PASCAL BIOSCIENCES INC. (formerly BIOMMUNE TECHNOLOGIES INC.)

Condensed Consolidated Interim Financial Statements
For the Nine Months Ended August 31, 2017 and 2016

(Expressed in Canadian Dollars)
Unaudited – Prepared by management

Index

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 nine months ended August 31, 2017 and 2016.

Pascal Biosciences Inc. (formerly bioMmune Technologies Inc.)

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars)

	Notes	**August 31 2017**	**November 30, 2016**
ASSETS		**$**	**$**
Current			
Cash and cash equivalents		450,527	1,028,055
Prepaid expenses		107,555	44,332
GST receivable		11,639	18,314
Total current assets		569,721	1,090,701
Non-current assets			
Computer equipment		1,762	3,000
Lab equipment		52,598	-
Intangible assets		803,702	870,453
Total non-current assets		858,062	873,453
Total assets		1,427,783	1,964,154
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		62,482	113,055
Total liabilities		62,482	113,055
SHAREHOLDERS' EQUITY			
Equity attributable to shareholders			
Share capital		6,378,406	5,813,506
Reserves		653,959	511,481
Deficit		(5,667,064)	(4,473,888)
Total shareholders' equity		1,365,301	1,851,099
Total liabilities and shareholders' equity		1,427,783	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)

	Notes	Nine Months ended August 31		Three months ended August 31	
		2017	2016	2017	2016
		$	$	$	$
General and administrative expenses					
Accounting and audit fees		320	298	0	0
Administrative and general office		17,236	25,634	912	2,301
Amortization	6,7	67,987	65,587	24,506	21,863
Bank charges and interest		2,098	1,152	997	351
Consulting fees		235,640	300,735	47,250	106,850
Salaries and benefits		201,982	-	148,114	0
Foreign exchange loss/(gain)		187,701	66,360	181,241	27,392
Insurance		15,938	6,126	10,603	2,042
Investor relations and marketing		212	6,018	0	303
Legal fees		71,978	4,103	24,332	1,725
Research and development		323,311	392,857	91,065	128,379
Share-based payments		142,478	208,324	31,805	75,649
Travel and entertainment		26,484	57,710	7,532	12,986
Transfer agent, listing and filing fees		13,262	15,437	2,426	3,942
		(1,306,627)	(1,150,341)	(570,783)	(383,783)
Interest income		3,283	2,447	1,698	4,333
Net loss		(1,303,344)	(1,147,894)	(569,085)	(379,450)
Other comprehensive loss					
Foreign currency translation		110,168	-	126,006	-
Total comprehensive loss		(1,193,176)	(1,147,894)	(443,079)	(379,450)
Loss per share, basic and diluted		(0.03)	(0.04)	(0.02)	(0.01)
Weighted average common shares outstanding - basic and diluted		37,398,085	31,855,618	37,398,085	31,898,417

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			Foreign Currency		
	Number of Shares	Amount	Option Reserve	Translation 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	175,000	17,500	-	-	-	17,500
Exercise of warrants	700,000	210,000	-	-	-	210,000
Share issuance costs	-	(300)	-	-	-	-300
Share-based payments	-	-	208,324	-	-	208,324
Net loss for the period	-	-	-	-	(1,147,894)	(1,147,894)
Balance, August 31, 2016	32,548,417	4,782,141	580,202	-	(4,127,551)	1,234,792
Exercise of stock options	600,000	138,500	-	-	-	138,500
Fair value transfer on exercise of options	-	100,948	(100,948)	-	-	-
Exercise of warrants	2,416,668	791,667	-	-	-	791,667
Share issuance costs	-	250	-	-	-	250
Share-based payments	-	-	96,997	-	-	96,997
Fair value transfer on expired and cancelled	-	-	-	-	64,770	64,770
options	-	-	(64,770)	-	-	(64,770)
Net loss for the period	-	-	-	-	(411,107)	(411,107)
Balance, November 30, 2016	35,565,085	5,813,506	511,481	-	(4,473,888)	1,851,099
Exercise of warrants	1,833,000	564,900	-	-	-	564,900
Share-based payments	-	-	142,478	-	-	142,478
Net loss for the period	-	-	-	-	(1,193,176)	(1,193,176)
Other comprehensive loss for the period	-	-	-	110,168	-	110,168
Balance, August 31, 2017	37,398,085	6,378,406	653,959	110,168	(5,667,064)	1,365,301

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)

	August 31	
	2017	**2016**
	$	**$**
Cash provided by (used in):		
Operating activities:		
Net loss for the period:	(1,303,344)	(1,148,894)
Items not involving cash:		
Amortization	67,987	65,587
Share-based payments	142,478	208,324
Changes in non-cash working capital:		
Prepaid expenses	(63,223)	83,886
GST receivable	6,675	9,771
Accounts payable and accrued liabilities	(50,573)	(94,965)
	(1,200,000)	(872,291)
Investing activities:		
Purchase of computer and lab equipment	(52,596)	(2,394)
	(52,596)	(2,394)
Financing activities:		
Shares issued for cash	564,900	226,900
Share issuance costs	-	300
	564,900	227,200
Net change in cash and cash equivalents	(687,696)	(269,447)
Effect of exchange rate changes	110,168	-
Cash and cash equivalents, beginning of year	1,028,055	394,711
Cash and cash equivalents, end of period	450,527	664,158

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

1. Nature of operations

Pascal Biosciences Inc. (formerly 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 27, 2017, the Company incorporated a wholly-owned subsidiary in Seattle, Washington, named Pascal Biosciences (US), 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.

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 August 31, 2017, the Company has an accumulated deficit of $5,667,064 (November 30, 2016: $5,813,506) and working capital of $507,239 (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 October 30, 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 six months ended August 31, 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 August 31, 2017, the Company had a cashable GIC of $198,000 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

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 involved in research on proteins that modulate immune responses to cancer. On May 24, 2013, the Company acquired bioMmune Advanced Technologies Inc. and the difference between the purchase considerations and the fair values of the 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.

Cost	**$**
Balance, November 30, 2015 and 2016	1,172,516
Additions	-
Balance, August 31, 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	66,750
Balance, August 31, 2017	368,813

Carrying Value	**$**
Balance, November 30, 2016	870,453
Balance, August 31, 2017	803,703

(Expressed in Canadian Dollars – Unaudited)

6. Computer and lab equipment

Cost	**$**
Balance, November 30, 2015	4,167
Additions	2,394
Balance, November 30, 2016	6,561
Additions	54,036
Balance August 31, 2017	60,597
Accumulated Amortization	**$**
Balance, November 30, 2015	2,365
Charge for the year	1,196
Balance, November 30, 2016	3,561
Charge for the period	6,237
Balance, August 31, 2017	9,798

Carrying Value	**$**
Balance, November 30, 2016	3,000
Balance, August 31, 2017	50,799

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 nine months ended August 31, 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.

- 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.

(Expressed in Canadian Dollars – Unaudited)

7. Share capital (Continued)

(b) Common shares (Continued)

- 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 August 31, 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	2,687,000	0.29
Granted	640,000	0.33
Outstanding, August 31, 2017	3,327,000	0.30

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%; 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 nine months ended August 31, 2017 was $19,305.

7. Share capital (Continued)

(c) Stock options (Continued)

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 nine months ended August 31, 2017 was $107,111.

On June 26, 2017, the Company granted an aggregate of 640,000 incentive stock options to directors, officers, consultants and employees of the Company. The option shares are exercisable at a price of $0.33 per share for a period of five years and will vest quarterly over 12 and 24 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 1.16%; expected dividend rate of 0%; expected volatility of 69%; and forfeiture rate of 0%. The fair value of the options was calculated at $121,584. The share-based payment expense recognized during the nine months ended August 31, 2017 was $32,767.

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.

(Expressed in Canadian Dollars – Unaudited)

7. Share capital (Continued)

(c) Stock options (Continued)

The options outstanding at August 31, 2017 are as follows:

Number Outstanding	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (Years)
575,000	0.23	0.80
150,000	0.20	1.07
750,000	0.31	2.93
820,000	0.36	3.58
392,000	0.72	4.09
640,000	0.33	4.97
3,327,000	0.36	3.17

(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	0.32
Exercised	(3,116,668)	0.32	0
Balance, November 30, 2016	3,883,332	0.33	0.32
Exercised	(1,883,000)	0.30	0.00
Expired	(667,000)	0.30	0.00
Balance, August 31, 2017	1,333,332	0.40	0.25

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

(Expressed in Canadian Dollars – Unaudited)

8. Capital risk management (Continued)

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 nine months ended August 31, 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 favorable 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 nine months ended August 31, 2017 and 2016:

Key management compensation:

Services provided by:		**2017**	**2016**
		$	**$**
Robin Hutchison (RBH Consulting Inc.)	a)	-	5,885
Dr. Patrick Gray (MolaQule LLC)	b)	90,000	90,000
Judi Dalling	c)	48,750	48,750
Jens Biertumpel	d)	8,000	2,500
Dr. Reinhard Gabathuler (Cydweli Consultants Inc.)	e)	52,000	72,000
Share-based payments		125,772	193,802
		324,522	412,937

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).

(Expressed in Canadian Dollars – Unaudited)

10. Commitments

Commitments over the next five years are as follows:

	$
2017	339,971
2018	624,886
2019	624,886
2020	624,886
2021	624,886
2022	529,914
	2,744,543

Effective June 1, 2013, 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. Effective May 1, 2017, the consulting fee was reduced to $48,000 per year and was terminated effective July 31, 2017. (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. In April 2017, Dr. Gray became an employee of the Company on the same terms as the consulting agreement with MolaQule. *(See also "Related Party Transactions* above*)*;

(e) Effective April 10, 2017, the Company employed three individuals to perform services in its Seattle lab. Total remuneration is $380,000 per year plus benefits and payroll costs of $94,864; and,

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.

(Expressed in Canadian Dollars – Unaudited)

10. Commitments (Continued)

(f) 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 (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. 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 paid UBC an additional $223,000 as follows:

Date	**Amount**
	$
December 1, 2016	91,000
March 1, 2017	66,000
June 1, 2017	66,000

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;

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 August 31, 2017 and 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.

(Expressed in Canadian Dollars – Unaudited)

11. Financial instruments (Continued)

(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.

(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 August 31, 2017, the Company had cash and cash equivalents of $450,527 (November 30, 2016: $1,028,055) available to apply against short-term business requirements and current liabilities of $62,482 (November 30, 2016: $113,055). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of August 31, 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 August 31, 2017 and 2016, the Company's net exposure to foreign currency risk is as follows:

US dollars	**2017**	**2016**
	$	**$**
Cash	145,590	329
Accounts payable	(38,003)	(21,040)
Net exposure to foreign currency risk	125,955	(20,711)
Canadian dollar equivalent	158,489	(27,131)

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.

11. Financial instruments (Continued)

(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 nine months ended August 31, 2017, the Company incurred $323,311 (2016: $392,857) 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 nine months ended August 31, 2017 is $157,000 (2016: $150,000). As at August 31, 2017, $97,948 is included in prepaid expenses (2016: $11,561), representing the unused portion of funds paid.

13. Segmented information

The Company has one operating segment, biotechnology research and development. The Company's research and development operations are centralized whereby management of the Company is responsible for business results and the everyday decision-making. The Company' operations therefore are segmented on a geographic basis. The Company's lab equipment is located in the United States.

14. Events Subsequent to the Period

There were no events subsequent to the period.