PASCAL BIOSCIENCES INC. (formerly BIOMMUNE TECHNOLOGIES INC.)

Condensed Consolidated Interim Financial Statements
For the Three Months Ended February 28, 2017 and February 29, 2016

(Expressed in Canadian Dollars)
Unaudited – Prepared by management

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NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed consolidated interim financial statements for the three months ended February 28, 2017 and February 29, 2016.

Pascal Biosciences Inc. (formerly bioMmune Technologies Inc.)
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	February 28, 2017	November 30, 2016
ASSETS		$	$
Current			
Cash and cash equivalents		1,276,694	1,028,055
Prepaid expenses		86,713	44,332
GST receivable		23,292	18,314
Total current assets		1,386,698	1,090,701
Non-current assets			
Computer equipment		2,587	3,000
Intangible assets		849,003	870,453
Total non-current assets		851,590	873,453
Total assets		2,238,288	1,964,154
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		87,740	113,055
Total liabilities		87,740	113,055
SHAREHOLDERS' EQUITY			
Equity attributable to shareholders			
Share capital		6,378,406	5,813,506
Reserves		586,197	511,481
Deficit		(4,814,054)	(4,473,888)
Total shareholders' equity		2,150,549	1,851,099
Total liabilities and shareholders' equity		2,238,289	1,964,154

Statement of compliance, basis of preparation of financial statements and going concern (Notes 1 and 2)
Events subsequent to the period (note 14)

Approved on behalf of the Board:

/s/Terry Pearson — Director

/s/Patrick Gray — Director

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

Pascal Biosciences Inc. (formerly bioMmune Technologies Inc.)
Condensed Consolidated Interim Statements of Operation and Comprehensive Loss
(Expressed in Canadian Dollars)

For the three months ended:	*Notes*	February 28, 2017	February 29, 2016
		$	$
General and administrative expenses			
Administrative and general office		9,898	14,348
Amortization	6,7	21,863	21,862
Bank charges and interest		530	401
Consulting fees		99,250	101,135
Foreign exchange loss/(gain)		(1,210)	26,090
Insurance		2,548	2,042
Investor relations and marketing		-	8,438
Legal fees		31,809	1,200
Research and development		85,595	100,378
Share-based payments		74,716	52,306
Travel and entertainment		12,854	19,069
Transfer agent, listing and filing fees		3,069	5,497
		(340,922)	(352,766)
Interest income		756	1,112
Net loss and comprehensive loss for the period		(340,166)	(351,654)
Loss per share, basic and diluted		(0.01)	(0.01)
Weighted average common shares outstanding - basic and diluted		37,232,547	31,812,819

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

Pascal Biosciences Inc. (formerly bioMmune Technologies Inc.)
Condensed Consolidated Interim Statements of Shareholders' Equity
(Expressed in Canadian Dollars)

	Common Shares				
	Number of Shares	Amount	Option Reserve	Deficit	Total Shareholders' Equity
		$	$	$	$
Balance, November 30, 2015	31,673,417	4,554,941	371,878	(2,979,657)	1,947,162
Exercise of stock options	725,000	156,000	-	-	156,000
Fair value transfer on exercise of options	-	100,948	-100,948	-	-
Exercise of warrants	3,116,668	1,001,667	-	-	1,001,667
Share issuance costs	-	-50	-	-	-50
Share-based payments	-	-	305,321	-	305,321
Fair value transfer on expired and cancelled options	-	-	(64,770)	64,770	-
Net loss for the year	-	-	-	(1,559,001)	(1,559,001)
Balance, November 30, 2016	35,515,085	5,813,506	511,481	-4,473,888	1,851,099
Exercise of warrants	1,883,000	564,900	-	-	564,900
Share-based payments	-	-	74,716	-	40,616
Net loss for the year	-	-	-	(340,166)	(306,066)
Balance, February 28, 2017	37,398,085	6,378,406	586,197	(4,814,054)	2,150,549

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

Pascal Biosciences Inc. (formerly bioMmune Technologies Inc.)
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)

	February 28, 2017	November 30, 2016
	$	$
Cash provided by (used in):		
Operating activities:		
Net loss for the period:	(340,166)	(1,559,001)
Items not involving cash:		
Amortization	21,863	86,896
Share-based payments	74,716	305,321
Changes in non-cash working capital:		
Prepaid expenses	(42,381)	54,932
GST receivable	(4,978)	4,517
Accounts payable and accrued liabilities	(25,315)	(18,091)
	(316,261)	(1,125,426)
Investing activities:		
Purchase of computer equipment	-	(2,394)
	-	(2,394)
Financing activities:		
Shares issued for cash	564,900	1,157,667
Share issuance costs	-	(50)
	564,900	1,157,617
Net change in cash and cash equivalents	248,639	29,897
Cash and cash equivalents, beginning of year	1,028,055	998,158
Cash and cash equivalents, end of period	1,276,694	1,028,055

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

1. Nature of operations

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. On March 30, 2017, the Company changed its name to Pascal Biosciences 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 "PAS".

The Company's head office and registered and records 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 condensed consolidated interim 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 February 28, 2017, the Company has an accumulated deficit of $4,814,054 (November 30, 2016: $5,813,506) and working capital of $1,298,958 (November 30, 2016: $977,646). 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 equity financings and loans. Realization values of the Company's assets may be substantially different from carrying values, as shown in these condensed consolidated interim financial statements, should the Company be unable to continue as a going concern. The differences could be material.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on April 28, 2017.

2. Statement of compliance, basis of preparation

a) Statement of compliance

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in accordance with the International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended November 30, 2016.

The condensed consolidated interim financial statements do not include all of the information and note disclosures required for full annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended November 30, 2016.

b) Basis of preparation

These condensed consolidated interim financial statements of the Company have been prepared on the accruals basis and are based on historical costs, modified where applicable. The condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise noted.

3. Summary of 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, 2016. Accordingly, these condensed consolidated interim financial statements for the three months ended February 28, 2017 should be read together with the annual financial statements as at, and for the year ended November 30, 2016.

4. Cash and cash equivalents

As at February 28, 2017, the Company had a cashable GIC of $1,200,000 readily convertible into cash, maturing January 31, 2018 with an annual interest rate of 0.80% (November 30, 2016: $169,000 @ 2.00%).

(Expressed in Canadian Dollars – Unaudited)

5. Intangible assets

Cost	**$**
Balance, November 30, 2015 and 2016	1,172,516
Additions	-
Balance, February 28, 2017	1,172,516

Accumulated Amortization	**$**
Balance, November 30, 2015	216,263
Charge for the year	85,800
Balance, November 30, 2016	302,063
Charge for the period	21,450
Balance, February 28, 2017	323,513

Carrying Value	**$**
Balance, November 30, 2016	870,453
Balance, February 28, 2017	849,003

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 related to three technologies in the cancer protein projects of research. On May 24, 2013, the Company acquired BAT and the difference between the purchase considerations and the fair values of BAT’s net assets has been assigned to intangible assets ($17,689), the amount of which is $854,827.

The assets are amortized over their estimated useful lives, 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 – Unaudited)

6. Computer equipment

Cost	**$**
Balance, November 30, 2015	4,167
Additions	2,394
Balance, November 30, 2016 and February 28, 2017	6,561

Accumulated Amortization	**$**
Balance, November 30, 2015	2,365
Charge for the year	1,196
Balance, November 30, 2016	3,561
Charge for the period	413
Balance, February 28, 2017	3,974

Carrying Value	**$**
Balance, November 30, 2016	3,000
Balance, February 28, 2017	2,587

7. 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 three months ended February 28, 2017, the Company:

- Issued 1,883,000 common shares at a price of $0.30 per share in relation to the exercise of warrants, for gross proceeds of $564,900.

During the year ended November 30, 2016, the Company

- Issued 175,000 common shares at a price of $0.10 per share in relation to the exercise of 175,000 options, for gross proceeds of $17,500.

(Expressed in Canadian Dollars – Unaudited)

7. Share capital (Continued)

(b) Common shares (Continued)

- Issued 100,000 common shares at a price of $0.35 per share in relation to the exercise of stock options, for gross proceeds of $35,000.
- Issued 450,000 common shares at a price of $0.23 per share in relation to the exercise of stock options, for gross proceeds of $103,500.
- Issued 666,668 common shares at a price of $0.40 per share in relation to the exercise of warrants, for gross proceeds of $266,667.
- Issued 2,450,000 common shares at a price of $0.30 per share in relation to the exercise of warrants for gross proceeds of $735,000.
- Issued 700,000 common shares at $0.30 per common share in relation to the exercise of warrants.

(c) 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.

A summary of the Company's outstanding stock options and changes as at February 28, 2017 is as follows:

	Quantity	Weighted Average Exercise Price ($)
Outstanding, November 30, 2015	2,600,000	0.21
Granted	1,212,000	0.48
Exercised	(725,000)	0.22
Expired	(400,000)	0.24
Outstanding, November 30, 2016 and February 28, 2017	2,687,000	0.36
Exercisable, February 28, 2017	2,019,250	

On April 1, 2016, the Company granted 820,000 stock options to officers and directors of the Company. The option shares are exercisable at a price of $0.36 per share for a period of five years and will vest quarterly over 12 months, beginning three months after the date of grant. 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 0.69%;

(Expressed in Canadian Dollars – Unaudited)

7. Share capital (Continued)

(d) Stock options (Continued)

expected dividend rate of 0%; expected volatility of 71%; and forfeiture rate of 0%. The fair value of the options was calculated at $171,378. The share-based payment expense recognized during the three months ended February 28, 2017 was $15,550.

On October 4, 2016, the Company granted 392,000 stock options to officers and directors of the Company. The option shares are exercisable at a price of $0.72 per share for a period of five years and will vest quarterly over 12 months, beginning three months after the date of grant. 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 0.69%; expected dividend rate of 0%; expected volatility of 71%; and forfeiture rate of 0%. The fair value of the options was calculated at $164,434. The share-based payment expense recognized during the three months ended February 28, 2017 was $59,167.

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 condensed consolidated interim statements of operations.

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 at February 28, 2017 are as follows:

Number Outstanding	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (Years)
575,000	0.23	1.3
150,000	0.20	1.57
750,000	0.31	3.43
820,000	0.36	4.08
392,000	0.72	4.59
2,687,000	0.36	3.24

(Expressed in Canadian Dollars – Unaudited)

7. Share capital (Continued)

(d) Share purchase warrants

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

	Quantity	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (Years)
Balance, November 30, 2015	7,000,000	0.33	0.36
Exercised	(3,116,668)	0.32	0.00
Balance, November 30, 2016	3,883,332	0.32	0.36
Exercised	(1,883,000)	0.30	0.00
Expired	(667,000)	0.30	0.00
Balance, February 28, 2017	1,333,332	0.40	0.36

8. 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 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. There were no changes in the Company's approach to capital management during the three months ended February 28, 2017.

9. 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.

(Expressed in Canadian Dollars – Unaudited)

9. Related party transactions (Continued)

The following is a summary of related party transactions that occurred during the three months ended February 28, 2017 and February 29, 2016:

Key management compensation:

Services provided by:		**2017**	**2016**
		$	**$**
Robin Hutchison (RBH Consulting Inc.)	a)	-	5,885
Dr. Patrick Gray (MolaQule LLC)	b)	30,000	30,000
Judi Dalling	c)	16,250	16,250
Jens Biertumpel	d)	6,500	2,500
Dr. Reinhard Gabathuler (Cydweli Consultants Inc.)	e)	24,000	24,000
Share-based payments		74,716	36,484
		151,466	115,119

a) Robin Hutchison, a former director and Executive Chairman of the Company provided consulting services to the Company in December, 2016.
b) Dr. Patrick Gray, a director and Chief Scientific Officer of the Company, provided consulting services to the Company (note 10).
c) Judi Dalling, the CFO of the Company, provided consulting services to the Company (note 10).
d) Jens Biertumpel, a director of the Company, provided consulting services to the Company.
e) Dr. Reinhard Gabathuler, a director of the Company, provided consulting services to the Company (note 10).

Other related party transactions include:

$8,067 (2016: $16,186) is included in accounts payable and accrued liabilities for disbursements payable to officers and directors of the Company.

10. Commitments

Commitments over the next five years are as follows:

	$
2017	488,000
2018	341,000
2019	341,000
2020	341,000
2021	341,000
2022	85,000

(Expressed in Canadian Dollars – Unaudited)

	1,937,000

10. Commitments (Continued)

Effective June 1, 2103, the Company has entered into consulting agreements as follows:

(a) Consulting agreement with Cydweli Consultants Inc., a privately held corporation controlled by Dr. Reinhard Gabathuler, to provide consulting services to the Company for a fee of $96,000 per year. (See also Note 9e);

(b) Consulting agreement with Judi Dalling, CFO of the Company, to provide consulting services to the Company for a fee of $65,000 per year (See also Note 9c);

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

During the year ended November 30, 2015:

(d) The Company entered into a consulting agreement with MolaQule LLC, to provide consulting services to the Company for a fee of $120,000 per year commencing December 2, 2015. MolaQule LLC is owned by Dr. Patrick W. Gray, who became Chief Scientific Officer of the Company during the year ended November 30, 2015 (note 9b); and

(e) The Company entered into three collaborative research agreements ("CRAs") with UBC to pursue research work on its technologies. The Company was required to make two $50,000 payments, for a total of $100,000, to UBC on January 1, 2016 (paid) (note 12). During the year ended November 30, 2016, the Company and UBC amended one of the CRAs to include an additional $50,000 payment due January 22, 2016 (paid). During the year ended November 30, 2016, the Company and UBC amended the CRAs to continue to pursue research work on the Company's technologies. Under the terms of the new agreements, the Company is required to pay an additional $223,000 as follows:

Date	**Amount**
	$
December 1, 2016	91,000 (*paid)*
March 1, 2017	66,000 (*paid subsequent to February 28, 2017*)
June 1, 2017	66,000

Each of the consulting 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.

11. Financial instruments

(a) Fair values

Financial instruments recognized at fair value on the condensed consolidated interim 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;

11. Financial instruments (Continued)

(a) Fair values (Continued)

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 February 28, 2017 and February 29, 2016, 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 with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(Expressed in Canadian Dollars – Unaudited)

11. 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 liquidity to meet its liabilities when due.

At February 28, 2017, the Company had cash and cash equivalents of $1,273,694 (November 30, 2016: $1,028,055) available to apply against short-term business requirements and current liabilities of $87,740 (November 30, 2016: $113,055). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of February 28, 2017.

(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 February 28, 2017 and February 29, 2016, the Company's net exposure to foreign currency risk is as follows:

US dollars	**2017**	**2016**
	$	**$**
Cash	4,337	-
Accounts payable	(26,961)	(63,106)
Net exposure to foreign currency risk	(22,624)	(63,106)
Canadian dollar equivalent	(31,255)	(85,414)

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.

12. Research and development

During the three months ended February 28, 2017, the Company incurred $85,595 (2016: $100,378) in research and development expenditures.

During the year ended November 30, 2015, the Company entered into three CRAs with UBC to pursue research work on its technologies (note 10). Total payments made to UBC for the three months ended February 28, 2017 is $91,000 (2016: $nil). As at February 28, 2017, $72,158 is included in prepaid expenses (2016: $13,327), representing the unused portion of funds paid.

13. Segmented information

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

14. Events subsequent to the period

On March 30, 2017, the Company changed its name to Pascal Biosciences Inc. and now trades on the TSX Venture Exchange under the trading symbol "PAS".