BIOMMUNE TECHNOLOGIES INC.

Consolidated Financial Statements
For the Years Ended November 30, 2014 and 2013
(Expressed in Canadian Dollars)

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SmytheRatcliffe
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF BIOMMUNE TECHNOLOGIES INC.

We have audited the accompanying consolidated financial statements of bioMmune Technologies Inc., which comprise the consolidated statements of financial position as at November 30, 2014 and 2013, and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

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

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of bioMmune Technologies Inc. as at November 30, 2014 and 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to note 1 in the consolidated financial statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Smythe Ratcliffe LLP

Chartered Accountants

Vancouver, British Columbia
March 24, 2015

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bioMmune Technologies Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at November 30	***Notes***	**2014**	**2013**
		$	**$**
ASSETS			
Current			
Cash and cash equivalents	4	394,711	44,030
Short-term investment	4	-	1,105,468
Prepaid expenses	14	77,678	6,542
GST receivable		22,165	21,754
Total current assets		494,554	1,177,794
Non-current assets			
Computer equipment	7	687	1,528
Intangible assets	6	1,042,053	1,127,853
Total non-current assets		1,042,740	1,129,381
Total assets		1,537,294	2,307,175
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	11	90,793	73,470
Total liabilities		90,793	73,470
SHAREHOLDERS' EQUITY			
Share capital	8	3,033,758	2,670,961
Reserves	8	246,653	214,348
Deficit		(1,833,910)	(651,604)
Total shareholders' equity		1,446,501	2,233,705
Total liabilities and shareholders' equity		1,537,294	2,307,175

Approved on behalf of the Board:

"Robin Hutchison" *"J. Michael Hutchison"*

Director Director

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

bioMmune Technologies Inc.
Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

For the years ended November 30	*Notes*	2014	2013
		$	$
General and administrative expenses			
Accounting and audit fees		17,300	40,968
Administrative and general office		18,177	8,870
Amortization	6, 7	86,641	45,243
Bank charges and interest		1,805	1,086
Consulting fees	11, 12	306,500	140,780
Foreign exchange loss		27,750	1,538
Insurance		10,550	3,808
Investor relations and marketing	12	76,961	1,737
Legal fees		2,551	64,609
Research and development	14	527,815	52,289
Share-based payments	8, 11	120,809	117,509
Sponsorship		-	24,500
Travel and conferences		30,290	13,201
Transfer agent, listing and filing fees		17,175	36,822
		(1,244,324)	(552,960)
Interest income		8,170	7,888
Net loss and comprehensive loss for the year		(1,236,154)	(545,072)
Loss per share, basic and diluted		(0.05)	(0.04)
Weighted average common shares outstanding - basic and diluted		24,102,538	15,178,798

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

bioMmune Technologies Inc.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share Capital					
	Number of Shares	**Amount**	**Option Reserve**	**Warrant Reserve**	**Deficit**	**Total Shareholders' Equity**
		$	**$**	**$**	**$**	**$**
Balance, November 30, 2012	7,000,000	437,406	36,500	26,335	(106,532)	393,709
Issue of common shares in private placement	10,000,000	1,500,000	-	-	-	1,500,000
Share issuance costs	-	(161,985)	-	53,044	-	(108,941)
Exercise of stock options	350,000	35,000	-	-	-	35,000
Fair value transfer on exercise of options	-	19,040	(19,040)	-	-	-
Exercise of warrants	15,000	1,500				1,500
Issue of common shares for asset acquisition (note 5)	5,600,000	840,000	-	-	-	840,000
Share-based payments	-	-	117,509	-	-	117,509
Net loss for the year	-	-	-	-	(545,072)	(545,072)
Balance, November 30, 2013	22,965,000	2,670,961	134,969	79,379	(651,604)	2,233,705
Exercise of stock options	175,000	17,500	-	-	-	17,500
Fair value transfer on exercise of options	-	9,125	(9,125)	-	-	-
Exercise of warrants	1,533,417	310,641	-	-	-	310,641
Fair value transfer on exercise of warrants	-	25,531	-	(25,531)	-	-
Share-based payments	-	-	120,809	-	-	120,809
Fair value transfer of expired warrants	-	-	-	(53,848)	53,848	-
Net loss for the year	-	-	-	-	(1,236,154)	(1,236,154)
Balance, November 30, 2014	24,673,417	3,033,758	246,653	-	(1,833,910)	1,446,501

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

bioMmune Technologies Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

For the years ended November 30	**2014**	**2013**
	$	**$**
Cash provided by (used in):		
Operating activities:		
Net loss for the year	(1,236,154)	(545,072)
Items not involving cash:		
Amortization	86,641	45,243
Share-based payments	120,809	117,509
Interest income	(1,874)	(6,468)
Changes in non-cash working capital:		
Prepaid expenses	(71,136)	(5,548)
GST receivable	(411)	(21,405)
Accounts payable and accrued liabilities	17,323	4,982
	(1,084,802)	(410,759)
Investing activities:		
Cash acquired on asset acquisition	-	10,544
Purchase and computer equipment	-	(2,108)
Purchase of intangible assets	-	(300,000)
Sale (purchase) of short-term investment	1,107,342	(1,099,000)
	1,107,342	(1,390,564)
Financing activities:		
Shares issued for cash	328,141	1,536,500
Share issuance costs	-	(108,941)
	328,141	1,427,559
Net change in cash and cash equivalents	350,681	(373,764)
Cash and cash equivalents, beginning of year	44,030	417,794
Cash and cash equivalents, end of year	394,711	44,030

SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION

Non-cash transactions:		
Shares issued for asset acquisition	$ -	$ 840,000

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

1. NATURE OF OPERATIONS AND GOING CONCERN

bioMmune Technologies Inc. (the "Company") was incorporated on January 28, 2011 pursuant to the *Business Corporations Act* (British Columbia) under the name MC Partners Inc. as a capital pool company, as defined by Policy 2.4 (the "CPC Policy") of the TSX Venture Exchange (the "Exchange"). On May 24, 2013, the Company acquired all of the issued and outstanding shares of bioMmune Advanced Technologies Inc. ("BAT"), a private company (incorporated on July 5, 2012) formed to commercially exploit a number of patents and patent applications that surround three technologies. The acquisition constituted the Company's Qualifying Transaction pursuant to the CPC Policy of the Exchange. On May 22, 2013, the Company changed its name to bioMmune Technologies Inc. and BAT changed its name to bioMmune Advanced Technologies Inc. The Company is a Tier 2 Research and Development Issuer engaged in the research and development of products for the treatment of cancers, and for improvement of the immune system, trading on the Exchange under the trading symbol "IMU".

The Company's registered office is 1780 - 400 Burrard Street, Vancouver, BC, Canada, V6C 3A6.

The Company has not generated any revenues and has incurred losses since inception. The Company expects to spend a significant amount of capital to fund research and development and on further laboratory and animal studies. As a result, the Company expects that its operating expenses will increase significantly, and consequently, will require significant revenues to become profitable. Even if the Company does become profitable, it may not be able to sustain or increase profitability on a quarterly or annual basis. The Company cannot predict when, if ever, it will be profitable. There can be no assurances that the Intellectual Property of the Company, or other technologies it may acquire, will meet applicable regulatory standards, obtain required regulatory approvals, be capable of being produced in commercial quantities at reasonable costs, or be successfully marketed. The Company plans to undertake additional laboratory and animal studies with respect to the Intellectual Property, and there can be no assurance that the results from such studies or trials will result in a commercially viable product or will not identify unwanted side effects.

These consolidated financial statements have been prepared under the assumption of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at November 30, 2014, the Company has an accumulated deficit of $1,833,910 (2013: $651,604) and a working capital $403,761 (2013: $1,104,324). The Company's ability to maintain its existence is dependent upon the continuing support of its creditors and its success in obtaining new equity financing for its ongoing operations. Financing options available to the Company include public equity financings and loans. Realization values of the Company's assets may be substantially different from carrying values, as shown in these consolidated financial statements, should the Company be unable to continue as a going concern.

These consolidated financial statements of the Company were authorized for issue by the Board of Directors on March 24, 2015.

2. BASIS OF PRESENTATION

(a) Statement of compliance

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

(b) Basis of measurement

The consolidated 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 consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3(f).

(c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are summarized below:

(a) Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, bioMmune Advanced Technologies Inc. A subsidiary is an entity in which the Company has control, where control requires exposure or rights to variable returns and the ability to affect those returns through power over the investee. All intercompany transactions and balances have been eliminated upon consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Intangible assets

Intangible assets of the Company include technology rights and patents acquired from third parties, and are recorded at cost less accumulated amortization and accumulated impairment losses. Initial acquisition cost is based on the fair value of the consideration paid or payable, and will be amortized on a straight-line basis over the estimated useful life of the underlying technologies with finite lives. The Company reviews the estimated useful lives and carrying values of its technology rights and patents as part of its periodic assessment for impairment of non-financial assets.

The carrying amounts for technology rights and patents do not necessarily reflect present or future value and the ultimate amounts recoverable will be dependent upon the successful development and commercialization of products based on these underlying technologies.

(c) Research and development costs

Research costs, including costs for new patents and patent applications, are expensed in the period in which they are incurred. Development costs are expensed in the period in which they are incurred unless certain criteria, including technical feasibility, commercial feasibility, intent and ability to develop and use the technology, are met for deferral and amortization. No development costs have been deferred to date.

(d) Share capital

Common shares issued by the Company are classified as shareholders' equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from shareholders' equity.

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated using the residual method whereby proceeds are allocated first to common shares based on the market trading price of the common shares, and any remaining balance is allocated to warrants.

(e) Share-based payments

The Company accounts for share-based payments using a fair value based method with respect to all share-based payments measured and recognized, to directors, employees and non-employees. For directors and employees, the fair value of the options is measured at the date of grant. For non-employees, the options are recorded at the fair value of the goods or services received. When the value of the goods or services received in exchange for the share-based payments cannot be reliably estimated, the fair value is measured using the Black-Scholes option pricing model. When options and warrants are exercised, the related amount in the options and warrants reserve is transferred to share capital. When options and warrants expire unexercised, such amounts are transferred to deficit.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method of tax allocation, deferred income tax assets and liabilities are determined based on differences between financial statement carrying amounts of existing assets and liabilities, and their respective tax basis (temporary differences). Deferred income tax assets and liabilities are measured using the tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in operations in the period in which the change is enacted or substantively enacted. The amount of deferred income tax assets recognized is limited to the amount of the benefit that is probable of being realized.

(g) Significant accounting judgments, estimates and assumptions

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements, and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Significant assumptions about the future and other sources of estimated uncertainty that management has made as at the consolidated statements of financial position date that could result in a material adjustment to the carrying amount of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical Accounting Estimates

Critical accounting estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities include, but are not limited to, the following:

- Intangible assets – useful lives

  Following initial recognition, the Company carries the value of intangible assets at cost less accumulated amortization and any accumulated impairment losses. Amortization is recorded on the straight-line basis based upon management's estimate of the useful life and residual value. The estimates are reviewed at least annually and are updated if expectations change as a result of the technical obsolescence or legal and other limits to use. A change in the useful life or residual value will impact the reported carrying value of the intangible assets resulting in a change in related amortization expense.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Significant accounting judgments, estimates and assumptions (continued)

Critical Accounting Estimates (continued)

- Share-based payments

  The fair value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

- Recovery of deferred tax assets

  The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make estimates in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of the consolidated financial statements.

Critical Accounting Judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include, but are not limited to, the following:

- Asset acquisitions

  Management has had to apply judgments relating to its acquisition during the year ended November 30, 2013 with respect to whether the acquisition was a business combination or an asset acquisition. Management applied a three-element process to determine whether a business or an asset was purchased, considering inputs, processes and outputs of the acquisition in order to reach a conclusion.

- Intangible assets – impairment

  The application of the Company's accounting policy for intangible asset expenditures requires judgment in determining whether it is likely that the future economic benefits will flow to the Company, which are based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off to profit or loss in the period the new information becomes available.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. The computation of diluted earnings (loss) per share assumes the exercise or contingent issuance of securities only when such exercise or issuance would have a dilutive effect on the earnings (loss) per share.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(i) Cash equivalents

Cash equivalents consist of a cashable guaranteed investment certificate (“GIC”) that is readily convertible into a known amount of cash.

(j) Short-term investment

Term deposit with a term less than 12 months from the reporting date is classified as a short-term investment.

(k) New standards, amendments and interpretations

The Company has adopted the following standards for the year ended November 30, 2014.

IFRS 10 *Consolidated Financial Statements*

Requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation - Special Purpose Entities*.

The standard identifies the principles of control, determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements.

The standard introduces a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e., whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in “special purpose entities”). Under IFRS 10, control is based on whether an investor has power over the investee, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the returns.

The adoption of this standard had no significant impact to the Company’s financial position, results of operations, or cash flows.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) New standards, amendments and interpretations

IFRS 11 *Joint Arrangements*

Replaces IAS 31 *Interests in Joint Ventures*. Requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement.

Joint arrangements are either joint operations or joint ventures:

- A **joint operation** is a joint arrangement whereby the parties that have joint control of the arrangement (joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operators recognize their assets, liabilities, revenue and expenses in relation to its interest in a joint operation (including their share of any such items arising jointly)
- A **joint venture** is a joint arrangement whereby the parties that have joint control of the arrangement (joint venturers) have rights to the net assets of the arrangement. A joint venturer applies the equity method of accounting for its investment in a joint venture in accordance with IAS 28 *Investments in Associates and Joint Ventures* (2011). Unlike IAS 31, the use of "proportionate consolidation" to account for joint ventures is not permitted.

The adoption of this standard had no significant impact to the Company's financial position, results of operations, or cash flows.

Certain new standards, interpretations and amendments to existing standards are not yet effective as of November 30, 2014 and have not been applied in preparing these consolidated financial statements. The Company is assessing the impact of these standards on its consolidated financial statements:

IFRS 9 Financial Instruments (2014)

This is a finalized version of IFRS 9, which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a "fair value through other comprehensive income" category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39; however, there are differences in the requirements applying to the measurement of an entity's own credit risk.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) New standards, amendments and interpretations not yet effective (continued)

IFRS 9 Financial Instruments (2014) (continued)

- Impairment. The 2014 version of IFRS 9 introduces an "expected credit loss" model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.
- Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- Derecognition. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Applicable to the Company's annual period beginning on December 1, 2018.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

Amends IAS 32 *Financial Instruments: Presentation* to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- the meaning of “currently has a legally enforceable right of set-off”
- the application of simultaneous realization and settlement
- the offsetting of collateral amounts
- the unit of account for applying the offsetting requirements.

Applicable to the Company's annual period beginning on December 1, 2014.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)

Amends IAS 36 *Impairment of Assets* to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

Applicable to the Company’s annual period beginning on December 1, 2014.

(Expressed in Canadian Dollars)

4. CASH EQUIVALENTS AND SHORT-TERM INVESTMENT

As at November 30, 2014, the Company had a GIC of $362,000 (2013: $nil) readily convertible into cash, maturing June 3, 2015 with an annual interest rate of 1.95%. Included in the balance is accrued interest of $1,874. The amount of $363,874 is classified as cash equivalents.

As at November 30, 2013, the Company has a short-term deposit of $1,099,000 of principal, maturing June 4, 2014 with an annual interest rate of 1.25%. Included in the recorded cash and cash equivalent balance is accrued interest of $6,468. The amount of $1,105,468 is classified as short-term investment.

5. ASSET ACQUISITION

On May 24, 2013, the Company acquired all of the issued and outstanding common shares of BAT in exchange for 5,600,000 common shares of the Company fair valued at $0.15 per common share. The cost of the Acquisition is based on the fair value of the consideration given.

As BAT was not considered to be an acquired business under accounting guidance, the Acquisition was accounted for as an asset acquisition. The purchase consideration is $840,000 and the purchase price allocation relating to the Acquisition has been accounted for as follows:

Cash	$	10,544
Accounts receivable		349
Prepaid expenses		994
Intangible assets		872,516
Accounts payable and accrued liabilities		(44,403)
Purchase consideration	$	840,000

BAT's intangible assets' carrying value of $17,789 as at May 24, 2013 was increased to $872,516 based on the fair value of the purchase consideration.

(Expressed in Canadian Dollars)

6. INTANGIBLE ASSETS

Cost	**$**
Balance, November 30, 2012	-
Additions	1,172,516
Balance, November 30, 2013	1,172,516
Additions	-
Balance, November 30, 2014	1,172,516

Accumulated Amortization	**$**
Balance, November 30, 2012	-
Charge for the year	44,663
Balance, November 30, 2013	44,663
Charge for the year	85,800
Balance, November 30, 2014	130,463

Carrying Value	**$**
Balance, November 30, 2013	1,127,853
Balance, November 30, 2014	1,042,053

On May 24, 2013, the Company acquired BAT (note 5) and the difference between the purchase consideration and the fair values of BAT’s net assets has been assigned to intangible assets ($854,827).

Pursuant to the terms of the October 2012 patent assignment agreement with the University of British Columbia (“UBC”), the Company paid UBC an assignment fee of $300,000.

The asset is amortized over its estimated useful life, using the straight-line method. From the date of acquisition of the above patents, the estimated useful life is 13.7 years.

(Expressed in Canadian Dollars)

7. COMPUTER EQUIPMENT

Cost	**$**
Balance, November 30, 2012	-
Additions	2,108
Balance, November 30, 2013	2,108
Additions	-
Balance, November 30, 2014	2,108

Accumulated Amortization	**$**
Balance, November 30, 2012	-
Charge for the year	580
Balance, November 30, 2013	580
Charge for the year	841
Balance, November 30, 2014	1,421

Carrying Value	**$**
Balance, November 30, 2013	1,528
Balance, November 30, 2014	687

8. SHARE CAPITAL

(a) Authorized

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

(b) Common shares

During the year ended November 30, 2014, the Company:

- Issued 175,000 common shares at $0.10 per common share in relation to the exercise of 175,000 options; and
- Issued 1,048,667 common shares at $0.25 per common share and 484,750 common shares at $0.10 per common share in relation to the exercise of warrants.

During year ended November 30, 2013, the Company:

- Issued 365,000 common shares at $0.10 per common share in relation to the exercise of 365,000 options. Share issuance costs totaled $852, for net proceeds of $35,648;
- Issued 5,600,000 common shares at $0.15 per common share in relation to the Acquisition (note 5); and

8. SHARE CAPITAL (Continued)

(b) Common shares (continued)

During year ended November 30, 2013, the Company (continued):

- Completed a non-brokered private placement of 10,000,000 units at a price of $0.15 per unit for gross proceeds of $1,500,000 (the "Financing"). Cash share issuance costs totaled $108,941 for net proceeds of $1,391,059. Each unit consisted of one share and one transferable share purchase warrant of the Company (the "Warrant"). Each Warrant entitles the holder to purchase one additional share in the Company at a price of $0.25 for a period of 12 months from the completion of the private placement and is subject to an exercise acceleration clause. Under the acceleration clause, which the Company may exercise once the private placement units are free of the resale if the shares of the Company are trading at or above a volume weighted average price of $0.40 for more than 20 consecutive trading days, the Warrants will expire 30 days from the date the Company provides notice in writing to the warrant holders via a news release. Pursuant to the terms of the financing, the Company paid to Haywood Securities Inc. a finders' fee of $100,020 and issued 1,000,200 finders' warrants (each, a "Finder Warrant") fair valued at $53,044. Each Finder Warrant is exercisable into one common share of the Company for a period of 12 months at a price of $0.25.

(c) Escrowed shares

As at November 30, 2014, the Company has 3,465,000 (2013: 5,775,000) common shares held in escrow. These shares are being released from escrow pro rata to the shareholders as to 15% every six months after May 24, 2013 for a period of 30 months.

(d) Stock options

During the year ended November 30, 2012, the Company adopted a stock option plan, which provides that the Board of Directors may from time to time, in its discretion, and 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.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (Continued)

(d) Stock options (continued)

A summary of the Company's outstanding stock options and changes is as follows:

	Quantity	Weighted Average Exercise Price ($)
Outstanding, November 30, 2012	700,000	0.10
Granted	1,475,000	0.22
Exercised	(350,000)	0.10
Outstanding, November 30, 2013	1,825,000	0.19
Granted	200,000	0.25
Exercised	(175,000)	0.10
Outstanding, November 30, 2014	1,850,000	0.22
Number exercisable at November 30, 2014	875,000	0.23
Number exercisable at November 30, 2013	233,383	0.23

On January 27, 2014, the Company granted 200,000 stock options to a consultant providing advisory services to the Company. The options are exercisable at a price of $0.25 per share for a period of two years. 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 1.00%; expected dividend rate of 0%; expected volatility of 81%; and expected life of two years. These options vest every three months from grant date for one year. The fair value of the options that vested for the year ended November 30, 2014 was calculated at $16,352, which was recognized as share-based payment expense.

On September 24, 2013, the Company granted 150,000 stock options to a director of the Company. The options are exercisable at a price of $0.20 per share for a period of five years. 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 1.40%; expected dividend rate of 0%; expected volatility of 109%; and expected life of five years. These options vest every three months from grant date for three years. The fair value of the options that vested for the year ended November 30, 2014 was calculated at $10,874 (2013: $5,642), which has been recognized as share-based payments.

On June 19, 2013, the Company granted 1,325,000 stock options to officers, directors and a consultant. The options are exercisable at a price of $0.23 per share for a period of five years. 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 1.40%; expected dividend rate of 0%; expected volatility of 109%; and expected life of five years. These options vest every three months from grant date for three years. The fair value of the options that vested for the year ended November 30, 2014 was calculated at $93,583 (2013: $111,867), which has been recognized as share-based payments.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (Continued)

(d) Stock options (continued)

Companies are required to utilize an estimated forfeiture rate when calculating the expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of 0% in determining the expense recorded in the accompanying consolidated statements of operations and comprehensive loss.

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

The options outstanding November 30, 2014 are as follows:

Number Outstanding	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (Years)
175,000	0.10	2.42
1,325,000	0.23	3.55
150,000	0.20	3.82
200,000	0.25	1.16
1,850,000	0.22	3.21

The options outstanding November 30, 2013 are as follows:

Number Outstanding	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (Years)
350,000	0.10	3.42
1,325,000	0.23	4.55
150,000	0.20	4.82
1,825,000	0.19	4.36

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (Continued)

(e) Agent warrants

A summary of the Company's outstanding agent warrants and changes is as follows:

	Quantity	Weighted Average Exercise Price ($)
Outstanding, November 30, 2012	500,000	0.10
Exercised	(15,000)	0.10
Outstanding, November 30, 2013	485,000	0.10
Exercised	(484,750)	0.10
Expired	(250)	0.10
Outstanding, November 30, 2014	-	-

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

(f) Share purchase warrants

A summary of the Company's outstanding share purchase warrants and changes is as follows:

	Quantity	Weighted Average Exercise Price ($)
Balance, November 30, 2012	-	-
Issued (*)	10,000,000	0.25
Balance, November 30, 2013	10,000,000	0.25
Exercised	(1,048,667)	0.25
Expired	(8,951,333)	0.25
Balance, November 30, 2014	-	-

* Exercisable on or before May 24, 2014.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (Continued)

(g) Finder's warrants

A summary of the Company's finders' warrants and changes is as follows:

	Quantity	Weighted Average Exercise Price ($)
Balance, November 30, 2012	-	-
Issued (*)	1,000,200	0.25
Balance, November 30, 2013	1,000,200	0.25
Expired	(1,000,200)	0.25
Balance, November 30, 2014	-	-

* Exercisable on or before May 24, 2014.

In connection with the Company's Qualifying Transaction, the Company granted finders' warrants to purchase 1,000,200 common shares at a price of $0.25 per share. These warrants, with a fair value of $53,044, expired May 25, 2014.

The fair value of the finders' warrants is estimated using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate of 1.40%; expected dividend yield of 0%; expected volatility of 129%; and expected life of one year. Management applied the estimated forfeiture rate of 0%.

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

9. INCOME TAXES

As at November 30, 2014, the Company has non-capital losses of approximately $1,554,000, which may be applied against future income for Canadian income tax purposes. The potential future tax benefits of these losses have not been recorded in these consolidated financial statements.

The losses expire as follows:

2031	$	13,000
2032		88,000
2033		399,000
2034		1,054,000
	$	1,554,000

(Expressed in Canadian Dollars)

9. INCOME TAXES (Continued)

A reconciliation of income tax provision computed at Canadian statutory rates to the reported taxes is as follows:

		2014		2013
Loss before income taxes	$	(1,236,154)	$	(545,072)
Income tax as statutory rates		26.00%		25.67%
Expected income tax recovery		(321,400)		(139,920)
Non-deductible expenses and other permanent differences		30,898		30,326
Change in timing differences		(10,508)		(40,059)
Effect of change in tax rates		(2,116)		(5,563)
Unused tax losses and tax offsets not recognized		303,126		155,216
Total income tax recovery	$	-	$	-

Effective January 1, 2014, the British Columbia corporate tax rate increased from 10.00% to 11.00%, and the Canadian federal corporate tax remained unchanged at 15.00%. The overall increase in tax rates has resulted in an increase in the Company's statutory tax rate from 25.67% to 26%.

The following are the deductible temporary differences for which no deferred tax assets are recognized in the consolidated financial statements:

		2014		2013
Non-capital losses carried forward	$	1,554,092	$	458,058
Equipment		1,419		581
Share issuance costs		130,404		184,708
	$	1,685,915	$	643,347

10. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are 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 shareholders' 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.

(Expressed in Canadian Dollars)

10. CAPITAL RISK MANAGEMENT (Continued)

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. There were no changes in the Company's approach to capital management during the year ended November 30, 2014.

11. RELATED PARTY TRANSACTIONS

The following directors and/or senior officers transacted with the Company in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

The following is a summary of related party transactions that occurred during the years ended November 30, 2014 and 2013:

Key management compensation:

Services provided by:		**2014**	**2013**
RBH Consulting Inc.	(a)	$ 96,000	$ 48,000
Judi Dalling	(b)	65,000	32,500
Cydweli Consultants Inc.	(c)	78,000	30,000
John Morgan	(d)	-	280
Share-based payments		88,901	100,623
		$ 327,901	$ 211,403

(a) RBH Consulting Inc. is a privately held corporation controlled by Robin Hutchison, a director and Executive Chairman of the Company, who provided consulting services to the Company (note 12).

(b) Judi Dalling, the CFO of the Company, provided consulting services to the Company (note 12).

(c) Cydweli Consultants Inc. is a privately held corporation controlled by Dr. Reinhard Gabathuler, President and CEO of the Company, who provided consulting services to the Company (note 12).

(d) John Morgan, formerly a director of the Company, provided consulting services to the Company.

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS (Continued)

Other related party transactions include:

- On May 24, 2013, as part of the acquisition of BAT, a director of the Company acquired direct ownership of 1,325,000 common shares of the Company and control and direction over an additional 1,325,000 common shares, collectively representing approximately 11.03% of the Company's issued and outstanding common shares.

Included in accounts payable and accrued liabilities is $1,310 (2013: $4,084) payable to directors, officers and companies owned by directors and/or officers.

12. COMMITMENTS

Commitments over the next five years are as follows:

2015	$	327,000
2016		317,000
2017		317,000
2018		317,000
2019		317,000
	$	1,595,000

Effective February 1, 2014, the Company entered into consulting agreements as follows:

(a) Corporate development agreement with Hamza Thindal Capital Corporation to provide advisory services related to capital markets for a fee of $5,000 per month for a period of 12 months; and

(b) Agency agreement with Pure Advertising & Marketing Inc. to provide advisory services related to advertising, marketing and corporate communications for a fee of $2,500 per month for a period of 12 months.

Effective June 1, 2013, the Company entered into consulting agreements as follows:

(c) Consulting agreement with RBH Consulting Inc., a company fully owned by a director and officer of the Company, to provide consulting services to the Company for a fee of $96,000 per year (note 11);

(d) Consulting agreement with Cydweli Consultants Inc., a company fully owned by an officer of the Company, to provide consulting services to the Company for a fee of $60,000 per year. On June 1, 2014, the Company increased the fee to $96,000 per year (note 11);

(e) Consulting agreement with Judi Dalling, CFO of the Company, to provide consulting services to the Company for a fee of $65,000 per year (note 11); and

(Expressed in Canadian Dollars)

12. COMMITMENTS (Continued)

(f) Consulting agreement with 442668 BC Ltd. to provide consulting services to the Company for a fee of $60,000 per year.

Each of these agreements includes an automatic renewal clause, unless notification is provided by either party. In addition to the fees set forth above, incentive bonuses may be granted at the discretion of the Board of Directors.

13. FINANCIAL INSTRUMENTS

(a) Fair values

Financial instruments recognized at fair value on the consolidated statements of financial position must be classified in one of the following three fair value hierarchy levels:

Level 1 – measurement based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

Level 2 – measurement based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability; or

Level 3 – measurement based on inputs that are not observable (supported by little or no market activity) for the asset or liability.

As at November 30, 2014 and 2013, the Company's financial instruments are comprised of cash and cash equivalents, short-term investments, and accounts payable and accrued liabilities. With the exception of cash and cash equivalents and short-term investments, all financial instruments held by the Company are measured at amortized cost.

(b) Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents and short-term investments. The Company limits its exposure to credit loss by placing its cash and cash equivalents and short-term investments with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

	2014	2013
Cash and cash equivalents	$ 394,711	$ 44,030
Short-term investments	-	1,105,468
	$ 394,711	$ 1,149,498

(Expressed in Canadian Dollars)

13. FINANCIAL INSTRUMENTS (Continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meets its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

At November 30, 2014, the Company had cash and cash equivalents of $394,711 (2013: $44,030) and short-term investments of $nil (2013: $1,105,468) available to apply against short-term business requirements and current liabilities of $90,793 (2013: $73,470). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of November 30, 2014.

(d) Currency risk

The Company is exposed to currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar. The Company does not manage currency risks through hedging or other currency management tools.

As at November 30, 2014 and 2013, the Company's net exposure to foreign currency risk is as follows:

US dollars		2014		2013
Cash	$	549	$	3,896
Accounts payable		48,494		-
Net exposure to foreign currency risk		47,945		3,896
Canadian dollar equivalent	$	54,787	$	4,129

Based on the above net foreign currency exposure, and assuming all other variables remain constant, a 7% weakening or strengthening of the Canadian dollar against the US dollar would not have a material effect on the Company's net loss and comprehensive loss.

(e) Other price risk

Other price risk is the risk that future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

14. RESEARCH AND DEVELOPMENT

During the year ended November 30, 2014, the Company incurred $527,815 (2013: $52,289) in research and development expenditures. In the current fiscal year, the Company entered into three collaborative research agreements ("Research Agreements") with UBC to sponsor research work on three projects. The Company paid $130,000 under each Research Agreement to fund research activities and related administrative costs. Total payments made to UBC for the year ended November 30, 2014 is $390,000 (2013: $nil). As at November 30, 2014, $71,161 is included in prepaid expenses (2013: $nil), representing the unused portion of funds paid.

15. SEGMENTED INFORMATION

The Company has one operating segment, biotechnology research and development, and all assets of the Company are located in Canada.