AMENDED

INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED
JANUARY 31, 2019 AND 2018

(Expressed in Canadian Dollars)
(Unaudited)

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These unaudited interim condensed consolidated financial statements of Sernova Corp. (the "Company") have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

SERNOVA CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT
(Expressed in Canadian Dollars)
(Unaudited)

	Note	January 31, 2019	October 31, 2018
ASSETS			
Current assets			
Cash		$ 1,205,611	$ 1,739,346
Marketable securities		1,005,394	1,003,974
Amounts receivable	4	518,393	471,631
Prepaid expenses		73,725	101,260
Total current assets		2,803,123	3,316,211
Non-current assets			
Property and equipment, net	5	296,689	288,977
Total non-current assets		296,689	288,977
Total assets		$ 3,099,812	$ 3,605,188
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6	$ 333,683	$ 341,202
Total current liabilities		333,683	341,202
EQUITY			
Common shares	7	36,694,637	33,891,140
Special warrants	7	-	2,534,987
Warrants	7	1,051,106	1,051,106
Contributed surplus		4,234,968	4,277,585
Deficit		(39,214,582)	(38,490,832)
Total equity		2,766,129	3,263,986
Total liabilities and equity		$ 3,099,812	$ 3,605,188

Nature and continuance of operations (Note 1)
Deferred grants, commitments and contingencies (Note 10)
Events after the reporting period (Note 11)

Approved and authorized by the Board of Directors on April 4, 2019.

See accompanying notes to the interim condensed consolidated financial statements.

SERNOVA CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED JANUARY 31,
(Expressed in Canadian Dollars)
(Unaudited)

	Note	2019	2018
EXPENSES			
Research and development	9	$ 442,966	$ 497,006
General and administrative	9	277,907	272,187
Total operating expenses		720,873	769,193
Finance income		(1,862)	(9,375)
Finance costs		2,075	3,359
Foreign exchange loss		2,664	3,178
Net finance costs (income)		2,877	(2,838)
Net loss and comprehensive loss for the period		$ 723,750	$ 766,355
Weighted average number of common shares outstanding for the period		169,193,750	159,893,223
Basic and diluted loss per common share		$ 0.00	$ 0.00

See accompanying notes to the interim condensed consolidated financial statements.

SERNOVA CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED JANUARY 31,
(Expressed in Canadian Dollars)
(Unaudited)

	2019	2018
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Loss for the period	$ (723,750)	$ (766,355)
Adjustments for items not affecting cash:		
Depreciation of property and equipment	16,785	15,853
Share-based compensation	57,383	140,020
Interest accrued on short-term investments	(1,420)	(3,430)
Contributions	-	(274,231)
Changes in non-cash working capital balances:		
Amounts receivable	(46,762)	159,112
Prepaid expenses	27,535	4,027
Accounts payable and accrued liabilities	13,131	(59,378)
Net cash used in operating activities	(657,098)	(784,382)
INVESTING ACTIVITIES		
Acquisition of property and equipment	(24,497)	(66,473)
Net cash used in investing activities	(24,497)	(66,473)
FINANCING ACTIVITIES		
Issue of common shares on exercise of warrants	-	162,960
Issue of common shares on exercise of stock options	187,500	10,078
Special warrant financing cost	(18,990)	
Share issuance cost	(20,650)	
Grants	-	331,770
Net cash provided by financing activities	147,860	504,808
Change in cash during the period	(533,735)	(346,047)
Cash beginning of period	1,739,346	2,627,513
Cash end of period	$ 1,205,611	$ 2,281,466

Supplementary cash flow information:		
Reclassification of special warrants to common shares	$ 2,515,997	$ -

See accompanying notes to the interim condensed consolidated financial statements.

SERNOVA CORP.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED JANUARY 31, 2019 AND 2018
(Expressed in Canadian Dollars)
(Unaudited)

	Common Shares (Note 7)		Special Warrants	Warrants			
	Number	**Amount**	**Amount**	**Amount**	**Contributed Surplus**	**Deficit**	**Total**
Balance, October 31, 2018	159,971,348	$ 33,891,140	$ 2,534,987	$ 1,051,106	$ 4,277,585	$ (38,490,832)	$ 3,263,986
Net loss and comprehensive loss for the period	–	–	–	–	–	(723,750)	(723,750)
Transactions with owners of the Company, recognized directly in equity							
Exercise of stock options	1,250,000	287,500	–	–	(100,000)	–	187,500
Special Warrant issuance costs	–	–	(18,990)	–	–	–	(18,990)
Conversion of Special Warrants to Common Share Units	11,016,000	2,515,997	(2,515,997)	–	–	–	–
Share-based compensation	–	–	–	–	57,383	–	57,383
Balance, January 31, 2019	172,237,348	$ 36,694,637	$ –	$ 1,051,106	$ 4,234,968	$ (39,214,582)	$ 2,766,129
Balance, October 31, 2017	159,374,498	$ 33,673,521	$ –	$ 993,360	$ 3,775,776	$ (34,792,205)	$ 3,650,452
Loss and comprehensive loss for the period	–	–	–	–	–	(766,355)	(766,355)
Transactions with owners of the Company, recognized directly in equity							
Exercise of stock options	53,125	17,393		–	(7,315)	–	10,078
Exercise of warrants	465,600	162,960	–	–	–	–	162,960
Warrants expired unexercised	–	–	–	–	–	–	–
Share-based compensation	–	–	–	–	140,020	–	140,020
Balance, January 31, 2018	159,893,223	$ 33,853,874	$ –	$ 993,360	$ 3,908,481	$ (35,558,560)	$ 3,197,155

See accompanying notes to the interim condensed consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Sernova Corp. (the "Company") is a clinical-stage regenerative medicine therapeutics company, focused on developing and commercializing its proprietary Cell Pouch and associated technologies including therapeutic cells and local immune protection. The Cell Pouch is a scalable, implantable, medical device, designed to create a vascularized tissue environment for the transplantation and engraftment of therapeutic cells, which then release proteins and/or hormones for the long-term treatment of a number of serious, chronic diseases such as diabetes, hemophilia and thyroid disease.

Sernova Corp. was incorporated under the Company Act (British Columbia) on August 19, 1998. Effective May 29, 2001, the Company was continued under the Canada Business Corporations Act. The Company's head office is located at 700 Collip Circle, Suite 114, London, Ontario, N6G 4X8. The Company's registered address is Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 2N7. The Company is listed on the TSX Venture Exchange under the symbol SVA, on the OTCQB Venture Market under the symbol SEOVF and on the Frankfurt Exchange under the symbol PSH.

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") that are applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business for the foreseeable future. The Company has experienced operating losses and cash outflows from operations since its inception, and accordingly, it will require ongoing financing in order to continue its research and development activities. The ability of the Company to continue as a going concern in the long-term depends upon its ability to develop profitable operations and to continue to raise adequate financing. The Company will seek new funding from additional equity financings and/or licensing agreements and collaborations with development partners. Management believes that the Company has sufficient working capital to maintain its operations for at least the next twelve months.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These interim condensed consolidated financial statements for the three months ended January 31, 2019 and 2018 were prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB").

The same accounting policies and methods of computation were followed in the preparation of these interim condensed consolidated financial statements as were followed in the preparation of the annual consolidated financial statements for the years ended October 31, 2018 and 2017, which were prepared in accordance with IFRS as issued by the IASB. Any subsequent changes to IFRS or their interpretation, that are given effect in the Company's annual audited consolidated financial statements for the year ending October 31, 2019, could result in a restatement of these unaudited interim condensed consolidated financial statements. These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements. Accordingly, these interim condensed consolidated financial statements for the three months ended January 31, 2019 and 2018 should be read together with the annual consolidated financial statements for the years ended October 31, 2018 and 2017.

The preparation of interim condensed consolidated financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. These interim condensed consolidated financial statements were authorized for issuance by the Company's Board of Directors on April 4, 2019.

2. BASIS OF PRESENTATION (cont'd…)

(b) Basis of measurement:

These interim condensed consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value though profit or loss, which are stated at their fair value.

(c) Functional and presentation currency

These interim condensed consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its wholly-owned and controlled subsidiaries.

(d) Use of significant estimates and assumptions

The preparation of these interim condensed consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets, liabilities and expenses, as well as the Company's ability to continue as a going concern. The estimates and assumptions made are continually evaluated and have been based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Such estimates and assumptions are inherently uncertain. Actual results could differ materially from these estimates and assumptions. Revisions to estimates are recognized in the period in which the estimate is revised and may impact future periods.

Management has applied significant estimates and assumptions to the following:

(e) Valuation of share-based compensation

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected: option life, volatility, risk-free interest rate, forfeiture rates, stock option exercise behaviours, dividend yield and corporate performance. Changes in these assumptions affect the fair value estimate for share-based compensation.

3. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Accounting standards adopted during the current period

As at November 1, 2017, the Company adopted IFRS 9, Financial Instruments (IFRS 9). The Company has elected to not restate comparative periods in the year of initial application of IFRS 9 relating to the transition for classification, measurement and impairment. As a result, the comparative information provided continues to be accounted for on a basis consistent with those followed in the most recent annual consolidated financial statements.

The Company assessed the classification and measurement of the financial instruments it held at the date of initial application of IFRS 9 (November 1, 2017) and has classified its financial instruments into the appropriate IFRS 9 categories. There were no changes to the carrying value of the Company's financial instruments resulting from this reclassification and accordingly there was no impact to the Company's opening balance of deficit as at November 1, 2017 as a result of the adoption of IFRS 9.

(Expressed in Canadian Dollars)

3. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS (Cont'd....)

IFRS 15 *Revenue from Contracts with Customers*

In May 2014, the IASB issued IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") which covers principles for reporting about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. There was no impact of this standard on the Company's interim condensed consolidated financial statements.

New standards and interpretations not yet effective

IFRS 16 *Leases*
In January 2016, the IASB issued IFRS 16 *Leases* ("IFRS 16"), its new lease standard that requires lessees to recognize assets and liabilities for most leases on the statement of financial position. Lessees applying IFRS 16 will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. The new standard will be effective after December 31, 2018 with limited early application permitted. The Company is currently monitoring the development of this standard and assessing the impact that adoption of this standard may have on the interim condensed consolidated financial statements.

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

4. AMOUNTS RECEIVABLE

As at	January 31, 2019	October 31, 2018
Government programs receivable	$ 224,729	$ 224,729
Sales and other tax credits receivable	293,664	246,902
	$ 518,393	$ 471,631

5. PROPERTY AND EQUIPMENT

	Computer and Office Equipment	Laboratory Equipment	Manufacturing Equipment	Total
Cost				
Balance, October 31, 2018	$ 86,462	$ 233,209	$ 105,098	$ 424,769
Additions	497	24,000	-	24,497
Balance, January 31, 2019	$ 86,959	$ 257,209	$ 105,098	$ 449,266
Accumulated depreciation				
Balance, October 31, 2018	$ 46,698	$ 68,173	$ 20,921	$ 135,792
Depreciation	3,124	9,452	4,209	16,785
Balance, January 31, 2019	$ 49,822	$ 77,625	$ 25,130	$ 152,577
Net carrying amounts				
October 31, 2018	$ 39,764	$ 165,036	$ 84,177	$ 288,977
January 31, 2019	$ 37,138	$ 179,584	$ 79,968	$ 296,689

(Expressed in Canadian Dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	January 31, 2019	October 31, 2018
Accounts payable	$ 182,450	$ 182,566
Accrued liabilities	72,129	97,280
Due to related parties (Note 8)	79,104	61,356
	$ 333,683	$ 341,202

7. COMMON SHARES AND WARRANTS

(a) Authorized

Unlimited number of common shares, without par value.

(b) Share capital transactions – three months ended January 31, 2019 and 2018

In November 2018 the Special Warrants disclosed in Note 7 (c) were converted into units resulting in the issuance of 11,016,000 common shares and warrants.

On January 27, 2019, 1,250,000 stock options were exercised, 50,000 options expired, and 600,000 options were extended until the completion of the Company's financial reporting blackout period in accordance with the Company's Option Plan. Subsequent to January 31, 2019, 600,000 options expired and 1,180,000 options were canceled.

For the three months ended January 31, 2018, 53,125 stock options were exercised for gross cash proceeds of $10,078 and 465,600 warrants were exercised for gross cash proceeds of $162,960. During the same period 676,875 stock options expired and 8,788,889 warrants expired.

(c) Special warrants

On July 13, 2018 and July 20, 2018, the Company completed a non-brokered private placement of 8,000,000 and 3,016,000 special warrants at $0.25 per special warrant for gross proceeds of $2,000,000 and $754,000, respectively. The Company paid legal costs and finder's fees totaling $161,267 and granted 581,700 warrant non-cash finder warrants valued at $57,746.

Each Special Warrant converted, for no additional consideration, into one unit upon the expiry of a four-month statutory hold period in November 2018. Each unit consisted of one common share and one common share purchase warrant, with each warrant exercisable into one share at a price of $0.35 per share for a 24 month exercise period, subject to abridgement of the exercise period on 30 days' notice to holders in the event that the twenty-day volume weighted average price of the shares exceeds $0.50 per share. The Company incurred $18,990 as share issuance costs.

The finder warrants have the same terms as the unit warrants. The value of these finder's warrants was determined to be $57,746 using the Black-Scholes Model based on the following assumptions: an exercise price of $0.35 per common share, expected life of 2 years, volatility of 71.2%, and a risk-free interest rate of 1.93%.

(Expressed in Canadian Dollars)

7. COMMON SHARES AND WARRANTS (cont'd …)

(d) Common share warrants

The changes in the number of warrants outstanding during the three months ended January 31, 2019 and 2018 were as follows:

	2019		2018	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance outstanding, beginning of period	581,700	$ 0.35	26,110,739	$ 0.33
Issued on conversion of Special Warrants	11,016,000	0.35	-	-
Expired	-	-	(8,788,889)	0.30
Exercised	-	-	(465,600)	0.35
Balance outstanding, end of period	11,597,700	$ 0.35	16,856,250	$ 0.35

The Company's warrants expire 24 months from the date of issuance as follows:

- 581,700 warrants expire on July 20, 2020
- 8,000,000 warrants expire on November 14, 2020
- 3,016,000 warrants expire on November 21, 2020

(e) 2015 Incentive Plan

The Company has a 2015 Incentive Plan (the "Plan"), which was approved by shareholders of the Company on April 25, 2018. Under the Plan the Board of Directors may grant stock options to directors, officers, employees or consultants of the Company and DSUs to directors and officers of the Company up to an aggregate of 10% of the Company's issued and outstanding common shares. The number of common shares reserved for issuance as DSUs under the Plan is fixed at a maximum of 1,314,778.

During the year ended October 31, 2017, the Board approved an amendment to the Company's Option Plan & Deferred Share Unit Plan (the "Incentive Plan") to increase the number of DSUs available by 660,222 to a maximum of 1,975,000. These additional DSUs were conditionally approved and granted subject to the Company obtaining shareholder approval and TSXV approval ("Exchange approval"). Subsequently, on March 19, 2018, the Board approved two further amendments to the Incentive Plan, subject to shareholder and Exchange approval, being: (a) an increase to 15% of the rolling number maximum of common shares available for reserve under the Incentive Plan for exercise of Options pursuant to the Option Plan component of the Incentive Plan; and (b) a further amendment to the DSU Plan component of the Incentive Plan to further increase the number of DSUs available by an additional 2,821,797 DSUs to a maximum fixed number total of 4,796,797 DSUs, which would represent 3% of the common shares at the date hereof. At the shareholder meeting of the Company held April 25, 2018 (the "2018 AGM") the shareholders approved, by majority vote of the disinterested shareholders of the Company, ordinary resolutions to amend the Company's Incentive Plan as follows: (a) to increase the rolling maximum percentage reserve of common shares for exercise of Options, pursuant to the Share Option Plan component of the Incentive Plan and for conversion of Deferred Share Units ("DSUs") pursuant to the Deferred Share Unit Plan component (the "DSU Plan") of the Incentive Plan, to a maximum of 15%; and (b) to increase the maximum number of common shares available for reserve for conversion of "DSUs" awarded pursuant to the DSU Plan.

At the 2018 AGM the shareholders also approved a resolution to ratify, confirm and approve the Incentive Plan, as it

(Expressed in Canadian Dollars)

7. COMMON SHARES AND WARRANTS (cont'd …)

(e) 2015 Incentive Plan (cont'd …)

was anticipated to be amended and restated as of March 19, 2018, for continuation.

Both Incentive Plan amendments were shareholder approved subject to Exchange approval, and upon annual filing of the Option Plan component of the Incentive Plan, the TSXV chose to decline Incentive Plan amendments.

On March 25, 2019, the Board approved amendments to the Plan, subject to shareholder and Exchange approval, being (a) to amend the Incentive Plan to change the current rolling number maximum percentage, to a fixed number maximum plan representing 15% of the common shares of the Company issued and outstanding at the date of Board approval of the amended and restated Incentive Plan, which will allow for the reserve of up to an aggregate of 25,835,602 common shares for exercise of options pursuant to the stock option component of the Incentive Plan; and (b) a further amendment to the DSU component of the plan to further increase the number of DSUs available to a fixed number maximum of 5,167,120 representing 3% of the current and issued outstanding common shares of the Company.

Options granted under the Plan have lives of up to ten years from the date of grant. The vesting schedule of all granted options is determined at the discretion of the Board. According to the terms of the Plan, the exercise price of any options granted must be in accordance with the policies of the TSX Venture Exchange.

The following table summarizes options outstanding as at January 31, 2019:

Number of option Exercisable	Weighted Average Exercise Price	Number of Options	Exercise Price	Expiry Date
600,000	$0.15	450,000	0.15	January 27, 2019(1)
4,586,213	0.25	150,000	0.15	February 11, 2019
		1,525,000	0.26	June 25, 2025
		2,250,000	0.22	March 14, 2026
		3,330,000	0.25	August 14, 2027
5,186,213		7,705,000		

(1) On January 27, 2019, 50,000 options expired, and 600,000 options were extended until completion of the company's financial reporting black out period in accordance with the company's stock option plan. Subsequent to January 31, 2019, 600,000 options expired unexercised including 150,000 options bearing a February 11, 2019 expiry date, and 1,180,000 were canceled.

As at January 31, 2019, there were 7,705,000 options outstanding, representing 4.5% of the Company's issued and outstanding common shares (October 31, 2018 – 9,005,000 options outstanding representing 5.6%).

(Expressed in Canadian Dollars)

7. COMMON SHARES AND WARRANTS (cont'd …)

(e) 2015 Incentive Plan (cont'd …)

Changes in the number of options outstanding during the three months ended January 31, 2019 and 2018, were as follows:

	2019		2018	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance outstanding, beginning of Period	9,005,000	$ 0.23	10,548,600	$ 0.23
Expired	(50,000)	0.15		
Cancelled/Forfeited	-	-	(676,875)	0.24
Exercised	(1,250,000)	$0.15	(53,125)	0.19
Balance outstanding, end of period	7,705,000	$ 0.22	9,818,600	$ 0.23
Options exercisable, end of period	5,186,213	$ 0.21	4,968,688	$ 0.21

The following table reflects details of the stock options outstanding by range of exercise prices as at January 31, 2019:

Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$ 0.14 to $ 0.18	600,000	0.3	$ 0.15	600,000	$ 0.15
$ 0.22 to $ 0.26	7,105,000	8.0	0.24	4,586,213	0.24
$ 0.14 to $ 0.26	7,705,000	7.4	$ 0.23	5,186,213	$ 0.21

The Black-Scholes option pricing model used to calculate option values was developed to estimate the fair value of freely tradable, fully transferable options without vesting restrictions, which significantly differs from the Company's stock options awards. This model also requires highly subjective assumptions, including the expected: option life, volatility, risk-free interest rate, forfeiture rates, stock option exercise behaviours, dividend yield and corporate performance. Changes in these assumptions affect the fair value estimate for share-based compensation.

The expected risk-free interest rate is based on the implicit yield on a Canadian Government zero-coupon bond issued with a remaining term equal to the expected term of the option. The expected volatility is based on historical volatility for a period equivalent to the expected life of the option. The expected option life is estimated considering the vesting period at the grant date, the contractual life of the option and the average length of time similar grants have remained outstanding in the past. The forfeiture rate has been assigned a zero rate and is an estimate based on the history of the Company's stock option grants. The dividend yield has been assigned a zero value since it is the policy of the Company to not pay dividends on its common shares for the foreseeable future.

(Expressed in Canadian Dollars)

7. COMMON SHARES AND WARRANTS (cont'd …)

(e) 2015 Incentive Plan (cont'd …)

The Company's Plan allows for the issuance of DSUs to directors and officers of the Company in the form of a cash payment or issuance of shares at the time the DSU holder leaves the Company. Since the method of settlement of the DSUs is at the discretion of the Company under the plan, it has been accounted for as an equity settled plan. On June 25, 2015, March 14, 2016 and August 14, 2017, the Company issued 625,000, 450,000 and 239,778 DSUs to directors, respectively. The DSUs vest over a three-year period after the date of grant. As at January 31, 2019, 1,412,723 DSUs had vested.

8. RELATED PARTY TRANSACTIONS

The key management personnel of the Company are the Directors, the President and Chief Executive Officer and the Chief Financial Officer. Amounts due to related parties, including amounts due to key management personnel, at the period-end are unsecured, interest free and settlement generally occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Included in accounts payable and accrued liabilities at January 31, 2019 was $79,104 due to key management personnel (October 31, 2018 – $61,356).

Compensation to key management personnel for the three months ended January 31, 2019 and 2018 was as follows:

	2019	2018
Salaries, benefits and consulting fees	$ 89,575	$ 103,896
Director fees and benefits	24,063	25,496
Share-based compensation	57,383	71,535
Total	$ 171,021	$ 200,927

9. STATEMENT OF LOSS AND COMPREHENSIVE LOSS SUPPLEMENTARY INFORMATION

Components of the research and development expenses for the three months ended January 31, 2019 and 2018 were as follows:

	2019	2018
Salaries, supplies and contract payments	$ 355,820	$ 340,335
Manufacturing costs	8,078	211,074
Patent fees and costs	53,829	135,325
Depreciation of property and equipment	16,160	15,315
Share-based compensation	34,079	84,188
	467,966	786,237
Contributions and tax credits	(25,000)	(289,231)
Total research and development expenses	$ 442,966	$ 497,006

(Expressed in Canadian Dollars)

9. STATEMENT OF LOSS AND COMPREHENSIVE LOSS SUPPLEMENTARY INFORMATION (cont'd …)

Components of the general and administrative expenses for the three months ended January 31, 2019 and 2018 were as follows:

	2019	2018
Salaries, benefits and consulting fees	$ 54,329	$ 62,438
Professional fees	15,783	24,270
Director fees and benefits	25,012	25,496
Investor relations	116,159	46,459
Travel and other costs	42,695	57,154
Depreciation of property and equipment	625	538
Share-based compensation	23,304	55,832
Total general and administrative expenses	$ 277,907	$ 272,187

10. DEFERRED GRANTS, COMMITMENTS AND CONTINGENCIES

In July 2016, the Company was awarded a US$2.45 million (approximately $3.2 million) grant under an agreement with JDRF Therapeutics Fund, LLC ("JDRF"). The grant supports a human clinical trial of Sernova's Cell Pouch™ for treatment of patients with type 1 diabetes at a major transplantation center in the United States. In August 2016, the Company received an initial funding payment from JDRF in the amount of US$367,768 ($480,783). Pursuant to the agreement with JDRF, the Company has committed to perform certain clinical trial activities and to use commercially reasonable efforts to introduce a diabetes product into the US market. Further, the Company is required to pay royalties to JDRF on any future net sales received by the Company from a diabetes product or in certain future license or disposition transactions limited to a certain percentage of funds received over time up to a prescribed limit related to the amount of the grant funding.

The Company expects to pay certain future costs related to its pre-clinical and clinical trials. Such payments are expected to include the cost of clinical staff and overhead thereon, trial insurance, and may include travel and a portion of drug or procedure–related expenses or transplantation expenses not covered by insurance. The total expected future payments will be impacted by such factors as the rate of enrollment, the location in which the patient resides and the specifics of patient insurance.

The Company entered into a three-year lease effective September 1, 2017. Notwithstanding the term, the Company has the right to terminate the lease by providing 90 days' written notice. As at January 31, 2019 gross minimum payments, to the earliest termination date, amounted to $67,025.

11. EVENTS AFTER THE REPORTING PERIOD

Subsequent to January 31, 2019, 600,000 options expired following the automatic extension pertaining to Blackout Periods and 1,180,000 options were cancelled as per the terms of the Incentive Plan.

On March 25, 2019, the Board approved amendments to the Plan, subject to shareholder and Exchange approval, being (a) to amend the Incentive Plan to change the current rolling number maximum percentage, to a fixed number maximum plan representing 15% of the common shares of the Company issued and outstanding at the date of Board approval of the amended and restated Incentive Plan, which will allow for the reserve of up to an aggregate of 25,832,602 common shares for exercise of options pursuant to the stock option component of the Incentive Plan; and (b) a further amendment to the DSU component of the plan to further increase the number of DSUs available to a fixed number maximum of 5,167,120 representing 3% of the current and issued outstanding common shares of the Company.