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

FORM 6-K/A

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

For the month of September 2022

Commission File Number: **001-40086**

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

British Virgin Islands
(Jurisdiction of incorporation or organization)

Clarence Thomas Building, P.O. Box 4649, Road Town, Tortola, British Virgin Islands, VG1110
(Address of principal executive office)

c/o Portage Development Services Inc., Ian Walters, 203.221.7378
61 Wilton Road, Westport, Connecticut 06880
(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 of Form 20-F or Form 40-F. Form 20-F [X] 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): ___

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): ___

Explanatory Note

This Amendment No. 1 on Form 6-K/A amends the Current Report on Form 6-K of Portage Biotech Inc. (the "Company") filed with the U.S. Securities and Exchange Commission on July 8, 2022 (the "Original Form 6-K"). The Original Form 6-K reported the Company's acquisition of Tarus Therapeutics, Inc. ("Tarus"). The purpose of this amendment is to disclose the required financial statements of Tarus and pro forma financial statements of the Company. Other than as set forth in this amendment, no other changes have been made to the Original Form 6-K.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of the Business Acquired:

In accordance with Item 9.01(a), the audited financial statements of Tarus as of and for the years ended December 31, 2021, 2020 and 2019 are attached hereto as Exhibit 99.1 and are incorporated herein by reference.

In accordance with Item 9.01(a), the unaudited financial statements of Tarus as of March 31, 2022 and for the three months ended March 31, 2022 and 2021 and as of June 30, 2022 and for the six months ended June 30, 2022 and 2021 are attached hereto as Exhibit 99.2 and 99.3, respectively, and are incorporated herein by reference.

(b) Pro Forma Financial Information:

In accordance with Item 9.01(b), the unaudited pro forma condensed consolidated statements of financial position of the Company as of June 30, 2022 and the unaudited pro forma condensed consolidated statements of operations for the year ended March 31, 2022 and for the three months ended June 30, 2022, giving effect to the Company's acquisition of Tarus, are attached hereto as Exhibit 99.4 and are incorporated herein by reference.

(d) Exhibits

Exhibit No.	Description of Exhibit
23.1	Consent of Rotenberg Meril Solomon Bertiger & Guttilla, P.C.
99.1	Audited Financial Statements of Tarus Therapeutics, Inc. as of and for the years ended December 31, 2021, 2020 and 2019.
99.2	Unaudited Statement of Financial Position of Tarus Therapeutics, Inc. as of March 31, 2022 and the Unaudited Statements of Comprehensive Loss and Statements of Cash Flows for the three months ended March 31, 2022 and 2021.
99.3	Unaudited Statement of Financial Position of Tarus Therapeutics, Inc. as of June 30, 2022 and the Unaudited Statements of Comprehensive Loss for the three and six months ended June 30, 2022 and 2021 and the Unaudited Statements of Cash Flows for the six months ended June 30, 2022 and 2021.
99.4	Unaudited Pro Forma Condensed Consolidated Statements of Financial Position as of June 30, 2022 and the Unaudited Pro Forma Condensed Consolidated Statements of Operations and Comprehensive Loss for the three months ended June 30, 2022 and for the year ended March 31, 2022.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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.

Portage Biotech Inc.
(Registrant)

Date: October 12, 2022

/s/ Ian Walters
Ian Walters
Chief Executive Officer

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement of Portage Biotech Inc. (“Portage”) on Form F-3 (File No. 333-253468) of our report dated May 6, 2022, with respect to our audits of the financial statements of Tarus Therapeutics, Inc. (“Tarus”) as of and for the years ended December 31, 2021, 2020 and 2019, which report is included in Form 6-K/A of Portage.

Our report on the financial statements contains an explanatory paragraph regarding Tarus' ability to continue as a going concern.

/s/ Rotenberg Meril Solomon Bertiger & Guttilla, P.C.

Saddle Brook, New Jersey
October 12, 2022

Exhibit 99.1

Tarus Therapeutics, Inc.

Financial Statements

December 31, 2021, 2020 and 2019

Tarus Therapeutics, Inc.
Financial Statements for the years ended
December 31, 2021, 2020, and 2019
(U.S. Dollars) Table of Contents

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of Tarus Therapeutics, Inc.

Opinion on the Financial Statements

We have audited the accompanying statements of financial position of Tarus Therapeutics, Inc. (the "Company") as of December 31, 2021, 2020, and 2019, the related statements of comprehensive loss, stockholders' deficit equity, and cash flows for each of the three years in the period ended December 31, 2021, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021, 2020, and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Going Concern Uncertainty

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note A to the financial statements, the Company has experienced losses since inception, net cash outflows from operations, and has primarily relied on the sale of common stock and the issuance of a note payable to fund operations, all of which raise substantial doubt about the ability of the Company to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud

Rotenberg Meril
CERTIFIED PUBLIC ACCOUNTANTS

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (CONTINUED)

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

Rotenberg Meril Solomon Bertiger & Guttilla, P.C.

Rotenberg Meril Solomon Bertiger & Guttilla, P.C.
We have served as the Company's auditors since 2022.
Saddle Brook, New Jersey
May 6, 2022

Tarus Therapeutics, Inc.
Statements of Financial Position
(U.S. Dollars)

	Notes	December 31, 2021	2020	2019
Assets				
Current Assets				
Cash	B	$ 277,502	$ 602,390	$ 24,119
Restricted cash	B	60,000	122,403	-
Security deposit		-	-	5,000
Total Current Assets		337,502	724,793	29,119
Total Assets		$ 337,502	$ 724,793	$ 29,119
Liabilities and Stockholders' Deficit				
Current Liabilities				
Accounts payable		$ 326,051	$ 20,000	$ -
Accrued expenses	C	1,225,634	109,928	396,870
Note payable, net of debt discount	D	2,000,000	1,650,721	-
Total Current Liabilities		3,551,685	1,780,649	396,870
Commitments and Contingencies				
Stockholders' Deficit				
Common stock	E	61	57	49
Additional paid-in capital		8,384,664	5,786,918	1,845,401
Accumulated deficit		(11,598,908)	(6,842,831)	(2,213,201)
Total Stockholders' Deficit		(3,214,183)	(1,055,856)	(367,751)
Total Liabilities and Stockholders' Deficit		$ 337,502	$ 724,793	$ 29,119

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

Tarus Therapeutics, Inc.
Statements of Comprehensive Loss
(U.S. Dollars)

	Notes	December 31, 2021	December 31, 2020	December 31, 2019
Expenses:				
General and administrative expenses		$ 2,513,848	$ 1,976,767	$ 161,293
Research and development		1,785,681	2,098,300	2,051,908
Loss from operations		(4,299,529)	(4,075,067)	(2,213,201)
Other expense				
Interest expense	H	(456,548)	(554,563)	-
Loss before provision for income taxes		(4,756,077)	(4,629,630)	(2,213,201)
Provision for income taxes	F	-	-	-
Net loss		$ (4,756,077)	$ (4,629,630)	$ (2,213,201)

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

Tarus Therapeutics, Inc.
Statements of Stockholders' Deficit (U.S. Dollars)

	Notes	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
Balance, January 1, 2019		-	$ -	$ -	$ -	$ -
Common shares issued at inception	E	4,000,000	40	(40)	-	-
Common shares issued in private placement	E	886,645	9	1,845,441	-	1,845,450
Net Loss		-	-	-	(2,213,201)	(2,213,201)
Balance, December 31, 2019		4,886,645	$ 49	$ 1,845,401	$ (2,213,201)	$ (367,751)
Common shares issued in private placement	E	451,194	5	2,042,977	-	2,042,982
Warrants issued with debt	E	-	-	404,824	-	404,824
Cancellation of warrant	E	-	-	(100,000)	-	(100,000)
Shares issued with debt	D, E	157,332	2	379,168	-	379,170
Share-based compensation	E	171,723	1	1,214,548	-	1,214,549
Net Loss		-	-	-	(4,629,630)	(4,629,630)
Balance, December 31, 2020		**5,666,894**	**57**	**5,786,918**	**(6,842,831)**	**(1,055,856)**
Common shares issued in private placement	E	**286,370**	**3**	**1,201,237**	-	**1,201,240**
Cancellation of restricted stock	E	(61,921)	-	-	-	-
Share-based compensation	E	135,646	1	1,396,509	-	1,396,510
Net Loss		-	-	-	(4,756,077)	(4,756,077)
Balance, December 31, 2021		**6,026,989**	**$ 61**	**$ 8,384,664**	**$ (11,598,908)**	**$ (3,214,183)**

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

Tarus Therapeutics, Inc.
Statements of Cash Flows
(U.S. Dollars)

	Notes	Years Ended December 31, 2021	2020	2019
Cash Flows From Operating Activities				
Net Loss		$ (4,756,077)	$ (4,629,630)	$ (2,213,201)
Adjustments to reconcile net loss to net cash used in operating activities				
Share-based compensation	E	1,396,510	1,214,549	-
Amortization of debt discount	D	349,279	464,716	-
Interest expense	H	456,548	554,563	-
Change in operating assets and liabilities:				
Security deposit		-	5,000	(5,000)
Accounts payable		306,051	20,000	-
Accrued expenses	C	1,113,437	(286,942)	396,870
Net Cash Used In Operating Activities		(1,134,252)	(2,657,744)	(1,821,331)
Cash Flows From Financing Activities				
Cancellation of warrant	E	-	(100,000)	-
Proceeds from note payable, net of costs of $30,000	D	-	1,970,000	-
Cash paid for interest	H	(454,279)	(554,563)	-
Proceeds from the sale of common stock, net of costs of $113,198; $28,000; and $8,000.	E	1,201,240	2,042,981	1,845,450
Net Cash Provided By Financing Activities		746,961	3,358,418	1,845,450
Net Change in Cash and Restricted Cash		(387,291)	700,674	24,119
Cash and Restricted Cash at Beginning of Year		724,793	24,119	-
Cash and Restricted Cash at End of Year		$ 337,502	$ 724,793	$ 24,119
NON-CASH FINANCING ACTIVITIES:				
Common stock and warrants issued with notes payable	D, E	$ -	$ 783,995	$ -

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

NOTE A - NATURE OF OPERATIONS

Nature of Operations

Tarus Therapeutics, Inc. (the "Company") was incorporated in the state of Delaware on January 2, 2019. The Company is a privately held biotechnology Company focused on treatment of resistant cancers. The Company’s mailing address is 6A Cove Lane N, North Bergen, NJ 07047. It has no physical office at this time.

These financial statements were authorized for issue by the boards of directors of the Company on May 6, 2022.

Liquidity

The Company’s activities are subject to significant risks and uncertainties, including failing to secure additional funding to operationalize the Company’s current technology.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has incurred losses since inception and has funded its operations primarily through the sale of common stock and the issuance of a note payable. On December 31, 2021, the Company had stockholders’ deficit of approximately $3,214,000, borrowings outstanding, not including accrued interest, of $2,000,000 and a working capital deficit of approximately $1,214,000.

For the years ended December 31, 2021, 2020 and 2019, the Company had net cash outflows from operations of approximately $1,134,000, $2,658,000, and $1,821,000, respectively. Management believes that losses and negative cash flow will continue for at least the next year, from the date these financial statements are being issued. If the Company is unable to obtain sufficient cash resources to fund its operations and repay its notes payable, it may be forced to reduce or discontinue its operations. These conditions raise significant doubt as to the Company’s ability to continue as a going concern. The Company’s ability to continue as a going concern is dependent on its ability to raise additional capital to fund its business activities, including its research and development program.

COVID-19

In December 2019, a novel strain of coronavirus (“COVID-19”) was identified and has subsequently spread to other regions of the world, and has resulted in increased travel restrictions, business disruptions and emergency quarantine measures across the world including the United States. These disruptions did not have an effect on the Company's business plan.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and interpretations of the International Financial Reporting Interpretations Committee. The financial statements have been prepared on a historical cost basis and are presented in U.S. Dollars.

Use of Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the periods. The estimates affecting the financial statements that are particularly significant include the share-based compensation. Actual results could differ from those estimates.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentrations of Credit Risk

The Company periodically monitors its positions with, and the credit quality of the financial institutions with which it invests. Periodically, throughout the years, and as of December 31, 2021 and 2020, the Company has maintained balances in excess of federally insured limits. The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The Company had no cash equivalents as of and during the years ended December 31, 2021, 2020 and 2019.

Cash and Restricted Cash

Amounts included in restricted cash represent those required to be set aside to make interest payments on the outstanding note payable. The following table presents cash and restricted cash reported on the statements of financial position, and the sums presented on the statements of cash flows:

	As of December 31,		
	2021	2020	2019
Cash	$ 277,502	$ 602,390	$ 24,119
Restricted cash	60,000	122,403	-
Total as presented in the statements of cash flows	$ 337,502	$ 724,793	$ 24,119

Research and Development

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are expensed as incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically, and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually. Research and development expenses include all direct and indirect operating expenses supporting the products in development.

For the years ended December 31, 2021, 2020 and 2019, all research and development expenditures were categorized as research and expensed in the period incurred. See Note G - License Agreement.

Deferred Finance Costs

Costs incurred with obtaining and executing debt arrangements are capitalized and amortized over the term of the related debt. Unamortized deferred costs are presented in the balance sheet as an offset to the associated debt.

Income Taxes

Income tax expense is comprised of current and deferred taxes. Income tax expense is recognized in profit and loss except to the extent that it relates to items recognized directly in equity, in which case the tax effect is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes (continued)

The Company accounts for deferred income taxes using the asset and liability method. Under the asset and liability method, deferred income taxes are recognized for differences between the financial reporting and tax bases of assets and liabilities at enacted statutory tax rates in effect for the years in which the differences are expected to reverse. The effect on deferred taxes of a change in a tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. The Company recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision. The standard applies to all tax positions and clarifies the recognition of tax benefits in the financial statements by providing for a two-step approach of recognition and measurement. The first step involves assessing whether the tax position is more-likely-than-not to be sustained upon examination based upon its technical merits. The second step involves measurement of the amount to be recognized. Tax positions that meet the more-likely-than-not threshold are measured at the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate finalization with the taxing authority. There were no uncertain tax positions nor income tax related interest and penalties recorded for the years ended December 31, 2021, 2020 and 2019. The income tax returns of the Company for the year ended December 31, 2019 and subsequent years are subject to examination by the Internal Revenue Service and other taxing authorities, generally for three years after they were filed.

Share-Based Compensation

The Company calculates share-based compensation expense for option awards based on the grant/issue date fair value using the Black-Scholes-Merton option pricing model (“Black-Sholes Model”) and recognize the expense on a straight-line basis over the vesting period. The Company accounts for forfeitures as they occur. The Black- Scholes Model requires the use of a number of assumptions including volatility of the stock price, the weighted average risk-free interest rate, and the vesting period of the Share-based Award in determining the fair value of Share-based Awards. Although the Company believes the assumptions used to calculate share-based compensation expense are reasonable, these assumptions can involve complex judgments about future events, which are open to interpretation and inherent uncertainty. In addition, significant changes to the assumptions could significantly impact the amount of expense recorded in a given period.

The Company recognizes restricted stock unit expense over the period of vesting or period that services will be provided. Compensation associated with shares of Common Stock issued or to be issued to consultants and other non-employees is recognized over the expected service period beginning on the measurement date, which is generally the time the Company and the service provider enter into a commitment whereby the Company agrees to grant shares in exchange for the services to be provided.

The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option pricing model. The Company is a private company and lacks company-specific historical and implied volatility information. Therefore, it estimates its expected stock volatility based on the historical data regarding the volatility of a publicly traded set of peer companies. The expected term of stock options granted to nonemployees is equal to the contractual term of the option award. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Pronouncements

New IFRS standards and interpretations or changes to existing standards with future effective dates are either not applicable or not expected to have a significant impact on the financial statements of the Company.

NOTE C - ACCRUED EXPENSES

Accrued expenses consist of the following:

	As of December 31,		
	2021	2020	2019
Research and development	$ 30,978	$ -	$ 280,000
Professional fees	192,387	109,928	116,870
Accrued interest	2,269	-	-
Milestone payments (research and development)	1,000,000	-	-
Total accrued expenses	$ 1,225,634	$ 109,928	$ 396,870

NOTE D - NOTE PAYABLE

The Company entered into a loan agreement on February 4, 2020 with a financial institution for a $2,000,000 promissory note bearing interest at a floating rate of 2% plus the U.S. Prime Rate, as published in The Wall Street Journal. The average daily interest rate charged to the Company during the years ended December 31, 2021 and 2020 was 5.25% and 5.43%, respectively. The note is secured by all of the Company's assets and has been guaranteed by several members of management. The note was due September 1, 2021 subject to an option by the Company to extend the term for one additional six month period through March 1, 2022 for a fee of $10,000. Furthermore the Company has extended the maturity date of the loan to September 1, 2022. From the initial draw on this facility, $202,500 was held as interest reserve by the Company. As of December 31, 2021 and 2020, the total amount of the note outstanding net of the interest reserve was $1,940,000 and $1,877,597, respectively. Interest expense of $105,000 and $89,847 was recognized for the year ended December 31, 2021 and 2020, respectively.

In connection with obtaining the note, the Company incurred costs of $30,000, issued 157,332 shares of common stock and 304,858 warrants to purchase common stock to the guarantors of the note, and issued 53,802 warrants to the holder of the note. An aggregate fair value of $813,995 was recorded as a debt discount. The balance of the debt discount as of December 31, 2021 and 2020 was $0 and $349,279, respectively. Amortization of debt discount amounted to $349,279 and $464,716 for the years ended December 31, 2021 and 2020, respectively, and was included in interest expense.

NOTE E - STOCKHOLDERS' DEFICIT

Common Stock

(a) Authorized common shares: 10,000,000 common shares with par value of $0.00001 per share.
(b) Following is a roll-forward of ordinary shares as of December 31, 2021, 2020 and 2019:

	As of December 31,								
	2021			2020			2019		
	Shares	Amount		Shares	Amount		Shares	Amount	
Balance, beginning of year	5,666,894	$	57	4,886,645	$	49	-	$	-
Shares issued in private placement	286,370		3	451,194		5	886,645		9
Shares issued at inception	-		-	-		-	4,000,000		40
Shares issued to guarantors of note	-		-	157,332		2	-		-
Shares issued for services	135,646		1	171,723		1	-		-
Cancellation of shares	(61,921)		-	-		-	-		-
Balance, end of year	6,026,989	$	61	5,666,894	$	57	4,886,645	$	49

Equity Incentive Plan

On July 23, 2020, the Company established the 2020 Equity Incentive Plan (the "Plan"). The number of shares available for grant or option under the Plan shall not exceed 1,415,768 shares. The shares or options granted under this Plan may be either authorized but unissued or reacquired shares. Awards under the Plan may consist of (i) options, (ii) stock awards, and (iii) restricted stock. As of December 31, 2021, there were no stock awards granted and a total of 245,448 shares of restricted stock and 1,170,320 options were granted under the Plan.

The Plan may grant restricted stock to eligible persons which entitle the participants to receive the shares underlying those awards upon vesting or upon the expiration of a designated time period following the vesting of those awards. Restricted stock may, in the discretion of the Plan Administrator, vest in one or more installments over the participant's period of service or upon the attainment of specified performance objectives. Outstanding restricted stock shall automatically terminate, and no shares of common stock shall be issued in satisfaction of those awards, if the performance goals or service requirements established for those awards are not attained or satisfied. The Plan Administrator shall have the discretionary authority to issue vested shares of common stock under one or more outstanding awards of restricted stock as to which the designated performance goals or service requirements have not been attained or satisfied.

Private Placements

During the year ended December 31, 2019, the Company conducted multiple closings of a private placement offering issuing 886,645 shares of the Company’s common stock by entering into subscription agreements with accredited investors for aggregate gross proceeds of approximately $1,853,000. The Company incurred costs of $8,000 which are reflected as a reduction to the proceeds from the shares issued.

During the year ended December 31, 2020, the Company conducted multiple closings of a private placement offering issuing 451,194 shares of the Company’s common stock by entering into subscription agreements with accredited investors for aggregate gross proceeds of approximately $2,071,000. The Company incurred costs of $28,000 which are reflected as a reduction to the proceeds from the shares issued.

NOTE E - STOCKHOLDERS' DEFICIT (continued)

Private Placements (continued)

During the year ended December 31, 2021, the Company conducted multiple closings of a private placement offering issuing 286,370 shares of the Company’s common stock by entering into subscription agreements with accredited investors for aggregate gross proceeds of approximately $1,314,000. The Company incurred costs of $113,198 which are reflected as a reduction to the proceeds from the shares issued.

Options

The following is a summary of the Company's option activity:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Life
Outstanding, January 1, 2020	-	-	
Granted	867,687	$ 2.72	
Outstanding, December 31, 2020	867,687	2.72	0.51
Granted	302,633	4.59	
Outstanding, December 31, 2021	1,170,320	3.21	0.70
Exercisable, December 31, 2021	750,478	$ 3.68	

During the year ended December 31, 2020, the Company issued 867,687 options to a member of the board of directors and employees. The options have an average exercise price of $2.72 per share, a term of 10 years, and various vesting schedules ranging from immediate to 3 years. The options have an aggregated fair value of $1,015,207 that was calculated using the Black-Scholes option-pricing model based on the assumptions discussed above in Note B. For the year ended December 31, 2020, the Company recognized share-based compensation related to options of an aggregate of $800,696 in general and administrative expense.

During the year ended December 31, 2021, the Company issued 302,633 options to a member of the board of directors and employees. The options have an average exercise price of $3.96 per share, a term of 10 years, and various vesting schedules ranging from immediate to 3 years. The options have an aggregated fair value of approximately $938,753 that was calculated using the Black-Scholes option-pricing model based on the assumptions discussed above in Note B. For the year ended December 31, 2021, the Company recognized share- based compensation related to options of an aggregate of $296,147 in general and administrative expense. On December 31, 2021, unrecognized share-based compensation was $773,895, which will be recognized over a weighted average period of 1.51 years.

The assumptions used in the Black-Scholes Model are set forth in the table below.

	2021	2020
Risk-Free Interest Rate	0.42 - 1.40%	0.23 - 0.60%
Volatility	74.29 - 78.23%	73.18 - 77.01%
Dividend yield	-0-%	-0-%
Term (in Years)	5.0 - 6.5	5.0 - 6.5
Grant Date Fair Value	$2.86 - $3.16	$1.33 - $3.10

NOTE E - STOCKHOLDERS' DEFICIT (continued)

Warrants

As of December 31, 2021, the Company had warrants outstanding to purchase an aggregate of 358,660 shares of Common Stock with a weighted-average contractual remaining life of approximately 9.2 years, and exercise price of $2.79 per share. As of December 31, 2021, no warrants have been exercised.

The following is a summary of the Company's warrant activity:

	Shares Upon Exercise of Warrants	Exercise Price
Outstanding, January 1, 2019	-	$ 2.79
Issued	789,474	2.79
Outstanding, December 31, 2019	789,474	2.79
Issued	358,660	2.79
Cancelled	(789,474)	2.79
Outstanding, December 31, 2020	358,660	2.79
Issued	-	-
Outstanding, December 31, 2021	358,660	$ 2.79

During 2019, the Company issued 789,474 warrants to consultants. During 2020, the Company cancelled the previously issued warrants. In connection with the cancellation, the Company paid the consultants $100,000 and recognized a reduction to additional paid-in capital. During 2020, the Company issued 53,802 warrants to the holder of the Company's note payable. These warrants had an estimated fair value of $59,193 at the time of issuance. The warrants were recorded as a debt discount based on their relative fair value. In addition, the Company issued 304,858 warrants to guarantors of the Company's note payable with a fair value of $345,631, that was calculated using the Black-Scholes option-pricing model based on the assumptions discussed above in Note B.

Restricted Stock Awards

From inception through December 31, 2021, the Company granted 464,701 shares of restricted stock to board members and others, which were fully vested at the dates of grant. Of such shares, 157,332 were issued in connection with obtaining the Company's note payable. These shares had an estimated fair value of $379,169 and were recorded as a debt discount. The Company recognized the estimated fair value of the remaining shares resulting in an expense of $622,615 and $413,852 for the years ended December 31, 2021 and 2020, respectively. As of December 31, 2021, there was no unrecognized compensation cost, related to the restricted stock awards. During the year ended December 31, 2021, the Company cancelled 61,921 shares of fully vested restricted stock which had been granted to an individual who left the Company.

NOTE E - STOCKHOLDERS' DEFICIT (continued)

Restricted Stock Awards (continued)

The following is a summary of the Company's restricted stock award activity.

	Number of Shares	Weighted Average Fair Value
Nonvested at January 1, 2019	-	$ -
Granted	-	-
Nonvested at December 31, 2019	-	-
Granted	329,055	2.41
Vested	(329,055)	2.41
Nonvested at December 31, 2020	-	-
Granted	135,646	4.59
Vested	(135,646)	4.59
Nonvested at December 31, 2021	-	$ -

NOTE F - INCOME TAXES

The provision for federal and state income taxes for the years ended December 31, 2021, 2020 and 2019, is as follows:

	2021	2020	2019
Federal			
Current	$ -	$ -	$ -
Deferred	-	-	-
State and Local			
Current	-	-	-
Deferred	-	-	-
Total provision for income taxes	$ -	$ -	$ -

The Company’s deferred tax assets consisted of the following:

		December 31,	
Deferred Tax Assets	2021	2020	2019
Intangible assets	$ 1,502,000	$ 1,101,000	$ 476,000
Net operating loss carryforwards	871,000	423,000	31,000
Accounts payable and accrued expenses	146,000	36,000	33,000
Total deferred tax assets	2,519,000	1,560,000	540,000
Valuation allowance	(2,519,000)	(1,560,000)	(540,000)
Deferred tax asset, net of valuation allowance	$ -	$ -	$ -

NOTE F - INCOME TAXES (continued)

At December 31, 2021, the Company has available federal net operating loss (“NOL”) carryforwards of approximately $3,100,000 that may be used to offset future taxable income and do not expire.

No tax benefit has been reported in the accompanying financial statements since the Company believes that the realization of its net deferred tax assets at December 31, 2021, 2020 and 2019 was not considered more likely than not based upon the Company’s losses since inception.

The change in the valuation allowance for the years ended December 31, 2021, 2020 and 2019 was $959,000, $1,020,000 and $540,000, respectively.

NOTE G - COMMITMENTS AND CONTINGENCIES

The Company utilizes third party contractors to conduct some of its clinical activities. Such commitments are generally cancellable upon short-term notice.

License Agreement

On October 29, 2019, the Company entered into an exclusive license agreement, or the License Agreement, with Impetis Biosciences Limited ("Impetis"), to grant the Company an exclusive worldwide license to develop and commercialize adenosine receptor antagonists and related assets. The Company's current Chief Science Officer is the former managing director and CEO of Impetis. The License Agreement provides that the Company pay Impetis a total of $1.75 million in connection with the execution of the License Agreement, all of which has been paid as of December 31, 2019.

At any time, during the twelve-month period ending November 20, 2020, the Company had the option to obtain an exclusive sublicensable worldwide license to development or commercialize all of the option assets under the same terms as the license agreement, for a total exercise price of $750,000. The Company exercised the option in 2020.

Under the terms of the License Agreement, the Company is required to reasonably use efforts to achieve certain delineated milestones, including specified clinical development and specified commercialization milestones. In general, upon its achievement of these milestones, the Company will be obligated, in the case of development and commercialization milestones, to make milestone payments to Impetis in specified amounts and, in the case of commercialization milestones, to specified royalties with respect to product sales. In the event the Company fails to make timely payments, payments shall accrue interest at a per annum rate of 1% above monthly LIBOR.

During 2021, the Company has achieved two milestones and is obligated to pay Impetis an aggregate amount of $1.0 million. As of December 31, 2021, the Company has outstanding payments of $1.0 million and has accrued interest of $2,269 which are included in accrued expenses as of December 31, 2021. Please see Note C.

NOTE H - INTEREST EXPENSE

Interest expense consist of the following:

	For the Years Ended December 31,		
	2021	2020	2019
Amortization of debt discount	$ 349,279	$ 464,716	$ -
Interest on notes payable	105,000	89,847	-
Interest on outstanding milestone payments	2,269	-	-
Total interest expense	$ 456,548	$ 554,563	$ -

NOTE I - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company's Chief Scientific Officer, was the former Co-founder and Chief Scientific Officer of Advinus Therapeutics Ltd. during the period of 2015 through 2017. Advinus Therapeutics Ltd. is a wholly-owned subsidiary of Euronfins Advinus. The Company paid Eurofins Advinus approximately $128,000 and $1,628,000 during the years ended December 31, 2021 and 2020, respectively, related to research and development expenses. In addition, and prior to the Officer's employment with the Company, the individual served as a Director for Impetis Biosciences Limited, which was owned by the Tata group.

NOTE J - SUBSEQUENT EVENTS

During February 2022, the Company issued $750,000 aggregate principal amount of convertible notes with maturity dates of February 2024. All of the convertible notes issued by the Company are subject to the same terms. All the notes carry an interest rate of 6%. These notes contain a mandatory conversion feature of which the outstanding principle and unpaid accrued interest shall be converted in to conversion shares, in the event of a reverse merger or related financing transaction that occurs prior to maturity. At such event, the price shall be 70% of the conversion price. At maturity, the outstanding principal and unpaid accrued interest of each note shall be automatically converted into conversion shares. The number of conversion shares to be issued upon a maturity conversion shall be equal to the quotient obtained by dividing (i) the outstanding principal and unpaid accrued interest due on a Note to be converted on the date of the conversion by (ii) the Conversion Price of $4.59.

Exhibit 99.2

TARUS THERAPEUTICS, INC.

INDEX TO FINANCIAL STATEMENTS

TARUS THERAPEUTICS, INC.
Statement of Financial Position
(U.S. Dollars)
(Unaudited)

	Notes	March 31, 2022
Assets		
Current assets		
Cash	**B**	$ 695,167
Restricted cash	**B**	53,750
Total current assets		748,917
Total assets		$ 748,917
Liabilities and Stockholders' Deficit		
Current liabilities		
Accounts payable		$ 479,026
Accrued expenses		1,299,323
Note payable	**C, F**	2,000,000
Total current liabilities		3,778,349
Non-current liabilities		
Convertible notes payable (including accrued interest), net of debt issuance costs of $52,143	**H**	703,652
Total non-current liabilities		703,652
Total liabilities		4,482,001
Commitments and Contingencies		
Stockholders' Deficit		
Common stock	**D**	62
Additional paid-in capital		8,467,008
Accumulated deficit		(12,200,154)
Total stockholders' deficit		(3,733,084)
Total liabilities and stockholders' deficit		$ 748,917

See accompanying notes to financial statements.

TARUS THERAPEUTICS, INC.
Statements of Comprehensive Loss
(U.S. Dollars)
(Unaudited)

	Notes	Three months ended March 31, 2022	2021
Expenses			
General and administrative expenses		$ 469,846	$ 1,197,788
Research and development expenses		78,118	119,435
Loss from operations		(547,964)	(1,317,223)
Other expense			
Interest expense	**F**	(43,073)	(113,570)
Loss before provision for income taxes		(591,037)	(1,430,793)
Income tax benefit		–	–
Net loss		$ (591,037)	$ (1,430,793)

See accompanying notes to financial statements.

TARUS THERAPEUTICS, INC.
Statements of Cash Flows
(U.S. Dollars)
(Unaudited)

	Notes	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Cash flows from operating activities:			
Net loss for the period		$ (591,037)	$ (1,430,793)
Adjustments to reconcile net loss to net cash used in operating activities:			
Share-based compensation expense	D	82,346	1,026,992
Amortization of debt issuance costs	F, H	7,857	–
Interest expense	F	35,216	26,250
Amortization of debt discount		–	87,320
Change in operating assets and liabilities:			
Accounts payable and accrued expenses		213,283	17,469
Net cash used in operating activities		(252,335)	(272,762)
Cash flows from financing activities:			
Proceeds from the issuance of convertible notes payable	H	750,000	–
Debt issuance costs	H	(60,000)	–
Cash paid for interest	F	(26,250)	(26,250)
Proceeds from the issuance of common stock, net		–	983,268
Net cash provided by financing activities		663,750	957,018
Net increase in cash and restricted cash		411,415	684,256
Cash and restricted cash at beginning of period		337,502	724,793
Cash and restricted cash at end of period	B	$ 748,917	$ 1,409,049

See accompanying notes to financial statements.

NOTE A - NATURE OF OPERATIONS

Nature of Operations

Tarus Therapeutics, Inc. (the "Company") was incorporated in the state of Delaware on January 2, 2019. The Company is a privately held biotechnology Company focused on treatment of resistant cancers. The Company’s mailing address is 6A Cove Lane N, North Bergen, NJ 07047. It has no physical office at this time.

These financial statements were authorized for issue by the Board of Directors on October 12, 2022.

Liquidity

The Company’s activities are subject to significant risks and uncertainties, including failing to secure additional funding to operationalize the Company’s current technology.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has incurred losses since inception and has funded its operations primarily through the sale of common stock and the issuance of a note payable. On March 31, 2022, the Company had stockholders’ deficit of approximately $3.7 million, borrowings outstanding, not including accrued interest, of approximately $2.7 million and a working capital deficit of approximately $3.0 million.

For each of the three months ended March 31, 2022 and 2021, the Company had net cash outflows from operations of approximately $0.3 million. Management believes that losses and negative cash flow will continue for at least the next year, from the date these financial statements are being issued. If the Company is unable to obtain sufficient cash resources to fund its operations and repay its notes payable, it may be forced to reduce or discontinue its operations. These conditions raise significant doubt as to the Company’s ability to continue as a going concern. The Company’s ability to continue as a going concern is dependent on its ability to raise additional capital to fund its business activities, including its research and development program (see Note I(a), “Events After the Balance Sheet Date – Merger Agreement”).

COVID-19

In December 2019, a novel strain of coronavirus (“COVID-19”) was identified and has subsequently spread to other regions of the world, and has resulted in increased travel restrictions, business disruptions and emergency quarantine measures across the world including the United States. These disruptions did not have an effect on the Company's business plan.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared in accordance with IAS 34, “Interim Financial Statements.” The financial statements have been prepared on a historical cost basis and are presented in U.S. Dollars.

These financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2021.

Use of Estimates

The preparation of financial statements in conformity with International Financial Reporting Standards (“IFRS”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the periods. The estimates affecting the financial statements that are particularly significant include the share-based compensation. Actual results could differ from those estimates.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentrations of Credit Risk

The Company periodically monitors its positions with, and the credit quality of the financial institutions with which it invests. Periodically, throughout the years, and as of March 31, 2022, the Company has maintained balances in excess of federally insured limits. The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The Company had no cash equivalents as of and during the three months ended March 31, 2022 and 2021.

Cash and Restricted Cash

Amounts included in restricted cash represent those required to be set aside to make interest payments on the outstanding note payable. The following table presents cash and restricted cash reported on the statement of financial position as of March 31, 2022 and the sums presented on the statements of cash flows as of March 31, 2022 and 2021:

	As of March 31,	
	2022	2021
Cash	**$ 695,167**	**$ 1,312,896**
Restricted cash	**53,750**	**96,153**
Total as presented in the statements of cash flows	**$ 748,917**	**$ 1,409,049**

Research and Development

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are expensed as incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically, and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually. Research and development expenses include all direct and indirect operating expenses supporting the products in development. For the three months ended March 31, 2022 and 2021, all research and development expenditures were categorized as research and expensed in the period incurred. See Note F, “Commitments and Contingencies – License Agreement” for a further discussion.

Deferred Finance Costs

Costs incurred with obtaining and executing debt arrangements are capitalized and amortized over the term of the related debt. Unamortized deferred costs are presented in the balance sheet as an offset to the associated debt.

Income Taxes

The Company recorded no income tax expense for the three months ended March 31, 2022 and 2021 because the estimated annual effective tax rate was zero. As of March 31, 2022, the Company continued to provide a valuation allowance against its net deferred assets since the Company believes it is more likely than not that the deferred tax assets will not be realized.

Share-Based Compensation

The Company calculates share-based compensation expense for option awards based on the grant/issue date fair value using the Black-Scholes-Merton option pricing model (“Black-Sholes Model”) and recognize the expense on a straight-line basis over the vesting period. The Company accounts for forfeitures as they occur. The Black-Scholes Model requires the use of a number of assumptions including volatility of the stock price, the weighted average risk-free interest rate, and the vesting period of the Share-based Award in determining the fair value of Share-based Awards. Although the Company believes the assumptions used to calculate share-based compensation expense are reasonable, these assumptions can involve complex judgments about future events, which are open to interpretation and inherent uncertainty. In addition, significant changes to the assumptions could significantly impact the amount of expense recorded in a given period.

The Company recognizes restricted stock unit expense over the period of vesting or period that services will be provided. Compensation associated with shares of Common Stock issued or to be issued to consultants and other non-employees is recognized over the expected service period beginning on the measurement date, which is generally the time the Company and the service provider enter into a commitment whereby the Company agrees to grant shares in exchange for the services to be provided.

The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option pricing model. The Company is a private company and lacks company-specific historical and implied volatility information. Therefore, it estimates its expected stock volatility based on the historical data regarding the volatility of a publicly traded set of peer companies. The expected term of stock options granted to nonemployees is equal to the contractual term of the option award. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award.

Recent Accounting Pronouncements

New IFRS standards and interpretations or changes to existing standards with future effective dates are either not applicable or not expected to have a significant impact on the financial statements of the Company.

NOTE C - NOTE PAYABLE

The Company entered into a loan agreement on February 4, 2020 with a financial institution for a $2,000,000 promissory note bearing interest at a floating rate of 2% plus the U.S. Prime Rate, as published in The Wall Street Journal. The average daily interest rate charged to the Company was 5.25% during the three months ended March 31, 2021 and 5.25% to March 17, 2022, when it increased to 5.62%. In connection with obtaining the note, the Company incurred costs of $30,000, issued 157,332 shares of common stock and 304,858 warrants to purchase common stock to the guarantors of the note, and issued 53,802 warrants to the holder of the note. $813,995 was recorded as a debt discount, which was fully amortized at December 31, 2021. The note was secured by all of the Company's assets and was guaranteed by several members of management. The note was originally due September 1, 2021 subject to a Company option to extend the term for one additional six-month period to March 1, 2022 for a fee of $10,000, which was exercised. The Company then extended the maturity date of the loan to September 1, 2022. From the initial draw on this facility, $202,500 was held as interest reserve by the Company. As of March 31, 2022, the total amount of the note outstanding, net of the interest reserve, was $2.0 million (see Note I(c), "Events After the Balance Sheet Date – Note Payable"). Interest expense of $26,250 and $113,570 (including amortization of related debt discount of $87,320) was recognized for the three months ended March 31, 2022 and 2021, respectively.

NOTE D - STOCKHOLDERS' DEFICIT

Common Stock

(a) Authorized common shares: 10,000,000 common shares with par value of $0.00001 per share.
(b) Following is a roll-forward of ordinary shares as of March 31, 2022:

	As of March 31, 2022	
	Shares	**Amount**
Balance, January 1, 2022	**6,026,989**	**$ 61**
Shares issued for services [(1)]	**59,577**	**1**
Balance, March 31, 2022	**6,086,566**	**$ 62**

(1) 59,577 shares with an aggregate fair value of $160,085 were issued to four individuals for certain advisory and research and development services during the three months ended March 31, 2022.

See Note I(a), "Events After the Balance Sheet Date – Merger Agreement" for a further discussion.

Equity Incentive Plan

On July 23, 2020, the Company established the 2020 Equity Incentive Plan (the "Plan"). The number of shares available for grant or option under the Plan shall not exceed 1,415,768 shares. The shares or options granted under this Plan may be either authorized but unissued or reacquired shares. Awards under the Plan may consist of (i) options, (ii) stock awards and (iii) restricted stock. As of March 31, 2022, there were no stock awards granted and a total of 245,448 shares of restricted stock and 1,170,320 options were granted under the Plan.

The Plan may grant restricted stock to eligible persons which entitle the participants to receive the shares underlying those awards upon vesting or upon the expiration of a designated time period following the vesting of those awards. Restricted stock may, in the discretion of the Plan Administrator, vest in one or more installments over the participant's period of service or upon the attainment of specified performance objectives. Outstanding restricted stock shall automatically terminate, and no shares of common stock shall be issued in satisfaction of those awards, if the performance goals or service requirements established for those awards are not attained or satisfied. The Plan Administrator shall have the discretionary authority to issue vested shares of common stock under one or more outstanding awards of restricted stock as to which the designated performance goals or service requirements have not been attained or satisfied.

NOTE D - STOCKHOLDERS' DEFICIT (continued)

Options

The following is a summary of the Company's option activity (see Note I(e), "Events After the Balance Sheet Date – Stock Options"):

	Options	Weighted Average Exercise Price	Weighted Average Life
Outstanding, January 1, 2021	1,170,320	$ 3.21	0.70
Outstanding, March 31, 2022	**1,170,320**	**$ 3.21**	**0.45**

The Company recognized share-based compensation expense of $82,346 and $1,026,992 for the three months ended March 31, 2022 and 2021, respectively. The expense was included in general and administrative expenses in the respective statements of comprehensive loss included herein.

Warrants

As of March 31, 2022, the Company had warrants outstanding to purchase an aggregate of 358,660 shares of Common Stock with a weighted-average contractual remaining life of approximately 8.9 years, and an exercise price of $2.79 per share. As of March 31, 2022, no warrants have been exercised (see Note I(b), "Events After the Balance Sheet Date – Warrant Exercises").

The following is a summary of the Company's warrant activity:

	Shares Upon Exercise of Warrants	Exercise Price
Outstanding, January 1, 2022	**358,660**	**$ 2.79**
Outstanding, March 31, 2022	**358,660**	**$ 2.79**

Restricted Stock Awards

From inception through March 31, 2022, the Company granted 524,278 shares of restricted stock to board members and others, which were fully vested at the dates of grant. Of such shares, 157,332 shares with an estimated fair value of $379,169 were issued in connection with obtaining the Company's note payable and were recorded as a debt discount. 61,921 shares of restricted stock originally granted were forfeited and the balance of 462,357 shares of restricted stock granted are included in common shares issued and outstanding at March 31, 2022.

NOTE E - COMMITMENTS AND CONTINGENCIES

The Company utilizes third party contractors to conduct some of its clinical activities. Such commitments are generally cancellable upon short-term notice.

License Agreement

On October 29, 2019, the Company entered into an exclusive license agreement, or the License Agreement, with Impetis Biosciences Limited ("Impetis"), to grant the Company an exclusive worldwide license to develop and commercialize adenosine receptor antagonists and related assets. The Company's current Chief Science Officer is the former managing director and CEO of Impetis. The License Agreement provides that the Company pay Impetis a total of $1.75 million in connection with the execution of the License Agreement.

At any time, during the twelve-month period ending November 20, 2020, the Company had the option to obtain an exclusive sublicensable worldwide license to develop or commercialize all of the option assets under the same terms as the license agreement, for a total exercise price of $750,000. The Company exercised the option in 2020.

Under the terms of the License Agreement, the Company is required to reasonably use efforts to achieve certain delineated milestones, including specified clinical development and specified commercialization milestones. In general, upon its achievement of these milestones, the Company will be obligated, in the case of development and commercialization milestones, to make milestone payments to Impetis in specified amounts and, in the case of commercialization milestones, to specified royalties with respect to product sales. In the event the Company fails to make timely payments, payments shall accrue interest at a per annum rate of 1% above monthly LIBOR.

During 2021, the Company achieved two milestones and is obligated to pay Impetis an aggregate amount of $1.0 million. Such amount is included in accrued liabilities at March 31, 2022. See Note I(d), “Events After the Balance Sheet Date – Impetis Payment” for a further discussion.

NOTE F - INTEREST EXPENSE

Interest expense was comprised of the following amounts:

	Three Months Ended March 31,	
	2022	**2021**
Interest on note payable	**$ 26,250**	$ 26,250
Debt issuance costs – Convertible Notes payable [1]	**7,857**	–
Interest on Convertible Notes [1]	**5,794**	–
Interest on outstanding milestone payments	**3,172**	–
Amortization of debt discount	**–**	87,320
Total interest expense	**$ 43,073**	$ 113,570

(1) These costs are related to the Convertible Notes payable discussed in Note H, "Convertible Notes."

NOTE G - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company's Chief Scientific Officer was the former Co-founder and Chief Scientific Officer of Advinus Therapeutics Ltd. during the period of 2015 through 2017. Advinus Therapeutics Ltd. is a wholly-owned subsidiary of Euronfins Advinus. The Company paid Eurofins Advinus approximately $2,500 and $100,000 during the three months ended March 31, 2022 and 2021, respectively, related to research and development expenses. In addition, and prior to the Officer's employment with the Company, the individual served as a Director for Impetis Biosciences Limited, which was owned by the Tata group.

NOTE H - CONVERTIBLE NOTES

During February 2022, the Company issued $750,000 aggregate principal amount of convertible notes (the "Convertible Notes") originally scheduled to mature in February 2024. The Convertible Notes carried an interest rate of 6% and contain a mandatory conversion feature of which the outstanding principal and unpaid accrued interest would be converted into conversion shares, in the event of a reverse merger or related financing transaction that occurs prior to maturity based on a formula. At maturity, the outstanding principal and unpaid accrued interest of each note would be automatically converted into conversion shares. See Note I(f), "Events After the Balance Sheet Date – Convertible Notes". The Company incurred $60,000 of expenses associated with this issuance, which was recorded as debt issuance costs. The Company recorded amortization of debt issuance costs of $7,857 in the three months ended March 31, 2022, which was included in interest expense in the statement of comprehensive loss. No such amount was recorded in the prior year period. The Company had $52,143 of unamortized debt issuance costs, which is offset against Convertible Notes payable (including accrued interest) on the accompanying balance sheet.

NOTE I - EVENTS AFTER THE BALANCE SHEET DATE

(a) ***Merger Agreement***

On July 1, 2022, the Company and Portage Biotech Inc. (the "Buyer" or "Portage") entered into an Agreement and Plan of Merger and Reorganization (the "Merger Agreement"). Under the structure of the Merger Agreement, Tarus Therapeutics, Inc. was ultimately merged into a wholly-owned subsidiary of the Buyer with the surviving entity renamed Tarus Therapeutics, LLC. The Tarus merger entitles the Buyer to the rights, know-how and/or ownership related to the assets developed by Tarus (the "Adenosine Compounds"), including:

1. All rights and obligations related to the License Agreement between the Company and Impetis Biosciences Limited, dated October 29, 2019, and the Call Option under the License Agreement, which was exercised on November 5, 2020.

2. All intellectual property and related documents owned or controlled by the Company, including issued or pending patents, patent applications and trade secrets. Additionally, any draft submissions and/or correspondence with patent authorities.

3. All documents and supplies related to Adenosine Compounds including inventory, reagents, data, assays, reports, vendor agreements and other information related to the preclinical development.

4. All clinical supplies, manufacturing know-how, batch records, regulatory documents pertaining to the Adenosine Compounds, certain reservations for manufacturing campaigns and any related agreements.

5. All regulatory documents and correspondence pertaining to the Adenosine Compounds.

6. All CRO agreements and protocol related documents for Adenosine Compounds.

7. All current documents related to market research, forecasting, budgets and competitive intelligence.

8. Rights to the use of Tarus Therapeutics name for regulatory purposes.

As consideration for the Company, Portage issued to the Company's shareholders an aggregate of 2,425,999 ordinary shares of Portage, calculated on the basis of $18M divided by the 60-day Volume Weighted Average Price per share in exchange for the 6,704,343 outstanding shares of the Company. The shares are unregistered and subject to lock-ups for terms ranging from six to twelve months. Additionally, milestone payments of up to $32 million in cash or Portage ordinary shares would be triggered upon achievement of future development and sales milestones. As a result of the transaction:

- Portage also assumed $2M short-term debt held by the Company and deferred license milestones obligations ($1M plus interest). The short-term debt was repaid by Portage in July 2022.

- Upon enrolling the first patient in a Phase 2 clinical trial, Portage will pay an additional one-time milestone payment of $15M. Payment will be in the form of cash or PRTG stock (at the discretion of Portage). The remaining $17 million milestone is based on targeted commercial sales.

NOTE I - EVENTS AFTER THE BALANCE SHEET DATE (continued)

(b) ***Warrant Exercises***

In May 2022, warrant holders exercised 170,051 warrants for proceeds totaling of $474,442. In July 2022, 188,609 warrants expired unexercised.

(c) ***Note Payable***

The $2,000,000 note payable, plus accrued interest and early payment penalty totaling $33,216, was repaid on July 1, 2022 by Portage.

(d) ***Impetis Payment***

The $1,000,000 milestone payment, plus interest, was repaid in August 2022 by Portage.

(e) ***Stock Options***

In June 2022, 10,000 options to purchase common stock were exercised and an additional 299,606 options were exercised on a net basis (29,553 net shares), resulting in total shares issued pursuant to stock options exercises aggregating 39,553 shares. In connection with the merger with Portage, 860,714 options to purchase common stock expired unexercised.

(f) ***Convertible Notes***

The Convertible Notes, plus accrued unpaid interest of $17,100, were converted to 408,166 conversion shares in June 2022.

Exhibit 99.3

TARUS THERAPEUTICS, INC.

INDEX TO FINANCIAL STATEMENTS

TARUS THERAPEUTICS, INC.
Statement of Financial Position
(U.S. Dollars)
(Unaudited)

	Notes	June 30, 2022
Assets		
Current assets		
Cash	**B**	$ 377,278
Restricted cash	**B**	33,216
Other current assets		15,482
Total current assets		425,976
Total assets		$ 425,976
Liabilities and Stockholders' Deficit		
Current liabilities		
Accounts payable		$ 377,278
Accrued expenses		1,015,648
Note payable	**C, F**	2,000,000
Total current liabilities		3,392,926
Commitments and Contingencies		
Stockholders' Deficit		
Common stock	**D**	69
Additional paid-in capital		9,958,431
Accumulated deficit		(12,925,450)
Total stockholders' deficit		(2,966,950)
Total liabilities and stockholders' deficit		$ 425,976

See accompanying notes to financial statements.

TARUS THERAPEUTICS, INC.
Statements of Comprehensive Loss
(U.S. Dollars)
(Unaudited)

	Notes	Three months ended June 30,		Six months ended June 30,	
		2022	2021	**2022**	**2021**
Expenses					
General and administrative expenses		$ 675,039	$ 1,594,594	$ 1,144,885	$ 2,792,382
Research and development expenses		(55,706)	531,152	22,412	650,587
Loss from operations		(619,333)	(2,125,746)	(1,167,297)	(3,442,969)
Other expense					
Interest expense	**F**	(105,963)	(113,570)	(149,036)	(227,140)
Loss before provision for income taxes		(725,296)	(2,239,316)	(1,316,333)	(3,670,109)
Income tax benefit		–	–	–	–
Net loss		$ (725,296)	$ (2,239,316)	$ (1,316,333)	$ (3,670,109)

See accompanying notes to financial statements.

TARUS THERAPEUTICS, INC.
Statements of Cash Flows
(U.S. Dollars)
(Unaudited)

	Notes	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Cash flows from operating activities:			
Net loss for the period		$ (1,316,333)	$ (3,670,109)
Adjustments to reconcile net loss to net cash used in operating activities:			
Share-based compensation expense	D	308,375	1,155,471
Amortization of debt issuance costs	C, F	60,000	–
Interest expense	C, F	89,036	52,500
Amortization of debt discount	C, F	–	174,640
Change in operating assets and liabilities:			
Other current assets		(15,482)	–
Accounts payable and accrued expenses		(187,614)	1,323,709
Net cash used in operating activities		(1,062,018)	(963,789)
Cash flows from financing activities:			
Proceeds from the issuance of convertible notes payable	H	750,000	–
Proceeds from the exercise of common stock warrants	D	498,302	–
Debt issuance costs	H	(60,000)	–
Cash paid for interest	C, F	(53,292)	(52,500)
Proceeds from the issuance of common stock, net		–	1,201,240
Net cash provided by financing activities		1,135,010	1,148,740
Net increase in cash and restricted cash		72,992	184,951
Cash and restricted cash at beginning of period	B	337,502	724,793
Cash and restricted cash at end of period		$ 410,494	$ 909,744
Non-cash activities:			
Conversion of notes payable and accrued interest to common stock	D, H	$ 767,100	$ –

See accompanying notes to financial statements.

NOTE A - NATURE OF OPERATIONS

Nature of Operations

Tarus Therapeutics, Inc. (the "Company") was incorporated in the state of Delaware on January 2, 2019. The Company is a privately held biotechnology Company focused on treatment of resistant cancers. The Company's mailing address is 6A Cove Lane N, North Bergen, NJ 07047. It has no physical office at this time.

These financial statements were authorized for issue by the Board of Directors on October 12, 2022.

Liquidity

The Company's activities are subject to significant risks and uncertainties, including failing to secure additional funding to operationalize the Company's current technology.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has incurred losses since inception and has funded its operations primarily through the sale of common stock and the issuance of a note payable. On June 30, 2022, the Company had stockholders' deficit of approximately $3.0 million, borrowings outstanding, not including accrued interest, of $2.0 million and a working capital deficit of approximately $3.0 million.

For the six months ended June 30, 2022 and 2021, the Company had net cash outflows from operations of approximately $1.1 million and $1.0 million, respectively. Management believes that losses and negative cash flow will continue for at least the next year, from the date these financial statements are being issued. If the Company is unable to obtain sufficient cash resources to fund its operations and repay its notes payable, it may be forced to reduce or discontinue its operations. These conditions raise significant doubt as to the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on its ability to raise additional capital to fund its business activities, including its research and development program (see Note I(a), "Events After the Balance Sheet Date – Merger Agreement").

COVID-19

In December 2019, a novel strain of coronavirus ("COVID-19") was identified and has subsequently spread to other regions of the world, and has resulted in increased travel restrictions, business disruptions and emergency quarantine measures across the world including the United States. These disruptions did not have an effect on the Company's business plan.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared in accordance with IAS 34, "Interim Financial Statements." The financial statements have been prepared on a historical cost basis and are presented in U.S. Dollars.

These financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2021.

Use of Estimates

The preparation of financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the periods. The estimates affecting the financial statements that are particularly significant include the share-based compensation. Actual results could differ from those estimates.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentrations of Credit Risk

The Company periodically monitors its positions with, and the credit quality of the financial institutions with which it invests. Periodically, throughout the years, and as of June 30, 2022, the Company has maintained balances in excess of federally insured limits. The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The Company had no cash equivalents as of and during the six months ended June 30, 2022 and 2021.

Cash and Restricted Cash

Amounts included in restricted cash represent those required to be set aside to make interest payments on the outstanding note payable. The following table presents cash and restricted cash reported on the statement of financial position as of June 30, 2022, and the sums presented on the statements of cash flows as of June 30, 2022 and 2021:

	As of June 30,	
	2022	2021
Cash	$ 377,278	$ 839,841
Restricted cash	33,216	69,903
Total as presented in the statements of cash flows	$ 410,494	$ 909,744

Research and Development

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are expensed as incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically, and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually. Research and development expenses include all direct and indirect operating expenses supporting the products in development. For the six months ended June 30, 2022 and 2021, all research and development expenditures were categorized as research and expensed in the period incurred. See Note F, “Commitments and Contingencies – License Agreement” for a further discussion.

Deferred Finance Costs

Costs incurred with obtaining and executing debt arrangements are capitalized and amortized over the term of the related debt. Unamortized deferred costs are presented in the balance sheet as an offset to the associated debt.

Income Taxes

The Company recorded no income tax expense for the six months ended June 30, 2022 and 2021, because the estimated annual effective tax rate was zero. As of June 30, 2022, the Company continues to provide a valuation allowance against its net deferred tax assets since the Company believes it is more likely than not that its deferred tax assets will not be realized.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-Based Compensation

The Company calculates share-based compensation expense for option awards based on the grant/issue date fair value using the Black-Scholes-Merton option pricing model ("Black-Sholes Model") and recognize the expense on a straight-line basis over the vesting period. The Company accounts for forfeitures as they occur. The Black-Scholes Model requires the use of a number of assumptions including volatility of the stock price, the weighted average risk-free interest rate, and the vesting period of the Share-based Award in determining the fair value of Share-based Awards. Although the Company believes the assumptions used to calculate share-based compensation expense are reasonable, these assumptions can involve complex judgments about future events, which are open to interpretation and inherent uncertainty. In addition, significant changes to the assumptions could significantly impact the amount of expense recorded in a given period.

The Company recognizes restricted stock unit expense over the period of vesting or period that services will be provided. Compensation associated with shares of Common Stock issued or to be issued to consultants and other non-employees is recognized over the expected service period beginning on the measurement date, which is generally the time the Company and the service provider enter into a commitment whereby the Company agrees to grant shares in exchange for the services to be provided.

The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option pricing model. The Company is a private company and lacks company-specific historical and implied volatility information. Therefore, it estimates its expected stock volatility based on the historical data regarding the volatility of a publicly traded set of peer companies. The expected term of stock options granted to nonemployees is equal to the contractual term of the option award. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award.

Recent Accounting Pronouncements

New IFRS standards and interpretations or changes to existing standards with future effective dates are either not applicable or not expected to have a significant impact on the financial statements of the Company.

NOTE C - NOTE PAYABLE

The Company entered into a loan agreement on February 4, 2020 with a financial institution for a $2,000,000 promissory note bearing interest at a floating rate of 2% plus the U.S. Prime Rate, as published in The Wall Street Journal. The average daily interest rate charged to the Company during the six months ended June 30, 2021 was 5.25%, and 5.25% until March 17, 2022, when it changed to 5.62%. The average daily interest rate increased to 6.12% on May 5, 2022 and 6.87% on June 16, 2022. The note is secured by all of the Company's assets and has been guaranteed by several members of management. The note was originally due September 1, 2021 subject to a Company option to extend the term for one additional six-month period to March 1, 2022 for a fee of $10,000, which was exercised. The Company then extended the maturity date of the loan to September 1, 2022. From the initial draw on this facility, $202,500 was held as interest reserve by the Company. As of June 30, 2022, the total amount of the note outstanding, net of the interest reserve, was $2 million (see Note I(b), “Events After the Balance Sheet Date – Note Payable”). Interest expense of $37,208 and $26,250 was recognized for the three months ended June 30, 2022 and 2021, respectively, and $63,458 and $52,500 was recognized for the six months ended June 30, 2022 and 2021, respectively. See Note F, “Interest Expense.”

In connection with obtaining the note, the Company incurred costs of $30,000, issued 157,332 shares of common stock and 304,858 warrants to purchase common stock to the guarantors of the note, and issued 53,802 warrants to the holder of the note. $813,995 was recorded as a debt discount, which was fully amortized at December 31, 2021. Amortization of debt discount amounted to $87,320 and $174,640 for the three and six months ended June 30, 2021, respectively, and was included in interest expense. No such amount was recorded in the three and six months ended June 30, 2022. See Note F, “Interest Expense.”

NOTE D - STOCKHOLDERS' DEFICIT

Common Stock

(a) Authorized common shares: 10,000,000 common shares with par value of $0.00001 per share.
(b) Following is a roll-forward of ordinary shares as of June 30, 2022:

	As of June 30, 2022		
	Shares		**Amount**
Balance, January 1, 2022	**6,026,989**	**$**	**61**
Shares issued for services (1)	**59,577**		**1**
Shares issued on conversion of Convertible Notes Payable and accrued interest	**408,166**		**4**
Shares issued on exercise of stock warrants	**170,051**		**2**
Shares issued on exercise of options to purchase common stock, net of shares retained	**39,553**		**1**
Other	**7**		**–**
Balance, June 30, 2022	**6,704,343**	**$**	**69**

(1) 59,577 shares with an aggregate fair value of $160,085 were issued to four individuals for certain advisory and research and development services during the three months ended June 30, 2022.

See Note I(a), “Events After the Balance Sheet Date – Merger Agreement” for a further discussion.

Equity Incentive Plan

On July 23, 2020, the Company established the 2020 Equity Incentive Plan (the "Plan"). The number of shares available for grant or option under the Plan shall not exceed 1,415,768 shares. The shares or options granted under this Plan may be either authorized but unissued or reacquired shares. Awards under the Plan may consist of (i) options, (ii) stock awards and (iii) restricted stock. As of June 30, 2022, there were no stock awards granted and a total of 245,448 shares of restricted stock and 1,170,320 options were granted under the Plan.

The Plan may grant restricted stock to eligible persons which entitle the participants to receive the shares underlying those awards upon vesting or upon the expiration of a designated time period following the vesting of those awards. Restricted stock may, in the discretion of the Plan Administrator, vest in one or more installments over the participant's period of service or upon the attainment of specified performance objectives. Outstanding restricted stock shall automatically terminate, and no shares of common stock shall be issued in satisfaction of those awards, if the performance goals or service requirements established for those awards are not attained or satisfied. The Plan Administrator shall have the discretionary authority to issue vested shares of common stock under one or more outstanding awards of restricted stock as to which the designated performance goals or service requirements have not been attained or satisfied.

NOTE D - STOCKHOLDERS' DEFICIT (continued)

Options

The following is a summary of the Company's option activity:

	Options	Weighted Average Exercise Price	Weighted Average Life
Outstanding, January 1, 2021	1,170,320	$ 3.21	0.70
Exercised	(309,606)	3.21	–
Outstanding, June 30, 2022	**860,714**	**$ 3.21**	**0.20**

The Company recognized share-based compensation expense of $65,943 and $128,479 for the three months ended June 30, 2022 and 2021, respectively, and $148,290 and $1,155,471 for the six months ended June 30, 2022 and 2021, respectively.

In June 2022, 309,606 options to purchase common stock were exercised resulting in 39,553 net shares issued. In July 2022, in connection with the merger with Portage Biotech, Inc. (“Portage”), 860,714 options to purchase common stock expired unexercised.

Warrants

As of January 1, 2022, the Company had warrants outstanding to purchase an aggregate of 358,660 shares of Common Stock with a weighted-average contractual remaining life of approximately 9.2 years, and an exercise price of $2.79 per share.

In May 2022, warrant holders exercised 170,051 warrants for proceeds totaling of $474,442. In July 2022, in connection with the merger with Portage, 188,609 warrants expired unexercised.

The following is a summary of the Company's warrant activity:

	Shares Upon Exercise of Warrants	Exercise Price
Outstanding, January 1, 2022	**358,660**	**$ 2.79**
Exercised (May 2022)	**(170,051)**	**$ 2.79**
Outstanding, June 30, 2022	**188,609**	**$ 2.79**

Restricted Stock Awards

From inception through June 30, 2022, the Company granted 524,278 shares of restricted stock to board members and others, which were fully vested at the dates of grant. Of such shares, 157,332 shares with an estimated fair value of $379,169 were issued in connection with obtaining the Company's note payable and were recorded as a debt discount. 61,921 shares of restricted stock originally granted were forfeited and the balance of 462,357 shares of restricted stock granted are included in common shares issued and outstanding at June 30, 2022.

In May 2022, the Company granted 59,577 vested shares of the Company to four consultants for services provided. The fair value of the shares was $2.68 per share, which was based on a 409A independent value study of the Company’s common shares. Accordingly, the Company recorded $160,085 share-based compensation expense in the three months ended June 30, 2022.

NOTE D - STOCKHOLDERS' DEFICIT (continued)

Below is a table reflecting share-based compensation expense incurred during the three and six months ended June 30, 2022 and 2021.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	**2021**	**2022**	**2021**
Share-based compensation expense:				
Stock options	**$ 65,944**	$ 128,479	**$ 148,290**	$ 1,155,471
Restricted stock	**160,085**	–	**160,085**	–
Total share-based compensation expense	**$ 226,029**	$ 128,479	**$ 308,375**	$ 1,155,471

The expenses above were included in general and administrative expenses in the respective statements of comprehensive loss included herein.

NOTE E - COMMITMENTS AND CONTINGENCIES

The Company utilizes third party contractors to conduct some of its clinical activities. Such commitments are generally cancellable upon short-term notice.

License Agreement

On October 29, 2019, the Company entered into an exclusive license agreement, or the License Agreement, with Impetis Biosciences Limited ("Impetis"), to grant the Company an exclusive worldwide license to develop and commercialize adenosine receptor antagonists and related assets. The Company's current Chief Science Officer is the former managing director and CEO of Impetis. The License Agreement provides that the Company pay Impetis a total of $1.75 million in connection with the execution of the License Agreement.

At any time, during the twelve-month period ending November 20, 2020, the Company had the option to obtain an exclusive sublicensable worldwide license to develop or commercialize all of the option assets under the same terms as the license agreement, for a total exercise price of $750,000. The Company exercised the option in 2020.

Under the terms of the License Agreement, the Company is required to reasonably use efforts to achieve certain delineated milestones, including specified clinical development and specified commercialization milestones. In general, upon its achievement of these milestones, the Company will be obligated, in the case of development and commercialization milestones, to make milestone payments to Impetis in specified amounts and, in the case of commercialization milestones, to specified royalties with respect to product sales. In the event the Company fails to make timely payments, payments shall accrue interest at a per annum rate of 1% above monthly LIBOR.

During 2021, the Company has achieved two milestones and is obligated to pay Impetis an aggregate amount of $1.0 million. Such amount is included in accrued liabilities at June 30, 2022. See Note I(c), “Events After the Balance Sheet Date – Impetis Payment” for a further discussion.

NOTE F - INTEREST EXPENSE

Interest expense was comprised of the following amounts:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Debt issuance costs – Convertible Notes payable [1]	**$ 52,143**	$ –	**$ 60,000**	$ –
Interest on note payable	**37,208**	26,250	**63,458**	52,500
Interest on Convertible Notes [1]	**11,306**	–	**17,100**	–
Interest on outstanding milestone payments	**5,306**	–	**8,478**	–
Amortization of debt discount	**–**	87,320	**–**	174,640
Total interest expense	**$ 105,963**	$ 113,570	**$ 149,036**	$ 227,140

(1) These costs are related to the Convertible Notes payable discussed in Note H, "Convertible Notes."

NOTE G - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company's Chief Scientific Officer was the former Co-founder and Chief Scientific Officer of Advinus Therapeutics Ltd. during the period of 2015 through 2017. Advinus Therapeutics Ltd. is a wholly-owned subsidiary of Euronfins Advinus. The Company paid Eurofins Advinus $0 and $26,000 during the three months ended June 30, 2022 and 2021, respectively, and approximately $2,500 and $126,000 during the six months ended June 30, 2022 and 2021, respectively, related to research and development expenses. In addition, and prior to the Officer's employment with the Company, the individual served as a Director for Impetis Biosciences Limited, which was owned by the Tata group.

NOTE H - CONVERTIBLE NOTES

During February 2022, the Company issued $750,000 aggregate principal amount of convertible notes (the "Convertible Notes") originally scheduled to mature in February 2024. The Convertible Notes carried an interest rate of 6% and contained a mandatory conversion feature of which the outstanding principal and unpaid accrued interest would be converted into conversion shares, in the event of a reverse merger or related financing transaction that occurs prior to maturity based on a formula. The Convertible Notes, plus accrued unpaid interest of $17,100, were converted to 408,166 shares in June 2022.

The Company incurred $60,000 of expenses associated with this issuance, which was fully amortized as a result of the conversion.

The Company recorded $52,143 and $60,000 amortization of debt issuance costs in the three and six months ended June 30, 2022, which was included in interest expense in the relevant statements of comprehensive loss included herein. No such amount was recorded in the prior year periods.

NOTE I - EVENTS AFTER THE BALANCE SHEET DATE

(a) ***Merger Agreement***

On July 1, 2022, the Company and Portage Biotech Inc. (the "Buyer" or "Portage") entered into an Agreement and Plan of Merger and Reorganization (the "Merger Agreement"). Under the structure of the Merger Agreement, Tarus Therapeutics, Inc. was ultimately merged into a wholly-owned subsidiary of the Buyer with the surviving entity renamed Tarus Therapeutics, LLC. The Tarus merger entitles the Buyer to the rights, know-how and/or ownership related to the assets developed by Tarus (the "Adenosine Compounds"), including:

1. All rights and obligations related to the License Agreement between the Company and Impetis Biosciences Limited, dated October 29, 2019, and the Call Option under the License Agreement, which was exercised on November 5, 2020.

2. All intellectual property and related documents owned or controlled by the Company, including issued or pending patents, patent applications and trade secrets. Additionally, any draft submissions and/or correspondence with patent authorities.

3. All documents and supplies related to Adenosine Compounds including inventory, reagents, data, assays, reports, vendor agreements and other information related to the preclinical development.

4. All clinical supplies, manufacturing know-how, batch records, regulatory documents pertaining to the Adenosine Compounds, certain reservations for manufacturing campaigns and any related agreements.

5. All regulatory documents and correspondence pertaining to the Adenosine Compounds.

6. All CRO agreements and protocol related documents for Adenosine Compounds.

7. All current documents related to market research, forecasting, budgets and competitive intelligence.

8. Rights to the use of Tarus Therapeutics name for regulatory purposes.

As consideration for the Company, Portage issued to the Company's shareholders an aggregate of 2,425,999 ordinary shares of Portage, calculated on the basis of $18M divided by the 60-day Volume Weighted Average Price per share in exchange for the 6,704,343 outstanding shares of the Company. The shares are unregistered and subject to lock-ups for terms ranging from six to twelve months. Additionally, milestone payments of up to $32 million in cash or Portage ordinary shares would be triggered upon achievement of future development and sales milestones. As a result of the transaction:

- Portage also assumed $2M short-term debt held by the Company and deferred license milestones obligations ($1M plus interest). The short-term debt was repaid by Portage in July 2022.

- Upon enrolling the first patient in a Phase 2 clinical trial, Portage will pay an additional one-time milestone payment of $15M. Payment will be in the form of cash or PRTG stock (at the discretion of Portage). The remaining $17 million milestone is based on targeted commercial sales.

(b) ***Note Payable***

The $2,000,000 note payable, plus accrued interest and penalty totaling $33,216, was repaid on July 1, 2022 by Portage.

(c) ***Impetis Payment***

The $1,000,000 milestone payment, plus interest, was repaid in August 2022 by Portage.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited pro forma condensed consolidated financial statements for the periods indicated below give effect to our acquisition of Tarus Therapeutics, Inc. ("Tarus"), which we consummated on July 1, 2022. The unaudited pro forma condensed consolidated statements of operations for the year ended March 31, 2022 and for the three months ended June 30, 2022 give effect to the acquisition of Tarus as if it had occurred on April 1, 2021. The unaudited pro forma condensed consolidated statements of financial position as of June 30, 2022 give effect to the acquisition of Tarus as if it had occurred on June 30, 2022.

The unaudited pro forma condensed consolidated statements of operations and comprehensive loss for the year ended March 31, 2022 have been prepared by combining Portage Biotech Inc.'s historical condensed consolidated statement of operations and comprehensive loss for the year ended March 31, 2022 with the historical condensed statement of operations of Tarus for the year ended December 31, 2021. The interim unaudited pro forma condensed consolidated statements of operations for the three months ended June 30, 2022 have been prepared by combining Portage's historical condensed consolidated statement of operations for the three months ended June 30, 2022 with Tarus' historical condensed statement of operations for the three months ended June 30, 2022. Appropriate pro forma adjustments have been applied to the historical accounts.

The unaudited pro forma condensed consolidated financial information is presented for informational purposes only and it is not necessarily indicative of the financial position and results of operations that would have been achieved had the acquisition been completed as of the dates indicated and is not necessarily indicative of our future financial position or results of operations.

The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the historical financial statements of Portage and Tarus, respectively, including related notes thereto, which are included elsewhere in this Form 6-K.

Tarus Therapeutics, Inc. Merger Agreement

On July 1, 2022, the Company, its wholly-owned subsidiary, Tarus Acquisition Inc., and Tarus Therapeutics, Inc., a Delaware Corporation advancing adenosine receptor agonists for the treatment of solid tumors, entered into an Agreement and Plan of Merger and Reorganization (the "Merger Agreement"). Under the structure of the Merger Agreement, Tarus Therapeutics, Inc. was ultimately merged into a wholly-owned subsidiary of the Company with the surviving entity renamed Tarus Therapeutics, LLC. The ("Tarus") merger entitles the Company to the rights, know-how and/or ownership related to the assets developed by Tarus (the "Adenosine Compounds"), including:

1. All rights and obligations related to the License Agreement between Tarus and Impetis, dated October 29, 2019, and the Call Option under the License Agreement, which was exercised on November 5, 2020.

2. All intellectual property and related documents owned or controlled by Tarus, including issued or pending patents, patent applications and trade secrets. Additionally, any draft submissions and/or correspondence with patent authorities.

3. All documents and supplies related to Adenosine Compounds including inventory, reagents, data, assays, reports, vendor agreements and other information related to the preclinical development.

4. All clinical supplies, manufacturing know-how, batch records, regulatory documents pertaining to the Adenosine Compounds, certain reservations for manufacturing campaigns and any related agreements.

5. All regulatory documents and correspondence pertaining to the Adenosine Compounds.

6. All CRO agreements and protocol related documents for Adenosine Compounds.

7. All current documents related to market research, forecasting, budgets and competitive intelligence.

8. Rights to the use of Tarus Therapeutics name for regulatory purposes.

As consideration for Tarus, the Company issued to Tarus shareholders an aggregate of 2,425,999 ordinary shares of Portage, calculated on the basis of $18M divided by the 60-day Volume Weighted Average Price per share. The shares are unregistered and subject to lock-ups for terms ranging from six to twelve months. Additionally, milestone payments of up to $32 million in cash or Portage ordinary shares would be triggered upon achievement of future development and sales milestones. As a result of the transaction:

- The Company also assumed $2M short-term debt held by Tarus and deferred license milestones obligations ($1M plus interest). The short-term debt was repaid by the Company in July 2022.

- Upon enrolling the first patient in a Phase 2 clinical trial, Portage will pay an additional one-time milestone payment of $15M. Payment will be in the form of cash or PRTG stock (at the discretion of Portage). The remaining $17 million milestone is based on targeted commercial sales.

Purchase Accounting

Under purchase accounting as of July 1, 2022 (the Acquisition Date), the assets and liabilities of Tarus Therapeutics, Inc., will be recorded at their respective fair values and the excess of the acquisition consideration will be goodwill. The purchase was in the form of a merger in which Tarus Therapeutics, Inc. was merged into Tarus Therapeutics, LLC., which is a wholly-owned subsidiary of Portage Biotech Inc. All of the consideration for Tarus Therapeutics, LLC was paid or assumed by Portage Biotech Inc. and Portage Biotech Inc. will control the voting rights, the Board of Directors and the operations of Tarus Therapeutics, LLC.

Basis of Presentation

These unaudited pro forma condensed consolidated financial statements included herein show the impact of the acquisition of Tarus Therapeutics, Inc., which was completed on July 1, 2022. The unaudited pro forma condensed consolidated financial statements are provided for illustrative purposes only. The historical combined financial information has been adjusted to reflect factually supportable items that are directly attributable to the acquisition and with respect to the statement of operations only, expected to have a continuing impact on combined results of operations.

PORTAGE BIOTECH INC.
Unaudited Pro Forma Condensed Consolidated Statements of Financial Position
As of June 30, 2022
(U.S. Dollars in thousands)

	Historical		Pro Forma	
	Portage	**Tarus**	**Adjustments**	**Combined**
Assets				
Current assets				
Cash and cash equivalents (including restricted cash)	$ 21,176	$ 410	$ (2,000) [2]	$ 19,586
Prepaid expenses and other receivables	1,932	16		1,948
Total current asset	23,108	426	(2,000)	21,534
Long-term assets				
Investment in associate	1,613	–	–	1,613
Investments in private companies	7,409	–	–	7,409
Goodwill	43,324	–	1,504 [1]	44,828
In-process research and development	117,388	–	28,034 [1]	145,422
Other assets	36	–	–	36
Total assets	$ 192,878	$ 426	$ 27,538	$ 220,842
Liabilities and Equity				
Current liabilities				
Accounts payable and accrued liabilities	$ 1,938	$ 1,393	$ 150 [1]	$ 3,481
Warrant liabilities	32	–	–	32
Notes payable	–	2,000	(2,000) [2]	–
Total current liabilities	1,970	3,393	(1,850)	3,513
Non-current liabilities				
Deferred tax liability	25,893	–	–	25,893
Deferred purchase consideration	–	–	8,538 [1]	8,538
Total non-current liabilities	25,893	–	8,538	34,431
Total liabilities	27,863	3,393	6,688	37,944
Shareholders' Equity				
Capital stock	158,354	9,958	8,042 [1]	176,354
Stock option reserve	18,104	–	–	18,104
Accumulated other comprehensive income	958	–	–	958
Accumulated deficit	(56,734)	(12,925)	12,808 [1]	(56,851)
Total equity attributed to owners of the Company	120,682	(2,967)	20,850	138,565
Non-controlling interest	44,333	–	–	44,333
Total equity	165,015	(2,967)	20,850	182,898
Total liabilities and equity	$ 192,878	$ 426	$ 27,538	$ 220,842
Commitments and Contingent Liabilities				

PORTAGE BIOTECH INC.
Unaudited Pro Forma Condensed Consolidated Statements of Comprehensive Loss
For the Three Months Ended June 30, 2022
(U.S. Dollars in thousands, except per share amounts)

	Historical		Pro Forma	
	Portage	**Tarus**	**Adjustments**	**Combined**
Expenses				
Research and development	$ 1,876	$ (56)	$ 88 [5]	$ 1,908
General and administrative expenses	2,211	675	(1,006)[4-6]	1,880
Loss from operations	(4,087)	(619)	918	(3,788)
Share of loss in associate accounted for using equity method	(60)	–	–	(60)
Change in fair value of warrant liability	1	–	–	1
Foreign exchange transaction loss	(52)	–	–	(52)
Interest income	21	–	–	21
Interest (expense)	–	(106)	91 [3]	(15)
Loss before provision for income taxes	(4,177)	(725)	1,009	(3,893)
Income tax benefit	2,552	–	–	2,552
Net loss and other comprehensive loss	$ (1,625)	$ (725)	$ 1,009	$ (1,341)
Net (loss) income attributable to:				
Owners of the Company	$ (1,729)	$ (725)	$ 1,009	$ (1,445)
Non-controlling interest	104	–	–	104
	$ (1,625)	$ (725)	$ 1,009	$ (1,341)
Comprehensive (loss) income attributable to:				
Owners of the Company	$ (1,729)	$ (725)	$ 1,009	$ (1,445)
Non-controlling interest	104	–	–	104
	$ (1,625)	$ (725)	$ 1,009	$ (1,341)
Loss per share				
Basic and diluted	$ (0.13)			$ (0.09)
Weighted average shares outstanding				
Basic and diluted	13,351			15,777 [12]

PORTAGE BIOTECH INC.
Unaudited Pro Forma Condensed Consolidated Statements of Comprehensive Loss
For the Year Ended March 31, 2022
(U.S. Dollars in thousands, except per share amounts)

	Historical		Pro Forma	
	Portage	**Tarus** [7]	**Adjustments**	**Combined**
Expenses				
Research and development	$ 6,769	$ 1,786	$ 235 [11]	$ 8,790
General and administrative expenses	8,819	2,514	(2,191) [9-11]	9,142
Loss from operations	(15,588)	(4,300)	1,956	(17,932)
Change in fair value of warrant liability	852	–	–	852
Share of (loss) in associate accounted for using equity method	(62)	–	–	(62)
Foreign exchange transaction gain	24	–	–	24
Interest (expense)	(43)	(457)	454 [8]	(46)
Loss before provision for income taxes	(14,817)	(4,757)	2,410	(17,164)
Income tax expense	(4,352)	–	–	(4,352)
Net loss and other comprehensive loss	$ (19,169)	$ (4,757)	$ 2,410	$ (21,516)
Net loss attributable to:				
Owners of the Company	$ (16,870)	$ (4,757)	$ 2,410	$ (19,217)
Non-controlling interest	(2,299)	–	–	(2,299)
	$ (19,169)	$ (4,757)	$ 2,410	$ (21,516)
Comprehensive loss attributable to:				
Owners of the Company	$ (16,870)	$ (4,757)	$ 2,410	$ (19,217)
Non-controlling interest	(2,299)	–	–	(2,299)
	$ (19,169)	$ (4,757)	$ 2,410	$ (21,516)
Loss per share				
Basic and diluted	$ (1.29)			$ (1.24)
Weighted average shares outstanding				
Basic and diluted	13,060			15,486 [12]

Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements
As of June 30, 2022
(U.S. Dollars in thousands)

1. Reflects the fair value of consideration for Tarus, described more fully below. The components of the consideration are described below. The Company issued $18M shares valued based on the 60-day Volume Weighted Average Price per share, assumed $3M of debt ($2M paid at closing) and recorded the fair value of certain milestone payments as deferred purchase consideration, determined in the valuation of identifiable intangible assets.

Below is a preliminary summary of the purchase price allocation at July 1, 2022:

Assets:		
Identifiable intangible assets	$	28,034
Goodwill		1,504
	$	29,538
Consideration:		
Fair value of shares issued	$	18,000
Liabilities assumed		3,000
Deferred purchase consideration at fair value		8,538
	$	29,538

Included in the $12,808 adjustment to retained earnings is an accrual of $150 for Tarus acquisition expenses incurred in July and August 2022.

2. Adjustment reflects the paydown of outstanding debt at closing on transaction.

Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements
For the Three Months Ended June 30, 2022

3. Reflects the reversal of interest expense associated with note payable and convertible notes payable, including amortization of debt acquisition costs. Such entry is necessary as the debt would not have existed during the period.

4. Reflects net synergies and normalizing adjustments totaling approximately ($16) created for the three months ended June 30, 2022, to normalize operations as if the merger had been consummated April 1, 2022.

5. Reflects the reclassification of Tarus expenditures totaling approximately $88 from general and administrative to research and development to be consistent with classifications at Portage.

6. Reflects the reversal of stock-based compensation reflected in Tarus' historical results of approximately $226. This entry is necessary as these equity grants would have been mitigated by the synergies of the acquisition. It reflects the reduction in headcount, and accordingly, related costs. Reflects reversal of approximately $708 of acquisition related expenses which are in the historical numbers.

Notes to Unaudited Pro Forma Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)
For the Year Ended March 31, 2022

7. The Tarus historical balances are derived from the audited financial statements as of and for the year ended December 31, 2021. The Portage historical balances are derived from the audited financial statements as of and for the year ended March 31, 2022.

8. Reflects the reversal of interest expense, including amortization of debt acquisition costs associated with notes payable. Such entry is necessary as the debt would not have existed during the period.

9. Reflects net synergies totaling approximately $560. This primarily reflects headcount costs incurred that will not be required, net of actual costs incurred.

10. Reflects the reversal of stock-based compensation reflected in Tarus' historical results of approximately $1,397. This entry is necessary as these equity grants would have been mitigated by the synergies of the acquisition. It reflects the reduction in head count, and accordingly, related costs.

11. Reflects the reclassification of Tarus expenditures totaling approximately $235 from general and administrative to research and development to be consistent with classifications at Portage.

12. Basic and diluted loss per share is computed as follows: Net loss is divided by weighted average shares outstanding. The pro forma weighted average shares outstanding reflect the 2,426 shares issued in connection with the Tarus acquisition as if they had been outstanding for the entire period. The shares issued in consideration were calculated on the basis of $18M divided by the 60-day Volume Weighted Average Price per share.