

**BIOCURE TECHNOLOGY INC.
CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022**

(Expressed in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
 CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Biocure Technology Inc.

Opinion

We have audited the consolidated financial statements of Biocure Technology Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company has an accumulated deficit of \$23,571,014 as of December 31, 2023 and as of the date, the Company's current liabilities exceeded its current assets by \$320,459. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be key audit matters to be communicated in our report.

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
<p>Deconsolidation of Biocurepharm Corporation (“BP Korea”)</p> <p>We draw attention to Note 4 to the financial statements.</p> <p>The Company completed the sale of 1,773,879 common shares and 57,954 preferred shares of the Company’s subsidiary BP Korea to Sang Mok Lee, the former President and CEO of the Company (“Dr. Lee”) in exchange for the returning of 27,317,506 common shares of the Company held by Dr. Lee (“the Treasury Shares”).</p> <p>Since the shares of BP Korea sold to Dr. Lee represent 46% of the total BP Korea’s issued and outstanding shares and the Company only retained 45% of the shares after the sale, the Company lost control over the subsidiary and BP Korea became an associate of the Company. Consequently, the financial statements of BP Korea were deconsolidated at May 31, 2023 and the Company recognized the fair value of \$918,618 for the shares retained in BP Korea. After the sale, the retained investment held by the Company in BP Korea is accounted for using the equity method. The investment was subsequently impaired in the statement of comprehensive loss for the year ended December 31, 2023.</p> <p>We considered this a key audit matter due to:</p> <ul style="list-style-type: none"> • The transaction was a related party transaction outside of the normal course of the business; and • the significant management estimates and judgments required to determine the fair value of the BP Korea’s shares retained by the Company after sale completed on May 31, 2023. <p>Auditing these estimates requires a high degree of subjectivity in applying audit procedures and in evaluating the results of those procedures. This resulted in an increased extent of audit effort.</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <ul style="list-style-type: none"> • Assessed the business rationale of the transaction; • Inspected that approval of the shareholders and directors of the Company was obtained for the transaction; and • Evaluated the appropriateness of the methodology, inputs and assumptions used to estimate the fair value of the investment retained by the Company in BP Korea at May 31, 2023.

Value of investments in KWULP and KWUC

We draw attention to Note 5 to the financial statements. As at December 31, 2023, the Company holds investments with a carrying value of \$1,965,527 in KWULP and KWUC that are classified at fair value through other comprehensive income. These investments relate to investments that are not publicly traded. The shares are valued using various valuation models and techniques.

We considered this a key audit matter due to:

- the significant carrying value of the Company's investments classified at fair value through other comprehensive income and the sensitivity that a change in an input used in the applicable valuation model could have on the Company's total assets and comprehensive income; and
- the significant management estimates and judgments required to determine the inputs used in the valuation models and that these estimates and judgments are subjective.

Auditing these estimates requires a high degree of subjectivity in applying audit procedures and in evaluating the results of those procedures. This resulted in an increased extent of audit effort.

Our approach to addressing the matter included the following procedures, among others:

- Evaluated the appropriateness of using the cost approach to estimate the fair value of the investments; and
- Evaluated whether cost is still appropriate by considering relevant industry information, and other relevant information concerning the underlying asset.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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

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

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Steven Reichert.

A handwritten signature in black ink, consisting of the letters 'DMCL.' in a cursive, slightly stylized font.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

May 2, 2024

Biocure Technology Inc.
Consolidated Statements of Financial Position
As at December 31, 2023 and 2022
(Expressed in Canadian Dollars)

	Notes	December 31, 2023	December 31, 2022
		\$	\$
ASSETS			
Current			
Cash		4,235	37,672
Receivables	7	6,674	22,094
Assets held for sale	4	-	58,358
		<u>10,909</u>	<u>118,124</u>
Non-current			
Investments in KWULP and KWUC	5	1,965,527	1,965,527
TOTAL ASSETS		<u>1,976,436</u>	<u>2,083,651</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	8,9	331,368	713,286
Loans payable	10	-	81,189
Liabilities directly associated with assets as held for sale	4	-	3,616,899
		<u>331,368</u>	<u>4,411,374</u>
Non-current			
Loans payable	10	41,875	-
TOTAL LIABILITIES		<u>373,243</u>	<u>4,411,374</u>
Shareholders' equity			
Share capital	11	17,676,749	18,446,908
Accumulated other comprehensive loss		-	(418,096)
Reserve	11	7,497,458	7,497,458
Deficit		(23,571,014)	(27,504,715)
		<u>-</u>	<u>(1,978,445)</u>
Total parent shareholders' equity		-	(1,978,445)
Non-controlling interests	12	-	(349,278)
Total shareholders' equity		<u>1,603,193</u>	<u>(2,327,723)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>1,976,436</u>	<u>2,083,651</u>

Nature of operations and going concern (Note 1)

Approved on behalf of the Board on May 2, 2024:

"Konstantin Lichtenwald"

Director

"Collin Kim"

Director

The accompanying notes are an integral part of these Consolidated Financial Statements.

Biocure Technology Inc.

Consolidated Statements of Comprehensive Loss
For the years ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

	Notes	2023	2022
		\$	\$
EXPENSES			
Accretion		7,687	4,993
Consulting		30,000	119,783
Director and management fees	9	131,446	436,886
Filing fees		24,692	22,512
General and administrative		10,071	18,995
Insurance		29,085	29,673
Payroll		-	8,472
Professional fees		129,489	59,915
Travel and entertainment		5,000	-
		<u>(367,470)</u>	<u>(701,229)</u>
OTHER ITEMS			
Other income	1	75,000	-
Loss from equity accounted investment in BPK	6	(178,503)	-
Impairment of investment in BPK	6	(740,115)	-
Foreign exchange gain (loss)		-	(15)
Gain on settlement of debt	11	433,891	292,846
Bad Debt Expense	6	(717,300)	-
Income from government assistance	10	-	4,994
		<u>(1,127,027)</u>	<u>297,825</u>
NET LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		<u>(1,494,497)</u>	<u>(403,404)</u>
NET INCOME (LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS		<u>(346,581)</u>	<u>(1,111,616)</u>
NET LOSS FOR THE YEAR		<u>(1,841,078)</u>	<u>(1,515,020)</u>
Loss attributable to the shareholders of the Company		(1,813,722)	(1,450,058)
Loss attributable to non-controlling interest		(27,356)	(64,962)
		<u>(1,841,078)</u>	<u>(1,515,020)</u>
OTHER COMPREHENSIVE INCOME (LOSS) (items that may be reclassified to profit or loss)			
Foreign currency translation		159,872	(98,677)
Attributable to the shareholders of the Company		147,253	(92,490)
Attributable to non-controlling interest		12,619	(6,187)
		159,872	(98,677)
COMPREHENSIVE LOSS		<u>(1,681,206)</u>	<u>(1,613,697)</u>
Attributable to the shareholders of the Company		(1,666,469)	(1,542,548)
Attributable to non-controlling interest		(14,737)	(71,149)
		<u>(1,681,206)</u>	<u>(1,613,697)</u>
BASIC AND DILUTED LOSS PER SHARE FROM CONTINUING OPERATIONS		(0.02)	(0.00)
BASIC AND DILUTED LOSS PER SHARE WEIGHTED AVERAGE SHARES OUTSTANDING – BASIC AND DILUTED		92,860,866	106,917,322

The accompanying notes are an integral part of these Consolidated Financial Statements.

Biocure Technology Inc.

Consolidated Statements of Changes in Shareholders' Equity

For the years ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Reserve For Stock Options and Warrants	Accumulated Other Comprehen- sive Loss	Deficit	Non- controlling interest	Total
		\$	\$	\$	\$	\$	\$
December 31, 2021	106,621,158	18,377,908	7,497,458	(325,606)	(26,082,370)	(319,706)	(852,316)
Issuance of shares in subsidiary	-	-	-	-	27,713	41,577	69,290
Issuance of shares for debt	2,300,000	69,000	-	-	-	-	69,000
Net loss for the year	-	-	-	-	(1,450,058)	(64,962)	(1,515,020)
Other comprehensive loss	-	-	-	(92,490)	-	(6,187)	(98,677)
December 31, 2022	108,921,158	18,446,908	7,497,458	(418,096)	(27,504,715)	(349,278)	(2,327,723)
Issuance of shares in subsidiary	-	-	-	-	210,769	80,050	290,819
Issuance of shares for debt	12,396,885	185,954	-	-	-	-	185,954
Gain on disposed subsidiary	-	-	-	-	5,536,654	-	5,536,654
Net loss for the year	-	-	-	-	(1,813,722)	(27,356)	(1,841,078)
Other comprehensive income	-	-	-	147,253	-	12,619	159,872
Treasury shares cancelled	(27,317,506)	(956,113)	-	-	-	-	(956,113)
Disposal of Subsidiary	-	-	-	270,843	-	283,965	554,808
December 31, 2023	94,000,537	17,676,749	7,497,458	-	(23,571,014)	-	1,603,193

The accompanying notes are an integral part of these Consolidated Financial Statements.

Biocure Technology Inc.

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

	2023	2022
	\$	\$
OPERATING ACTIVITIES		
Net loss for the year	(1,494,497)	(403,404)
Non-cash items:		
Accretion expense	7,687	4,994
Gain on settlement of debt	(433,891)	(292,846)
Bad debt expense	717,300	
Income (adjustment) from government assistance	-	(4,994)
Loss from equity accounted investment in BPK	178,503	-
Impairment of investment in BPK	740,115	-
Changes in non-cash working capital items:		
Receivables	15,420	(11,387)
Prepaid expenses and deposits	-	60,000
Accounts payable and accrued liabilities	237,926	452,828
Net cash used in operating activities – continuing operations	(31,437)	(194,809)
Net cash used in operating activities – discontinued operations	(185,690)	(631,124)
Net cash used in operating activities	(217,127)	(818,375)
INVESTING ACTIVITIES		
Repayment of disposed subsidiary loan	45,000	75,000
Net cash (used in) provided by investing activities – continuing operations	45,000	75,000
Net cash (used in) provided by investing activities – discontinued operations	(1,691)	(202)
Net cash flow provided by (used in) investing activities	43,309	74,798
FINANCING ACTIVITIES		
Repayment of borrowings	(47,000)	-
Net cash used in financing activities – continuing operations	(47,000)	-
Net cash provided by financing activities – discontinued operations	187,381	630,932
Net cash flow provided by financing activities	140,381	630,932
NET CHANGE IN CASH FROM CONTINUING OPERATIONS	(33,437)	(119,809)
NET CHANGE IN CASH FROM DISCONTINUED OPERATIONS	(965)	(394)
CASH, BEGINNING OF THE YEAR	37,672	157,481
CASH, END OF THE YEAR	4,235	37,672

The accompanying notes are an integral part of these Consolidated Financial Statements.

Biocure Technology Inc.

Notes to the Consolidated Financial Statements
For the year ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Biocure Technology Inc. (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. 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 (“CSE”) under the symbol CURE. On June 18, 2019, the Company began trading on OTCQB under the symbol BICTF.

On September 8, 2023, the Company entered into an agreement to acquire Atriva Therapeutics GmbH (“Atriva”) through a reverse takeover transaction (“RTO”), whereby it will acquire all of the issued and outstanding securities of Atriva. The transaction will be a business combination completed by way of a share exchange, share purchase, amalgamation arrangement, takeover bid or other similar form of transaction. The transaction also entails that approximately 25% of Atriva’s securities will be held by Biocure while 75% will be held by Atriva’s security holders. It is anticipated that Biocure Technology Inc. will carry on the business of Atriva (the resulting issuer) upon successful completion of the RTO. Atriva had agreed to pay \$15,000 of exclusive fee per month until the completion of the Transaction. The planned acquisition of Atriva through the RTO has been extended from March 31, 2024 to June 30, 2024 and, the Company’s shares will remain halted pending completion of the transaction.

These Consolidated 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. As at December 31, 2023, the Company has a working capital deficiency of \$320,459. 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 December 31, 2023, the Company has not earned significant revenue and has an accumulated deficit of \$23,571,014. The Company has material financial uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern. The Consolidated 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. These adjustments could be material.

2. BASIS OF PREPARATION*Statement of compliance*

These Consolidated Financial Statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of Financial Reporting Interpretations Committee (“IFRIC”).

Approval of the consolidated financial statements

The financial statements of the Company for the year ended December 31, 2023 were approved and authorized for issue by the Board of Directors on May 2, 2024.

Basis of measurement

The Company’s Consolidated 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 Consolidated 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 its former subsidiary is the South Korea Won.

Biocure Technology Inc.

Notes to the Consolidated Financial Statements
For the year ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (continued)*Basis of consolidation*

The consolidated financial statements comprise of the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee
- is exposed or has right to variable returns from its involvements with the investee; and
- has the ability to use its power to affect its returns.

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

The following subsidiary was classified as held for sale – discontinued operations on December 16, 2022 pursuant to an executed agreement (Note 4) and accordingly has been presented separately since of December 31, 2022. The operating results of the subsidiary are included in discontinued operations in these consolidated financial statements:

Name of Subsidiary	Country of Incorporation	Ownership	Principle Activities
Biocurepharm Corporation (“BP Korea”)	Korea	92.11%	Biopharmaceutical

All intercompany transactions, balances, income and expense are eliminated upon consolidation.

Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases. As a result of sale of common shares of BP Korea held by the Company, the Company no longer maintains control of BP Korea, and it deconsolidated the operations upon the loss of control on May 31, 2023, subsequently the Company accounted for BP Korea using the equity method.

Discontinued Operations

Effective December 16, 2022, the Company entered into an agreement with Dr. Lee, former President and CEO, whereby Dr. Lee will acquire 1,773,879 common shares and 57,954 preferred shares of BP Korea. BP Korea meets the criteria for discontinued operation under IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

Investments in associates

An associate is an entity over which the Company has significant influence and is neither a subsidiary nor a joint arrangement. The Company is presumed to have significant influence over any entity where the Company holds 20% or more of the voting power of the investee. The Company accounts for its investment in associates using the equity method. The Company aggregates its disclosures required under IFRS for interests in associates effectively involved in advancing the same business objective. Under the equity method, the Company’s investments in associates are initially recognized at cost and subsequently increased or decreased to reflect additional contributions or distributions and to recognize the Company's share of earnings and losses of the associate and for impairment losses after the initial recognition date. The Company's share of earnings and losses of associates are recognized in profit or loss during the year. Intercompany interest on loans from the Company to its associates is recorded against its share of income from the equity accounted investment, rather than as a separate line item in profit or loss. Distributions received from an associate are accounted for as a reduction in the carrying amount of the Company’s investment.

Biocure Technology Inc.

Notes to the Consolidated Financial Statements
For the year ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (continued)**Significant estimates and assumptions**

The preparation of consolidated 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 Korea Waterbury Uranium Limited Partnership ("KWULP"), Korea Waterbury Uranium Corporation ("KWUC"), and BPK, 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 consolidated 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 applied in these Consolidated Financial Statements are:

- Evaluating whether or not costs incurred by the Company's disposed subsidiary in developing its pharmaceutical products meet the criteria for capitalization to intangible assets up to May 31, 2023. The Company retained minority interest in the disposed subsidiary and account for the investment using the equity method of accounting. Management determined that as at December 31, 2023, the expenditure was not yet able to demonstrate with sufficient certainty that future economic benefits will flow to the investee. Accordingly, all research and development costs incurred to date have been expensed.
- In BPK, the Company owns 45% of the shareholding. Based on the above factor, management has assessed that the Company has significant influence, but not control of BPK.

Other significant judgments applied in the Company's consolidated financial statement relate to the assessment of the Company's ability to continue as a going concern (Note 1), and the classification of its financial instruments.

3. MATERIAL ACCOUNTING POLICY INFORMATION**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. During the year ended December 31, 2023, \$Nil (2022 - \$197,665) relating to direct labor costs were included in Research and development in the consolidated statement of comprehensive loss. The Company's research and development expenses are incurred in the subsidiary which had been reclassified as discontinued operations, and the expenses would be included in net loss from discontinued operations on the consolidated statement of comprehensive loss.

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 December 31, 2023, the Company has not capitalized any development expenditures.

Biocure Technology Inc.

Notes to the Consolidated Financial Statements
For the year ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (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.

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 an 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.

Government grants

Loans received from government grants are recognized initially at fair value, with the difference between the fair value of the loan based on prevailing market interest rates and the amount received recorded as a government grant gain in the consolidated statements of comprehensive loss.

Financial instruments*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.

Biocure Technology Inc.

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3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Financial instruments (continued)***Measurement*Financial assets at FVTOCI

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).

Financial assets and liabilities at amortized cost

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.

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 comprehensive loss. 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 comprehensive loss 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 comprehensive 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 comprehensive 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 comprehensive loss.

Biocure Technology Inc.

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3. MATERIAL ACCOUNTING POLICY INFORMATION (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 consolidated statement of comprehensive loss, except to the extent that it relates to items recognized in other comprehensive income (loss) or directly in equity. In this case the income tax is also recognized in other comprehensive income (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 is the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at December 31, 2023, the Company had no potentially dilutive shares outstanding.

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.

Biocure Technology Inc.

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3. MATERIAL ACCOUNTING POLICY INFORMATION (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.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of common shares issued in private placements was determined to be the more easily measurable component and are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to attached warrants. Any fair value attributed to warrants is recorded to reserves.

Foreign currency translation*Translation of foreign currency transactions*

Transactions in foreign currencies are translated using the exchange rate prevailing at the date of the transaction. At each reporting date, foreign currency denominated monetary assets and liabilities are translated at year-end exchange rates. Exchange differences arising from the transactions are recorded in profit or loss for the period, except for exchange differences relating to borrowings hedging net investments denominated in the consolidated subsidiaries' currency. These differences are recognized in other comprehensive income as currency translation differences until the disposal of the net investment. Exchange differences arising from operating transactions are recorded in operating profit for the period; exchange differences related to financing transactions are recognized as finance costs or income, or in other comprehensive income.

Translation of foreign operations

The assets and liabilities of a foreign operation, including goodwill and fair value adjustments arising from the acquisition, are translated in Canadian dollars at year-end exchange rates. Income and expenses, and cash flows of a foreign operation are translated in Canadian dollars using average exchange rates. Differences resulting from translating foreign operations are reported as translation differences in equity. When a foreign operation is disposed of, the translation differences previously recognized in equity are reclassified to profit or loss.

Biocure Technology Inc.

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3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**New and amended IFRS standards that are effective for the current year:**

In the current year, the Company has applied the below amendments to IFRS Standards and Interpretations issued by the IASB that were effective for annual periods that begin on or after January 1, 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments— Disclosure of Accounting Policies.

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information." Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The International Accounting Standards Board ("IASB") has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments were applied effective January 1, 2023 and did not have a material impact on the Company's consolidated financial statements.

4. DISCONTINUED OPERATIONS

On May 31, 2023, the Company completed the previously announced sale of 1,773,879 common shares and 57,954 preferred shares of BP Korea held by the Company, representing 46% for the outstanding shares of BP Korea (the "Transaction") to Sang Mok Lee (former President and CEO "Dr. Lee").

The Company received an aggregate of 27,317,506 common shares of Biocure held by Dr. Lee for cancellation and returned to treasury, which were recorded at their fair value of \$956,113 based on the market price of the shares on the date of the transaction. (Note 11).

The Company retained 45% outstanding shares of BP Korea and recorded the fair value of retained investment in associate of \$918,618 which was determined based on the value implied by the exchange of the 46% outstanding shares of BP Korea for consideration of \$956,113.

The restructuring Transaction is designed to enable BP Korea, under the leadership of its CEO, to separately market, finance and develop its product portfolio while maintaining a minority investment in BP Korea, which was a private subsidiary of the Company.

Following completion of the restructuring Transaction, Dr. Lee resigned from the board of the Company and as its CEO.

Biocure Technology Inc.

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4. DISCONTINUED OPERATIONS (continued)

	May 31, 2023
	\$
Fair Market Value of treasury shares received	956,113
Fair value of retained investment in associate	918,618
Net proceeds	1,874,731
Less net assets (liabilities) of discontinued operations	
Cash	258
Receivables	7,028
Deposits	42,274
Intangible asset	984
Equipment	1,525
Other investment	422
Accounts payable and accrued liabilities	(380,415)
Loan payable	(2,021,172)
Deferred revenue	(27,158)
Severance liability	(279,851)
Convertible debenture	(1,560,626)
Non-controlling interest	283,965
Carrying value of the net liabilities	(3,932,766)
Recognition of foreign currency translation loss previously recorded in AOCI	270,843
Gain on disposal of BP Korea – recognized in equity	5,536,654

The activities of BP Korea up to the date of loss of control met the criteria of a discontinued operation under IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

	May 31, 2023	December 31, 2022
	\$	\$
EXPENSES		
Amortization and depreciation	233	7,495
Director and management fees	44,743	100,900
General and administrative	213,200	399,500
Research and Development	86,745	276,347
Other (income) and expenses	1,660	327,374
Net loss from discontinued operations	(346,581)	(1,111,616)
BASIC AND DILUTED LOSS PER SHARE FROM DISCONTINUED OPERATIONS	(0.00)	(0.01)

Biocure Technology Inc.

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4. DISCONTINUED OPERATIONS (continued)

Included in the consolidated balance sheet as of December 31, 2023 and December 31, 2022 are the following major classes of assets and liabilities associated with the discontinued operations:

	December 31, 2023	December 31, 2022
Assets of discontinued operations	\$	\$
Current:		
Cash	-	1,223
Receivables	-	11,548
Non Current:		
Deposits	-	44,374
Intangible asset	-	1,127
Other investment	-	86
Total Assets	-	58,358
Liabilities of discontinued operations:		
Current:		
Accounts payable and accrued liabilities	-	328,233
Loans payable	-	1,381,259
Severance liabilities	-	279,498
Non Current:		
Convertible debenture	-	1,627,909
Total Liabilities	-	3,616,899
Net liabilities	-	(3,558,541)

The Company recorded interest expense of \$33,511 up to May 31, 2023 (December 31, 2022 - \$70,356) relating to the discontinued segment loans payable.

Convertible debenture

During the year ended December 31, 2019, the Company issued \$1,222,760 (KRW 1,100,000,000) in convertible debentures. The convertible debenture bears a three per cent interest rate, has a term of ten years, and is convertible into common shares of the Company's subsidiary BP Korea at \$12.25 (KRW 11,000) per share three years after the issuance of the convertible debenture. If any common shares of the company are issued or sold for a price less than \$12.25 (KRW 11,000) per common share the conversion price will be adjusted downward to the price of such issuance. The adjustment to the conversion price is considered a derivative as it changes in relation to the share price of the company and does not meet the fixed for fixed criteria. The company has elected to measure the instrument at FVTPL. On inception, the fair value of the instrument was determined to be the transaction amount.

Management assessed the fair value of the debt at May 31, 2023 and adjusted the fair value, based on the market conditions, interest rates and operations of BP Korea. The Company records the fair value of the convertible debenture with an embedded derivative as one liability and revalues the convertible debenture every quarter with a derivative valuation technique. The following significant inputs and assumptions were used in the model during the period ended May 31, 2023: Discount rate of 17%, Volatility of 100%, Risk-free interest rate of 3.52%.

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4. DISCONTINUED OPERATIONS (continued)

Management assessed the fair value of the debt at December 31, 2022 and adjusted the fair value, based on the market conditions, interest rates and operations of BP Korea. The Company records the fair value of the convertible debenture with an embedded derivative as one liability and revalues the convertible debenture every quarter with a derivative valuation technique. The following significant inputs and assumptions were used in the model during the year ended December 31, 2022: Discount rate of 17%, Volatility of 100%, Risk-free interest rate of 3.8%.

During the period ended May 31, 2023, BPK issued 67,500 shares for KRW 4,000. The Company recorded \$9,894 adjustment to the fair value based on the change in fair value of BPK's shares and change in market interest rate. There was no impact on the fair value of the debt.

As at May 31, 2023, the convertible debenture is recorded in the Company's discontinued operations segment with the following amount:

	Debtenture
	\$
Balance at December 31, 2021	1,219,574
Change in fair value of convertible debenture	369,348
Effect of FX	38,987
Balance at December 31, 2022	1,627,909
Change in fair value of convertible debenture	9,894
Effect of FX	(77,177)
Balance at May 31, 2023	1,560,626

5. 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, 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.

Biocure Technology Inc.

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5. INVESTMENTS IN KWULP AND KWUC (continued)

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.

During the year ended December 31, 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 December 31, 2023, KWULP’s interest has declined to 30.65%.

During the year ended December 31, 2021, the Company decided not to participate in funding for KWULP, and as KWULP incurs expenditures, the Company’s interest will decrease. As at December 31, 2023, the Company owns 9.92% interest of KWULP.

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 its investment for indicators of impairment and concluded that no such indicators exist as at December 31, 2023. Management has determined fair value based on the cost basis of the investment.

6. INVESTMENT IN BP KOREA

Subsequent to the Restructuring Transaction for BP Korea (Note 4), the Company owns 45% of BP Korea’s outstanding shares. The Company has recorded its investment in BP Korea using the equity method of accounting. The recorded value of the investment includes the carrying value of BP Korea, and the Company’s 45% share of income (loss) from BP Korea.

	May 31, 2023
	\$
Fair Market Value of retained investment on initial recognition	918,618

Changes relating to the Company’s interest in BP Korea is detailed as follows:

	Investment in BP Korea
	\$
Balance at December 31, 2022	-
Initial recognition of retained investment	918,618
Loss from equity accounted investment	(178,503)
Impairment of BPK	(740,115)
Balance at December 31, 2023	-

Biocure Technology Inc.

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6. INVESTMENT IN BP KOREA (continued)

Summarized balance sheet	BiocurePharm Incorp. December 31, 2023
	\$
Current assets	35,103
Current liabilities	3,115,514
Current net assets	(3,080,411)
Non-current assets	44,287
Non-current liabilities	1,549,990
Non-current net assets	(1,505,703)
Net assets	(4,586,114)

Summarized statement of comprehensive income	BiocurePharm Incorp. June 1, 2023 to December 31, 2023
	\$
Amortization and depreciation	(320)
Director and management fees	(58,629)
General and administrative	(280,223)
Research and Development	(110,602)
Other income and expenses	54,243
Net loss for the period	(395,531)

Management assessed the investment in BP Korea for any indication of impairment, and determined the fair market value of the investment is \$Nil. During the year ended December 31, 2023, the Company set up an allowance for doubtful account for a total of \$717,300 (2022 - \$Nil) in connection to BP Korea and recognized the amount as bad debt expense in the consolidated statements of comprehensive loss (Note 13).

7. RECEIVABLES

The Company's receivables are comprised of GST receivable. As of December 31, 2023, the Company had \$6,674 (December 31, 2022 - \$22,094) in receivables.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2023	December 31, 2022
	\$	\$
Accounts payable (Note 9)	331,368	713,286
	331,368	713,286

During the year ended December 31, 2023, 12,396,885 shares with a deemed price of \$0.05 per share were issued to settle \$619,844 of debt. The Company recorded a gain on settlement of debt \$433,891 in the consolidated statements of comprehensive loss as a result of the debt settlement (Note 9).

Biocure Technology Inc.

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9. RELATED PARTIES**Key management compensation**

Key management personnel include those people who have 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 for the years ended December 31, 2023 and 2022 were as follows:

	December 31, 2023	December 31, 2022
	\$	\$
Director and management fees*	201,691	602,400
Total	201,691	602,400

*Bjorn Cocholovius resigned as President on September 15, 2023, and his fees are included up to his resignation date.

*Berkan Unal resigned from the Company's board of directors on June 30, 2023, and his fees are included up to his resignation date.

*Danny Joh has resigned from the Company's board of directors on December 21, 2022, and his fees are included up to his resignation date.

*CFO of BP Korea ceased to be a related party upon completion of the restructuring transaction and his fees are included up to the restructuring transaction date.

* Sang Mok Lee resigned as CEO of the Company and from the Company's board of directors on September 8, 2023, and his transactions are included up to his resignation date. Dr. Lee's fees were paid through the disposed subsidiary, and his fees were included up to the restructuring date.

Loan payable to related parties

As of December 31, 2023, the Company's discontinued operations has a loan of \$661,387 (KRW 648,418,967) (2022 - \$608,535 (KRW 564,503,661)) payable to the former CEO of the Company which bears interest at 4.6% per annum, is unsecured, and due on demand. The loan was still outstanding as of December 31, 2023.

During the year ended December 31, 2023, the Company's discontinued operations has an interest free loan of \$9,022 (KRW 8,845,090) (2022- \$12,936 (KRW 12,000,000)) payable to the CFO of the Company's discontinued operations segment and is payable on demand. The loan was still outstanding as of December 31, 2023.

Accounts payable balances outstanding to related parties

As at December 31, 2023, there was \$223,178 (2022 - \$490,507) of due to directors and officers included in accounts payable. For December 31, 2022's accounts payable balance, \$48,204 of the \$490,507 was included in discontinued operations segment's accounts payable (Note 8).

As at December 31, 2023, there was \$1,446 (2022 - \$25,000) due to a former director included in accounts payable (Note 8).

Share transactions

During the year ended December 31, 2023, the former CEO of the Company exchanged 27,317,506 of the Company's common shares for 1,773,879 common shares and 57,954 preferred shares of BP Korea held by the Company (Note 4).

During the year ended December 31, 2023, 12,396,885 shares with a deemed price of \$0.05 per shares were issued to settle \$619,844 of accounts payable. Of the 12,396,885 shares issued for debt settlement, 5,857,500 shares were issued to settle \$292,875 of accounts payable with officers and directors, and 1,500,000 shares were issued to settle \$75,000 of outstanding balance with former directors and officers of the Company.

Biocure Technology Inc.

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10. LOANS PAYABLE

The following table summarizes the in loans payable:

	December 31, 2023	December 31, 2022
	\$	\$
Loans payable, unsecured:		
Non-interest bearing, unsecured and due on demand	-	47,000
CEBA Loan	41,875	34,189
Total	41,875	81,189

	December 31, 2023	December 31, 2022
	\$	\$
Balance, beginning	34,189	34,189
Additions – CEBA	(18,125)	(4,994)
Additions – forego grant amount	20,000	-
Accretion – CEBA	5,811	4,994
Balance, ending	41,875	34,189

During the year ended December 31, 2020, the Company entered into a Canada Emergency Business Account “CEBA” loan with the Government of Canada. The loan is an interest free loan of \$60,000 from the Government of Canada. If the loan is repaid by December 31, 2022, 33% being \$20,000 will be forgiven. If the Company is not able to repay the amount, the loan will convert into a regular loan with a three-year term at 5% per annum. The loan was recorded at a fair value of \$29,222 using an effective rate of 17%, considering the grant, the interest- free loan and the forgivable portion. On January 12, 2022, the government announced the repayment date will be extended to December 31, 2023. The Company recognized an additional \$4,994 of income from government assistance in other income in connection to the extension announcement. During the year ended December 31, 2023, the Company recorded accretion expense of \$5,811 (December 31, 2022 - \$4,994). As at December 31, 2023, the Company had not paid back any balance and the full amount of the loan has now been converted to a three-year term loan with a 5% fixed interest rate, due by December 31, 2026. The loan was revalued at fair value using an effective interest rate of 17% and recorded a fair value of \$41,875.

11. SHARE CAPITAL**Common shares***Authorized:*

Unlimited number of common shares without par value.

Issued:

The former CEO of the Company exchanged 27,317,506 of the Company’s common shares for 1,773,879 common shares and 57,954 preferred shares of BP Korea held by the Company (Note 4). The Company cancelled and returned to its treasury 27,317,506 common shares that were received from the CEO. Upon the cancellation, \$956,113 was recorded as a reduction to shares capital for the assigned value of the shares, and \$5,536,654 in connection to the gain of disposal of subsidiary was recognized in consolidated statement of changes in shareholders’ equity.

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11. SHARE CAPITAL (continued)

During the year ended December 31, 2023, 12,396,885 shares with a deemed price of \$0.05 per shares were issued to settle \$619,844 of accounts payable. The Company recorded a gain on debt settlement of \$433,891.

Warrants

During the years ended December 31, 2023 and 2022, no warrants were granted and exercised.

On July 14, 2023, 534,022 warrants with an exercise price of \$0.21 expired.

On October 14, 2022, 1,786,725 warrants with an exercise price of \$0.21 expired.

On July 5, 2023, the Company amended the terms of 6,706,525 share purchase warrants originally issued on July 14, 2021 with an expiry date on July 14, 2023. The Company extended the warrant terms to July 14, 2026, and reduced the exercise price of warrants from \$0.21 to \$0.05. The amendment will require the incorporation of an accelerated expiry provision such that the remaining exercise period of the warrants will be reduced to 30 days if, for any 10 consecutive trading days during the unexpired term of such of the warrants, the closing price of the corporation's common shares exceeds the amended exercise price by 25% or more (which would be a trading price of \$0.625 per common share or higher), with the 30-day expiry period commencing on the day the corporation disseminates a press release advising of the commencement of the exercise period.

The following table summarizes the information about share purchase warrants as at December 31, 2023:

Expiry date	Warrants outstanding	Exercise Price	Weighted average remaining contractual life, in years
		\$	
July 14, 2026	6,706,525	0.05	2.54
	6,706,525	0.05	2.54

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 CSE for the common shares of the Company.

A summary of stock options activities are as follows:

	December 31, 2023		December 31, 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Balance, beginning	7,270,000	0.30	7,570,000	0.30
Expired/Cancelled	-	-	(300,000)	0.38
Balance, ending	7,270,000	0.30	7,270,000	0.30

During the year ended December 31, 2022, 300,000 options with an exercise price of \$0.38 expired on April 11, 2022.

The Company recognized stock-based compensation expense of \$Nil for the year ended December 31, 2023 (2022 - \$Nil).

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11. SHARE CAPITAL (continued)

The following summarizes information about stock options outstanding and exercisable at December 31, 2023:

Expiry date	Options outstanding	Options exercisable	Exercise Price	Weighted average remaining contractual life, in years
			\$	
February 16, 2024*	6,020,000	6,020,000	0.30	0.13
July 21, 2024	1,250,000	1,250,000	0.30	0.56
	7,270,000	7,270,000	0.30	0.20

*Subsequent to December 31, 2023, the options expired unexercised.

12. NON-CONTROLLING INTERESTS

All of the non-controlling interest of the Company is related to the discontinued operations.

At December 31, 2023, the Company owned 45.13% interest in its Korean investment BiocurePharm (Note 6), and all non-controlling interest and accumulated other comprehensive loss had been deconsolidated.

Set out below is summarized financial information for the subsidiary before any inter-company eliminations:

Summarized balance sheet	BiocurePharm Incorp.	
	December 31, 2023	December 31, 2022
	\$	\$
Current assets	-	12,771
Current liabilities	-	2,751,290
Current net assets	-	(2,738,519)
Non-current assets	-	45,587
Non-current liabilities	-	1,627,909
Non-current net assets	-	(1,582,322)
Net assets	-	(4,320,841)
Accumulated NCI	-	(349,278)

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12. NON-CONTROLLING INTERESTS (continued)

Summarized statement of comprehensive loss	BiocurePharm Incorp.	
	May 31, 2023	December 31, 2022
	\$	\$
Amortization and depreciation	(233)	(7,495)
Director and management fees	(44,743)	(100,900)
General and administrative	(213,200)	(399,500)
Research and Development	(86,745)	(276,347)
Other income and expenses	(1,660)	(327,374)
Net loss for the period	(346,581)	(1,111,616)
Other comprehensive income (loss)	159,872	(98,677)
Total comprehensive loss	(186,709)	(1,210,293)
Comprehensive loss allocated to NCI	(12,619)	(71,149)

13. FINANCIAL INSTRUMENTS AND RISKS*Classification of financial instruments*

Financial assets included in the consolidated statement of financial position are as follows:

	December 31, 2023	December 31, 2022
	\$	\$
Fair value through profit or loss		
Cash	4,235	37,672
Fair value through other comprehensive income		
Investments in KWULP and KWUC	1,965,527	1,965,527
	1,969,762	2,003,199

Financial liabilities included in the statement of financial position are as follows:

	December 31, 2023	December 31, 2022
	\$	\$
Financial liabilities at amortized cost:		
Accounts payable and accrued liabilities	331,368	713,286
Loans payable	41,875	81,189
	373,243	794,475

Fair value

The Company has applied a three-level hierarchy to reflect the significance of the inputs used in making fair value measurements. The three levels of fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

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13. FINANCIAL INSTRUMENTS AND RISKS (continued)

- Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, neither directly or indirectly; and
- Level 3 – Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments consist of cash, investment in KWULP, KWUC, receivables, payable and accrued liabilities, and loans payable. The fair value of these financial instruments, other than cash, approximates their carrying value due to the short-term nature of these instruments. Cash is measured at fair value using level 1 input. The fair value of KWULP and KWUC are measured using level 3 inputs.

Financial liabilities measured at fair value consisted of convertible debentures, which are measured using level 3 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate and liquidity risk.

a) Credit risk

Credit risk is risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held in large Canadian financial institutions and is not exposed to significant credit risk. During the year ended December 31, 2023, the Company set up an allowance for doubtful account for a total of \$717,300 (2022 - \$Nil) in connection to BP Korea and recognized the amount as bad debt expense in the consolidated statements of comprehensive loss (Note 6).

b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to limited interest rate risk.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the directors are actively involved in the review, planning, and approval of significant expenditures and commitments. Liquidity risk is assessed as high.

d) Foreign currency risk

The Company's disposed subsidiary and current investment in associate's functional currency is the South Korean Won and major transactions are in South Korean Wons. The Company is not exposed to significant foreign exchange risk arising from transactions dominated in a foreign currency.

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14. CAPITAL MANAGEMENT

The capital managed by the Company includes the components of shareholders' equity as described in the consolidated statements of shareholders' equity. The Company is not subject to externally imposed capital requirements.

The Company's objectives of capital management are to create long-term value and economic returns for its shareholders. It does this by seeking to maximize its resources to fund the growth and development of its business, and to support the working capital required to maintain its ability to continue as a going concern. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its assets by seeking to limit shareholder dilution and optimize its cost of capital while maintaining an acceptable level of risk. In order to maintain or adjust its capital structure, the Company considers all sources of financing reasonably available to it, including but not limited to the issuance of new capital, the issuance of new debt and the sale of assets in whole or in part. There were no changes in the Company's approach to capital management during the period.

15. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	December 31, 2023	December 31, 2022
Net loss from continuing operations	\$ (1,494,497)	\$ (403,404)
Statutory tax rate	27%	27%
Expected income tax recovery	(404,000)	(109,000)
Non-deductible expenditures	135,000	-
Change in unrecognised deferred assets	266,000	110,000
Other	3,000	(1,000)
Actual income tax recovery	\$ -	\$ -

The Company's tax-effected deferred income tax assets and liabilities are estimated as follows:

	December 31, 2023	December 31, 2022
Deferred income tax assets		
Non-capital losses carried forward	\$ 2,483,000	\$ 2,212,000
Share issuance costs	14,000	19,000
Unrecognized deferred tax assets	(2,497,000)	(2,231,000)
Net deferred income tax assets	\$ -	\$ -

As at December 31, 2023, the Company has income tax loss carry forwards of approximately \$9,200,000 to reduce future taxable income which expires between 2023 and 2043.