

**MC PARTNERS INC.**

**Financial Statements**

**For the Three Months Ended February 28, 2013**

**(Expressed in Canadian Dollars)**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of MC Partners Inc. (the "Company") are the responsibility of the Company's management. The financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

Management has developed and maintains a system of internal controls to ensure that the Company's assets are protected from loss or improper use, transactions are authorized and properly recorded, and financial records are reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal control. The Board of Directors reviews the results of the financial statements prior to approving them.

*"John Morgan"*

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John Morgan  
Chief Executive Officer

Vancouver, British Columbia  
April 29, 2013

**MC PARTNERS INC.**  
**Condensed Interim Statements of Financial Position**  
**(Expressed in Canadian Dollars - unaudited)**

	<i>Notes</i>	February 28, 2013	November 30, 2012
<b>ASSETS</b>		<b>\$</b>	<b>\$</b>
<b>Current</b>			
Cash and cash equivalents		365,394	417,794
HST/GST receivable		806	-
Other receivable		25,000	-
<b>Total current assets</b>		<b>391,200</b>	<b>417,794</b>
<b>Total assets</b>		<b>391,200</b>	<b>417,794</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		46,870	24,085
<b>Total liabilities</b>		<b>46,870</b>	<b>24,085</b>
<b>EQUITY</b>			
<b>Equity attributable to shareholders</b>			
Share capital		437,406	437,406
Reserves		62,835	62,835
Accumulated deficit		(155,911)	(106,532)
<b>Total equity</b>		<b>344,330</b>	<b>393,709</b>
<b>Total liabilities and equity</b>		<b>391,200</b>	<b>417,794</b>

Approved on behalf of the Board:

*"John Morgan" (signed)*

Director

*"Robin Hutchinson" (signed)*

Director

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

**MC PARTNERS INC.****Statements of Operation and Comprehensive Loss****(Expressed in Canadian Dollars - unaudited)**

<b>For the three months ended:</b>	<b>February 28, 2013</b>	<b>February 29, 2012</b>
	<b>\$</b>	<b>\$</b>
<b>General and administrative expenses</b>		
Administrative and general office	<b>4,075</b>	85
Accounting and audit fees	<b>6,799</b>	95
Legal fees	<b>17,766</b>	
Bank charges and interest	<b>31</b>	-
Consulting fees	<b>280</b>	-
Transfer agent, filing and listing fees	<b>20,127</b>	-
Travel and meals	<b>301</b>	604
<b>Net loss and comprehensive loss for the period</b>	<b>(49,379)</b>	(784)
<b>Basic and diluted loss per share</b>	<b>(0.00)</b>	-
<b>Weighted average common shares outstanding - diluted</b>	<b>7,000,000</b>	-

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

**MC PARTNERS INC.**  
**Statements of Operation and**  
**Comprehensive Loss**  
**(Expressed in Canadian Dollars -**  
**unaudited)**

	Common Shares		Reserve	Deficit	Total Shareholders' Equity
	Number of Shares	Amount			
		\$	\$	\$	\$
Balance, November 30, 2011	2,000,000	100,000	-	(14,447)	85,553
Net income (loss) for the period	-	-	-	(781)	(781)
Balance, February 29, 2012	2,000,000	100,000	-	(15,228)	84,772
Issue of common shares	5,000,000	500,000	-	-	500,000
Share issuance costs	-	162,594	26,335	-	(136,259)
Share-based payment	-	-	36,500	-	36,500
Net loss for the period	-	-	-	(91,304)	(91,304)
Balance, November 30, 2012	7,000,000	437,406	62,835	(106,532)	393,709
Net loss for the period	-	-	-	(49,379)	(49,379)
Balance, February 28, 2013	7,000,000	437,406	62,835	(155,911)	344,330

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

**MC PARTNERS INC.****Statements of Operation and Comprehensive Loss****(Expressed in Canadian Dollars - unaudited)**

<b>For the three months ended:</b>	<b>February 28, 2013 \$</b>	<b>February 29, 2012 \$</b>
Cash provided by (used in):		
<b>Operating activities:</b>		
Net loss for the period	(49,379)	(781)
Changes in non-cash working capital:		
Receivables	(806)	0
Other receivable	(25,000)	0
Accounts payable and accrued liabilities	22,785	205
	(52,400)	-576
Net change in cash and cash equivalents	(52,400)	(576)
Cash and cash equivalents, beginning of period	417,794	61,253
Cash and cash equivalents, end of period	365,394	60,677

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

**MC Partners Inc.**  
**Notes to the Condensed Interim Financial Statements**  
**For the Three Months ended February 28, 2013**  
**(Expressed in Canadian Dollars -unaudited)**

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

MC Partners Inc. (the "Company") was incorporated on January 28, 2011 pursuant to the *Business Corporations Act*, British Columbia, and is a capital pool company as defined by Policy 2.4 (the "CPC Policy") of the TSX Venture Exchange (the "Exchange"). The Company's registered office is Suite 300 – 576 Seymour Street, Vancouver, BC, Canada. The principal business of the Company is to identify and evaluate business opportunities with the objective of completing the acquisition of an interest in properties, assets or a business ("Qualifying Transaction") under the Exchange rules. Under these rules, a Qualifying Transaction must be completed within 24 months of listing. On May 3, 2012, the Company completed its initial public offering ("IPO") of 5,000,000 common shares at a price of \$0.10 per share and was listed on the Exchange under the trading symbol "MCT.P".

The Company has not generated any revenues and has incurred losses of \$155,911 since inception. The ability of the Company to continue as a going concern depends upon the acquisition of a successful project or business and the ability of the Company to obtain necessary financing to fund ongoing operations. The Company's ability to achieve these objectives cannot be determined at this time.

These condensed interim financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's continuing operations as intended are dependent upon the Company's ability to complete a Qualifying Transaction. Such an acquisition will be subject to shareholder and regulatory approval. In the case of a non-arm's-length transaction (as defined in the CPC Policy), a majority of the minority shareholder approval is also required. Should the Company fail to complete a Qualifying Transaction, its ability to raise sufficient financing to maintain operations may be impaired and, accordingly, the Company may be unable to realize the carrying value of its net assets.

The financial statements of the Company were authorized for issue by the Board of Directors on April 29, 2013.

**2. BASIS OF PRESENTATION**

(a) Statement of compliance

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair values. In addition, these financial statements have been prepared using the accrual basis of accounting.

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**Notes to the Condensed Interim Financial Statements**  
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**2. BASIS OF PRESENTATION (Continued)**

(b) Basis of measurement (Continued)

These financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information presented has been rounded to the nearest dollar, unless otherwise indicated.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also required management to exercise judgment in applying the Company's accounting policies.

**3. SIGNIFICANT ACCOUNTING POLICIES**

These condensed consolidated interim financial statements have been prepared in accordance with the accounting policies described in Note 3 of the Company's Annual Financial Statements as at and for the year ended November 30, 2012. Accordingly, these condensed consolidated interim statements for the three months ended February 28, 2013 should be read together with the Annual Financial Statements as at and for the year ended November 30, 2012.

**4. SHARE CAPITAL**

(a) The authorized share capital of the Company consists of an unlimited number of common shares without par value.

During the year ended November 30, 2012, the Company issued 5,000,000 common shares at a price of \$0.10 per share for gross proceeds of \$500,000.

During the period from January 28, 2011 (date of incorporation) to November 30, 2011, the Company issued 2,000,000 founder's common shares at \$0.05 per share to officers and directors of the Company for total proceeds of \$100,000. These common shares are to be deposited and held in escrow until the Qualifying Transaction has been completed and the Final Exchange Bulletin issued.

(b) Escrowed shares

As at February 28, 2013, the Company has 2,100,000 (November 30, 2012: 2,100,000) common shares held in escrow. These shares will be released from escrow pro rata to the shareholders as to 10% upon the completion of a Qualified Transaction and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. The shares have been excluded from the calculation of loss per share.



MC Partners Inc.  
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4. SHARE CAPITAL (Continued)

(c) Stock options

In 2012, the Company adopted a stock option plan, which provides that the Board of Directors may from time to time, in its discretion, and all in accordance with the Exchange requirements, grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares exercisable for five years from the date of grant.

On May 3, 2012, the Company granted 700,000 stock options to its officers and directors. The options are exercisable at a price of \$0.10 per share. The options will be exercisable for a period of five years from the grant date. Such stock options may be exercised before completion of the Qualifying Transaction only if the optionee agrees to deposit the shares acquired pursuant to the terms of the option into escrow until the issuance of the Final Exchange Bulletin.

The fair value of the stock options granted was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: risk free interest rate of 1.56%; expected dividend rate of 0%; expected volatility of 100%; expected life of 5 years and a forfeiture rate of 0%. The fair value of these options was calculated at \$36,500, which was recognized as share-based payments.

The weighted average remaining contractual life of the stock options is 4.17 (2011 – nil) years.

(d) Agent options

A summary of the Company's outstanding agent options and changes during the periods then ended is as follows:

	Quantity	Weighted Average Exercise Price
Balance, January 28, 2011 and November 30, 2011	-	\$ -
Issued during the year ended November 30, 2012	500,000	\$ 0.12
Balance, November 30, 2012 and February 28, 2013	500,000	\$ 0.12

In connection with the Company's IPO, the Company granted agent options to purchase 500,000 common shares at a price of \$0.10 per share, expiring May 3, 2014 and with a fair value of \$26,335.

The fair value of the agent options is estimated using the Black-Scholes option pricing model with the following weighted average assumptions: risk free interest rate of 1.30%; expected

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**SHARE CAPITAL** (Continued)

(d) Agent options (Continued)

dividend yield of 0%; expected volatility of 100%; expected life of 2 years and a forfeiture rate of 0%.

(e) The expected volatility used in calculating the fair value of stock options and agent options granted is determined based on the historical share price of peer group companies over the estimated lives of the agent options and stock options.

**5. CAPITAL RISK MANAGEMENT**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the development of any identified business opportunities and to maintain a flexible capital structure for the benefit of its stakeholders.

The Company includes equity, comprised of issued share capital, reserves and deficit in the definition of capital.

The Company manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture arrangements, acquire or dispose of assets, or adjust the amount of cash.

The Board of Directors does not establish quantitative return on capital criteria for management but rather promotes year over year sustainable growth. The Company is not subject to externally imposed capital requirements.

**7. RELATED PARTY TRANSACTIONS**

The Company entered into the following transactions with related parties during the period:

- Administrative and general office expenditures and listing fees of \$13,916 (2012: \$592.68) for reimbursements of same were paid to a director; and
- Consulting fees of \$280 (2012: \$nil) were paid to a director.

As at February 28, 2013, due to related parties was \$287(2012: \$111); this balance is included in accounts payable and accrued liabilities.

Key management comprises directors and executive officers.

## 8. FINANCIAL INSTRUMENTS

### (a) Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivable or at FVTPL. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss. At February 28, 2013, the Company classified cash as FVTPL.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost. At February 28, 2013, the Company has not classified any financial assets as loans and receivables.

Financial assets classified as available-for-sale are measured at fair value with realized gains and losses recognized in OCI, except for losses in value that are considered other than temporary. At February 28, 2013, the Company has not classified any financial assets as available-for-sale.

### (b) Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized through comprehensive loss. As at February 28, 2013, the Company has not classified any financial liabilities as FVTPL.

### (c) De-recognition of financial liabilities

The Company de-recognizes financial liabilities when the obligations are discharged, cancelled or expired.

### (d) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could

8. FINANCIAL INSTRUMENTS (Continued)

include: significant financial difficulty of the issuer or counter party, or default or delinquency in interest or principle payments, or the likelihood that the borrower will enter bankruptcy or financial reorganization.

The carrying amount of financial assets is reduced by an impairment loss directly for all financial assets.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(e) Financial instruments recorded at fair value

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs). As of February 28, 2013, cash is recorded at fair value on the statement of financial position.

(f) Risk factors

*Credit risk*

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, which is held in a large Canadian financial institution. The Company believes this credit risk is insignificant.

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At February 28, 2013, the Company had a cash balance of \$365,394 (November 30, 2012: \$417,794) to settle current liabilities of \$46,870 (November 30, 2012: \$24,085). In general, the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

**8. FINANCIAL INSTRUMENTS** (Continued)

- (f) Risk Factors (Continued)  
*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances and no interest-bearing debt. The Company believes it has no significant interest rate risk.

The Company does not have any derivative financial instruments.

**9. EVENTS AFTER THE REPORTING PERIOD**

- (a) On April 22, 2013, the Company entered into a formal share exchange agreement with bioMmune Technologies Inc. (“bioMmune”), a private company incorporated under the laws of British Columbia, and its shareholders, to acquire all of the issued and outstanding shares of bioMmune in exchange for 5,600,000 common shares in the capital of the Company (the “Acquisition”). The Acquisition is anticipated to constitute a qualifying transaction for the Company. It is anticipated that in connection with the Acquisition the Company will change its name to “bioMmune Technologies Inc.”.
- (b) On April 17, 2013, the Company received conditional approval from the TSX Venture Exchange (the “Exchange”) for the completion of the proposed qualifying transaction. Completion of the Acquisition is subject to fulfilling all conditions of the Exchange, including but not limited to submission by the sponsor and receipt by the Exchange of a satisfactory sponsor report and completion of a concurrent non-brokered private placement of 10,000,000 units of the Company at a price of \$0.15 per unit for gross proceeds of \$1,500,000 (the “Financing”). Each unit will consist of one common share of the Company and one common share purchase warrant of the Company (the “Warrant”). Each whole Warrant will entitle the holder to purchase one additional common share of the Company at a price of \$0.25 for a period of 12 months from the completion of the Financing, subject to an exercise acceleration clause. Under the exercise acceleration clause, which the Company may exercise once the Units are free of resale restrictions and if the Company’s shares are trading at or above a volume weighted average price of \$0.40 for more than 20 trading consecutive days, the Warrants will expire upon 30 days from the date the Company provides notice in writing to the Warrant holders via a news release.
- (c) On April 26, 2013, the Company filed its filing statement for the proposed qualifying transaction on SEDAR at [www.sedar.com](http://www.sedar.com) and disseminated a news release detailing the terms of the Acquisition and the conditions to closing of the proposed qualifying transaction, which can also be found on SEDAR.