to offer equity and access to potential cash milestones and royalty payments.

In the figure below, each operating entity reflects its respective technology platform, therapeutic candidates as well as approximate economic ownership, as of September 30, 2021, as a percentage of shares outstanding (excluding stock options) is listed below each circle.

Our Organization



The structure of our financing arrangements with each subsidiary enables us to increase our economic ownership when we provide additional capital.

PDS is our wholly-owned operating subsidiary that contracts all of our team members and incubates discovery programs until we establish an operating subsidiary in which to further advance them. We centralize shared services, including all research and development operations, administrative services, and business development at PDS Management, and allocate employees and resources to each spoke based on the needs and development stage of each therapeutic candidate.

Our business model is designed to (i) enhance operational efficiency, (ii) maintain an optimal cost structure, (iii) attract leading collaborators, and (iv) promote asset flexibility, as further described below.

- *Enhance operational efficiency*: We centralize all employees and services at our hub and allocate resources to spokes as needed. We empower managers to access these resources and make program-level decisions in order to increase productivity and speed. We believe this model enables a flexible organizational structure that can achieve scale through the addition of programs without increasing burdensome bureaucracy or redundant infrastructure.

- *Maintain an optimal cost structure*: We have a relatively small number of employees and have built a network of trusted external service providers, choosing to leverage their infrastructure and expertise as needed instead of embarking on capital-intensive lab, manufacturing, and equipment expenditures. By reducing overhead costs, we believe we can increase the likelihood that we can generate a return on invested capital.

- *Attract leading collaborators and licensors*: Each of our subsidiaries has its own capitalization and governance, enabling us to keep licensors economically incentivized at the program level. We believe that the experienced leadership team and shared services at our hub differentiate us from other potential licensees.

- *Promote asset flexibility*: Each operating subsidiary is a separate legal entity that holds the relevant intellectual property of its therapeutic candidates or programs and has none of its own employees, fixed assets, or overhead costs. This allows us to efficiently pursue various subsidiary-level transactions, such as stock or asset sales, licensing transactions, strategic partnerships, co-development arrangements, or spin-outs. It also provides us with the flexibility to terminate programs with minimal costs if results do not meet our de-risking criteria for advancement.

The Company is a BVI incorporated company with its registered office located at FH Chambers, P.O. Box 4649, Road Town, Tortola, BVI. Its USA agent, Portage Development Services, is located at 61 Wilton Road, Westport, CT 06880.

The Company is a foreign private issuer under SEC rules. It is also a reporting issuer under the securities legislation of the provinces of Ontario and British Columbia. Its ordinary shares were listed on the Canadian Stock Exchange (“CSE”) under the symbol “PBT.U”. On February 25, 2021, the ordinary shares of the Company began trading on the NASDAQ Capital Market (“NASDAQ”) under the symbol “PRTG”. As the principal market for the Company’s ordinary shares is now NASDAQ, the Company voluntarily delisted from the CSE at the market close on April 23, 2021.

Summary of Results

The following table summarizes financial information for the quarter ended September 30, 2021, and the preceding eight quarters (all amounts in 000'US$ except net loss per share, which are actual amounts). All share and per share amounts reflect the 1:100 reverse stock split effected June 5, 2020.

Quarter ended	Sept. 30, 2021	June 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Sept. 30, 2019
								(Revised)	
Net (loss) - attributable to the owners of the Company	**(2,975)**	(3,066)	(11,498)	(1,184)	(2,455)	(696)	(1,302)	(1,316)	(1,273)
Working capital (1) to (5)	**27,301**	28,106	1,738	2,875	25	6,293	1,226	1,977	2,500
Shareholders' equity	**127,140**	127,711	101,449	104,945	102,233	102,646	96,531	98,574	98,248
Net (loss) per share - Basic	**(0.22)**	(0.25)	(1.35)	(0.10)	(0.21)	(0.06)	(0.12)	(0.12)	(0.12)
Net (loss) per share - Diluted	**(0.22)**	(0.25)	(1.35)	(0.10)	(0.21)	(0.06)	(0.12)	(0.12)	(0.12)

(1) September 30, 2021 working capital is net of warrant liability of $535 settleable on a non-cash basis.

(2) June 30, 2021 working capital is net of warrant liability of $751 settleable on a non-cash basis.

(3) March 31, 2021 working capital is net of warrant liability of $1,120 settleable on a non-cash basis.

(4) December 31, 2020 working capital is net of warrant liability of $771 settleable on a non-cash basis.

(5) September 30, 2020 working capital is net of accrued equity issuable of $3,972 and warrant liability of $271 settled or settleable on a non-cash basis.

Number of Ordinary Shares and Warrants

These are as follows:

As of,	September 30, 2021	November 23, 2021
Shares issued and outstanding (a) (b)	13,339,767	13,343,620
Warrants (c)	36,147	33,888

(a) This amount excludes an aggregate 243,000 restricted stock units granted to a director and a consultant on January 13, 2021, which vested immediately on the date of grant.

(b) September 30,2021 amont excluded 1,594 shares earned for services rendered from July2021 to September 30,2021, accrued at September 30,2021 for financial statement purposes and issued in October 2021. November 23, 2021 amount excludes 501 shares earned for services rendered in October 2021 and accrued at October 31, 2021 but not yet issued.

(c) Warrants are exercisable into equal number of ordinary shares at an average exercise prise of $6.64 and have a remaining contractual life of approximately 1.00 years as of September 30, 2021.

Business Environment - Risk Factors

Please refer to the Annual Report on Form 20-F for the year ended March 31, 2021 for detailed information as the economic and industry factors that are substantially unchanged as of the date hereof.

Our Programs and Technology - Recent Developments

Invariant Natural Killer T-cells (iNKT cells) Platform

iNKT cells play an important role in anti-tumour immune responses and are a distinct class of T lymphocyte displaying a limited diversity of T-cell receptors. They recognize lipid antigens on the surface of tumour cells and produce large amounts of cytokines within hours of stimulation without the need for clonal expansion. Furthermore, iNKT cells activate multiple immune system components, including dendritic cells, T-cells and B-cells and stimulate an antigen-specific expansion of these cells. An operating subsidiary holds an exclusive license (with the right to sub-license) from the Ludwig Institute to use, research, develop and commercialize iNKT cell agonists, for the treatment of various forms of human disease, including cancer, under the Ludwig Institute's intellectual property and know-how.

PORT 2 (IMM60)

PORT-2 is an iNKT cell activator/agonist formulated in a liposome with a 6-member carbon head structure that has been shown to activate both human and murine iNKT cells, resulting in dendritic cell (DC) maturation and the priming of Ag-specific T and B cells. We recently dosed the first patient in the IMP-MEL PORT-2 clinical trial, a Phase 1/2 dose escalation and randomized expansion trial. The PORT-2 study has 6 arms and is expected to enroll up to 100 patients with melanoma or non-small cell lung carcinoma (NSCLC) in order to evaluate the safety and efficacy after receiving regulatory approval from the Medicines and Healthcare products Regulatory Agency in the United Kingdom and Research Ethics Board at Oxford University.

In animal models, PORT-2 enhanced the frequency of tumour specific immune responses (Jukes 2016). iNKT cells are unique lymphocytes defined by their co-expression of surface markers associated with NK cells along with a T-cell antigen receptor (Schmieg 2005). They recognise amphipathic ligands such as glycolipids or phospholipids presented in the context of the non-polymorphic, MHC class I-like molecule CD1d. Activated iNKT cells rapidly produce IFN-gamma and IL-4 and induce dendritic cell (DC) maturation and IL-12 production (Cerundolo 2009, Salio 2009, Speak 2008, Fujii 2013).

PORT 3 (IMM65)

PORT-3 is a PLGA-nanoparticle formulation of IMM60 combined with a NY-ESO-1 peptide vaccine and the first patient was dosed in an open-label, dose-escalation and expansion study of its iNKT agonist. The Phase 1 portion of the trial is expected to enroll 15 patients while the randomized Phase 2 portion is expected to enroll an additional 42 patients. This platform is designed to demonstrate proof of concept with NY-ESO-1 as our enrichment factor for patient accrual. The combination product has the ability to prime and boost an anti-tumor immune response. Our patent position extends to other known tumor antigens, and we are prepared to rapidly launch other assets into the clinic if we see strong activity of this formulation. Notably, Portage received additional grant support from the Horizon 2020 program to explore next generation targeted nanoparticles.

Biodegradable PLGA-nanoparticles function as a delivery platform for immunomodulators and tumor antigens to induce a specific anti-tumor immune response. PLGA has minimal (systemic) toxicity and is used in various drug-carrying platforms as an encapsulating agent. Furthermore, co-formulating an iNKT inhibitor with a peptide vaccine in a particle has shown to be approximately 5 times more potent in killing cancer cells and generating an antigen specific CD8 T-cell response than giving the 2 agents individually (ref Dolen et al Oncoimmunology paper).

NY-ESO-1 is a cancer-testis antigen expressed during embryogenesis and in the testis, an immune privileged site. Furthermore, NY-ESO-1 expression is observed in several advanced cancers: lung (2-32%), melanoma (40%), bladder (32-35%), prostate (38%), ovarian (30%), esophageal (24-33%), and gastric cancers (8-12%). Clinical trials have shown the safety and tolerability of Good Manufacturing Practices (GMP)-grade NY-ESO-1 peptides in patients with cancer.

There is substantial opportunity for potential expansion in the PD-1 market with PORT-2 and PORT-3. 70-80% of patients do not respond or have a limited response to existing therapies, such as PD-1 checkpoint inhibitors. The market is saturated with 14 approved PD-1 antibodies, and every major pharma company competing in this space. With iNKT agonists upregulating expression of PD-L1, patient populations who are typically not good candidates for PD-1 antibodies due to their lack of or low expression of PD-L1 may be able to utilize PORT 2 or PORT-3 to sensitize tumors to PD-1 agents. Extending the use of PD-1 antibodies represents a significant upside for one of these companies competing for market share, should they choose to partner with Portage.

Amphiphilic platform

DfuseRx SM, identifies combinations of anti cancer agents with amphiphilic diffuse enhancers that can passively enter into cancer cells. These novel formulations with unique IP can be directly injected into any solid tumours, and the payloads will diffuse across the membrane and disperse throughout the tumor, while sparing healthy cells. Once inside the cells, the technology is diluted away and the payloads are stuck inside the cell. The payloads are able to disperse to areas of the tumor that do not have blood supply and hence oral or IV drugs will not reach.

PORT 1 (INT230-6)

PORT-1 is a fixed dose formulation of cisplatin, vinblastine and a penetration enhancer being developed by our affiliate, Intensity Therapeutics, Inc. In animal models, the drug is able to cure the majority of the animals, by a combination of direct killing of the cancer, and also a CD4 and CD8 T-cell response (Bloom et al). Newly released interim safety and survival data from the Phase 1/2 IT-01 study presented at ASCO 2021 demonstrated that both INT230-6 (PORT-1) monotherapy and combination therapy with immune checkpoint drugs are well-tolerated. The proven mechanism of action includes direct tumor-killing effects, as well as responses generated in non-injected tumors (abscopal responses) resulting from antigen presentation and immune activation. PORT-1 is the first of Portage's assets that entered the clinic and has demonstrated proof-of-concept in humans. The specific rapid local killing in the normal 3-dimensional environment inside the body we believe is critical for robust antigen presentation and immune activation. Animal studies also showed synergy when combined with checkpoint inhibition (Bender et al, Bloom et al). The product has been dosed into 80 subjects in a Phase 1/2 trial. This has shown proof of concept that the vast majority of the drug stays in the tumor, and a dose equivalent to 3x the approved dose of the cytotoxic agent was very well tolerated without the typical chemo side effects. The most common adverse event related to the treatment was pain at the injection site. As a result, PORT-1 has launched 9 phase 2 studies including 7 clinical collaborations with the two largest immuno-oncology drug manufacturers, BMS and Merck in combination with their respective checkpoints in high unmet need medical types (pancreatic, gall bladder, sarcoma, non-microsatellite unstable colorectal, etc.). Intensity has also launched a randomized Phase 2 study of INT230-6 vs no treatment in early stage breast cancer (the INVINCIBLE Trial) and has expanded its collaboration efforts with the INVINCIBLE study, conducted by the Ottawa Hospital and the Ontario Institute for Cancer Research. The company plans on presenting updates from the INVINCIBLE and IT-01 studies at upcoming industry meetings. As a result of exciting preliminary data (ref ASCO 2020, SITC 2020), we have secured fast track regulatory status from the FDA for triple negative breast cancer.

PORT 4, Nanolipogel (NLG) co-formulation Platform

Scientists are interested in novel ways to deliver multiple signals to the immune system in order to better activate an anti-tumor response. We have been impressed with a platform from Yale University that allows different types of agents to be packaged together and will concentrate them in tumors. We have licensed the platform for delivery of DNA aptamers and certain aptamer-small molecule-based combination products. In order to have multiple proprietary agents with known mechanisms of action, we have licensed rights to create DNA aptamers for immune-oncology targets and the first one developed is a proprietary PD1 aptamer, which has been placed in the NLG formulation. Early testing has shown the formulation properly modulates PD1 signaling in vitro similar to a PD1 antibody I. In non-clinical, in vivo experiments, the NLG-PD1 performed favorably compared to a mouse PD1 antibody. The current level of funding is expected to support exploration of multiple PD1 based co-formulations with small molecules and other DNA aptamers. We are looking to accelerate preclinical development of our PORT-4 platform, which may potentially increase the potency and improve the safety of numerous anti-cancer drugs through co-delivery of combination treatments to the tumor.

PORT-5, STING Agonist Platform

Proprietary immune priming and boosting technology (using a STING agonist delivered in a virus-like particle) have shown proof of concept in animal models and are beginning to progress the lead asset towards the clinic. This platform offers multiple ways to target immune stimulation towards the cancer, as well as to co-deliver multiple signals in a single product. Our researchers have developed a way to administer the product systemically and does not require direct tumor injections. PORT-5 STING platform provides distinct advantages over chemical intratumoral approaches by offering a potent immune priming and boosting pathway within a virus-like particle (VLP) to enable convenient systemic administration and traffic to the correct targets. This technology preferentially targets dendritic cells, which is differentiated from other chemical STING approaches. The Company is progressing this project towards clinical trials as well as developing next generation compounds. Given that this is a simple way to boost the immune response to any target, we are also pursuing a project to boost immune response to COVID and other pathogens.

Other Early-Stage R&D

We continue to evaluate and test new antibody targets. Our interest here lies in the suppressive tumor micro-environment, and how we can down regulate or remove MDSC, TAMs, Tregs and other signals that impede the immune response from clearing cancer cells. One new effort that we have initiated is collaborations with two leading artificial intelligence/machine learning companies in order to screen for agents with specific attributes in this area. This may allow us a fast track an asset to the clinic with a re-purposed product.

Three Months Ended September 30, 2021 Compared to the Three Months Ended September 30, 2020
(All Amounts in 000'$)

Results of Operations

The following details major expenses for the three months ended September 30, 2021, compared to the three months ended September 30, 2020.

Three months ended September 30,	**2021**	**2020**
	In 000'$	In 000'$
Operating expenses	**$ (3,330)**	$ (1,168)
Change in fair value of warrant liability	**15**	59
Share of (loss) income in associate accounted for using equity method	**(58)**	(49)
(Loss) on equity issued at a discount	**–**	(1,333)
Gain on sale of marketable equity securities	**–**	72
(Loss) on extinguishment of notes payable	**–**	(223)
Interest (expense)	**(7)**	(47)
Loss before provision for income taxes	**(3,380)**	(2,689)
Income tax benefit	**503**	–
Net (loss)	**(2,877)**	(2,689)
Unrealized (loss) on investment	**–**	(78)
Total comprehensive (loss) for period	**$ (2,877)**	$ (2,767)
Comprehensive (loss) income attributable to:		
Owners of the Company	**$ (2,975)**	$ (2,533)
Non-controlling interest	**98**	(234)
Total comprehensive (loss) for period	**$ (2,877)**	$ (2,767)

Results of Operations for the Three Months Ended September 30, 2021, Compared to the Three Months Ended September 30, 2020

The Company generated a net loss and comprehensive loss of approximately $2.9 million in the three months ended September 30, 2021 ("Fiscal 2022 Quarter"), compared to a net loss of approximately $2.7 million and comprehensive loss of approximately $2.8 million in the three months ended September 30, 2020 ("Fiscal 2021 Quarter"), an increase in loss of $0.2 million and $0.1 million, respectively, year over year. Operating expenses, which include research and development and general and administrative expenses, were approximately $3.3 million in the Fiscal 2022 Quarter, compared to $1.2 million in the Fiscal 2021 Quarter, an increase of $2.2 million, which is discussed more fully below. Operating expenses included $2.1 million of non-cash share-based compensation expense in the Fiscal 2022 Quarter, compared to $0.2 million in the Fiscal 2021 Quarter.

The Company's other items of income and expense were substantially non-cash in nature and increased net loss before provision for income taxes by approximately $0.1 million in the Fiscal 2022 Quarter, compared to approximately $1.5 million in the Fiscal 2021 Quarter. The primary reasons for the year over year difference in other items of income and expense was the loss on equity issued at a discount with respect to the settlement of the SalvaRx notes of $1.3 million and a $0.2 million loss on the extinguishment of the SalvaRx notes in the Fiscal 2021 Quarter, net of $0.1 million of other items of income and expense.

Additionally, the Company reflected a net income tax benefit of approximately $0.5 million in the Fiscal 2022 Quarter, attributable to recoverable research and development tax credits generated in the U.K. and offset by the change in the foreign currency exchange rate on deferred tax liability settleable in British pounds sterling.

Operating Expenses

The overall analysis of the operating expenses is as follows:

Three months ended September 30,	**2021**	**2020**
	In 000'$	In 000'$
Research and development	**$ 1,330**	$ 792
General and administrative expenses	**2,000**	376
Total operating expenses	**$ 3,330**	$ 1,168

Research and Development Costs

These costs comprised the following:

Three months ended September 30,	**2021**	2020
	In 000'$	In 000'$
Consultants - scientists and researchers	**$ 1,320**	$ 511
Legal regarding Patents' registration	**73**	13
Other outside services - lab testing, peptide handling, etc.	**–**	49
Research and development services and storage	**(63)**	219
Total research and development costs	**$ 1,330**	$ 792

Research & development ("R&D") costs increased by approximately $0.6 million, from approximately $0.8 million during the three months ended September 30, 2020, to approximately $1.4 million during the three months ended September 30, 2021. The increase was primarily attributable to non-cash share-based compensation expense (included in consultants - scientists and researchers) associated with grants made under the 2021 Equity Incentive Plan of $1.0 million, partially offset by a decrease in iOx related share-based compensation expense of $0.1 million and a decrease of $0.3 million in other R&D costs relating to services and storage. Additionally, the three months ended September 30, 2020 was impacted by a general slow down in expenditures resulting from the pandemic.

General and Administrative Expenses

Key components of general and administrative expenses are:

Three months ended September 30,	**2021**	2020
	In 000'$	In 000'$
Share-based compensation - Directors	**$ 729**	$ –
Share-based compensation - Consultants	**352**	37
D&O insurance	**413**	7
Professional fees	**327**	166
Consulting fees	**112**	12
Office and general expenses	**67**	154
Total general and administrative expenses	**$ 2,000**	$ 376

General and administrative ("G&A") expenses increased by approximately $1.6 million, from approximately $0.4 million during the three months ended September 30, 2020, to approximately $2.0 million during the three months ended September 30, 2021. The principal reason for the increase in the Fiscal 2022 Quarter was the $1.0 million of non-cash share-based compensation expense associated with the Company's 2021 Equity Incentive Plan, of which $0.8 million is associated with Directors' compensation, and $0.3 million is associated with management compensation, partially offset by a decrease in iOx related share-based compensation expense of $0.02 million. No share-based compensation expense under the 2021 Equity Incentive Plan was incurred during the three months ended September 30, 2020. Additionally, the Company incurred an increase of $0.1 million in professional fees relating to initiatives associated with a corporate restructuring and public relations / business development. Finally, D&O insurance premiums increased $0.4 million in the current year period due to market rate increases in the cost of coverage.

Six Months Ended September 30, 2021 Compared to the Six Months Ended September 30, 2020
(All Amounts in 000'$)

Results of Operations

The following details major expenses for the six months ended September 30, 2021, compared to the six months ended September 30, 2020.

Six months ended September 30,	**2021**	**2020**
	In 000'$	In 000'$
Operating expenses	**$ (6,923)**	$ (2,141)
Change in fair value of warrant liability	**384**	59
Share of (loss) income in associate accounted for using equity method	**(102)**	391
(Loss) on equity issued at a discount	**–**	(1,333)
Gain on sale of marketable equity securities	**–**	72
(Loss) on extinguishment of notes payable	**–**	(223)
Interest (expense)	**(41)**	(169)
Loss before provision for income taxes	**(6,682)**	(3,344)
Income tax benefit	**582**	–
Net (loss)	**(6,100)**	(3,344)
Unrealized (loss) on investment	**–**	–
Total comprehensive (loss) for period	**$ (6,100)**	$ (3,344)
Comprehensive (loss) income attributable to:		
Owners of the Company	**$ (6,041)**	$ (3,151)
Non-controlling interest	**(59)**	(193)
Total comprehensive (loss) for period	**$ (6,100)**	$ (3,344)

Results of Operations for the Six Months Ended September 30, 2021, Compared to the Six Months Ended September 30, 2020

The Company generated a net loss and comprehensive loss of approximately $6.1 million in the six months ended September 30, 2021 ("Fiscal 2022 Six Months"), compared to a net loss and comprehensive loss of approximately $3.3 million in the six months ended September 30, 2020 ("Fiscal 2021 Six Months"), an increase in loss of $2.8 million, year over year. Operating expenses, which include research and development and general and administrative expenses, were $6.9 million in the Fiscal 2022 Six Months, compared to $2.1 million in the Fiscal 2021 Six Months, an increase of $4.8 million, which is discussed more fully below. Operating expenses included $4.3 million of non-cash share-based compensation expense in the Fiscal 2022 Six Months, compared to $0.5 million in the Fiscal 2021 Six Months.

The Company's other items of income and expense were substantially non-cash in nature and were approximately $0.2 million net income in the Fiscal 2022 Six Months, compared to approximately $1.2 million net loss in the Fiscal 2021 Six Months, a change in other items of income and expense of approximately $1.4 million, year over year. The primary reasons for the year over year difference in other items of income and expense was the loss on equity issued at a discount with respect to the settlement of the SalvaRx notes of $1.3 million and a $0.2 million loss on the extinguishment of the SalvaRx notes in the Fiscal 2021 Six Months, which was partially offset by the income from an associate accounted for under the equity method in the Fiscal 2021 Six Months.

Additionally, the Company reflected a net income tax benefit of approximately $0.6 million in the Fiscal 2022 Six Months, attributable to recoverable research and development tax credits generated in the U.K., partially offset by the foreign currency exchange rate effect on deferred tax liability.

Operating Expenses

The overall analysis of the operating expenses is as follows:

Six months ended September 30,	**2021**	**2020**
	In 000'$	In 000'$
Research and development	**$ 2,876**	$ 1,244
General and administrative expenses	**4,047**	897
Total operating expenses	**$ 6,923**	$ 2,141

Research and Development Costs

These costs comprised the following:

Six months ended September 30,	**2021**	2020
	In 000'$	In 000'$
Consultants - scientists and researchers	**$ 2,649**	$ 963
Legal regarding Patents' registration	**115**	96
Other outside services - lab testing, peptide handling, etc.	**6**	463
Research and development services and storage	**106**	292
	2,876	1,814
Proceeds from a legal settlement with a vendor	**–**	(570)
Total research and development costs	**$ 2,876**	$ 1,244

Research & development ("R&D") costs increased by approximately $1.6 million, from approximately $1.3 million during the six months ended September 30, 2020, to approximately $2.9 million during the six months ended September 30, 2021. The increase was primarily attributable to non-cash share-based compensation expense (included in consultants - scientists and researchers) associated with grants made under the 2021 Equity Incentive Plan of $2.0 million, partially offset by a decrease in iOx related share-based compensation expense of $0.3 million, a decrease of $0.5 in other R&D costs relating to outside services and a decrease of $0.2 in other R&D costs relating to services and storage. Additionally, the six months ended September 30, 2020 was impacted by the receipt of a $0.6 million cash settlement for a legal dispute the Company had with a vendor while developing one of its products, which reduced R&D costs, as well as a general slow down in expenditures resulting from the pandemic.

General and Administrative Expenses

Key components of general and administrative expenses are:

Six months ended September 30,	**2021**	2020
	In 000'$	In 000'$
Share-based compensation - Directors	**$ 1,458**	$ –
Share-based compensation - Consultants	**710**	84
D&O insurance	**826**	11
Professional fees	**678**	241
Consulting fees	**260**	326
Office and general expenses	**115**	235
Total general and administrative expenses	**$ 4,047**	$ 897

General and administrative ("G&A") expenses increased by approximately $3.1 million, from approximately $0.9 million during the six months ended September 30, 2020, to approximately $4.0 million during the six months ended September 30, 2021. The principal reason for the increase in the Fiscal 2022 Six Months was the $2.2 million of non-cash share-based compensation expense associated with the Company's 2021 Equity Incentive Plan, of which $1.5 million is associated with Directors' compensation, and $0.7 million is associated with management compensation, partially offset by a decrease in iOx related share-based compensation expense of $0.05 million. No share-based compensation expense under the 2021 Equity Incentive Plan was incurred during the six months ended September 30, 2020. Additionally, the Company incurred an increase of $0.4 million in professional fees relating to initiatives associated with a corporate restructuring and public relations / business development. Finally, D&O insurance premiums increased $0.8 million in the current year period due to market rate increases in the cost of coverage.

Liquidity and Capital Resources

Portage filed a shelf registration statement and prospectus with the Securities and Exchange Commission ("SEC") under which it may sell ordinary shares, debt securities, warrants and units in one or more offerings from time to time, which became effective on March 8, 2021 ("Registration Statement" or "Prospectus"). The specific terms of any securities to be offered pursuant to the base prospectus are specified in the sales agreement prospectus. The Registration Statement currently includes:

- a base prospectus, which covers the offering, issuance and sales by us of up to $200,000,000 in the aggregate of the securities identified above from time to time in one or more offerings;
- a sales agreement supplemental prospectus covering the offer, issuance and sale by us in an "at the market" offering of up to a maximum aggregate offering price of $50,000,000 of our ordinary shares that may be issued and sold from time to time under sales agreement, or sales agreement, with Cantor Fitzgerald & Co., or Cantor Fitzgerald, the sales agent; and
- a prospectus supplement dated June 24, 2021, for the offer, issuance and sale by us of 1,150,000 ordinary shares for gross proceeds of approximately $26.5 million in a firm commitment underwriting with Cantor Fitzgerald.

The sales agreement with Cantor Fitzgerald permits the Company to sell in an at the market offering up to $50,000,000 of ordinary shares from time to time, the amount of which is included in the $200,000,000 of securities that may be offered, issued and sold by us under the base prospectus. The sales under the prospectus will be deemed to be made pursuant to an "at the market" offering as defined in Rule 415(a)(4) promulgated under the Securities Act of 1933 (the Securities Act). Upon termination of the sales agreement, any portion of the $50,000,000 included in the sales agreement prospectus that is not sold pursuant to the sales agreement will be available for sale in other offerings pursuant to the base prospectus, and if no shares are sold under the sales agreement, the full $50,000,000 of securities may be sold in other offerings pursuant to the base prospectus.

During the quarter ended June 30, 2021, the Company commenced an "at the market" offering, under which it sold 90,888 shares generating gross proceeds of approximately $2.6 million ($2.5 million, net of commissions).

On June 24, 2021, the Company completed the sale of 1,150,000 ordinary shares, including the underwriters' overallotment, at a price of $23.00 per share, which generated gross proceeds of approximately $26.5 million and net proceeds of approximately $25.0 million, and was settled June 28, 2021. Management believes the funds generated, along with existing cash, will be sufficient to fund the Company's research and development activities, as well as the expansion of its operating infrastructure and achievement of numerous developmental milestones. The Company was added to the Russell 2000 Index effective after the U.S. market opened on June 28, 2021.

Liquidity

The accompanying condensed consolidated interim financial statements have been prepared on a basis that assumes that the Company will continue as a going concern and that contemplates the continuity of operations, the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. Accordingly, the accompanying condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts of liabilities that might result from the outcome of this uncertainty.

As of September 30, 2021, the Company had cash and cash equivalents of approximately $27.3 million and total current liabilities of approximately $1.3 million (inclusive of approximately $0.5 million warrant liability settleable on a non-cash basis). For the six months ended September 30, 2021, the Company is reporting a net loss of approximately ($6.1) million and cash used in operating activities of approximately $2.9 million. As of October 31, 2021, we had approximately $26.9 million of cash on hand.

During the quarter ended June 30, 2021, the Company commenced an “at the market” offering, under which it sold 90,888 shares generating gross proceeds of approximately $2.6 million ($2.5 million, net of commissions). Further, the Company initiated an offering pursuant to the Prospectus. On June 24, 2021, the Company completed a firm commitment underwritten public offering of 1,150,000 ordinary shares at a public offering price of $23.00 per share for gross proceeds of approximately $26.5 million and was settled June 28, 2021. The Company incurred aggregate offering expenses for the public offering of approximately $1.8 million, including approximately $1.6 million of management, underwriting and selling expenses. The Company will use the net proceeds raised to fund its research and development activities and support operations. The amount raised is sufficient to fund operations through at least December 2022. Funds may be used to accelerate development activities to advance the Company’s product portfolio, working capital and general corporate purposes.

The Company has incurred substantial operating losses since inception and expects to continue to incur significant operating losses for the foreseeable future and may never become profitable. The losses result primarily from its conduct of research and development activities.

The Company historically has funded its operations principally from proceeds from issuances of equity and debt securities and would expect to enter the capital markets if additional funding is required.

Cash Flows Used In Operating Activities

During the six months ended September 30, 2021, the Company used cash of approximately $2.9 million to fund operating activities, compared to $2.6 million used during the six months ended September 30, 2020. Operations in the six months ended September 30, 2021 were funded by existing cash. Operations during the six months ended September 30, 2020 were funded by existing cash plus a portion of the net proceeds from the private placement of approximately $6.7 million, net of offering costs, which closed in June 2020.

The Company does not currently have any contractual commitments to fund further research and development at its subsidiaries.

The Company's continuing operations are dependent upon any one of:

1. the development and identification of economically recoverable medical solutions;
2. the ability of the Company to obtain the necessary financing to complete the research; or
3. future profitable production from or proceeds from the disposition of intellectual property.

The Company's cash at September 30, 2021 of approximately $27.3 million will be sufficient to fund the Company’s current research and development activities, as well as expansion of its operating infrastructure. The Company will need additional funds in the future to fund its operations and development plans, which if not obtained when needed may require the Company to adjust its plans and curtail or delay parts of its overall business plans.

Cash Flows Used In Investing Activities

During the six months ended September 30, 2021, the Company did not use any cash for investing activities. During the six months ended September 30, 2020, the Company used cash of $0.9 million to fund investing activities.

On June 1, 2020, the Company made an additional $1.0 million investment in Stimunity upon Stimunity's achievement of certain agreed milestones, increasing its equity share in Stimunity to 44%.

Cash Flows Provided By Financing Activities

During the six months ended September 30, 2021, the Company generated net cash from financing activities of $27.3 million, compared to $4.7 million during the six months ended September 30, 2020.

During the quarter ended June 30, 2021, the Company commenced an “at the market” offering, under which it sold 90,888 shares generating gross proceeds of approximately $2.6 million ($2.5 million, net of commissions). Further, the Company initiated an offering pursuant to the Prospectus. On June 24, 2021, the Company completed a firm commitment underwritten public offering of 1,150,000 ordinary shares at a public offering price of $23.00 per share for gross proceeds of approximately $26.5 million and was settled June 28, 2021. The Company incurred aggregate offering expenses for the public offering of approximately $1.8 million, including approximately $1.6 million of management, underwriting and selling expenses.

On June 16, 2020, the Company completed a private placement offering of 698,145 restricted ordinary shares at a price of $10 per share for gross proceeds of $6.98 million to accredited investors. Directors of the Company subscribed for 215,000 shares for $2,150,000. The Company incurred offering costs of $248,000 in connection with the private placement.

The Company also repaid a $1 million advance from a related party in July 2020.

Key Contractual Obligations

Details of contractual obligations, commitments and contingent liabilities are provided in Note 17, “Commitments and Contingent Liabilities,” to the unaudited condensed consolidated interim financial statements for the three and six months ended September 30, 2021.

Off-balance Sheet Arrangements

As of September 30, 2021 and 2020, the Company did not have any off-balance sheet arrangements, including any relationships with unconsolidated entities or financial partnership to enhance perceived liquidity.

Transactions with Related Parties

Significant related party transactions are detailed in Note 18, “Related Party Transactions,” to the unaudited condensed consolidated interim financial statements for the three and six months ended September 30, 2021.

Financial and Derivative Instruments

The Company's financial instruments recognized in the Company's condensed consolidated interim statements of financial position consist of the following:

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The following table summarizes the Company's financial instruments as of September 30, 2021 and March 31, 2021:

	As of September 30, 2021		As of March 31, 2021	
(In thousands)	Amortized Cost	Fair Value through Other Comprehensive Income (FVTOCI)	Amortized Cost	FVTOCI
Financial assets				
Cash and cash equivalents	**$ 27,261**	**$ –**	$ 2,770	$ –
Prepaid expenses and other receivables	**$ 1,384**	**$ –**	$ 2,176	$ –
Investments	**$ –**	**$ 9,042**	$ –	$ 9,144

	Amortized Cost	Fair Value through Profit or Loss (FVTPL)	Amortized Cost	FVTPL
Financial liabilities				
Accounts payable and accrued liabilities	**$ 809**	**$ –**	$ 1,938	$ –
Unsecured notes payable	**$ –**	**$ –**	$ 150	$ –
Warrant liability	**$ –**	**$ 535**	$ –	$ 1,120

A summary of the Company's risk exposures as it relates to financial instruments are reflected below.

Fair value of financial instruments

The Company's financial assets and liabilities are comprised of cash, receivables and investments in equities and private entities, accounts payable, warrant liability and unsecured notes payable.

The Company classifies the fair value of these transactions according to the following fair value hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 – Values are based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.

- Level 2 – Values are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.

- Level 3 – Values are based on prices or valuation techniques that are not based on observable market data. Investments are classified as Level 3 financial instrument.

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy.

Management has assessed that the fair values of cash and cash equivalents, other receivables and accounts payable approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate their fair values:

Investment in Biohaven: Fair value was based on a quoted market price of $34.03 per share as of March 31, 2020 (Level 1). The investment was sold in August 2020.

Investment in Sentien: Fair value of the asset is determined by considering strategy changes by Sentien (Level 3).

Investment in Intensity: Fair value of the asset is determined by considering other comparable equity funding transactions by Intensity with unrelated investors (Level 3).

Accrued equity issuable: The fair value is estimated based on the average of the quoted market prices for the period in which the shares were earned (Level 1).

Unsecured notes payable: The fair value is estimated using a Black-Scholes model (Level 3).

Warrant Liability: The fair value is estimated using a Black-Scholes model (Level 3).

There have been no transfers between levels of the fair value hierarchy for the six months ended September 30, 2021 and the year ended March 31, 2021.

The Company's financial instruments are exposed to certain financial risks: credit risk and liquidity risk.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value as reflected in the Company's condensed consolidated interim statements of financial position.

***Cash*.** Cash is held with major international financial institutions and therefore the risk of loss is minimal.

Other receivables. The Company was exposed to credit risk attributable to its debtor since a significant portion of this amount represents the amount agreed on a settlement of a claim by PPL, originally payable over the next four years. The installment note was repaid in full in July 2021.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation. The Company holds sufficient cash to satisfy obligations under accounts payable and accruals.

The Company monitors its liquidity position regularly to assess whether it has the funds necessary to meet its operating needs and needs for investing in new projects. The Company believes that it has sufficient funding to finance the committed drug development work, apart from meeting its operational needs for the foreseeable future.

However, as a biotech company at an early stage of development and without significant internally generated cash flows, there are inherent liquidity risks, including the possibility that additional financing may not be available to the Company, or that actual drug development expenditures may exceed those planned. The current uncertainty in global markets could have an impact on the Company's future ability to access capital on terms that are acceptable to the Company. There can be no assurance that required financing will be available to the Company.

Use of Estimates and Judgments

The preparation of the condensed consolidated interim financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 areas where estimates are made include valuation of financial instruments, research and development costs, fair value used for acquisition and measurement of share-based compensation. Significant areas where critical judgments are applied include assessment of impairment of investments and goodwill and the determination of the accounting acquirer and acquiree in the business combination accounting.

New Accounting Standards, Interpretations and Amendments

The Company is also unaware of any applicable but not-yet-adopted standards that are expected to materially affect the financial statements of future periods.

Internal Controls Over Financial Reporting

The management of the Company, including the CEO and CFO, is responsible for establishing and maintaining adequate internal controls over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). The Company's internal control system was designed to provide reasonable assurance to the Company's management and the board of directors regarding the reliability of financial reporting and preparation and fair presentation of published financial statements for external purposes in accordance with IFRS. Internal control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of September 30, 2021. In making this assessment, it used the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on the evaluation under these criteria, management identified material weaknesses in the Company's internal controls over financial reporting, and as a result, management concluded that the Company's internal control over financial reporting was not effective as of September 30, 2021.

Management identified the following material weaknesses set forth below in our internal control over financial reporting.

- Management was unable to perform an effective risk assessment or monitor internal controls over financial reporting;

- The management of the Company lacks the number of skilled persons it requires given the complexity of the reporting requirements it has to make, which more specifically include the staff and expertise (i) to properly segregate duties and perform oversight of work performed and to perform compensating controls over the finance and accounting functions, (ii) to establish and perform fair value estimates or subsequently monitor fluctuations in fair value estimates, and (iii) to apply complex accounting principles, including those relating to business combination accounting, income taxes and fair value estimates; and

- There are insufficient written policies and procedures in place to ensure the correct application of accounting and financial reporting with respect to the current requirements of IFRS and SEC disclosure requirements, some of which specifically relate to investment accounting and fair value measures, assessment of in-process research and development assets, share based payments, carrying amounts of goodwill and intangible assets and business combination accounting.

Public Securities Filings

Additional information, including the Company’s annual information in the Annual Report on Form 20-F, is filed with the Canadian Securities Administrators at www.sedar.com and with the United States Securities and Exchange Commission at www.edgar.com.