

BIOVAXYS

BioVaxys Technology Corp.

**Condensed Consolidated Interim Financial Statements
For the Three Months Ended January 31, 2022**

(Expressed in Canadian dollars)

(Unaudited)

BioVaxys Technology Corp.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian dollars)

As at	January 31, 2022	October 31, 2021
ASSETS	(unaudited)	
CURRENT ASSETS		
Cash	\$ 148,992	\$ 593,115
Goods and Services Tax receivable	37,989	48,961
Prepaid expenses	140,041	148,466
Loan receivable, current portion (note 5)	83,350	83,945
	410,372	874,487
Loan receivable (note 5)	230,094	232,276
Intangible assets (notes 4 and 6)	7,396,821	7,396,821
TOTAL ASSETS	\$ 8,037,287	\$ 8,503,584
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 714,268	\$ 216,465
Accrued liabilities	50,803	38,115
Due to related parties (note 7)	103,116	72,283
TOTAL LIABILITIES	868,187	326,863
SHAREHOLDERS' EQUITY		
Share capital (note 8)	14,797,785	14,757,785
Reserves (note 8)	1,586,417	1,422,789
Accumulated other comprehensive income	18,594	18,599
Deficit	(9,233,696)	(8,022,452)
TOTAL SHAREHOLDERS' EQUITY	7,169,100	8,176,721
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 8,037,287	\$ 8,503,584

Going concern (note 2(e))

Subsequent events (notes 8 and 10)

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on April 1, 2022. They are signed on the Company's behalf by:

/s/ James Passin

Director & Chief Executive Officer

/s/ David Wang

Director

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

BioVaxys Technology Corp.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

For the three months ended	January 31, 2022	January 31, 2021
OPERATING EXPENSES		
Advertising and promotion	\$ -	\$ 528,593
General and administrative (note 7)	36,639	33,270
Investor relations	102,507	78,136
Management and consulting fees (note 7)	618,343	558,682
Professional fees (note 7)	59,927	38,884
Research and development (note 6)	215,136	114,080
Share-based payments (notes 7 and 8)	163,628	166,753
Transfer agent, regulatory and listing fees	10,463	18,969
Travel and accommodation	1,751	579
	(1,208,394)	(1,537,946)
OTHER INCOME (LOSS)		
Foreign exchange loss	(7,034)	(234)
Accretion income (note 5)	4,184	-
Interest income	-	790
	(2,850)	556
NET LOSS FOR THE PERIOD	(1,211,244)	(1,537,390)
Other comprehensive loss		
Foreign currency translation adjustment	5	18,502
COMPREHENSIVE LOSS	\$ (1,211,239)	\$ (1,518,888)
Basic and diluted loss per share	\$ (0.013)	\$ (0.020)
Weighted average number of common shares outstanding, basic and diluted	92,246,671	76,442,367

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

BioVaxys Technology Corp.
Condensed Consolidated Interim Statements of Shareholders' Equity
(Expressed in Canadian dollars)
(Unaudited)

	Number of Shares	Share Capital	Reserves	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Shareholders' Equity
Balance, October 31, 2020	74,074,611	\$ 10,751,647	\$ 372,988	\$ (1,273)	\$ (1,564,513)	\$ 9,558,849
Exercise of stock options	100,000	2,395	(1,145)	-	-	1,250
Exercise of warrants	2,612,680	132,862	(2,228)	-	-	130,634
Shares issued for service	73,075	20,000	-	-	-	20,000
Share-based payments	-	-	166,753	-	-	166,753
Foreign currency translation adjustment	-	-	-	18,502	-	18,502
Net loss	-	-	-	-	(1,537,390)	(1,537,390)
Balance, January 31, 2021	76,860,366	\$ 10,906,904	\$ 536,368	\$ 17,229	\$ (3,101,903)	\$ 8,358,598
Balance, October 31, 2021	92,186,961	\$ 14,757,785	\$ 1,422,789	\$ 18,599	\$ (8,022,452)	\$ 8,176,721
Shares issued for service	151,720	40,000	-	-	-	40,000
Share-based payments	-	-	163,628	-	-	163,628
Foreign currency translation adjustment	-	-	-	(5)	-	(5)
Net loss	-	-	-	-	(1,211,244)	(1,211,244)
Balance, January 31, 2022	92,338,681	\$ 14,797,785	\$ 1,586,417	\$ 18,594	\$ (9,233,696)	\$ 7,169,100

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

BioVaxys Technology Corp.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

For the three months ended	January 31, 2022	January 31, 2021
OPERATING ACTIVITIES		
Net loss for the period	\$ (1,211,244)	\$ (1,537,390)
Non-cash items		
Share-based payments	163,628	166,753
Shares issued for services	40,000	20,000
Accretion income	(4,184)	-
Foreign exchange loss	5,324	-
Net changes in non-cash working capital items		
Goods and Services Tax receivable	10,972	27,688
Prepaid expenses	8,355	187,756
Accounts payable and accrued liabilities	511,118	(563,065)
Due to related parties	30,833	1,409
Cash used in operating activities	(445,498)	(1,696,849)
FINANCING ACTIVITIES		
Proceeds from warrants exercised	-	130,634
Proceeds from stock options exercised	-	1,250
Cash provided by financing activities	-	131,884
Net change in cash	(445,498)	(1,564,965)
Effect of foreign exchange rate change on cash	1,375	(1,027)
Cash, beginning of the period	593,115	2,423,095
Cash, end of the period	\$ 148,992	\$ 857,103

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

BioVaxys Technology Corp.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended January 31, 2022
(Expressed in Canadian dollars, unless otherwise noted)
(Unaudited)

1. NATURE OF OPERATIONS

BioVaxys Technology Corp. (the “Company”) was incorporated on April 25, 2018, pursuant to the provisions of the *Business Corporations Act* of British Columbia. The registered and records office is located at Suite 503, 905 West Pender Street, Vancouver, British Columbia, V6C 1L6.

As a clinical stage biotechnology company, BioVaxys Technology Corp. is developing viral and oncology vaccine platforms, as well as immuno-diagnostics. The Company is advancing a SARS-CoV-2 vaccine based on its haptenized viral protein technology. The Company’s haptenized autologous cell vaccine will also be developed for stage III/stage IV ovarian cancer. In addition, the Company is developing its CoviDTH®, a diagnostic for evaluating the presence or absence of a T-cell immune response to SARS-CoV-2, the virus that causes COVID-19. Prior to the share exchange described below, the Company was a mineral exploration company under the name of Lions Bay Mining Corp. The Company’s shares are traded on the Canadian Securities Exchange under the symbol “BIOV” and on the OTCQB under the symbol “BVAXF”.

Share Exchange

On June 2, 2020, the Company and BioVaxys Inc. (“BioVaxys”) entered into a share exchange agreement (“Share Exchange Agreement”) (note 4). Pursuant to the Share Exchange Agreement, the Company acquired all the issued and outstanding shares of BioVaxys by way of a share exchange with BioVaxys’ shareholders (“Transaction”). Upon completion of the Transaction on September 30, 2020, BioVaxys became a wholly owned subsidiary of the Company, and the Company changed its name to BioVaxys Technology Corp.

COVID-19 Impact

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, including the recent Omicron variant, has adversely affected workforces, economies and financial markets globally, potentially leading to economic downturn. The extent to which the coronavirus may further impact the Company’s business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in the United States, Canada and other countries to contain and treat the disease. These events remain highly uncertain and, as such, the Company cannot determine their financial impact at this time.

2. BASIS OF PREPARATION

(a) Statement of compliance

These condensed consolidated interim financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including International Accounting Standard 34 *Interim Financial Reporting*. The accounting policies followed in these condensed consolidated interim financial statements are consistent with those of the previous financial year. The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the years ended October 31, 2021 and 2020, which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board.

These condensed consolidated interim financial statements were approved and authorized by the Board of Directors on April 1, 2022.

BioVaxys Technology Corp.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended January 31, 2022
(Expressed in Canadian dollars, unless otherwise noted)
(Unaudited)

2. BASIS OF PREPARATION (continued)

(b) Basis of preparation

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for the cash flow information. These condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's annual consolidated financial statements for the years ended October 31, 2021 and 2020.

(c) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiary. The financial statements of the subsidiary are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All intercompany transactions, balances, income and expenses are eliminated in full upon consolidation.

The legal subsidiary of the Company is as follows:

Name of Subsidiary	Place of Incorporation	Functional Currency	Ownership Interest	
			January 31, 2022	October 31, 2021
BioVaxys Inc.	USA	US dollar	100%	100%

(d) Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency. The functional currency of the Company's subsidiary is noted above and the financial statement balances and transactions of the subsidiary are measured using that functional currency.

(e) Going concern

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. The Company's ability to continue as a going concern and realize the carrying value of its assets is dependent on its ability to raise capital through equity and debt financing, the outcome of which cannot be predicted at this time. These matters indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PREPARATION (continued)

(f) Significant accounting estimates and judgments

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed consolidated interim financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements:

- (i) Management is required to assess the functional currency of the Company. In concluding that the Canadian dollar is the functional currency of the Company, management considered the currency that mainly influences the operating expenditures in the jurisdiction in which the Company operates.
- (ii) The Company's ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances.
- (iii) The determination of whether a set of assets acquired and liabilities assumed in an acquisition constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits. The acquisition of BioVaxys was determined to constitute an asset acquisition.
- (iv) Impairment of intangible assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's intangible assets.

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the current and next fiscal financial years:

- (i) Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date the condensed consolidated interim statement of financial position could be impacted.

BioVaxys Technology Corp.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended January 31, 2022
(Expressed in Canadian dollars, unless otherwise noted)
(Unaudited)

2. BASIS OF PREPARATION (continued)

(f) Significant accounting estimates and judgments (continued)

Estimation Uncertainty (continued)

- (ii) The measurement of identifiable assets acquired pursuant to the Transaction, assumed at fair value on the date of acquisition and the allocation of the purchase consideration over the fair value of the assets acquired, is subject to management estimation and judgment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's annual consolidated financial statements for the fiscal year ended October 31, 2021.

Changes in Significant Accounting Policies and Adoption of a New Accounting Standard

Accounting standards or amendments to existing accounting standards that have been issued, but have future effective dates, are either not applicable or are not expected to have a significant impact on the Company's condensed consolidated interim financial statements.

4. ACQUISITION

On June 2, 2020, the Company and BioVaxys entered into a Share Exchange Agreement (note 1). Pursuant to the Share Exchange Agreement, the Company acquired all of the issued and outstanding shares of BioVaxys by way of a share exchange with the shareholders of BioVaxys on September 30, 2020 (the "Transaction"), specifically, each shareholder of BioVaxys transferred their shares of BioVaxys to the Company in exchange for fully paid and non-assessable common shares of the Company. As a result, the Company issued 31,100,000 common shares in exchange for all of the issued and outstanding securities of BioVaxys, which included 6,788,800 common shares issued to certain advisors and 1,160,000 common shares issued to Thomas Jefferson University ("TJU") (note 6).

The Company agreed to provide BioVaxys with a secured bridge loan facility of up to US\$200,000 bearing interest at a rate of 9% per annum. At the date of the Transaction, \$160,068 (US\$120,000) had been advanced to BioVaxys, which was eliminated on consolidation upon the completion of the Transaction as an intercompany balance.

BioVaxys Technology Corp.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended January 31, 2022
(Expressed in Canadian dollars, unless otherwise noted)
(Unaudited)

4. ACQUISITION (continued)

The Company determined that BioVaxys did not meet the criteria for a business primarily due to lack of process and operations. Accordingly, the Transaction was recorded as an asset acquisition under IFRS 2 *Share-based Payments* at the following fair values:

Purchase price:	
Consideration paid in shares with fair value of \$0.22 per share	\$ 6,842,000
Legal fees incurred	68,613
Elimination of intercompany balance	160,068
	\$ 7,070,681
Assets less liabilities acquired:	
Cash	\$ 41,364
Prepaid expenses	23,697
Accounts payable and accrued liabilities	(336,015)
Due to related parties	(55,186)
Value allocated to intangible assets (note 6)	7,396,821
	\$ 7,070,681

5. LOAN RECEIVABLE

	January 31, 2022	October 31, 2021
Balance, beginning of the period	\$ 316,221	\$ -
Addition	-	321,421
Accretion income	4,184	6,050
Foreign exchange loss	(6,961)	(11,250)
Balance, end of the period	313,444	316,221
Loans receivable, current portion	(83,350)	(83,945)
Loans receivable	\$ 230,094	\$ 232,276

On April 28, 2021, the Company entered into a binding term sheet (“MSA”) with a vendor located in France for the clinical-grade bioproduction and aseptic packaging for its vaccine candidate for ovarian cancer. On June 21, 2021, the Company and the vendor signed a loan agreement, whereby the Company advanced \$369,700 (€250,000) to the vendor to finance the construction of the new specific GMP suite.

The loan can be repaid in whole or in part before September 30, 2025 and bears no interest. Repayment is to be made in four installments of \$83,945 (€62,500) each on the date of September 30 from 2022 to 2025, through offsetting with the future billings from this vendor. However, if the MSA is terminated, the loan will be converted into a promissory note payable callable 60 days and will carry interest at the rate of 2% over the prime rate, as published by the *Wall Street Journal*.

The loan receivable was accounted for using the amortized cost method discounted at an effective interest rate of 5.25% estimated for the vendor. The benefit of the loan provided to the vendor at a below-market rate of interest is treated as an incentive to the vendor and recorded as research and development expense, measured at \$48,279 as the difference between the proceeds provided and the fair value of the loan repayments based on prevailing market interest rates. Accretion income of \$4,184 (Three months ended January 31, 2021 - \$nil) was recorded in the condensed consolidated interim statements of loss and comprehensive loss for the three months ended January 31, 2022.

BioVaxys Technology Corp.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended January 31, 2022

(Expressed in Canadian dollars, unless otherwise noted)

(Unaudited)

6. INTANGIBLE ASSETS

The intangible assets comprise several patents, licensed patents, patent applications, and the related in-process research and development work (collectively, "IPR&D") incurred up to the date of the Transaction (note 4). These intangible assets have not been amortized, as they are not available for use. During the three months ended January 31, 2022, no impairment charge was recorded on the intangible assets.

Subsequent to the Transaction, the Company has continued to carry on these IPR&D projects. The research and development costs incurred on these projects during the three months ended January 31, 2022 have been expensed on the condensed consolidated interim statements of loss and comprehensive loss.

	Hapten-based Cancer Vaccines Development	COVID Diagnostic and Vaccine Development	Total
Balance as at October 31, 2021 and January 31, 2022	\$ 5,513,993	\$ 1,882,828	\$ 7,396,821

Hapten-based Cancer Vaccines Development

Thomas Jefferson University License

BioVaxys entered into an exclusive license agreement dated April 25, 2018 with TJU for four US patents ("TJU License") related to a haptenized cancer vaccine using a single hapten vaccine technology ("Licensed Technology"). Pursuant to the agreement, BioVaxys was granted the exclusive right to use the TJU License to develop, make and sell products worldwide for the term from the agreement date to five years after the expiry of all patents on the Licensed Technology. As a partial royalty for the license granted by TJU, BioVaxys issued to TJU a warrant at an exercise price of \$10, which was automatically exercised and exchanged for the Company's shares on the date of the Transaction (note 4).

Under the agreement, BioVaxys is also required to pay to TJU the following payments when achieving the corresponding milestones ("Milestone Payment"):

- US\$25,000 following enrollment of the first patient in a phase 3 clinical trial (or foreign equivalent if outside the US) for a product utilizing the Licensed Technology;
- US\$25,000 following US Food and Drug Administration allowance for a product utilizing the Licensed Technology; and
- US\$100,000 once BioVaxys reaches US\$5,000,000 in net sales of a product utilizing the Licensed Technology.

In addition, BioVaxys is required to pay to TJU a running royalty ("Royalty Payment") based on 2% of net sales of products under the TJU License and 0.25% of net sales of such products during the period after the expiry of the patent.

Among the four patents under the TJU License, two have expired previously and the other two expire in 2023 and 2026, respectively. As at January 31, 2022, BioVaxys has not been required to make any payments towards either Milestone Payment or Royalty Payment.

6. INTANGIBLE ASSETS (continued)

Hapten-based Cancer Vaccines Development (continued)

Bihaptenized Cancer Vaccines Patent

On September 24, 2018, Dr. David Berd, Chief Medical Officer of the Company, filed a patent application for bihaptenized autologous vaccines and the use thereof. The application, together with another application amended from it on October 16, 2018, form the technology platform for "bihaptenized cancer vaccines". On October 4, 2019, Dr. Berd assigned these patent applications to BioVaxys for \$nil consideration, which form part of the intangible assets acquired in the Transaction (note 4).

During the year ended October 31, 2021, the Company entered National Phase patent prosecution in the jurisdictions of the United States, European Union, United Kingdom, Japan, China, Republic of Korea, Australia, Russia, Brazil and India.

COVID Diagnostic and Vaccine Development

SARS-CoV-2 T-Cell Activity Diagnostic ("CoviDTH")

In August 2020, BioVaxys began preparing a provisional patent application with the United States Patent and Trademark Office (USPTO) for a novel diagnostic platform invented by BioVaxys ("Diagnostic Platform"). The Diagnostic Platform is designed to screen for an immune system T-cell response in patients who may have been exposed to SARS-CoV-2, and a T-cell response in those patients who have received a vaccine for SARS-CoV-2 (not limited to the SARS-CoV-2 vaccine candidate), to evaluate, amongst others, viral infection status and vaccine efficacy. BioVaxys filed the US provisional patent application on October 28, 2020.

In April 2021, the Company completed the US Trademark Application, CoviDTH, with foreign filing for the trademark completed in October 2021 for Canada, Mexico, China, European Union and United Kingdom.

Haptenized Viral Protein Vaccine Patent Application

On March 20, 2020, BioVaxys filed US patent application for Haptenized Coronavirus Spike Protein Vaccine, which is the basis of BXV-0320, BioVaxys' SARS-CoV-2 vaccine candidate, and filed PCT/US21/23310 on March 19, 2021.

Pan-sarbecovirus Vaccine

On October 27, 2021, the Company filed US Provisional Application for 149 Methods of Immunization Against Coronavirus.

BioVaxys Technology Corp.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended January 31, 2022
(Expressed in Canadian dollars, unless otherwise noted)
(Unaudited)

7. RELATED PARTY TRANSACTIONS

Key Management Compensation

Key management consists of the officers and directors who are responsible for planning, directing and controlling the activities of the Company. The following expenses were incurred by the Company's key management:

For the three months ended	January 31, 2022	January 31, 2021
General and administrative expenses	\$ 2,019	\$ 727
Management and consulting fees	175,998	171,998
Professional fees	5,665	3,166
Rent	4,500	4,500
Share-based payments	147,086	115,954
	\$ 335,268	\$ 296,345

As at January 31, 2022, the Company was indebted to the related parties for a total of \$103,116 (October 31, 2021 - \$72,283) for management and consulting fees, professional fees and reimbursable expenses. The amount is non-interest-bearing and has no terms of repayment.

8. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value are authorized for issue.

(b) Issued

Share capital activities for the three months ended January 31, 2022:

- (i) The Company issued 151,720 common shares pursuant to a consulting agreement with a director of the Company. The shares were issued in exchange for \$40,000 of consulting fees.

Share capital activities for the year ended October 31, 2021:

- (ii) The Company issued 362,273 common shares pursuant to a consulting agreement with a director of the Company. The shares were issued in exchange for \$110,000 of consulting fees.
- (iii) The Company issued 3,520,816 common shares pursuant to the exercise of warrants for proceeds of \$584,702. The fair value of warrants of \$2,228 was reclassified from reserves to share capital.
- (iv) The Company issued 650,000 common shares pursuant to the exercise of stock options for proceeds of \$163,750. The fair value of stock options of \$111,971 was reclassified from reserves to share capital.
- (v) On February 5, 2021, the Company issued 4,417,647 units at a price of \$0.255 per unit for total proceeds of \$1,126,500. Each unit consists of one common share and one warrant. Each warrant is exercisable to acquire one common share at an exercise price of \$0.50 for a period of two years from the issuance date. In connection with the private placement, the Company paid a cash finder's fee equal to \$60,000. The Company has applied the residual method in valuing the shares and the share purchase warrants included in the units, therefore, these warrants have been recorded at \$nil value.

BioVaxys Technology Corp.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended January 31, 2022

(Expressed in Canadian dollars, unless otherwise noted)

(Unaudited)

8. SHARE CAPITAL (continued)

(b) Issued (continued)

Share capital activities for the year ended October 31, 2021: (continued)

- (vi) During July 2021, the Company issued 9,161,614 units at a price of \$0.22 per unit for total proceeds of \$2,015,555. Each unit consists of one common share and one warrant. Each warrant is exercisable to acquire one additional common share at an exercise price of \$0.50 for a period of 30 months. In connection with the private placement, the Company paid a cash finder's fee equal to \$21,821. The Company has applied the residual method in valuing the shares and the share purchase warrants included in the units, therefore, these warrants have been recorded at \$26,747.

(c) Stock options

The Company has a stock option plan (the "Plan") that permits the grant of share purchase options of up to 10% of the issued and outstanding common shares of the Company to directors, officers, key employees and consultants. Terms and pricing of options are determined at the date of grant in accordance with the Plan. Stock option transactions and the number of stock options outstanding are summarized below:

	Number of Options	Weighted Average Exercise Price (\$)
Balance, October 31, 2020	3,876,716	0.393
Granted	2,100,000	0.400
Forfeited	(91,852)	0.019
Exercised	(650,000)	0.252
Balance, October 31, 2021	5,234,864	0.412
Granted	2,255,000	0.250
Expired	(37,440)	0.014
Balance, January 31, 2022	7,452,424	0.370

During the three months ended January 31, 2022, the Company granted 2,255,000 stock options to certain directors, officers and consultants with an exercise price of \$0.25 and a maturity date of December 31, 2025. The stock options vested over three years with one-third vesting immediately, one-third vesting on the first anniversary and the remaining one-third vesting on the second anniversary. The fair value of these stock options was determined to \$300,772.

During the three months ended January 31, 2022, the Company recognized share-based payments of \$163,628 (Three months ended January 31, 2021 - \$166,753) in equity reserves, which pertains to the options granted to directors, officers and advisors of the Company and vested during this period. Share-based payment expense is determined using the Black-Scholes Option Pricing model. Weighted average assumptions used in calculating the fair value of share-based compensation expense are as follows:

	January 31, 2022
Risk-free interest rate	1.18%
Dividend yield	0%
Expected volatility	98.55%
Expected life (years)	4
Forfeiture rate	0%

The expected volatilities used for the stock options granted during the three months ended January 31, 2022 and 2021 are based on the historical share prices of comparable companies.

BioVaxys Technology Corp.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended January 31, 2022
(Expressed in Canadian dollars, unless otherwise noted)
(Unaudited)

8. SHARE CAPITAL (continued)

(c) Stock options (continued)

Additional information regarding stock options outstanding as at January 31, 2022 is as follows:

Expiry Date	Exercise Price (\$)	Number of Options Issued	Number of Options Exercisable
May 4, 2022	N/A ⁽¹⁾	32,448	32,448
May 25, 2022	N/A ⁽¹⁾	14,976	14,976
September 3, 2025	0.280	100,000	100,000
October 20, 2025	0.450	2,950,000	1,950,000
December 31, 2025	0.250	2,255,000	751,667
February 12, 2026	0.465	350,000	350,000
February 12, 2026	0.570	750,000	750,000
September 3, 2026	0.250	1,000,000	1,000,000
		7,452,424	4,949,091

⁽¹⁾ As part of certain arrangement with the Company's former parent Bearing Lithium Corp. ("Bearing"), stock options were issued to Bearing stock option holders, concurrently when the related Bearing stock options were exercised. The related Bearing stock options have exercise prices ranging from \$0.26 to \$0.83 per share.

As at January 31, 2022, the weighted average remaining life for outstanding stock options was 3.92 (October 31, 2021 - 4.14) years.

(d) Share purchase warrants

Share purchase warrants transactions and the number of share purchase warrants outstanding are summarized below:

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance, October 31, 2020	9,384,116	0.38
Granted	13,579,261	0.50
Exercised	(3,423,136)	0.17
Balance, October 31, 2021 and January 31, 2022	19,540,241	0.50

Additional information regarding share purchase warrants outstanding as at January 31, 2022 is as follows:

Expiry Date	Exercise Price (\$)	Number of Warrants Issued and Exercisable
August 26, 2022	0.50	4,483,689
September 3, 2022	0.50	1,477,291
February 5, 2023	0.50	4,417,647
January 14, 2024	0.50	3,812,159
January 28, 2024	0.50	5,349,455
		19,540,241

BioVaxys Technology Corp.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended January 31, 2022
(Expressed in Canadian dollars, unless otherwise noted)
(Unaudited)

8. SHARE CAPITAL (continued)

(e) Brokers' warrants

Brokers' warrants transactions and the number of brokers' warrants outstanding are summarized below:

	Number of Brokers' Warrants	Weighted Average Exercise Price (\$)
Balance, October 31, 2020	331,554	0.37
Exercised	(97,680)	0.05
Balance, October 31, 2021 and January 31, 2022	233,874	0.50

Additional information regarding brokers' warrants outstanding as at January 31, 2022, is as follows:

Expiry Date	Exercise Price (\$)	Number of Warrants Issued and Exercisable
August 26, 2022	0.50	233,874
		233,874

(f) Escrow shares

As at January 31, 2022, 14,090,103 (October 31, 2021 - 14,090,103) shares were subject to escrow conditions, and 3,522,525 shares will be released from escrow every six months until September 30, 2023.

(g) Reserves

The reserve records items recognized as share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

9. FINANCIAL INSTRUMENTS

Fair Value

As at January 31, 2022, the Company's financial instruments consist of cash, accounts payable and due to related parties. The fair values of these financial instruments approximate their carrying values due to their current nature.

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

IFRS 13 prioritizes the inputs into three levels that may be used to measure fair value:

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.
- Level 2 – Inputs that are observable, either directly or indirectly, but do not qualify as Level 1 inputs (i.e., quoted prices for similar assets or liabilities).
- Level 3 – Prices or valuation techniques that are not based on observable market data and require inputs that are both significant to the fair value measurement and unobservable market data.

9. FINANCIAL INSTRUMENTS (continued)

The Company is exposed in different degrees to a variety of financial instrument related risks:

Foreign Exchange Risk

The Company is exposed to currency fluctuations. From time to time, the Company has US dollar balances in cash and accounts payable and euro dollar balance in loan receivable, and is therefore exposed to gains or losses on foreign exchange. A significant change in the currency exchange rate between the Canadian dollar relative to the US dollar or euro dollar could have an effect on the Company's profit or loss, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations during the three months ended January 31, 2022.

As at January 31, 2022, the Company had a foreign currency cash balance of US\$8,941 and accounts payable of US\$204,206. A 10% change in the Canadian dollar versus the US dollar would give rise to a gain/loss of approximately \$24,800, based on the Company's current net exposure. Additionally, the Company had a loan receivable of €250,000 and accounts payable of €96,000. A 10% change in the Canadian dollar versus the euro would give rise to a gain or loss of approximately \$22,000, based on the Company's net exposure. In practice, the actual results may differ from this sensitivity analysis, and the difference may be material. Management considers foreign exchange to be a moderate risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company reduces its credit risk on cash by placing this instrument with institutions of high credit worthiness. The Company does not have significant exposure to credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. As at January 31, 2022, the Company is not exposed to significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date.

As of January 31, 2022, the Company had cash of \$148,992 (October 31, 2021 - \$593,115), accounts payable of \$714,268 (October 31, 2021 - \$216,465), accrued liabilities of \$50,803 (October 31, 2021 - \$38,115) and due to related parties of \$103,116 (October 31, 2021 - \$72,283). The Company's accounts payable and accrued liabilities are due within 90 days. Amounts due to related parties are due on demand. The Company addresses its liquidity through debt and equity financing obtained through the sale of common shares and the exercise of warrants and options. There is no assurance that it will be able to do so in the future. Liquidity risk is assessed as high.

BioVaxys Technology Corp.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended January 31, 2022
(Expressed in Canadian dollars, unless otherwise noted)
(Unaudited)

10. SUBSEQUENT EVENTS

- (a) Subsequent to January 31, 2022, the Company issued 56,401 common shares pursuant to a consulting agreement with a director of the Company.
- (b) Subsequent to January 31, 2022, the Company issued 5,323,333 units for proceeds of \$798,500 pursuant to a private placement. Each unit is comprised of one common share and one warrant. Each warrant entitles the holder to acquire one common share at a price of \$0.30 per share for three years from the closing date. The Company incurred total finder's fees of \$18,840.
- (c) Subsequent to January 31, 2022, the Company cancelled 350,000 stock options with an exercise price of \$0.465 per share.