BioVaxys Technology Corp.

Consolidated Financial Statements
For the Years Ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of BioVaxys Technology Corp.

Opinion

We have audited the consolidated financial statements of BioVaxys Technology Corp. (the "Company"), which comprise the consolidated statements of financial position as at October 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficit) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company's current liabilities exceeded its current assets by $3,372,061 and had an accumulated deficit of $27,295,603 as of October 31, 2023. 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.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be a key audit matter to be communicated in our report.

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Value of investment classified at fair value through profit or loss	

We draw attention to Notes 5 and 11 to the financial statements. As at October 31, 2023, the Company holds $nil of investments that are classified at fair value through profit or loss. This investment consisted of common shares that were not publicly traded and are measured at fair value using various valuation models and techniques
 	
We considered this a key audit matter due to the significant management estimates and judgments required to value this investment.
 	
Auditing these estimates required a high degree of subjectivity in applying audit procedures and in evaluating the results of those procedures. This has resulted in a high degree of auditor judgment and audit effort in performing procedures relating to this matter, including the involvement of valuation specialists.
	Our approach to addressing the matter included the following procedures, among others:
	• With the assistance of valuation specialists,
	  ○ Evaluated management's valuation approaches and methodologies and valuation assumptions used in the determination of the fair value of the investment;
	  ○ Tested the mathematical accuracy of inputs in the valuation model; and
	• Assessed the adequacy of the Company's financial statement disclosures relating to this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

In preparing the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 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.
- 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 auditor's report to the related disclosures in the 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 auditor's 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Steven Reichert.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

July 8, 2024

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

As at		October 31, 2023		October 31, 2022
ASSETS				
CURRENT ASSETS				
Cash	$	977	$	141,898
Goods and services tax receivable		87,525		45,291
Prepaid expenses		24,976		360,630
Loan receivable, current portion (note 6)		-		166,710
		113,478		714,529
Loan receivable (note 6)		-		151,035
TOTAL ASSETS	**$**	**113,478**	**$**	**865,564**
LIABILITIES AND SHAREHOLDERS’ EQUITY (DEFICIT)				
CURRENT LIABILITIES				
Accounts payable	$	2,655,875	$	1,312,736
Accrued liabilities		72,015		120,899
Due to related parties (note 8)		757,649		205,461
TOTAL LIABILITIES		3,485,539		1,639,096
SHAREHOLDERS' EQUITY (DEFICIT)				
Share capital (note 9)		21,992,835		17,051,994
Reserves (note 9)		1,939,147		1,781,146
Accumulated other comprehensive income (loss)		(8,440)		1,614
Deficit		(27,295,603)		(19,608,286)
TOTAL SHAREHOLDERS' EQUITY (DEFICIT)		(3,372,061)		(773,532)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)	**$**	**113,478**	**$**	**865,564**

Nature and continuance of operations (note 1)
Subsequent events (note 13)

These consolidated financial statements were authorized for issue by the Board of Directors on July 8, 2024. They are signed on the Company's behalf by:

/s/ James Passin ,

Director & Chief Executive Officer

/s/ Anthony Dutton ,

Director

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

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

	Year ended October 31, 2023	Year ended October 31, 2022
OPERATING EXPENSES		
Advertising and promotion	$ -	$ 174,298
General and administrative (note 8)	435,040	127,051
Investor relations (note 5)	3,992,624	192,163
Management and consulting fees (note 8)	1,361,202	1,651,881
Professional fees (note 8)	315,748	382,022
Research and development (note 7)	133,732	962,708
Share-based payments (notes 8 and 9)	150,630	499,967
Transfer agent, regulatory and listing fees	57,962	86,831
Travel and accommodation	6,250	4,872
	(6,453,188)	(4,081,793)
OTHER INCOME (LOSS)		
Impairment of intangible assets (notes 4, 7 and 13)	(1,445,100)	(7,396,821)
Gain (loss) on settlement of debt (note 9)	42,453	(248,110)
Gain on write-off of accounts payable	171,195	-
Accretion income (note 6)	24,848	15,771
Foreign exchange loss	(27,525)	(16,491)
Total other income (loss)	(1,234,129)	(7,645,651)
NET LOSS FOR THE YEAR	**(7,687,317)**	**(11,727,444)**
Other comprehensive loss		
Foreign currency translation adjustment	(10,054)	(16,985)
COMPREHENSIVE LOSS	**$ (7,697,371)**	**$ (11,744,429)**
Basic and diluted loss per share	$ (0.06)	$ (0.12)
Weighted average number of common shares outstanding – Basic and diluted	134,143,143	98,179,801

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

BioVaxys Technology Corp.
Consolidated Statements of Shareholders' Equity (Deficit)
For the years ended October 31, 2023 and 2022
(Expressed in Canadian dollars, unless otherwise noted)

	Number of Shares		Share Capital		Reserves		Accumulated Other Comprehensive Income (Loss)		Deficit		Total Shareholders' Equity
Balance, October 31, 2021	**92,186,961**	**$**	**14,757,785**	**$**	**1,422,789**	**$**	**18,599**	**$**	**(8,022,452)**	**$**	**8,176,721**
Shares issued in private placement, net (note 9 (b))	8,673,333		1,133,500		-		-		-		1,133,500
Share issuance costs	-		(25,255)		-		-		-		(25,255)
Shares issued for service (note 9 (b))	773,797		120,000		-		-		-		120,000
Shares issued on settlement of debt (note 9 (b))	7,178,544		1,065,964		-		-		-		1,065,964
Share-based payments (note 9 (c))	-		-		499,967		-		-		499,967
Cancellation of stock options (note 9 (c))	-		-		(141,610)		-		141,610		-
Foreign currency translation adjustment	-		-		-		(16,985)		-		(16,985)
Net loss for the period	-		-		-		-		(11,727,444)		(11,727,444)
Balance, October 31, 2022	**108,812,635**	**$**	**17,051,994**	**$**	**1,781,146**	**$**	**1,614**	**$**	**(19,608,286)**	**$**	**(773,532)**
Shares issued in private placement (note 9 (b))	9,350,000		1,092,500		-		-		-		1,092,500
Share issuance costs (note 9 (b))	-		(25,400)		-		-		-		(25,400)
Finders’ warrants issued (note 9 (b))	-		(7,371)		7,371		-		-		-
Shares issued for services (note 5, note 9 (b))	24,772,186		3,102,500		-		-		-		3,102,500
Cancellation of shares issued on settlement of debt (note 9 (b))	(2,902,236)		-		-		-		-		-
Shares issued on settlement of debt (note 9 (b))	3,652,236		265,112		-		-		-		265,112
Exercise of warrants (note 9 (b))	1,427,000		513,500		-		-		-		513,500
Share-based payments (note 9 (c))	-		-		150,630		-		-		150,630
Foreign currency translation adjustment	-		-		-		(10,054)		-		(10,054)
Net loss for the period	-		-		-		-		(7,687,317)		(7,687,317)
Balance, October 31, 2023	**145,111,821**	**$**	**21,992,835**	**$**	**1,939,147**	**$**	**(8,440)**	**$**	**(27,295,603)**	**$**	**(3,372,061)**

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

BioVaxys Technology Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars, unless otherwise noted)

For the years ended	**October 31, 2023**	**October 31, 2022**
OPERATING ACTIVITIES		
Net loss for the year	$ (7,687,317)	$ (11,727,444)
Non-cash items:		
Share-based payments	150,630	499,967
Shares issued for services	3,102,500	120,000
Impairment of intangible asset	1,445,100	7,396,821
Accretion income	(24,848)	(15,771)
Loss (gain) on settlement of debt	(213,648)	248,110
Foreign exchange gain – financial assets	(16,305)	-
Net changes in non-cash working capital items		
Goods and services tax receivable	(42,234)	3,670
Prepaid expenses	(121,474)	(211,364)
Accounts payable and accrued liabilities	1,800,559	1,978,224
Due to related parties	552,188	133,178
Cash used in operating activities	**(1,054,848)**	**(1,574,609)**
FINANCING ACTIVITIES		
Proceeds from shares issued in private placement, net	917,100	1,108,245
Cash provided by financing activities	**917,100**	**1,108,245**
Effect of foreign exchange rate change on cash	**(3,173)**	**15,147**
Net change in cash	(140,921)	(451,217)
Cash, beginning of the year	141,898	593,115
Cash, end of the year	**$ 977**	**$ 141,898**

Supplemental disclosure of non-cash activities

Shares issued on settlement of debt	$ 265,112	$ 1,065,964
Shares issued on exercise of warrants to settle debt	$ 513,500	$ -
Shares issued in private placements to settle debt	$ 150,000	$ -
Shares issued for services rendered	$ 3,102,500	$ 120,000

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

1. NATURE AND CONTINUANCE OF OPERATIONS

BioVaxys Technology Corp. (the “Company” or “BioVaxys”) 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 25th Floor, 666 Burrard Street, Vancouver, British Columbia, V6C 2X8, the Company’s head office is located at 146 Thirtieth St., Suite 100, Etobicoke, Ontario, M8W 3D4.

BioVaxys Technology Corp. is a clinical stage biotechnology company developing viral and oncology vaccine platforms and immuno-diagnostics. The Company’s shares are traded on the Canadian Securities Exchange under the symbol “BIOV” and on the OTCQB under the symbol "BVAXF.”

These consolidated 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. As of October 31, 2023, the Company’s current liabilities exceeded its current assets by $3,372,061 and the Company had an accumulated deficit of $27,295,603. The Company has not generated cash inflows from operations. 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 consolidated 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, and such adjustments could be material.

2. BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the periods presented, unless otherwise stated.

These consolidated financial statements were approved and authorized by the Board of Directors on July 8, 2024.

(b) Basis of preparation

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

(c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. The financial statements of the subsidiary are included in the consolidated 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.

2. BASIS OF PREPARATION (continued)

(c) Basis of consolidation (continued)

The legal subsidiary of the Company is as follows:

Name of Subsidiary	Place of Incorporation	Functional Currency	Ownership Interest	
			October 31, 2023	October 31, 2022
BioVaxys Inc.	USA	US dollar	100%	100%

(d) Functional and presentation currency

These consolidated 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.

(e) Significant accounting estimates and judgments

The preparation of these consolidated 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 consolidated financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated 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.

<u>Significant judgments</u>

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 consolidated 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 assumption that the Company will continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

(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.

2. BASIS OF PREPARATION (continued)

(e) Significant accounting estimates and judgments (continued)

(iv) Impairment of intangible assets or cash-generating units ("CGU") 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.

(v) Agreements entered into for the acquisition of assets may involve contingent consideration. The estimates involved in assessing the value of the contingent consideration include the expected timing of payments, the expected settlement value, the likelihood of settlement and the probability of the assessed outcomes occurring.

<u>Estimation uncertainty</u>

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 of the consolidated statement of financial position could be impacted.

(ii) The measurement of share-based payments is determined using the Black Scholes Option Pricing Model. This option pricing model requires the input of subjective assumptions including the expected price volatility, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant.

(iii) Management uses Adjusted Net Asset and Market valuation techniques to determine the fair value of its investments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred income tax is recognized using the liability method on temporary differences arising between the tax and accounting bases of assets and liabilities as well as for the benefit of losses available to be carried forward to future years. Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect either accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the consolidated statement of financial position date. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Share-based payments

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and expensed over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if the fair value of the goods or services cannot be reliably measured

and is recorded at the date the goods or services are received. The fair value of the options granted is measured using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to reserves.

c) Share capital

Proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Any previously recorded share-based payment included in the reserves account is transferred to share capital on exercise of options. The proceeds from issuance of units are allocated between common shares and warrants based on the residual method. Under this method, the proceeds are allocated first to share capital based on the fair value as determined by the quoted bid price of the common shares and any residual value is allocated to reserves. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects. Consideration received for the exercise of warrants is recorded in share capital, and any related amount recorded in reserves is transferred to share capital. Charges for options or warrants that are cancelled, forfeited, or expired are reclassified from reserves to deficit.

d) Loss per share

Basic loss per share is computed by dividing net loss attributable to common shareholders by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

e) Intangible assets

Intangible assets are recorded at cost less accumulated amortization and any accumulated impairment losses. Intangible assets with finite useful lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful lives of intangible assets are assessed as either finite or indefinite. The amortization method and amortization period of an intangible asset with a finite useful life is reviewed annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method as appropriate and are treated as a change in accounting estimates.

The amortization expense on intangible assets with finite lives is recognized in the consolidated statements of loss and comprehensive loss.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite use life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Research and development costs

Expenditures related to research activities are recognized as an expense in the period in which they are incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, the entity can demonstrate all of the following:

i. the technical feasibility of completing the intangible asset so that it will be available for use or sale;
ii. its intention to complete the intangible asset and use or sell it;
iii. its ability to use or sell the intangible asset;
iv. how the intangible asset will generate probable future economic benefits. Among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
v. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
vi. its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs are capitalized as soon as the above criteria are met. Where no internally generated intangible asset can be recognized, development expenditures are expensed in the period in which they are incurred.

After initial recognition, internally generated intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses. They are amortized on a straight-line basis over their useful life, and an impairment loss is recognized in profit or loss when their recoverable amount is less than their net carrying amount.

g) Impairment of long-lived assets

The recoverable amount of a non-financial asset or a CGU is the higher of its fair value less costs to sell and its value in use. Value in use is determined on the basis of profit or loss projections over its useful life using management's forecast tools (for the first three years) and an estimate over the subsequent years based on long-term market trends for the asset or CGU involved. The calculation takes into account net cash flows to be received on disposal of the asset or CGU at the end of its useful life based on the growth and profitability profile of each asset or CGU.

An impairment loss is recognized when the carrying amount of any non-financial asset or its CGU exceeds its estimated recoverable amount. Impairment losses are allocated to first reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Moreover, when goodwill and another asset (or asset group) of a CGU are tested for impairment at the same time, the other asset (or asset group) is tested for impairment before goodwill. When the other asset (or asset group) is impaired, the impairment loss is recognized prior to goodwill being tested for impairment.

An impairment loss recognized in prior periods for a non-financial asset or a CGU other than goodwill is reversed when there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount, without exceeding the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior periods. An impairment loss recognized for goodwill cannot be reversed.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Foreign currency translation

(i) Translation of foreign currency transactions

Transactions in foreign currencies are translated using the exchange rate prevailing at the date of the transaction. At each reporting date, foreign currency denominated monetary assets and liabilities are translated at year-end exchange rates. Exchange differences arising from the transactions are recorded in profit or loss for the period, except for exchange differences relating to borrowings hedging net investments denominated in the consolidated subsidiaries' currency. These differences are recognized in other comprehensive income as currency translation differences until the disposal of the net investment. Exchange differences arising from operating transactions are recorded in operating profit or loss for the period; exchange differences related to financing transactions are recognized as finance costs or income, or in other comprehensive income (loss).

(ii) Translation of foreign operations

The assets and liabilities of a foreign operation, including goodwill and fair value adjustments arising from the acquisition, are translated in Canadian dollars at year-end exchange rates. Income and expenses, and cash flows of a foreign operation are translated into Canadian dollars using average exchange rates. Differences resulting from translating foreign operations are reported as translation differences in equity. When a foreign operation is disposed of, the translation differences previously recognized in equity are reclassified to profit or loss.

i) Financial instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive loss ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	IFRS 9 classification
Cash	FVTPL
Loan receivable	Amortized cost
Accounts payable	Amortized cost
Due to related parties	Amortized cost
Investments	FVTPL

(ii) Measurement

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Measurement (continued)

are included in the consolidated statements of loss and comprehensive loss in the period in which they arise.

The Company accounts for investments at FVTPL and did not make the irrevocable election to account for the investment at FVOCI. The fair value was determined in line with the requirements of IFRS 13 'Fair Value Measurement'.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses.

The Company shall recognize in the consolidated statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition of financial assets

Financial assets are derecognized when the risks and rewards of ownership have been transferred. Gains and losses on derecognition are recorded in the consolidated statements of loss and comprehensive loss.

j) 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 consolidated financial statements.

4. INTANGIBLE ASSETS

During the year ended October 31, 2023:

There were no intangible assets held during the year ended October 31, 2023.

During the year ended October 31, 2022:

The acquisition of BioVaxys Inc. in 2020 was recognized as the acquisition of an asset as it did not constitute a business in accordance with IFRS 3. This intangible asset comprised 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 acquisition. As at October 31, 2022, the Company determined that the total intangible assets valued at $7,396,821, were fully impaired. As a result, the full carrying amount of the intangible asset was written down to $Nil. An impairment loss of $7,396,821 was recorded on the consolidated statement of loss and comprehensive loss.

5. TAETCO ACQUISITION AND DISPOSAL

Acquisition of TAETCo

On March 15, 2023, the Company completed the acquisition of TAET Software Corp ("TAETCo"). TAETCo was a privately-owned company incorporated on February 2, 2023, and was a Vancouver-based clinical studies management company engaged in the development and commercialization of a proprietary software application which will enable clinical study subjects to record and submit clinical trial reports to study sponsors in real time.

In exchange for all of the issued and outstanding shares of TAETCo, the Company issued 24,500,000 common shares (the "Consideration Shares") to the TAETCo shareholders. Key shareholders of TAETCo (the "Vendors") were retained for three months following the closing of the acquisition (the "Transition Period") to assist with the development of the software. The Company would issue an additional 2,500,000 common shares (the "Bonus Shares") if a successful testing of the beta version of the application was delivered during the Transition Period.

This acquisition did not constitute a business combination as TAETCo did not qualify as a business under IFRS 3 - Business Combinations due to a lack of substantive processes. Management assessed that the acquisition did not meet the criteria required to recognize an intangible asset under IAS 38 – Intangible Assets, as a result, the value associated with the transaction has been recognised as an expense as per IFRS 2.8. Therefore, the Company accounted for the transaction under IFRS 2 – Share-based Payment.

The fair value of the Consideration Shares was determined to be $3,062,500 based on the Company's share price for a private placement that closed in March 2023. The Company assessed that it is unlikely that the Vendors would be able to provide a fully functioning beta version of the software during the Transition Period and therefore no value was assessed on the Bonus Shares.

In management's view, the acquisition increased market awareness of the Company and therefore the fair value of the shares issued was recorded as investor relations expense.

Disposal of TAETCo

On June 7, 2023, the Company entered into an agreement to sell 100% of the common shares of TAETCo to XGC Software Inc ("XGC"), using 1402588 BC Ltd as a vehicle for the transaction (together, the "Parties"). The Company agreed to sell TAETCo in exchange for consideration of 500,000 shares in 1402588 BC Ltd, which would then be exchanged into shares in XGC on a 1:1 basis, such that the Company would become a shareholder of XGC. The Parties also agreed that the Company would receive the following payments from XGC upon achievement of the milestones described below (the "Milestone Payments"):

- 500,000 shares of XGC, issuable within 30 days of the first commercial licence sale of the software
- 500,000 shares of XGC, issuable within 30 days of the first achievement of cumulative revenue of USD$1,000,000 in any one fiscal year
- USD$500,000 cash payment, payable within 30 days of the filing of any financial statement that shows the first achievement of cumulative revenue of USD$5,000,000 in any one fiscal year
- USD$500,000 cash payment, payable within 30 days of the filing of any financial statement that shows the first achievement of cumulative revenue of USD$10,000,000 in any one fiscal year
- USD$1,000,000 cash payment, payable within 30 days of the filing of any financial statement that shows the first achievement of cumulative revenue of USD$5,000,000 in any one fiscal quarter
- USD$2,000,000 cash payment, payable within 30 days of the filing of any financial statement that shows the first achievement of cumulative revenue of USD$10,000,000 in any one fiscal quarter

On June 8, 2023, the Company received 500,000 shares in 1402588 BC Ltd as consideration for the sale. These were subsequently exchanged for shares in XGC on a 1:1 basis on December 11, 2023. These shares were deemed to have a fair value of $Nil, refer to Note 11.

(Expressed in Canadian dollars, unless otherwise noted)

5. TAETCO ACQUISITION AND DISPOSAL (continued)

The Milestone Payments have been accounted for as a contingent asset in accordance with IAS 37 and therefore will only be recorded on the statement of financial position when the realization of cash flows associated with it becomes relatively certain. As at October 31, 2023, no value has been attributed to the Milestone Payments.

6. LOAN RECEIVABLE

	October 31, 2023	October 31, 2022
Balance, beginning of the period	$ 317,745	$ 316,221
Accretion income	24,848	15,771
Foreign exchange gain (loss)	3,326	(14,247)
Derecognition of loan receivable	(345,919)	-
Balance, end of the period	-	317,745
Loans receivable, current portion	-	(166,710)
Loan receivable	$ -	$ 151,035

On April 28, 2021, the Company entered a binding term sheet (“MSA”) with Bio Elpida SAS (“B-E”), 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 could be repaid in whole or in part before September 30, 2025, and bore no interest. Repayment was 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.

The loan receivable was accounted for using the amortized cost method, discounted at an effective interest rate of 5.25% estimated for the vendor. During the year ended October 31, 2023, accretion income of $24,848 (2022 - $15,771) was recorded in the consolidated statements of loss and comprehensive loss.

On October 2, 2023, the Company entered a Set Off and Satisfaction Agreement with B-E, pursuant to which the parties agreed to offset the Company’s Loan Receivable against the amounts payable to B-E. Pursuant to this agreement, the Company has offset the €317,545 payable to the vendor against the €250,000 loan receivable. A promissory note was to be issued for the remaining €67,545 payable by the Company to the vendor. As this promissory note was not signed until March 20, 2024, the remaining balance of €67,545 ($99,237) payable to B-E is included in Accounts Payable at October 31, 2023.

Pursuant to the Set Off and Satisfaction Agreement, the €67,545 was repayable in 6 monthly instalments of €11,257 beginning on September 30, 2023. As there was a delay in finalizing the agreement, the parties agreed to delay the first payment to February 26, 2024 (note 13).

7. RESEARCH AND DEVELOPMENT

The intangible assets previously held by the Company comprised several patents, licensed patents, patent applications, and the related in-process research and development work (collectively, “IPR&D”). These intangible assets were not amortized, as they were not available for use.

As at October 31, 2022, the Company determined that the intangible assets related to both its Hapten-based Cancer Vaccines Development and COVID Diagnostic and Vaccine Development were fully impaired. As a result, the full carrying amounts of the intangible assets were written off to their recoverable amount of $Nil. A total impairment loss of $7,396,821 was recorded on the consolidated statement of loss and comprehensive loss during the year ended October 31, 2022.

(Expressed in Canadian dollars, unless otherwise noted)

7. RESEARCH AND DEVELOPMENT (continued)

	Hapten-based Cancer Vaccines Development	COVID Diagnostic and Vaccine Development	Total
Balance as at October 31, 2021	$ 5,513,993	$ 1,882,828	$ 7,396,821
Impairment	(5,513,993)	(1,882,828)	(7,396,821)
Balance as at October 31, 2022 and October 31, 2023	$ -	$ -	$ -

The Company has continued to carry on with these IPR&D projects. The research and development costs incurred on these projects during the years ended October 31, 2023 and 2022 have been expensed on the consolidated statements of loss and comprehensive loss.

During the years ended October 31, 2023 and 2022, the Company incurred the following research and development expenses pursuant to the development of its technology platform:

For the year ended	October 31, 2023	October 31, 2022
GMP manufacturing process development	$ 45,776	$ 714,904
Sarbecovirus vaccine evaluation	21,358	152,215
Development of CoviDTH™	-	95,589
Ovarian cancer vaccine research	53,265	-
ProCare distribution agreement	-	-
Conference costs	13,333	-
	$ 133,732	$ 962,708

The Company plans to finance its research and development activities through raising equity or debt capital financing. Through continued development of its product offering, the Company expects to earn revenues. These revenues will be used to eventually fund operating expenses.

Hapten-based Cancer Vaccines Development

Thomas Jefferson University License

The Company 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.

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

- USD$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;
- USD$25,000 following US Food and Drug Administration allowance for a product utilizing the Licensed Technology; and
- USD$100,000 once the Company reaches USD$5,000,000 in net sales of a product utilizing the Licensed Technology.

In addition, the Company 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.

(Expressed in Canadian dollars, unless otherwise noted)

7. RESEARCH AND DEVELOPMENT (continued)

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

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”.

COVID Diagnostic and Vaccine Development

The Company filed the US provisional patent application on October 28, 2020 for a novel diagnostic platform invented by the Company ("Diagnostic Platform"). In April 2021, the Company completed the US Trademark Application, CoviDTH, with foreign filing for the trademark completed in October 2021 for several other countries. As at October 31, 2022, the intangible assets related to this development was fully impaired to $Nil.

ProCare Distribution Agreement

On December 13, 2022, the Company entered into an agreement with ProCare Health Iberia (“ProCare”), granting the Company the right to import, promote, sell and distribute a portfolio of over-the-counter (OTC) female reproductive health products in the United States. The OTC products include Papilocare®, a re-epithelializing vaginal gel for the preventative and supportive treatment of lesions caused by HPV, and Papilocare® Immunocaps, a nutritional supplement that helps to normalize the vaginal microbiota and strengthen natural immune defenses. The Company was to pay €1,000,000 (€100,000 on December 13, 2022; €400,000 on December 31, 2022 and €500,000 on January 31, 2023). As at October 31, 2023, $987,886 was included in Accounts payable. This agreement was terminated subsequent to year end (note 13).

8. 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 year ended		**October 31, 2023**		**October 31, 2022**
General and administrative expenses	$	-	$	19,251
Management, consulting and director fees		660,867		693,427
Professional fees		-		20,917
Share-based payments		99,598		391,648
	$	760,465	$	1,125,243

i. During the year ended October 31, 2023, the Company recognized $126,000 (2022 - $126,000) in management and directors’ fees and $18,379 (2022 - $87,759) in share-based payments for services provided by the Chief Executive Officer (“CEO”) of the Company. As of October 31, 2023, due to related parties balance included $165,121 (October 31, 2022 - $32,422) owing to the CEO.

ii. During the year ended October 31, 2023, the Company recognized $241,992 (2022 - $241,992) in management fees and $18,379 (2022 - $87,759) in share-based payments for services provided by the Chief Operating Officer (“COO”) and President of the Company. As of October 31, 2023, due to related parties balance included $321,354 (October 31, 2022 - $100,830) owing to the COO.

8. RELATED PARTY TRANSACTIONS (continued)

iii. During the year ended October 31, 2023, the Company expensed $120,000 (2022 - $120,000) in management fees and $18,379 (2022 - $87,759) in share-based payments for services provided by the Chief Medical Officer ("CMO") of the Company. As of October 31, 2023, due to related parties balance included $130,000 (October 31, 2022 - $30,000) owing to the CMO.

iv. During the year ended October 31, 2023, the Company expensed $33,500 (2022 - $12,000) in management fees and $20,309 (2022 - $17,077) in share-based payments for services provided by the former Chief Financial Officer ("CFO") of the Company. As of October 31, 2023, due to related parties balance included $28,700 (October 31, 2022 - $6,600) owing to the former CFO of the Company. The former CFO is now a current director of the Company.

v. During the year ended October 31, 2023, the Company expensed $52,500 (2022 - $126,000) in management and directors' fees and $Nil (2022 - $17,552) in share-based payments for services provided by a former director of the Company. As of October 31, 2023, due to related parties balance included $22,500 (October 31, 2022 - $13,466) owing to the former director.

vi. During the year ended October 31, 2023, the Company expensed $6,000 (2022 - $3,000) in directors' fees, $24,152 (2022 - $31,036) in share-based payments for services provided by a director of the Company, and $80,875 in consulting fees for services provided by a company controlled by this director. As of October 31, 2023, due to related parties balance included $9,100 (October 31, 2022 - $3,100) owing to this director and $80,875 (2022 - $Nil) owing to a company controlled by this director.

vii. During the year ended October 31, 2023, the Company expensed $Nil (2022 - $10,000) in share-based payments to a former CFO of the Company. The Company also incurred management fees and professional fees of $Nil (2022 - $90,668) and share-based payment expenses of $Nil (2022 - $5,000) to a company that employs the former CFO for accounting services. As of October 31, 2023, the Company included $Nil (2021 - $17,146) as an amount due to related parties to the CFO and CFO's employer.

viii. During the year ended October 31, 2023, the Company paid $Nil (2022 - $3,435) in directors' fees and expensed $Nil (2022 - $17,552) in share-based payments to a former director of the Company. As of October 31, 2023, the Company has included $Nil (2022 - $1,897) due to the former director as an amount due to related parties for consulting fees

As at October 31, 2023, the Company was indebted to the related parties for a total of $757,649 (October 31, 2022 - $205,461) for management and consulting fees, professional fees and reimbursable expenses. The amounts are non-interest-bearing and have no terms of repayment.

9. SHARE CAPITAL

(a) Authorized

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

(b) Issued

As of October 31, 2023, the Company had 145,111,821 (October 31, 2022 – 108,812,635) shares outstanding.

Share capital activities for the year ended October 31, 2023:

(i) On November 8, 2022, the Company issued 750,000 common shares with a fair value of $120,000 to settle amounts payable of $150,000 to a vendor pursuant to a debt settlement agreement. The Company recognized a $30,000 gain on settlement of debt.

(ii) On November 8, 2022, and February 8, 2023, the Company issued 49,382 and 222,804 common shares,

9. SHARE CAPITAL (continued)

(b) Issued (continued)

respectively, pursuant to a consulting agreement with a director of the Company. The shares were issued in exchange for management services from October 2022 to January 2023 valued at $40,000.

(iii) On November 9, 2022, the Company issued 1,550,000 units for proceeds of $155,000 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 $0.20 per share for two years from the closing date. 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. The Company incurred total finder's fees of $18,400.

(iv) On November 9, 2022, the Company issued 1,500,000 units under the same terms of the private placement financing on the same date and issued 1,427,000 common shares on the exercise of warrants with an aggregate exercise price of $513,500. In lieu of receiving cash for these share issuances, debt in the amount of $638,224 was settled and a loss on the settlement of $25,276 was recognized.

(v) On November 28, 2022, the Company issued 940,000 units for proceeds of $117,500 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 $0.20 per share for two years from the closing date. 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. The Company incurred total finder's fees of $7,000 and issued 56,000 finders warrants with a fair value of $7,371. Each finder's warrant is exercisable at $0.20 per share for three years from the closing date, The fair value of the finders' warrants was determined using the Black-Scholes Option Pricing Model with the following weighted average assumptions: a 3-year expected life; share price at grant date of $0.165; 149.73% volatility; risk-free interest rate of 3.91%; and a dividend yield of 0%.

(vi) On March 16, 2023, the Company issued 5,360,000 common shares to the vendors of TAETCo for proceeds of $670,000 pursuant to a non-brokered private placement.

(vii) On March 16, 2023, the Company issued 24,500,000 common shares with a fair value of $3,062,500 to the shareholders of TAETCo for investor relation services provided.

(viii) On April 25, 2023, the Company issued 2,902,236 common shares with a fair value of $145,112 to settle amounts payable of $182,841 to a vendor for investor relation services rendered. The Company recognized a $37,729 gain on settlement of debt in relation to the issuance of these shares.

(ix) On June 23, 2023, the Company cancelled the 2,902,236 common shares it had previously issued to a vendor for services rendered (see note 9 (b)(viii)). These shares were cancelled as parties mutually agreed to terminate their engagement and cancel the shares. In accordance with IAS 32, no gain or loss was recognized on the cancellation of the Company's own equity instruments.

Share capital activities for the year ended October 31, 2022:

(i) The Company issued 773,797 common shares pursuant to a consulting agreement with a director of the Company. The shares were issued in exchange for $120,000 of consulting fees.

(ii) 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 share purchase 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 $18,855. 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.

(Expressed in Canadian dollars, unless otherwise noted)

9. SHARE CAPITAL (continued)

(b) Issued (continued)

(iii) The Company issued 3,350,000 units for proceeds of $335,000 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 $0.20 per share for two years from the closing date. The Company incurred total finder's fees of $6,400. 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.

(iv) The Company issued 5,178,544 common shares with a fair value of $695,964 to settle amounts payable of $517,854 to certain vendors pursuant to debt settlement agreements. The Company recorded a $178,110 loss on settlement of debt.

(v) The Company issued 2,000,000 common shares with a fair value of $370,000 to settle amounts payable of $300,000 to a certain vendor pursuant to a debt settlement agreement. The Company recorded a $70,000 loss on settlement of debt.

(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, 2021	5,234,864	0.41
Granted	5,355,000	0.22
Forfeited	(200,000)	0.35
Expired	(84,864)	0.01
Cancelled	(350,000)	0.47
Balance, October 31, 2022 and October 31, 2023	9,955,000	0.32

No stock options were granted during the year ended October 31, 2023.

On December 31, 2021, 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 vest 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 be $372,752.

On April 29, 2022, the Company granted 750,000 stock options to a director with an exercise price of $0.20 and a maturity date of April 29, 2026. The stock options vest 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 $73,005.

On August 4, 2022, the Company granted 850,000 stock options to certain consultants with an exercise price of $0.20 and a maturity date of August 4, 2026. The stock options vest 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 be $86,539.

On October 4, 2022, the Company granted 1,500,000 stock options to an officer and consultant with an exercise price of $0.20 and a maturity date of October 4, 2027. The stock options vest over three years with

(Expressed in Canadian dollars, unless otherwise noted)

9. SHARE CAPITAL (continued)

(c) Stock options (continued)

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 be $128,235.

During the years ended October 31, 2023, the Company recognized share-based payments of $150,630 (2022 - $499,967) related to the vesting of stock options.

The fair value of these stock options issued was determined using the Black-Scholes Option Pricing model. The weighted average assumptions used in calculating the fair value are as follows:

	October 31, 2023	**October 31, 2022**
Risk-free interest rate	-	2.28%
Dividend yield	-	0%
Expected volatility	-	118.43%
Expected life (years)	-	4.28
Forfeiture rate	-	0%

Additional information regarding stock options outstanding as at October 31, 2023 is as follows:

Expiry Date	Exercise Price ($)	Number of Options Issued	Number of Options Exercisable
September 3, 2025	0.28	100,000	100,000
October 20, 2025	0.45	2,850,000	2,850,000
December 31, 2025	0.25	2,155,000	1,436,667
February 12, 2026	0.57	750,000	750,000
April 29, 2026	0.20	750,000	500,000
September 3, 2026	0.25	1,000,000	1,000,000
August 4, 2026	0.20	850,000	566,667
October 4, 2027	0.20	1,500,000	1,000,000
		9,955,000	8,203,333

As of October 31, 2023, the weighted average remaining life for outstanding stock options was 2.53 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, 2021	19,540,241	0.50
Granted	8,673,333	0.26
Balance, October 31, 2022	28,213,574	0.43
Granted	3,990,000	0.20
Exercised	(1,427,000)	0.36
Expired	(10,178,627)	0.50
Balance, October 31, 2023	20,597,947	0.35

(Expressed in Canadian dollars, unless otherwise noted)

9. SHARE CAPITAL (continued)

Additional information regarding share purchase warrants outstanding as at October 31, 2023 is as follows:

Expiry Date	Exercise Price ($)	Number of Warrants Issued and Exercisable
January 14, 2024	0.50	3,812,159
January 28, 2024	0.50	5,122,455
February 10, 2025	0.30	1,680,000
February 25, 2025	0.30	2,643,333
August 25, 2024	0.20	2,000,000
September 19, 2024	0.20	1,350,000
November 10, 2024	0.20	3,050,000
November 28, 2024	0.20	940,000
		20,597,947

(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, 2021	233,874	0.50
Expired	(233,874)	0.50
Balance, October 31, 2022	-	-
Granted	56,000	0.20
Balance, October 31, 2023	56,000	0.20

Additional information regarding brokers' warrants outstanding as at October 31, 2023, is as follows:

Expiry Date	Exercise Price ($)	Number of Warrants Issued and Exercisable
November 28, 2025	0.20	56,000
		56,000

(f) Escrow shares

As at October 31, 2023, no shares were subject to escrow conditions (October 31, 2022 – 7,045,053).

(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.

(Expressed in Canadian dollars, unless otherwise noted)

10. INCOME TAX

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

For the year ended		October 31, 2023		October 31, 2022
Net loss before taxes	$	(7,687,317)	$	(11,727,444)
Canadian statutory income tax rate		27%		27%
Income tax recovery at statutory rate		(2,075,575)		(3,166,410)
Tax effect of:				
Permanent differences and other		143,608		2,189,056
Change in unrecognized deferred income tax assets		1,931,968		977,354
Deferred income tax recovery	$	-	$	-

The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

		October 31, 2023		October 31, 2022
Deferred income tax assets (liabilities):				
Non-capital losses	$	4,943,326	$	2,666,213
Share issuance costs		22,497		24,735
Unrecognized deferred tax assets		(4,965,823)		(2,690,947)
Net deferred income tax asset	$	-	$	-

As at October 31, 2023, the Company has Canadian non-capital losses carried forward of approximately $16,315,000 which are available to offset future years' taxable income expiring between 2038 and 2043. The Company also had US net operating losses of approximately $1,791,000 that carry forward indefinitely.

11. FINANCIAL INSTRUMENTS

Fair Value

As at October 31, 2023, the Company's financial instruments consist of cash, investments, 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.

(Expressed in Canadian dollars, unless otherwise noted)

11. FINANCIAL INSTRUMENTS (continued)

Fair value measurement hierarchy for financial instruments as at October 31, 2023:

		Fair value measurement using			
	Date of valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
		$	**$**	**$**	**$**
Assets measured at fair value:					
Investments (note 5)	October 31, 2023	-	-	-	-
Cash		977	977	-	-

The fair value of the investments being $Nil have been estimated using Adjusted Net Asset and Market valuation approaches (Level 2). The valuation requires management to make certain assumptions about the net assets of XGC, marketability of XGC shares.

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 year ended October 31, 2023.

As at October 31, 2023, the Company had a net foreign currency cash balance of USD$696 and accounts payable of USD$367,566. A 10% change in the Canadian dollar versus the US dollar would give rise to a gain/loss of approximately $51,000, based on the Company's current net exposure. Additionally, the Company had an accounts payable of €747,916. A 10% change in the Canadian dollar versus the euro would give rise to a gain or loss of approximately $110,000, 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 October 31, 2023, the Company is not exposed to significant interest rate risk.

11. FINANCIAL INSTRUMENTS (continued)

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 October 31, 2023, the Company had cash of $977 (October 31, 2022 - $141,898), accounts payable of $2,655,875 (October 31, 2022 - $1,312,736), accrued liabilities of $72,015 (October 31, 2022 - $120,899), and due to related parties of $757,649 (October 31, 2022 - $205,461). 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.

12. CAPITAL MANAGEMENT

The Company includes equity in its definition of capital. The Company's objectives are to preserve its ability to continue its operation to ensure its sustainability and to provide an adequate return to its shareholders, and to ensure sufficient equity financing in a way that maximizes the shareholders' return given the assumed risks of its activities. The Company may issue new shares following approval by the Board of Directors.

The Company's objectives in terms of capital management have not changed during the year ended October 31, 2023.

The Company is not subject to any external capital requirements as at October 31, 2023 beyond those imposed by the Canadian Securities Exchange.

13. SUBSEQUENT EVENTS

a) On December 21, 2023, the Company mutually entered into a termination and settlement agreement ("Termination Agreement") with ProCare. The Company and ProCare agreed on the termination of the Agreement and have agreed that the amount received by ProCare as down payment, amounting to EUR 300,000 (CAD $457,214), will not be reimbursed to the Company. As management was planning the termination of this agreement prior to year end, this is considered an Adjusting Event per IAS 10. As such, this prepaid balance has been fully impaired at October 31, 2023. As the termination agreement was not legally binding until the parties signed the agreement on December 21, 2023, accounts payable includes a balance of EUR 700,000 (CAD $987,886) owing to ProCare at October 31, 2023 (Note 7).

b) On January 14, 2024, 3,812,159 warrants with an exercise price of $0.50 expired without being exercised.

c) On January 28, 2024, 5,122,455 warrants with an exercise price of $0.50 expired without being exercised.

d) On January 29, 2024, the Company settled $215,000 in debt by issuing 7,166,666 common shares of the Company at a price of $0.03 per common share. Of these common shares issued, 2,500,000 and 633,333 common shares were issued to the CEO and COO of the Company, respectively, to settle amounts owing to them.

13. SUBSEQUENT EVENTS (continued)

e) On January 31, 2024, the Company issued 36,783,334 units at a price of $0.03 per unit for total gross proceeds of $1,120,167, pursuant to closing the first tranche of a non-brokered private placement. Each unit consists of one common share and one whole common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.05 for a period of two years from the closing date.

f) On February 9, 2024, the Company issued 16,716,639 units at a price of $0.03 per unit for total gross proceeds of $507,499, pursuant to closing the final tranche of a non-brokered private placement. Each unit consists of one common share and one whole common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.05 for a period of two years from the closing date.

g) On February 11, 2024, the Company signed a definitive Asset Purchase Agreement for the acquisition of a technology portfolio from HIMV LLC. ("HIMV") Pursuant to the agreement, the Company has agreed to the following consideration:

   - USD$750,000 plus the Reimbursable Maintenance Costs ("Cash Consideration"), payable immediately. This was paid on February 20, 2024.
   - Shares of the Company's common stock with a deemed value of USD$250,000, calculated at a price per share equal to the volume-weighted average price of the common shares during the 20-trading day period immediately prior to closing. On February 16, 2024, the Company issued 5,034,701 common shares of the Company in relation to this.
   - Milestone Earn-Out Payments totaling $1,775,000 based on the completion of specific clinical studies and the receipt of market approval in certain jurisdictions.
   - Sale Earn-Out Payments, equal to 6% gross sales royalty on product sales.
   - Licencing Earn-Out Payments, equal to 15% share in licence revenues.

   HIMV will also be entitled to appoint an observer to BioVaxys' board of directors.

h) On February 26, 2024, the Company paid €22,515 to B-E in partial settlement of the promissory note (note 6).

i) On May 3, 2024, the Company issued 5,126,574 units at a price of $0.065 per unit for total gross proceeds of $333,227, pursuant to closing the first tranche of a non-brokered private placement. Each unit consists of one common share and one whole common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.15 for a period of two years from the closing date.

j) On May 10, 2024, the Company issued 4,301,923 units at a price of $0.065 per unit for total gross proceeds of $279,625, pursuant to closing the second tranche of a non-brokered private placement. Each unit consists of one common share and one whole common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.15 for a period of two years from the closing date. As at the date of signing these consolidated financial statements, the Company has not yet received $200,000 in relation to the issuance of 3,076,923 units from this private placement.