PASCAL BIOSCIENCES INC.
Consolidated Financial Statements
For the Years Ended November 30, 2019 and 2018
(Expressed in Canadian Dollars)

Index	**Page**

Smythe CPA

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF PASCAL BIOSCIENCES INC.

Opinion

We have audited the consolidated financial statements of Pascal Biosciences Inc. (the "Company"), which comprise:

- the consolidated statements of financial position as at November 30, 2019 and 2018;
- the consolidated statements of operations and comprehensive loss for the years then ended
- the consolidated statements of changes in shareholders' equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at November 30, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $3,412,176 during the year ended November 30, 2019 and, as of that date, the Company has a deficit of $12,576,705. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion & Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, and remain alert for indications that the other information appears to be materially misstated.

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We obtained the Management's Discussion & Analysis prior to the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Michelle Chi Wai So.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
March 30, 2020

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Pascal Biosciences Inc.

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

As at November 30	***Notes***	**2019**	**2018**
ASSETS		**$**	**$**
Current			
Cash and cash equivalents	4	361,385	3,644,582
Prepaid expenses		27,531	109,912
Receivables		14,307	13,723
Assets held for sale	14	45,312	-
Total current assets		448,535	3,768,217
Non-current assets			
Equipment	5	6,946	49,870
Total assets		455,481	3,818,087
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	60,346	226,698
Liabilities held for sale	14	51,099	-
Total liabilities		111,445	226,698
SHAREHOLDERS' EQUITY			
Equity attributable to shareholders			
Share capital	6	11,805,621	11,805,621
Reserves	6	1,115,120	1,161,341
Deficit		(12,576,705)	(9,375,573)
Total shareholders' equity		344,036	3,591,389
Total liabilities and shareholders' equity		455,481	3,818,087

Approved on behalf of the Board:

"Patrick W. Gray"

Director

"Terry Pearson"

Director

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

Pascal Biosciences Inc.

Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

For the years ended November 30	***Notes***	**2019**	**2018**
		$	**$**
General and administrative expenses			
Accounting and audit fees		52,117	53,571
Administrative and general office		97,914	61,892
Amortization	5	13,339	98,462
Bank charges and interest		8,488	5,950
Consulting fees	9	412,959	291,580
Salaries and benefits	9	1,449,128	814,044
Foreign exchange loss		55,015	42,727
Insurance		69,905	23,499
Investor relations and marketing		48,050	84,310
Legal fees		30,993	38,378
Research and development		922,621	657,456
Share-based payments	6,9	164,823	385,851
Transfer agent, listing and filing fees		27,624	28,105
Travel and entertainment		77,067	53,338
		(3,430,043)	(2,639,163)
Recovery of accounts payable	9	-	59,832
Impairment of intangible assets	12	-	(698,853)
Interest income		17,867	33,514
Net loss and comprehensive loss for the year		(3,412,176)	(3,244,670)
Loss per share, basic and diluted		(0.06)	(0.07)
Weighted average common shares outstanding - basic and diluted		52,647,396	48,045,853

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

Pascal Biosciences Inc.

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

	Common Shares				Total
	Number of Shares	Amount	Reserve	Deficit	Shareholders' Equity
		$	$	$	$
Balance, November 30, 2017	37,398,085	6,378,406	712,141	(6,130,903)	959,644
Exercise of stock options	825,000	192,250	-	-	192,250
Fair value transfer on exercise of stock options	-	147,695	(147,695)	-	-
Issuance of shares	13,262,594	5,274,030	-	-	5,274,030
Share issuance costs	-	(651,447)	211,044	-	(440,403)
Exercise of warrants	1,161,717	464,687	-	-	464,687
Share-based payments	-	-	385,851	-	385,851
Net loss for the year	-	-	-	(3,244,670)	(3,244,670)
Balance, November 30, 2018	52,647,396	11,805,621	1,161,341	(9,375,573)	3,591,389
Share-based payments	-	-	164,823	-	164,823
Fair value transfer on expiry of warrants	-	-	(211,044)	211,044	-
Net loss for the year	-	-	-	(3,412,176)	(3,412,176)
Balance, November 30, 2019	52,647,396	11,805,621	1,115,120	(12,576,705)	344,036

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

Pascal Biosciences Inc.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

For the years ended November 30

	2019	**2018**
	$	**$**
Cash provided by (used in):		
Operating activities:		
Net loss for the period:	(3,412,176)	(3,244,670)
Items not involving cash:		
Amortization	13,339	98,462
Impairment of intangible assets	-	698,853
Recovery of accounts payable	-	59,832
Share-based payments	164,823	385,851
Changes in non-cash working capital:		
Prepaid expenses	82,381	(37,609)
Receivable	(584)	3,512
Accounts payable and accrued liabilities	(124,159)	81,617
Due to related parties	8,906	-
	(3,267,470)	(1,954,152)
Investing activity:		
Purchase of equipment	(2,261)	(6,528)
	(2,261)	(6,528)
Financing activity:		
Shares issued for cash net of share issuance costs	-	5,490,564
	-	5,490,564
Net change in cash and cash equivalents	(3,269,731)	3,529,884
Cash and cash equivalents, beginning of year	3,644,582	114,698
Cash and cash equivalents, end of year	374,851	3,644,582
Composition of cash and cash equivalents		
Cash	22,606	373,337
Cash equivalents	338,779	3,271,245
Cash in asset held for sale	13,466	
Cash and cash equivalents, end of year	374,851	3,644,582

Supplemental cash flow information (Note 14)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Pascal Biosciences Inc. (the "Company") was incorporated on January 28, 2011 pursuant to the *Business Corporations Act* (British Columbia). 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. On March 27, 2017, the Company incorporated a wholly owned subsidiary in Seattle, Washington, named Pascal Biosciences US, Inc. ("Pascal (US)"). The Company is a Tier 2 Biotechnology Issuer engaged in the research and development of products for the treatment of cancers, and for improvement of the immune system, trading on the TSX Venture Exchange (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 additional funding or 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 its 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, 2019, the Company has an accumulated deficit of $12,576,705 (2018: $9,375,573) and reported a net loss of $3,412,176 (2018: $3,244,670) for the year then ended. 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. These conditions indicate the existence of material uncertainties that cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. Realization values of the Company's assets may be substantially different from carrying values as shown in these consolidated financial statements and, accordingly, should the Company be unable to continue as a going concern, the adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standards, as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Except as described in Note 3, significant accounting policies have been consistently applied in the presentation of these consolidated financial statements.

These consolidated financial statements were authorized for issue by the Board of Directors on March 30, 2020.

Effective December 1, 2019, the Company adopted IFRS 9 *Financial Instruments* ("IFRS 9"). IFRS 9 was adopted retrospectively with no restatement of comparative periods, as permitted by the transition provisions of each standard.

As a result of the application of IFRS 9, the Company changes its accounting policies for financial assets and impairment thereon as described in Note 3.

(b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments, 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.

(c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its wholly owned subsidiaries, BAT and Pascal (US).

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, BAT and Pascal (US). 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 significant intercompany transactions and balances have been eliminated upon consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of long-lived assets to determine whether there is an indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment charge (in any).

The recoverable amount used for this purpose is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its recorded amount, the recorded amount of the asset is reduced to its recoverable amount. An impairment charge is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to a maximum amount equal to the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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) Functional currency translation

Amounts recorded in foreign currency are translated into Canadian dollars as follows:

i. Monetary assets and liabilities, at the rate of exchange in effect as at the consolidated statement of financial position date;
ii. Non-monetary assets and liabilities, at the exchange rates prevailing at the time of acquisition of the assets or assumption of the liabilities; and
iii. Revenues and expenses (excluding amortization, which is translated at the same rate as the related asset), at the rate of exchange on the transaction date.

Gains and losses arising from this translation of foreign currency are included in determination of profit or loss for the year.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) 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:

- 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. The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices and changes in other subjective input assumptions that can materially affect the fair value estimate.

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:

- Going concern

  The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual research and development programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Critical Accounting Judgments (continued)

- Assets held for sale and discontinued operations

  Judgment is required in determining whether an asset meets the criteria for classification as "assets held for sale" in the consolidated balance sheets. Criteria considered by management include the existence of and commitment to a plan to dispose of the assets, the expected selling price of the assets, the expected timeframe of the completion of the anticipated sale and the period of time any amounts have been classified within assets held for sale. The Company reviews the criteria for assets held for sale each period and reclassifies such assets to or from this financial position category as appropriate. In addition, there is a requirement to periodically evaluate and record assets held for sale at the lower of their carrying value and fair value less costs to sell.

  Judgment is applied in determining whether disposal groups represent a component of the entity, the results of which should be recorded as discontinued operations in the consolidated statements of operations and comprehensive loss.

- Treatment of research and development expenses

  The application of the Company's accounting policy for research and development expenditures requires judgment in determining whether it is likely that the future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Significant judgment is required to distinguish between the research and development phases. Estimates and assumptions may change if new information becomes available. If new information suggests future economic benefits are unlikely, the amount capitalized is written off to profit or loss.

- Recovery of deferred tax assets

  The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments 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.

- Functional currency

  The functional currency of the Company and its subsidiaries is the currency of their respective primary economic environment, and the Company reconsiders the functional currency if there is a change in events and conditions, which determined the primary economic environment.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) 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.

(j) Equipment

Equipment is recorded at cost less accumulated amortization and accumulated impairment losses. Amortization is recorded using the declining-balance method and is intended to depreciate the cost of the assets over their estimated useful lives as follows:

Lab equipment	20%
Computer equipment	55%

(k) Cash equivalents

Cash equivalents include deposits, such as cashable guaranteed investment certificates (“GICs”) that are readily convertible into a known amount of cash within 90 days or less.

(l) Financial instruments

On December 1, 2018, the Company adopted IFRS 9 *Financial Instruments* (“IFRS 9”), which replaced IAS 39 *Financial Instruments: Recognition and Measurement* (“IAS 39”). IFRS 9 provides a revised model for classification and measurement of financial assets, including a new expected credit loss (“ECL”) impairment model. The revised model for classifying financial assets results in classification according to their contractual cash flow characteristics and the business models under which they are held. IFRS 9 also introduces a reformed approach to hedge accounting. IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. The change did not result in a change in carrying value of any of our financial instruments on transition date. The adoption of the ECL impairment model did not have an impact on the Company’s consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial instruments (continued)

The adoption of IFRS 9 has not had a significant impact on the Company's policies related to financial assets of cash and cash equivalents, and accounts payables and accrued liabilities.

Financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss.

Financial assets measured at amortized costs
A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company's business model for such financial assets, is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary. The Company does not have financial assets classified as amortized costs.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")
A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in other comprehensive income. The Company does not have financial asset classified as FVTOCI.

Financial assets measured at fair value through profit or loss ("FVTPL")
A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss). The Company's cash and cash equivalents is classified as FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial instruments (continued)

Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable. The Company's financial liabilities include accounts payable and accrued liabilities classified as financial liabilities subsequently measured at amortized cost.

(m) New standards and interpretations not yet adopted

IFRS 16 *Leases*

This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets.
- A lease asset is initially measured at cost, and is then depreciated similarly to property, plant and equipment. A lease liability is initially measured at the present value of the unpaid lease payments.
- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.
- A lessor continues to classify its leases as operating leases or finance leases, and to account for them accordingly.
- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

The new standard supersedes the requirements in IAS 17 *Leases*, IFRIC 4 *Determining Whether an Arrangement Contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The new standard is effective for the Company's annual periods beginning December 1, 2019. The Company is currently assessing the impact of IFRS 16 on the consolidated financial statements.

The Company has elected not to apply IFRS 16 for short-term leases that have a lease term of twelve months or less and leases of low-value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

(Expressed in Canadian Dollars)

4. CASH EQUIVALENTS

As at November 30, 2019, the Company had a cashable GIC of $335,618 (2018: $3,250,000) and accrued interest on the GIC of $3,161 (2018: $21,245) readily convertible into cash, which will mature on April 23, 2020 (2018: April 11, 2019) with an annual interest rate of 1.60% (2018: 1.30%).

5. EQUIPMENT

Cost		**Lab Equipment**		**Computer Equipment**		**Total**
Balance, November 30, 2017	$	60,700	$	6,143	$	66,843
Additions for the year		6,528		-		6,528
Balance, November 30, 2018		67,228		6,143		73,371
Additions for the year		-		2,261		2,261
Disposals for the year		-		(4,003)		(4,003)
Transfer to assets held for sale (note 14)		(57,358)		-		(57,358)
Balance November 30, 2019	$	9,870	$	4,401	$	14,271
Accumulated Amortization						
Balance, November 30, 2017	$	10,239	$	600	$	10,839
Charge for the year		11,920		742		12,662
Balance, November 30, 2018		22,159		1,342		23,501
Charge for the year		10,529		2,810		13,339
Disposals for the year		-		(4,003)		(4,003)
Transfer to assets held for sale (note 14)		(25,512)		-		(25,512)
Balance November 30, 2019	$	7,176	$	149	$	7,325
Carrying Value						
Balance, November 30, 2018	$	45,069	$	4,801	$	49,870
Balance, November 30, 2019	$	2,694	$	4,252	$	6,946

6. 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

There was no common share activity for the year ended November 30, 2019.

During the year ended November 30, 2018, the Company:

- Issued common shares in relation to the exercise of stock options as follows:
    - 575,000 common shares at a price of $0.23, for gross proceeds of $132,250;
    - 150,000 common shares at a price of $0.20 for gross proceeds of $30,000; and
    - 100,000 common shares at a price of $0.30, for gross proceeds of $30,000.
- Issued common shares in relation to two private placements as follows:
    - The first private placement closed for proceeds of $124,030 through issuance of 387,594 units at a price of $0.32 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable at $0.40 per share for a period of 24 months. No finder's fees were paid in relation to this financing.
    - The second private placement closed for proceeds of $5,150,000 through issuance of 12,875,000 units at a price of $0.40 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable at $0.60 per share for a period of 12 months. The Company incurred $440,403 in share issuance costs and issued 994,600 finders' warrants.

      Each finders' warrant entitles the holder to purchase one common share of the Company at a price of $0.60 per share for a period of 12 months. The fair value of the warrants granted was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: risk-free interest rate of 1.81%, expected dividend rate of 0%, expected volatility of 135%, and forfeiture rate of 0%. The fair value of the warrants was estimated at $211,044.

      The Company cancelled 3,095,000 warrants on January 14, 2019 and 10,774,600 warrants expired during the year ended November 30, 2019.
- Issued 1,161,717 common shares at a price of $0.40 per share in relation to the exercise of warrants, for gross proceeds of $464,687.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

(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 and exercisable for five years from the date of grant.

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

	Quantity	Weighted Average Exercise Price ($)
Outstanding, November 30, 2017	3,327,000	0.36
Granted	2,350,000	0.34
Exercised	(825,000)	0.23
Outstanding, November 30, 2018	4,852,000	0.34
Granted	198,000	0.20
Outstanding, November 30, 2019	5,050,000	0.36
Exercisable, November 30, 2019	4,676,667	0.36

On May 38, 2019, the Company granted 198,000 stock options to consultants, exercisable at a price of $0.20 per share. The stock options will vest quarterly over 36 months and expire on May 28, 2022. The fair value of the stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: risk-free interest rate of 1.48%, expected dividend rate of 0%; expected volatility of 87.39% and forfeiture rate of 0%. The fair value of the options was calculated at $21,651. The share-based payment expense recognized during the year ended November 30, 2019 was $9,450.

On August 3, 2018, the Company granted 2,100,000 stock options to officers, directors and consultants, exercisable at a price of $0.35 per share. 1,475,000 of the stock options will vest quarterly over 12 months and expire on August 3, 2023. 625,000 of the stock options will vest quarterly over 24 months and expire on August 3, 2021. The fair value of 1,475,000 of the stock options granted was estimated using the Black-Scholes option-pricing model with the following assumptions: risk-free interest rate of 2.35%, expected dividend rate of 0%; expected volatility of 93.22% and forfeiture rate of 0%. The fair value of the stock options was estimated at $372,000. The fair value of 625,000 of the stock options granted was estimated using the Black-Scholes option-pricing model with the following assumptions: risk-free interest rate of 2.35%, expected dividend rate of 0%; expected volatility of 97.21%; and forfeiture rate of 0%. The fair value of the stock options was estimated at $134,324. The share-based payment expense recognized during the year ended November 30, 2019 was $148,570 (2018: $278,459).

On January 29, 2018, the Company granted 250,000 stock options to directors of the Company, exercisable at a price of $0.29 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

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

(c) Stock options (continued)

was estimated using the Black-Scholes option-pricing model with the following assumptions: risk-free interest rate of 2.00%, expected dividend rate of 0%; expected volatility of 90.56%; and forfeiture rate of 0%. The fair value of the stock options was estimated at $51,079. The share-based payment expense recognized during the year ended November 30, 2019 was $1,806 (2018: $48,980).

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 between 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 0.69%; expected dividend rate of 0%; expected volatility of 72%; and forfeiture rate of 0%. The fair value of the options was calculated at $123,263. The share-based payment expense recognized during year ended November 30, 2019 was $4,997 (2018: $58,412).

Option pricing models require the use of highly subjective estimates and assumptions. The expected volatility assumption is based on the historical and implied volatility of the Company's common share price on the Exchange. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture and employee termination within the valuation model. 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 options outstanding at November 30, 2019 are as follows:

Number Outstanding	Weighted Average Exercise Price ($)	Contractual Life (Years)
650,000	0.31	0.68
820,000	0.36	1.34
392,000	0.72	1.84
640,000	0.33	2.58
250,000	0.29	3.16
625,000	0.35	1.67
1,475,000	0.35	3.67
198,000	0.20	2.49
5,050,000	0.36	2.31

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

(c) Stock options (continued)

The options outstanding at November 30, 2018 are as follows:

Number Outstanding	Weighted Average Exercise Price ($)	Contractual Life (Years)
650,000	0.31	1.68
820,000	0.36	2.34
392,000	0.72	2.84
640,000	0.33	3.58
250,000	0.29	4.16
625,000	0.35	2.67
1,475,000	0.35	4.67
4,852,000	0.34	3.30

(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, 2017	1,333,332	0.40	1.46
Exercised	(1,161,717)	0.40	-
Expired	(171,615)	0.40	-
Issued	14,257,194	0.59	0.31
Balance, November 30, 2018	14,257,194	0.59	0.31
Cancelled	(3,095,000)	0.60	-
Expired	(10,774,600)	0.60	-
Balance, November 30, 2019	387,594	0.40	0.28

The warrants outstanding at November 30, 2019 are as follows:

Number Outstanding	Weighted Average Exercise Price ($)	Contractual Life (Years)
387,594	0.40	0.27

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

(d) Share purchase warrants (continued)

The warrants outstanding at November 30, 2018 are as follows:

Number Outstanding	Weighted Average Exercise Price ($)	Contractual Life (Years)
13,869,600	0.60	0.28
387,594	0.40	1.28
14,257,194	**0.59**	**0.31**

7. INCOME TAXES

As at November 30, 2019 the Company has non-capital losses of approximately $6,882,000, 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	296,000
2034	528,000
2035	657,000
2036	652,000
2037	796,000
2038	2,701,000
2039	3,212,000
	8,943,000

(Expressed in Canadian Dollars)

7. INCOME TAXES (continued)

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

	2019	2018
	$	$
Loss before income taxes	(3,412,176)	(3,244,670)
Income tax as statutory rates	27.00%	27.00%
Expected income tax recovery	(921,288)	(876,061)
Non-deductible items	44,544	293,042
Temporary differences attributed to:		
Effect of changes in tax rates	1,203	-
Change in timing differences	64,806	(144,269)
Losses expired	-	403,109
Foreign exchange	(289,332)	7,174
Unused tax losses and tax offsets not recognized	1,100,067	317,005
Total income tax recovery	-	-

The Company recognizes tax benefits on losses or other deductible amounts generated where the criteria for the recognition of deferred tax assets have been met. The following are the deductible temporary differences for which no deferred tax assets are recognized in the consolidated financial statements, as it is not probable that the deferred tax assets will be realized in the future:

	2019	2018
	$	$
Non-capital losses carried forward	8,943,000	5,731,000
Equipment, patents and licenses	2,674,000	2,551,000
Share issuance costs	264,000	368,000
Cumulative eligible capital	69,000	69,000
	11,950,000	8,719,000

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 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,

(Expressed in Canadian Dollars)

8. CAPITAL RISK MANAGEMENT (continued)

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 relies on the expertise of the Company's management to manage its capital to be able to sustain the future development of the Company's business. 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, 2019.

9. RELATED PARTY TRANSACTIONS

The following is a summary of related party transactions that occurred during the years ended November 30, 2019 and 2018:

Services provided by:		**2019**	**2018**
		$	**$**
Key management salaries	a)	546,664	150,180
Director and consultant salaries	b)	752,484	374,632
Share-based payments		150,376	286,345
Benefits		117,087	66,245
		1,566,611	877,402

Related parties include:

a) Key management salaries include amounts paid to the President and CEO, the CFO, and the former acting president of the Company (note 10).

b) Director and consultant salaries include amounts paid to the Vice President of Research, the Vice President of Therapeutic Development, the Vice President of Business Development, and a director providing corporate financial services to the Company.

Included in accounts payable and accrued liabilities is $8,906 (2018: $26,665) payable to the CFO and a director of the Company.

During the year ended November 30, 2018, a director and the Company mutually agreed to amounts due from the Company to be written off amounting to $59,832.

10. COMMITMENTS

Commitments over the next five fiscal years are as follows:

a) Consulting agreement with Judi Dalling, CFO of the Company, to provide financial and administrative services to the Company for an annual fee of $102,000. The contract became effective December 1, 2019, and will be renewed annually (note 9(b)); and

b) Consulting agreement with Mo Mousa to provide bookkeeping services to Pascal (US) for an annual fee of USD $24,000.

The Company has also entered into the following agreements:

a) University of Washington: On October 9, 2018, the Company entered into an exclusive license agreement with the University of Washington ("UW") to develop a cannabinoid-based product for the treatment of glioblastoma multiforme and brain metastases. Under the terms of the agreement, the Company will pay annual fees (US Dollars) as follow:

October 9, 2020	$ 5,000
October 9, 2021	$ 10,000
Every year thereafter until first sale	$ 25,000

b) Lease agreement between the Company and University of Washington Co-Motion Labs, for a period of one year at an annual rate of USD $49,500. The contract became effective July 1, 2019 and will be renewed annually.

11. FINANCIAL INSTRUMENTS

(a) Fair value

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, 2019 and 2018, the Company's financial instruments are comprised of cash and cash equivalents, accounts payable and accrued liabilities. The carrying amounts reported in the consolidated statements of financial position for cash and cash equivalents, accounts payable and accrued liabilities approximate fair values due to the short-term maturities of these financial instruments.

(Expressed in Canadian Dollars)

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. 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 funds to meet its liabilities when due.

At November 30, 2019, the Company had cash and cash equivalents of $361,385 (2018: $3,644,582) available to apply against short-term business requirements and current liabilities of $111,445 (2018: $226,698). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of November 30, 2019.

(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, 2019 and 2018, the Company’s net exposure to foreign currency risk is as follows:

US dollars	**2019**	**2018**
	$	**$**
Cash and cash equivalents	10,367	185,304
Accounts payable	(40,427)	(74,074)
Net exposure to foreign currency risk	(30,060)	111,230
Canadian dollar equivalent	(39,042)	146,824

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.

(Expressed in Canadian Dollars)

12. INTANGIBLE ASSETS

During the year ended November 30, 2018, the Company returned two patents to Dr. Wilfred Jefferies. Additionally, the Company returned the patent titled "HAT acetylation and promoters and uses of composition thereof in promoting immunogenicity" to UBC, which supported the CD74 program. With the return of the patents, indicators of impairment existed resulting in an assessment of recoverable amount of the capitalized intangible assets, and ultimately the recognition of an impairment loss of $698,853.

During the year ended November 30, 2018, the Company recorded $85,800 related to the amortization of intangible assets.

13. SEGMENTED INFORMATION

The Company has one operating segment, biotechnology research and development with lab and computer equipment in the United States of America. The Canadian Company has computer equipment for office use.

14. EVENTS SUBSEQUENT TO THE YEAR-END

Subsequent to the year ended November 30, 2019, the Company entered into a term sheet with SoRSE Technology Corporation ("SoRSE") whereby SoRSE will acquire all of the issued and outstanding equity interests of Pascal (US) for a consideration of US$10,000,000, which will be paid (i) as US$9,500,000 through the issuance of SoRSE Class C common stock and (ii) US$500,000 as cash. The Company's Leukemia program will be transferred out of Pascal (US) prior to the sale, after which the Company will continue research on this program. Management determined the operations of Pascal (US) meet the definitions of assets held for sale and not discontinued operations in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations* ("IFRS 5"). Consequently, assets and liabilities of Pascal (US) were classified as net liabilities held for sale as at November 30, 2019:

		2019
Assets held for sale		
Cash	$	13,466
Equipment		31,846
Total assets held for sale	$	45,312
Liabilities held for sale		
Accounts payable	$	51,099
Total liabilities held for sale	$	51,099

14. EVENTS SUBSEQUENT TO THE YEAR-END (continued)

Subsequent to the year ended November 30, 2019, the Company closed a private placement, whereby SoRSE purchased 3,793,548 units of the Company at a price of $0.09 per unit for gross proceeds of $341,419 (US$250,000). Each unit consists of one common share of Pascal and one common share purchase warrant, which will entitle SoRSE to purchase one additional common share of the Company at a price of $0.15 for 18 months following the date which is six months after the closing of the private placement. All securities issued pursuant to the private placement will be subject to a statutory four month hold period.

Since November 30, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.