BIOCURE TECHNOLOGY INC.
(FORMERLY GRAVIS ENERGY CORP.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of 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 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.

Biocure Technology Inc.
(formerly Gravis Energy Corp.)
Condensed Consolidated Interim Statements of Financial Position
As at June 30, 2019 and December 31, 2018
(Expressed in Canadian Dollars)

	Note	June 30, 2019	December 31, 2018
		(Unaudited)	(Audited)
ASSETS			
Current			
Cash		$ 264	$ 108,616
Receivables	5	50,311	32,708
Prepaid expenses	6	234,967	19,857
Inventory	9	18,861	20,708
		304,403	181,889
Non-current			
Equipment	8	84,697	164,819
Intangible asset		1,760	2,026
Deposits	6	25,032	30,762
Investments in KWULP and KWUC	4	1,968,080	1,969,633
Land deposit	18	1,656,152	1,275,254
		3,735,721	3,442,494
TOTAL ASSETS		$ 4,040,124	$ 3,624,383
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	10	$ 687,021	$ 772,757
Loans payable	12	1,030,474	927,029
Severance liabilities	13	178,753	208,102
		1,896,248	1,907,888
Non-current			
Loan payable	17	1,142,910	815,184
		3,039,158	2,723,072
Shareholders' equity			
Share capital	14	18,084,633	16,984,641
Reserve for foreign currency translation		(589,978)	(657,064)
Reserve for stock options and warrants	15	5,950,081	4,581,092
Deficit		(22,443,770)	(20,007,358)
		1,000,966	901,311
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 4,040,124	$ 3,624,383

Nature of operations and going concern (Note 1)
Commitments (Note 13, 18)
Subsequent events (Note 19)

Approved on behalf of the Board on August 29, 2019:

"Sang Mok Lee"
Director

"Collin Kim"
Director

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

Biocure Technology Inc.
(formerly Gravis Energy Corp.)
Condensed Consolidated Interim Statements of Comprehensive Loss - Unaudited
For the Three and Six Months Ended June 30,
(Expressed in Canadian Dollars)

		For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	Note	2019	2018	2019	2018
REVENUE		$ 413	$ 2,208	$ 1,460	$ 2,208
COSTS OF GOODS SOLD		(1,111)	1,653	282	1,653
		1,524	555	1,178	555
EXPENSES					
Amortization	8,9	34,618	63,835	69,660	63,835
Consulting	11	75,208	42,101	122,932	42,101
Director fees	11	30,000	-	30,000	-
Filing fees		11,558	81,342	20,823	81,342
General and administrative		25,188	13,702	77,957	46,265
Interest	13	34,705	-	63,684	-
Management fees (recovery)	12	(13,742)	(500)	1,258	27,500
Motor vehicle expenses		1,028	3,183	2,180	4,109
Payroll	12	48,259	110,519	176,245	226,547
Professional fees		79,928	76,094	81,080	177,364
Rent		12,732	19,297	36,719	33,485
Research and development		103,327	384,252	298,500	1,016,101
Share-based compensation	12,16	1,368,989	2,947,938	1,368,989	2,963,721
Supplies		2,774	3,147	8,735	8,652
Travel and entertainment		50,123	103,509	71,200	167,820
Utilities		4,484	825	6,211	2,483
		(1,869,179)	(3,849,244)	(2,436,173)	(4,861,325)
OTHER INCOME (EXPENSES)					
Foreign exchange loss		(403)	(201)	(403)	(10)
Interest income		263	48	263	1,927
Loss on valuation of marketable securities		(1,277)	-	(1,277)	-
		(1,417)	(153)	(1,417)	1,917
LOSS FOR THE PERIOD		(1,869,072)	(3,849,397)	(2,436,412)	(4,858,853)
OTHER COMPREHENSIVE INCOME (LOSS)					
Foreign currency translation		16,980	192,409	67,086	(2,085)
COMPREHENSIVE LOSS FOR THE PERIOD		(1,852,092)	(3,656,988)	(2,369,326)	(4,860,938)
BASIC AND DILUTED LOSS PER SHARE		$ (0.02)	$ (0.04)	$ (0.02)	$ (0.05)
WEIGHTED AVERAGE SHARES OUTSTANDING – BASIC AND DILUTED		96,937,001	95,735,094	96,937,001	94,771,431

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

Biocure Technology Inc.
(formerly Gravis Energy Corp.)
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency) - Unaudited
For the Six Months Ended June 30, 2019 and 2018
(Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Obligation to Issue Shares	Reserve For Stock Options and Warrants	Reserve For Foreign Currency Translation	Deficit	Total
December 31, 2017	93,387,621	15,065,257	-	1,836,062	(599,886)	(13,420,965)	2,880,468
Issuance of shares for options exercised (Note 15)	3,105,680	1,242,272	-	-	-	-	1,242,272
Share-based compensation (Note 15)	-	-	-	2,963,721	-	-	2,963,721
Net loss for the period	-	-	-	-	-	(4,858,853)	(4,858,853)
Foreign currency translation	-	-	-	-	(2,085)	-	(2,085)
June 30, 2018	96,493,301	$ 16,307,529	$ -	$ 4,799,783	$ (601,971)	$ (18,279,818)	$ 2,225,523
December 31, 2018	96,937,001	16,984,641	-	4,581,092	(657,064)	(20,007,358)	901,311
Issuance of shares in subsidiary (Note 14)	-	1,099,992	-	-	-	-	1,099,992
Share-based compensation (Note 15)	-	-	-	1,368,989	-	-	1,368,989
Net loss for the period	-	-	-	-	-	(2,436,412)	(2,436,412)
Foreign currency translation	-	-	-	-	67,086	-	67,086
June 30, 2019	96,937,001	$ 18,084,633	$ -	$ 5,950,081	$ (589,978)	$ (22,443,770)	$ 1,000,966

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

Biocure Technology Inc.
(formerly Gravis Energy Corp.)
Condensed Consolidated Interim Statements of Cash Flows - Unaudited
For the Six Months Ended June 30,
(Expressed in Canadian Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (2,436,412)	$ (4,858,853)
Non-cash items:		
Revenue	-	-
Deferred revenue	-	166
Amortization	69,660	63,835
Interest	45,584	-
Gain on preferred shares liabilities	-	-
Share-based compensation	1,368,989	2,963,721
Changes in non-cash working capital items:		
Receivable	(17,603)	1,679
Prepaid expenses and deposits	(209,380)	(24,863)
Inventory	1,847	(6,245)
Accounts payable and accrued liabilities	(115,085)	174,346
Net cash used in operating activities	(1,292,400)	(1,686,214)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(477,792)	(441,908)
Purchase of intangible assets	-	(2,260)
Loan receivable	-	(21,599)
Net cash used in investing activities	(477,792)	(465,767)
CASH FLOWS FROM FINANCING ACTIVITIES		
Due to related parties	-	(68,238)
Proceeds from private placements	1,099,992	-
Proceeds from options exercised	-	1,242,272
Loans payable	514,390	403,008
Net cash provided by financing activities	1,614,382	1,577,042
EFFECT OF FOREIGN CURRENCY TRANSLATION ON CASH	47,458	(81,595)
NET CHANGE IN CASH	(108,352)	(658,534)
CASH, BEGINNING OF THE PERIOD	108,616	1,083,347
CASH, END OF THE PERIOD	$ 264	$ 424,813

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Biocure Technology Inc., formerly known as Gravis Energy Corp., (the "Company") was incorporated under the Business Corporation Act (British Columbia) on August 24, 2007. The Company is engaged in a mineral exploration property project through a limited partnership. The Company is also engaged in developing and commercializing several biopharmaceutical technologies relating to uses of recombinant and ranibizumab. The Company's head office is located at Suite 300, 1055 West Hastings Street, Vancouver, BC, Canada and is trading on the Canadian Securities Exchange under the symbol CURE. On June 18, 2018, the Company began trading on OTCQB under the symbol BICTF.

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to raise additional capital during the next twelve months and beyond to support current operations and planned development. As at June 30, 2019, the Company has not earned significant revenue and has an accumulated deficit of $22,443,770 (December 31, 2018 - $20,007,358). The Company has material financial uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. The condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
Statement of compliance
These condensed consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34 *Interim Financial Reporting* and Interpretations of Financial Reporting Interpretations Committee ("IFRIC").

Basis of measurement
The Company's condensed consolidated interim financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value.

Functional and presentation currency
The condensed consolidated interim financial statements of the Company are presented in Canadian dollars.

The individual financial statements of each entity of the Company are presented in the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian dollar. The functional currency of the subsidiary is South Korea won.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and its subsidiary listed in the following table:

Name of Subsidiary	Country of Incorporation	Ownership	Principle Activities
Biocurepharm Corporation ("BP Korea")	Korea	97%	Biopharmaceutical

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)
All intercompany transactions, balances, income and expense are eliminated upon consolidation.

Subsidiaries are those entities which the Company controls by having the power to govern the financial and operating policies. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases.

Significant estimates and assumptions
The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of investments in KWULP and KWUC, useful lives of equipment, recoverability of receivables, fair value measurement and the timing of future cash flows of financial instruments, and the measurement of deferred tax assets and liabilities.

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's accounting policies in these financial statements were:

- Evaluating whether or not costs incurred by the Company in developing its pharmaceutical products meet the criteria for capitalization to intangible assets. Management determined that as at June 30, 2019, it was not yet able to demonstrate with sufficient certainty that future economic benefits will flow to the Company. Accordingly, all research and development costs incurred to date have been expensed.

Other significant judgments in applying the Company's accounting policies relate to the assessment of the Company's ability to continue as a going concern (Note 1), the classification of its financial instruments and the classification of leases as either operating or finance type leases.

Intangible assets
Research and development
Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is 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. The expenditure capitalized includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and borrowing costs on qualifying assets. Other development expenditures are recognized in profit or loss as incurred.

Capitalized development expenditures are measured at cost less accumulated amortization and accumulated impairment losses. As of June 30, 2019, the Company has not capitalized any development expenditures.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (continued)

Patent costs

Patents for technologies that are no longer in the research phase are recorded at cost. Patent costs include legal fees to obtain patent and patent application fees. When the technology is still in the research phase, those costs are expensed as incurred.

Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or Loss.

Amortization is calculated on a straight-line method to write off the cost of the assets to their residual values over their estimated useful lives. The amortization rates applicable to each category of equipment are as follows:

Class of equipment	Rate
Computer hardware	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Testing equipment	5 years
Vehicles	5 years

Impairment of assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Severance liability

Severance liability expense is recognized as the employee provides service to the Company and is recorded with either the severance liability or the Company's cash contributions to the pension fund.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory
Inventories consisting of finished goods and raw materials are measured at the lower of cost and net realizable value. The cost of inventories is based on a weighted average cost formula, and includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Change in accounting policies - Financial instruments
The Company adopted all of the requirements of IFRS 9 *Financial Instruments* ("IFRS 9") as of January 1, 2018. IFRS 9 replaces IAS 39 I ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged.

As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 9.

Classification
The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/ liabilities	Original classification IAS 39	New classification IFRS 9
Cash	Amortized cost	Amortized cost
Receivables	Loans and receivables	Amortized cost
Loans receivable	Loans and receivables	Amortized cost
Investments in KWULP and KWUC	FVTPL	FVTOCI
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Due to related parties	Amortized cost	Amortized cost
Loans payable	Amortized cost	Amortized cost

Measurement
<u>Financial assets at FVTOCI</u>
Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

<u>Financial assets and liabilities at amortized cost</u>
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting policies - Financial instruments (continued)

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net (loss) income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of net income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of net income (loss). However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of net (loss) income.

New standard IFRS 15 "Revenue from Contracts with Customers"

The Company derives revenue from sale of products (biosimilar) and raw materials (microneedle). The Company recognizes revenue when the amount of revenue is fixed and determinable and it is probable that future economic benefits will flow to the entity.

The Company adopted all of the requirements of IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") as of January 1, 2018. IFRS 15 replaces IAS 18 *Revenue*, IAS 11 *Construction Contracts*, and related interpretations on revenue. IFRS 15 utilizes a methodical framework for entities to follow in order to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. As the Company started earning revenue, the Company continues to assess the impact on the consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share capital
Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

Income taxes
Income tax expense comprises current and deferred tax. Income tax is recognized in the statement of loss and comprehensive loss, except to the extent that it relates to items recognized in other comprehensive loss or directly in equity. In this case the income tax is also recognized in other comprehensive loss or directly in equity, respectively.

Current income tax
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax
Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that future taxable income will be available to allow all or part of the temporary differences to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted and are expected to apply by the end of the reporting period.

Loss per share
Basic loss per share is computed using the weighted average number of common shares outstanding during the year. The treasury stock method is used for the calculation of diluted loss per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the year and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the year. When a loss is incurred during the year, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at June 30, 2019, the Company had no potentially dilutive shares outstanding.

Comprehensive loss
Comprehensive loss is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net loss.

Share-based payments
The grant date fair value of share-based payment awards granted to employees is recognized as stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and nonmarket vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

Warrants
When the Company issues units that are comprised of a combination of shares and warrants, the value is assigned to shares and warrants based on their relative fair values. The fair value of the shares is determined by the closing price on the date of the transaction and the fair value of the warrants is determined based on a Black-Scholes Option Pricing Model.

Foreign currency translation
Transactions and balances
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Accounting standards adopted

As of January 1, 2019, the Company adopted the new and amended IFRS pronouncements in accordance with transitional provisions outlined in the respective standards. The adoption of these standards did not have a material impact on the consolidated results, financial position or accounting policies of the Company. Significant standards adopted include the following:

New standard IFRS 16 "Leases"
This new standard replaces IAS 17 "*Leases*" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15.

(Expressed in Canadian Dollars)

3. REVERSE TAKEOVER TRANSACTION

On November 24, 2017, the Company completed a transaction pursuant to a comprehensive share swap arrangement, whereby all issued and outstanding common shares and preferred shares of BP Korea were acquired by the Company in exchange for the Company's common shares via a merger of BP Korea with Gravis Energy Korea Co., Ltd. ("Gravis Korea"), a merger company (the "Transaction"). Gravis Korea was merged with BP Korea and the separate existence of Gravis Korea ceased.

Prior to closing of the Transaction, the Company completed a consolidation of its issued and outstanding common shares on a 6.0334 for 1 basis.

This resulted in a reverse take-over of the Company by the shareholders of KP Korea. At the time of the Transaction, the Company did not constitute a business as defined under IFRS 3; therefore, the Transaction is accounted under IFRS 2, where the difference between the consideration given to acquire the Company and the net asset value of the Company is recorded as a listing expense to net loss. As BP Korea is deemed to be the accounting acquirer for accounting purposes, these financial statements present the historical financial information of the Company up to the date of the Transaction.

On November 24, 2017, the Transaction closed and the Company acquired, on a one for 24 basis, all issued and outstanding shares of BP Korea in exchange for 82,413,288 post-consolidation common shares of the Company.

Consideration - shares	$	2,911,875
Legal and professional fees - cash		433,507
Legal and professional fees – stock option granted (Note 15)		533,598
Legal and professional fees – warrants issued		1,302,464
Net assets acquired		1,792,077
Listing fees	**$**	**3,389,367**

Fair value of the Company acquired, net of liabilities		
Cash	$	4,365
Sales tax receivable		923
Investment in KWULP and KWUC		1,965,527
Trade payables and other payables		(106,188)
Loan payable		(72,550)
	$	**1,792,077**

The fair value of 7,183,653 issued common shares of the Company was estimated to be $0.25 per share using the concurrent private placement completed by the Company.

The Company granted 3,790,680 stock options, as part of professional fees, exercisable at a price of $0.40 per share expiring in 12 months following the grant date. The fair value of stock options was $533,598, estimated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	1.42%
Estimate life	1 year
Expected volatility	90%
Expected dividend yield	0%
Forfeiture rate	0%

(Expressed in Canadian Dollars)

3. REVERSE TAKEOVER TRANSACTION (continued)

The Company is committed to issue 3,790,680 share purchase warrants, as part of professional fees, exercisable at the closing price on the issuance date per share within 12 months following the issuance date. On February 22, 2018, the Company issued 1,895,340 share purchase warrants exercisable at $1.15 per share within 12 months following the issuance date. The remaining warrants are to be issued before May 31, 2018 with a term similar on the share purchase warrant issuance on February 22, 2018. The fair value of share-purchase warrants was $1,302,464, estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	1.83%
Estimate life	1 year
Expected volatility	90%
Expected dividend yield	0%
Forfeiture rate	0%

During the year ended December 31, 2016, the Company incurred legal and professional fees pertaining to the Transaction of $1,048,511 including 3,790,680 common shares with the fair value of $904,862 issued to an agent (Note 14).

4. INVESTMENTS IN KWULP AND KWUC

The Company has a 10% interest in Korea Waterbury Uranium Limited Partnership (“KWULP”), a limited partnership registered under the Limited Partnerships Act (British Columbia), and a 10% interest in the Korea Waterbury Uranium Corporation (“KWUC”), KWULP’s general partner.

In January 2008, KWULP entered into an earn-in agreement with Fission Energy Corp. ("Fission") whereby Fission granted an option to KWULP to acquire up to a 50% interest in certain mineral claims in Saskatchewan, known as the Waterbury Lake Property, by incurring aggregate exploration costs of $14,000,000 by January 30, 2011 (incurred) and subscribing for 1,000,000 common shares of Fission at a price of $1.00 per share (subscribed to on March 14, 2008).

In August 2010, KWULP and Fission Energy Corp. entered into a definitive Limited Partnership Agreement (“WLULP”) to further the joint exploration and development of the Waterbury Lake Uranium Property located in Saskatchewan's Athabasca Basin (the “Waterbury Project”). Each party is responsible for expenditures in accordance with its interest in the partnership and any profits will be distributed to the parties on the same basis.

On April 11, 2011, Fission, a limited partner of KWULP, exercised the Back-In Option available under the WLULP Limited Partnership Agreement. KWULP received $6,000,000 for the Back-in Option from Fission, accordingly of which the Company received $600,000. As a result of the exercise of this option, Fission’s interest in WLULP was increased by 10% and KWULP’s interest was reduced by 10%. KWULP then held a 40% interest and Fission then held 60% in WLULP.

On January 16, 2013, a Binding Letter of Intent was announced whereby Denison Mines Corp. (“Denison”), by way of an arrangement, would acquire certain assets of Fission, including Fission’s 60% interest in the WLULP. The arrangement received final approval of the British Columbia Supreme Court and TSX Venture Exchange on April 25, 2013.

On September 30, 2015, KWULP decided not to participate in funding for the Waterbury Project and as Denison incurs expenditures. Its interest will increase and KWULP’s will decrease. As at June 30, 2019, KWULP’s interest has declined to 34.06%.

(Expressed in Canadian Dollars)

4. INVESTMENTS IN KWULP AND KWUC (continued)

The Company's investment in KWULP is classified as a fair value through other comprehensive loss ("FVTOCI") financial asset. Because the investment is an unquoted investment in a private entity and the primary asset is an exploration stage resource property, the fair value is highly subjective. Management has reviewed for indicators of impairment and concluded that no such indicators exist as at June 30, 2019.

5. RECEIVABLES

The Company's receivables are wholly comprised of value-added tax refundable. As of June 30, 2019, the Company had $50,311 (December 31, 2018 - $32,708) in receivables.

6. PREPAID EXPENSES AND DEPOSITS

		June 30, 2019		December 31, 2018
Current:				
Prepaid expenses	$	234,967	$	19,857
Non-current:				
Deposits		25,032		30,762
Total	$	259,999	$	50,619

7. LOANS RECEIVABLE

The Company entered into loan agreements to lend a total of $97,744 (KRW 83,000,000) to a director. The loans receivable are unsecured and due between April 16, 2019 (in default) and September 4, 2020. The loans bear interest of 1.20% per annum. During the year ended December 31, 2018, the loans were written off in full.

8. EQUIPMENT

The Company's equipment is summarized as follows:

	Furniture and Fixtures	Office Equipment	Computer Equipment	Testing Equipment	Total
Cost:					
At December 31, 2017	52,365	7,934	10,385	571,812	642,496
Additions	-	-	-	40,982	40,982
Effect of foreign exchange	2,074	314	411	24,263	27,062
	$	$	$	$	$
At December 31, 2018	54,439	8,248	10,796	637,057	710,540
Additions	-	-	-	-	-
Effect of foreign exchange	(3,973)	(627)	(820)	(46,625)	(52,045)
At June 30, 2019	$ 50,466	$ 7,621	$ 9,976	$ 590,432	$ 658,495

(Expressed in Canadian Dollars)

8. EQUIPMENT (continued)

	Furniture and Fixtures	Office Equipment	Computer Equipment	Testing Equipment	Total
Amortization:					
At December 31, 2017	27,641	7,402	9,541	428,772	473,356
Charge for the year	4,946	532	434	45,674	51,586
Effect of foreign exchange	1,289	314	395	18,781	20,779
	$	$	$	$	$
At December 31, 2018	33,876	8,248	10,370	493,227	545,721
Charge for the period	5,444	-	394	63,706	69,544
Effect of foreign exchange	(2,574)	(627)	(788)	(37,478)	(41,467)
At June 30, 2019	$ 36,746	$ 7,621	$ 9,976	$ 519,455	$ 573,798
Net book value:					
At December 31, 2018	$ 20,563	$ -	$ 426	$ 143,830	$ 164,819
At June 30, 2019	$ 13,720	$ -	$ -	$ 70,977	$ 84,697

During the period ended June 30, 2019, the Company recorded amortization of $Nil to inventory and the remaining to profit and loss.

9. INVENTORY

The Company's inventory is comprised of finished products (biosimilar) and raw materials (microneedle). As of June 30, 2019, the Company had $18,861 (December 31, 2018 - $20,708) in inventory.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2019	December 31, 2018
Accounts payable	$ 628,188	$ 713,759
Accrued liabilities	39,221	37,774
Payroll liabilities	19,612	21,224
	$ 687,021	$ 772,757

(Expressed in Canadian Dollars)

11. RELATED PARTIES

Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and the Chief Executive Officer ("CEO"). The remuneration of directors and key management personnel were as follows:

	Six months ended June 30,			
		2019		**2018**
Management and Directors Fees	$	161,988	$	104,784
Share-based payments		571,786		634,065
Management fees –Former Director of the Company		-		4,500
Total	$	733,774	$	743,349

Loan payable to related parties

As of June 30, 2019, the Company has a loan of $47,000 (December 31, 2018 - $47,000) payable to a significant shareholder which is non-interest bearing, unsecured, and due on demand. As of June 30, 2019, the Company has a loan of $400,557 (KRW 340,899,700 (December 31, 2018 - $413,563 (KRW 339,660,102)) payable to the CEO of the Company which bears interest at 4.6% per annum, unsecured, and due on demand and the CEO also provided a series of working capital loans, totaling $137,767 (KRW 121,810,000) (December 31, 2018 - $Nil) during the six months ended June 30, 2019. These loans are non-interest bearing, unsecured, and due on demand (Note 12).

12. LOANS PAYABLE

The following table summarizes the principal and interest amount in loans payable:

		June 30, 2019		**December 31, 2018**
Loans payable, unsecured:				
Non-interest bearing, unsecured and due on demand (Note 11)	$	184,767	$	47,000
Interest at 4.6% per annum, unsecured and due on demand (Note 11)		389,979		413,563
Interest at 5% per annum, unsecured and due on demand		241,646		251,226
Interest at 10% per annum, unsecured and due on demand		214,082		215,240
Total	**$**	**1,030,474**	**$**	**927,029**

During the period ended June 30, 2019, the Company recorded interest expenses of $63,684 (2018 - $Nil).

13. SEVERANCE LIABILITIES

Under Korean law, the Company is required to either pay employees a severance amount at termination or contribute to a pension scheme. During the year ended December 31, 2016, the Company applied to begin making contributions to a pension scheme. The severance liability is the amount that remains payable by the Company to its employees at the time of termination and is based on a specified percentage of wages paid to date for past services.

(Expressed in Canadian Dollars)

13. SEVERANCE LIABILITIES (continued)

As of June 30, 2019, the Company has a carrying balance of severance liabilities of $178,753 (December 31, 2018 - $208,102). During the six months ended June 30, 2019, the Company recognized $13,537 (2018 - $32,280) in severance expenses.

14. SHARE CAPITAL

Authorized:
Unlimited number of common shares without par value.

Issued:

During the period ended June 30, 2019, the Company's wholly owned subsidiary, BP Korea issued 96,404 shares for proceeds of $1,099,992.

During the year ended December 31, 2018, the Company issued 3,549,380 common shares related to the exercise of stock options for gross proceeds of $1,419,752.

15. SHARE-BASED COMPENSATION

Stock options
The Company has established a stock option plan under which common share purchase options may be granted to directors, officers, employees and consultants. The maximum number of shares available for options issuable under the stock option plan is 10% of the Company's common shares outstanding. Options granted have an exercise price of the Company's prior day closing price quoted on the Exchange for the common shares of the Company.

A summary of stock options activities are as follows:

	June 30, 2019			December 31, 2018		
	Number of options	Weighted average exercise price		Number of options	Weighted average exercise price	
Balance, beginning	4,650,000	$	0.71	3,790,680	$	0.40
Cancelled	(3,900,000)		0.71	-		-
Granted	5,700,000		0.38	4,650,000		0.71
Exercised	-		-	(3,549,380)		0.40
Expired	(150,000)		1.08	(241,300)		0.40
Balance, ending	6,300,000	$	0.69	4,650,000	$	0.71

On November 27, 2017, in connection with the Transaction (Note 3), the Company granted stock options to agents to acquire 3,790,680 common shares at a price of $0.40 per share for a period of one year following the grant date. The fair value of stock options is $533,598 estimated using the Black-Scholes option pricing model with the following assumptions: an expected life of one year; risk-free interest rate of 1.42%; a forfeiture rate of 0%; dividend yield of 0%; and volatility of 90%.

(Expressed in Canadian Dollars)

15. SHARE-BASED COMPENSATION (continued)

On March 1, 2018, the Company granted 125,000 stock options to an officer of the Company with an exercise price of $1.02 per share for a period of two years following the grant date with 25,000 options vesting immediately and the balance on March 1, 2019. The fair value of stock options is $78,917 estimated using the Black-Scholes option pricing model with the following assumptions: an expected life of two years; risk-free interest rate of 1.71%; a forfeiture rate of 0%; dividend yield of 0%; and volatility of 122.18%.

On April 2, 2018, the Company granted 125,000 options with an exercise price of $1.09 per share for a period of two years. Out of the stock options granted, 25,000 vested immediately with the remaining vesting on April 1, 2019. The fair value of stock options is $135,352 estimated using the Black-Scholes option pricing model with the following assumptions: an expected life of two years; risk-free interest rate of 1.77%; a forfeiture rate of 0%; dividend yield of 0%; and volatility of 274.55%.

On April 11, 2018, the Company granted to the directors, employees, officers, and consultants 4,150,000 options with an exercise price of $0.69 per share for a period of two years. The fair value of stock options is $2,920,867 estimated using the Black-Scholes option pricing model with the following assumptions: an expected life of two years; risk-free interest rate of 1.85%; a forfeiture rate of 0%; dividend yield of 0%; and volatility of 275.29%.

On September 4, 2018, the Company granted to a director an aggregate of 250,000 options, which vested immediately for a two years term at an exercise price of $0.75 per share. The fair value of stock options is $190,558 estimated using the Black-Scholes option pricing model with the following assumptions: an expected life of two years; risk-free interest rate of 2.05%; a forfeiture rate of 0%; dividend yield of 0%; and volatility of 277.46%.

During the year ended December 31, 2018, 3,549,380 stock options were exercised at an exercise price of $0.40 per share.

For the year ended December 31, 2018, the Company recognized stock-based compensation expense of $3,244,662 (2017 - $Nil) relating to the stock options that vested during the year.

On April 11, 2019, the Company granted to the directors, employees, officers, and consultants 5,700,000 options with an exercise price of $0.38 per share for a period of three years. The fair value of stock options is $1,675,326 estimated using the Black-Scholes option pricing model with the following assumptions: an expected life of three years; risk-free interest rate of 1.60%; a forfeiture rate of 0%; dividend yield of 0%; and volatility of 138.00%.

During the six-month period ended June 30, 2019, the Company cancelled 3,550,000 options with an exercise price of $0.69 per share expiring on April 11, 2020, 100,000 options with an exercise price of $1.02 expiring on March 1, 2020 and 250,000 options with an exercise price of $0.75 expiring on August 31, 2020. The Company recognized stock-based compensation expense of $1,368,989 (2018 - $2,963,721) relating to the stock options that vested during the period.

The following summarizes information about stock options outstanding and exercisable at June 30, 2019:

Expiry date	Options outstanding	Options exercisable		Exercise Price	Weighted average remaining contractual life, in years
April 11, 2020	600,000	600,000	$	0.69	0.78
April 11, 2021	600,000	600,000		0.38	1.78
April 11, 2022	5,100,000	3,930,000		0.38	2.78
	6,300,000	5,130,000	$	0.69	2.28

16. PREFERRED SHARE LIABILITIES

Preferred shares
The Company is authorized to issue an unlimited number of the preferred shares with par value of $0.02 (KRW 20.83) per share. The preferred shares entitle each holder a voting right and the preference on the dividends and the distribution of assets over the holder of common shares. The preferred shares are cumulative, redeemable, and convertible.

Preferred share dividends are declared upon the Company's discretion or is paid at USD 0.011 per share if the Company declares bankruptcy. As at December 31, 2016, the Company was not obligated to declare or pay any dividends.

Each preferred share is redeemable for cash at the original subscription price of the preferred share under certain conditions including a demand from the investor if the Company had failed to use the funds for their intended purpose or on the tenth anniversary of the preferred share issued. Each preferred share automatically converts into one common share on the tenth anniversary of the issuance date.

Preferred shares (continued)
The Company issued 2,400,000 preferred shares at USD 0.125 per share during the year ended December 31, 2006 and 2,727,264 preferred shares at USD 0.183 per share during the year ended December 31, 2012.

During the year ended December 31, 2016, the CEO of the Company, a preferred share holder, converted 2,400,000 preferred shares issued in 2006 to 2,400,000 common shares of the Company. The Company recorded a transfer of $500,410 to share capital from preferred share liabilities.

During the year ended December 31, 2017, in connection with the Transaction, the Company converted 2,727,264 preferred shares into common shares and recorded a transfer of $651,573 to share capital from preferred share liabilities.

The preferred shares are convertible in USD which differs from the Company's functional currency. Accordingly, this conversion right is a derivative financial instrument. The Company has elected to measure the entire liability at fair value through profit or loss determined based on the value of the conversion right plus the discounted value of the conversion price. The Company estimated the discounted value of the conversion price using a discount rate of 20% based on the market discount rate for similar unsecured debt instruments.

The fair value of the conversion rights were determined using the Black-Scholes option pricing model with the following assumptions:

- The share price was based upon the fair value of the share price at the time of the issuance;
- The risk-free interest rate assumption is based at 1% consistent with the expected term of the option in effect at the time of the grant;
- The Company does not pay dividends on common shares and does not anticipate paying dividends on its common shares in the foreseeable future. Therefore, the expected dividend rate was 0%;
- The expected life of the preferred shares was estimated to be the difference between the valuation date and the remaining contractual term; and
- The expected volatility was based off of the historical shares prices of the Company's common share price over a period equivalent to the expected life of the warrants.

(Expressed in Canadian Dollars)

16. PREFERRED SHARE LIABILITIES (continued)

The fair value of the preferred shares issued during 2012 as at November 27, 2017 and December 31, 2016 were estimated using discounted cash flows and the Black-Scholes Option Pricing Model using the following inputs:

Expiration Date		**December 31, 2017**		**December 31, 2016**
Fair value of conversion price per share	$	5.58	$	2.17
Discount rate		20%		20%
Fair value of conversion right per share	$	0.15	$	3.53
Expected volatility		75%		75%
Expected life		1 day		5.50 years
Dividends		0.00%		0.00%
Risk-free interest rate		1.25%		2.00%
Total fair value per share	$	5.73	$	5.70

17. LONG-TERM LOAN PAYABLE

Balance, December 31, 2017	$	-
Additions		798,135
Effect of foreign exchange		17,049
Balance, December 31, 2018	**$**	**815,184**
Additions		376,623
Interest		13,041
Effect of foreign exchange		(61,938)
Balance, June 30, 2019	**$**	**1,142,910**

During the year ended December 31, 2018, the Company assumed a loan payable to the Industrial Bank of Korea ("IBK") to fund the land purchase agreement with KLHC (Note 18).

The loan terms are as follows:

- Interest rate of 3.3% per year;
- Loan amount shall consist of 5 instalments of $403,920 (KRW 330,000,000) and the sixth instalment of $410,040 (KRW 335,000,000) starting on June 12, 2018 where the balance shall be covered by the Company;
- The Company shall pay interest only for the first 3 years and principle plus interest for the following 5 years; and
- If the Company defaults and does not proceed with land purchase, IBK shall be paid by KLHC.

During the six-month period ended June 30, 2019, the Company recorded interest expenses of $13,041 (2018 - $nil).

(Expressed in Canadian Dollars)

18. LAND DEPOSIT

During the year ended December 31, 2017, the Company entered into an agreement with Korea Land & Housing Corp. ("KLHC") to acquire land for the purpose of constructing a research and development facility. The payment schedule is as follows:

Date	KRW	$
December 12, 2017 (paid)	281,395,000	344,427
June 12, 2018 (paid)	422,555,000	517,207
December 12, 2018 (paid)	422,000,000	516,528
June 12, 2019 (paid)	422,000,000	516,528
December 12, 2019	422,000,000	516,528
June 12, 2020	427,908,000	523,759
December 12, 2020	429,405,230	525,592
	2,827,263,230	3,460,570

The title of the land transfers to the Company upon completion of the scheduled payments.

For the December 12, 2018 payment, the Company only paid $407,592 (KRW 333,000,000) of the $516,528 (KRW 422,000,000). The unpaid amount of $108,936 (KRW 89,000,000) was paid in during the period ended June 30, 2019.

For the June 12, 2019 payment, the Company only paid $376,623 (KRW 333,000,000) of the $516,528 (KRW 422,000,000). The unpaid amount of $139,905 (KRW 89,000,000) has not been paid as of June 30, 2019.

If the Company defaults and does not proceed with the purchase, the initial payment of $344,427 (KRW 281,395,000) shall be forfeited.

19. SUBSEQUENT EVENTS

On July 11, 2019, BiocurePharm Korea (BPK), the Company's wholly owned subsidiary, closed its non-brokered private placement. BPK has issued 60,404 shares at $10.898 per share for gross proceeds of $658,259 (591,959,200 Korean won at 0.1112 Canadian cent per Korean won per Bank of Canada exchange rate). After the issuance of new BPK shares, Biocure holds now a 95.82-per-cent interest in BPK.