

BIOCURE TECHNOLOGY INC.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED
MARCH 31, 2024 AND 2023

(Unaudited)

(Expressed in Canadian Dollars)

BIOCURE TECHNOLOGY INC.

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated 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 management and approved by the Audit Committee and Board of Directors of the Company.

The Company's independent auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim statements by an entity's auditors.

May 21, 2024

Biocure Technology Inc.

Condensed Consolidated Interim Statements of Financial Position

As at March 31, 2024 and December 31, 2023

(Unaudited)

(Expressed in Canadian Dollars)

		March 31, 2024	December 31, 2023
	Notes	(Unaudited)	(Audited)
		\$	\$
ASSETS			
Current			
Cash		3,530	4,235
Receivables	6	9,601	6,674
		<u>13,131</u>	<u>10,909</u>
Non-current			
Investments in KWULP and KWUC	5	1,965,527	1,965,527
TOTAL ASSETS		<u>1,978,658</u>	<u>1,976,436</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	7,8	355,540	331,368
Non-current			
Loans payable	9	43,675	41,875
TOTAL LIABILITIES		<u>399,215</u>	<u>373,243</u>
Shareholders' equity			
Share capital	10	17,676,749	17,676,749
Reserve for stock options and warrants	10	7,497,458	7,497,458
Deficit		(23,594,764)	(23,571,014)
Total shareholders' equity		<u>1,579,443</u>	<u>1,603,193</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>1,978,658</u>	<u>1,976,436</u>

Nature of operations and going concern (Note 1)

Approved on behalf of the Board on May 21, 2024:

"Konstantin Lichtenwald"

Director

"Collin Kim"

Director

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

Biocure Technology Inc.

Condensed Consolidated Interim Statements of Comprehensive Loss

For the three months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

	Notes	2024	2023
		\$	\$
EXPENSES			
Accretion		1,800	1,349
Consulting		10,125	8,250
Director and management fees	8	37,500	31,446
Filing fees		3,728	7,757
General and administrative		268	346
Insurance		6,755	7,708
Professional fees		8,574	25,387
		<u>(68,750)</u>	<u>(82,243)</u>
OTHER ITEMS			
Foreign exchange gain (loss)		-	(3)
Other income		45,000	-
		<u>45,000</u>	<u>(3)</u>
NET LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		<u>(23,750)</u>	<u>(82,246)</u>
NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS		-	<u>(245,573)</u>
NET LOSS FOR THE PERIOD		<u>(23,750)</u>	<u>(327,819)</u>
Loss attributable to the shareholders of the Company		(23,750)	(313,171)
Loss attributable to non-controlling interest		-	(14,648)
		<u>(23,750)</u>	<u>(327,819)</u>
OTHER COMPREHENSIVE INCOME (LOSS) (items that may be reclassified to profit or loss)			
Foreign currency translation		-	129,204
Attributable to the shareholders of the Company		-	119,006
Attributable to non-controlling interest	11	-	10,198
		<u>-</u>	<u>129,204</u>
COMPREHENSIVE LOSS		<u>(23,750)</u>	<u>(198,615)</u>
Attributable to the shareholders of the Company		(23,750)	(194,165)
Attributable to non-controlling interest	11	-	(4,450)
		<u>(23,750)</u>	<u>(198,615)</u>
BASIC AND DILUTED LOSS PER SHARE FROM CONTINUING OPERATIONS		(0.00)	(0.00)
BASIC AND DILUTED LOSS PER SHARE WEIGHTED AVERAGE SHARES OUTSTANDING – BASIC AND DILUTED		92,860,866	108,921,158

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

Biocure Technology Inc.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

For the three months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Reserve For Stock Options and Warrants	Accumulated Other Comprehensive Loss	Deficit	Non- controlling interest	Total
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
Net loss for the period	-	-	-	-	(313,171)	(14,648)	(327,819)
Other comprehensive loss	-	-	-	119,006	-	10,198	129,204
March 31, 2023	108,921,158	18,446,908	7,497,458	(299,090)	(27,607,117)	(273,678)	(2,235,519)
December 31, 2023	94,000,537	17,676,749	7,497,458	-	(23,571,014)	-	1,603,193
Net loss for the period	-	-	-	-	(23,750)	-	(23,750)
March 31, 2024	94,000,537	17,676,749	7,497,458	-	(23,594,764)	-	1,579,443

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

Biocure Technology Inc.

Condensed Consolidated Interim Statements of Cash Flows

For the three months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

	2024	2023
	\$	\$
OPERATING ACTIVITIES		
Net loss for the period	(23,750)	(82,246)
Non-cash items:		
Accretion expense	1,800	1,349
Changes in non-cash working capital items:		
Receivables	(2,927)	(3,520)
Accounts payable and accrued liabilities	24,172	32,540
Net cash used in operating activities – continuing operations	(705)	(51,877)
Net cash used in operating activities – discontinued operations	-	(194,892)
Net cash used in operating activities	(705)	(246,769)
INVESTING ACTIVITIES		
Repayment of subsidiary loan	-	25,000
Net cash (used in) provided by investing activities – continuing operations	-	25,000
Net cash (used in) provided by investing activities – discontinued operations	-	(1,631)
Net cash flow provided by (used in) investing activities	-	23,369
FINANCING ACTIVITIES		
Proceeds from private placement	-	-
Net cash provided by financing activities – continuing operations	-	-
Net cash provided by financing activities – discontinued operations	-	196,425
Net cash flow used in financing activities	-	196,425
EFFECT OF FOREIGN CURRENCY TRANSLATION ON CASH	-	(44)
NET CHANGE IN CASH FROM CONTINUING OPERATIONS	(705)	(26,877)
NET CHANGE IN CASH FROM DISCONTINUED OPERATIONS	-	(142)
CASH, BEGINNING OF THE PERIOD	4,235	37,672
CASH, END OF THE PERIOD	3,530	10,795

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

Biocure Technology Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited)

(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’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 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. As at March 31, 2024, the Company has a working capital deficiency of \$342,409. 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 March 31, 2024, the Company has not earned significant revenue and has an accumulated deficit of \$23,594,764. 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. These adjustments could be material.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2023. In the opinion of management, all adjustments considered necessary for fair presentation of the Company’s financial position, results of operations and cash flows for the three months ended and as at March 31, 2024 and 2023 have been included. Operating results for the three-month period ended March 31, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2024.

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Biocure Technology Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (continued)*Statement of compliance*

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The condensed consolidated interim financial statements have been prepared in conformity with IAS 34 Interim Financial Reporting and do not include all the information required for full annual consolidated financial statements in accordance with IFRS and should be read in conjunction with the audited consolidated financials for the year ended December 31, 2023.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated interim financial statements of the Company for the three months ended March 31, 2023 were approved and authorized for issue by the Board of Directors on May 21, 2024

Functional and presentation currency

The 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 disposed subsidiary is South Korea Won.

Basis of consolidation

The condensed consolidated interim 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 have been presented separately since December 31, 2022. The operating results of the subsidiary are included in discontinued operations in these condensed consolidated interim 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.

Biocure Technology Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (continued)**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.

Significant estimates and assumptions

The preparation of condensed consolidated interim 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 condensed consolidated interim 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 condensed consolidated interim financial statements are:

- 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 condensed consolidated interim 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 POLICIES

The accounting policies followed in these condensed consolidated interim financial statements are the same as those applied in the Company's most recent audited consolidated financial statements for the years ended December 31, 2023 and 2022. Accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Biocure Technology Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

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.

	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

Biocure Technology Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

4. DISCONTINUED OPERATIONS (continued)

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.

	March 31, 2024	March 31, 2023
	\$	\$
EXPENSES		
Amortization and depreciation	-	142
Director and management fees	-	30,286
General and administrative	-	158,555
Research and Development	-	56,941
Other (income) and expenses	-	(351)
Net loss from discontinued operations	-	(245,573)
BASIC AND DILUTED LOSS PER SHARE FROM DISCONTINUED OPERATIONS	(0.00)	(0.00)

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%.

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.

Biocure Technology Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

4. DISCONTINUED OPERATIONS (continued)

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

	Debenture
	\$
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.

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 March 31, 2024, 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 March 31, 2024, the Company owns 9.91% interest of KWULP.

Biocure Technology Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

5. 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 its investment for indicators of impairment and concluded that no such indicators exist as at March 31, 2024. Management has determined fair value based on the cost basis of the investment.

6. RECEIVABLES

The Company's receivables are comprised of GST receivable. As of March 31, 2024, the Company had \$9,601 (December 31, 2023 - \$6,674) in receivables.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2024	December 31, 2023
	\$	\$
Accounts payable	355,540	331,368
	355,540	331,368

8. 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 three months ended March 31, 2024 and 2023 were as follows:

	Three months ended March 31, 2024	Three months ended March 31, 2023
	\$	\$
Director and management fees*	37,500	83,083
Total	37,500	83,083

*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.

*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.

Accounts payable balances outstanding to related parties

As at March 31, 2024, there was \$ 257,553 (December 31, 2023 - \$223,178) of due to directors and officers included in accounts payable.

As at March 31, 2024, there was \$1,446 (December 31, 2023 - \$1,446) due to a former director included in accounts payable (Note 7).

Biocure Technology Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

9. LOANS PAYABLE

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

	March 31, 2023	December 31, 2023
	\$	\$
Balance, beginning	41,875	34,189
Additions – CEBA	-	(18,125)
Additions – forego grant amount	-	20,000
Accretion – CEBA	1,800	5,811
Balance, ending	43,675	41,875

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. 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 \$43,675. During the three months ended March 31, 2024, the Company recorded accretion expense of \$1,800 (March 31, 2023 - \$1,349).

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

Unlimited number of common shares without par value.

Issued:

There were no transactions affecting share capital during the three months ended March 31, 2024 and 2023.

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 three months ended March 31, 2024 and 2023, no warrants were granted and exercised.

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

Biocure Technology Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (continued)

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 March 31, 2024:

Expiry date	Warrants outstanding	Exercise Price	Weighted average remaining contractual life, in years
		\$	
July 14, 2026	6,706,525	0.05	3.29
	6,706,525	0.05	3.29

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:

	March 31, 2024		December 31, 2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning	7,270,000	\$ 0.30	7,270,000	\$ 0.30
Expired/Cancelled	(6,020,000)	0.30	-	-
Balance, ending	1,250,000	0.30	7,270,000	0.30

During the period ended March 31, 2024, 6,020,000 options with an exercise price of \$0.30 expired on February 16, 2024.

The Company recognized stock-based compensation expense of \$Nil for the three months ended March 31, 2024 (2023 - \$Nil).

Biocure Technology Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (continued)

The following summarizes information about stock options outstanding and exercisable at March 31, 2024:

Expiry date	Options outstanding	Options exercisable	Exercise Price	Weighted average remaining contractual life, in years
			\$	
July 21, 2024	1,250,000	1,250,000	0.30	1.31
	1,250,000	1,250,000	0.30	1.31

11. NON-CONTROLLING INTERESTS

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

At March 31, 2024, the Company had Nil interest in its Korean investment BiocurePharm, 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 statement of comprehensive income	BiocurePharm Incorp.	
	March 31, 2024	March 31, 2023
	\$	\$
Amortization and depreciation	-	(142)
Director and management fees	-	(30,286)
General and administrative	-	(158,555)
Research and Development	-	(56,941)
Other income and expenses	-	351
Net income (loss) for the period	-	(245,573)
Other comprehensive income (loss)	-	129,204
Total comprehensive income (loss)	-	(116,369)
Comprehensive income (loss) allocated to NCI	-	(4,450)

Biocure Technology Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

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

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

	March 31, 2024	December 31, 2023
	\$	\$
Fair value through profit or loss		
Cash	3,530	4,235
Fair value through other comprehensive income		
Investments in KWULP and KWUC	1,965,527	1,965,527
	<u>1,969,057</u>	<u>1,969,762</u>

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

	March 31, 2024	December 31, 2023
	\$	\$
Financial liabilities at amortized cost:		
Accounts payable and accrued liabilities	355,540	331,368
Loans payable	43,675	41,875
	<u>399,215</u>	<u>373,243</u>

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;
- 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 and KWUC, receivables, payable and accrued liabilities, and loans payable at amortized cost. The fair value of these financial instruments, other than cash and convertible debentures, approximates their carrying values due to the short-term nature of these instruments. Cash is measured at fair value using level 1 input.

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. As of March 31, 2024, there is an amount of \$717,300 (2023 - \$Nil) for allowance for doubtful account in connection to BP Korea. The Company recognized the amount as bad debt expense in the consolidated statements of comprehensive loss in 2023.

Biocure Technology Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

12. FINANCIAL INSTRUMENTS AND RISKS (continued)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.

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.

13. 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.