

BIOVAXYS

BioVaxys Technology Corp.

**Condensed Consolidated Interim Financial Statements
For the Three Months Ended January 31, 2024**

(Expressed in Canadian dollars)

(Unaudited)

NOTICE OF NO AUDIT OR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of BioVaxys Technology Corp. (the "Company") have been prepared by and are the responsibility of management. These condensed interim financial statements for the three months ended January 31, 2024, have not been reviewed or audited by the Company's independent auditors.

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

As at	January 31, 2024	October 31, 2023
ASSETS		
CURRENT ASSETS		
Cash	\$ 965,135	\$ 977
Goods and services tax receivable	100,247	87,525
Share subscription receivable	196,800	-
Prepaid expenses	213,895	24,976
TOTAL ASSETS	\$ 1,476,077	\$ 113,478
LIABILITIES AND SHAREHOLDERS' EITY		
CURRENT LIABILITIES		
Accounts payable	\$ 1,714,992	\$ 2,655,875
Accrued liabilities	146,249	72,015
Promissory note payable (note 4)	98,125	-
Due to related parties (note 7)	914,803	757,649
TOTAL LIABILITIES	2,874,169	3,485,539
SHAREHOLDERS' EQUITY		
Share capital (note 8)	23,350,702	21,992,835
Obligation to issue shares (note 8)	63,667	-
Reserves (note 8)	1,961,602	1,939,147
Accumulated other comprehensive income	3,491	(8,440)
Deficit	(26,777,554)	(25,295,603)
TOTAL SHAREHOLDERS' EQUITY	(1,398,092)	(3,372,061)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 1,476,077	\$ 113,478

Going concern (note 1)

Subsequent events (note 11)

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on July 10, 2024. They are signed on the Company's behalf by:

/s/ James Passin _____,

Director & Chief Executive Officer

/s/ Anthony Dutton _____,

Director

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

For the three months ended	January 31, 2024	January 31, 2023
OPERATING EXPENSES		
General and administrative	\$ 19,570	\$ 69,664
Investor relations	8,682	208,700
Management and consulting fees (note 7)	181,623	372,594
Professional fees (note 7)	109,395	69,277
Research and development (note 6)	-	119,775
Share-based payments (notes 7 and 8)	22,455	64,908
Transfer agent, regulatory and listing fees	18,545	9,839
Advertising and promotion	8,219	-
Travel and accommodation	2,215	311
	(370,704)	(915,068)
OTHER INCOME (LOSS)		
Foreign exchange gain (loss)	8,367	(39,598)
Accretion income (note 4)	-	3,050
Gain on write-off of accounts payable (note 8)	880,386	-
Loss on settlement of debt	-	(4,429)
Total other income (expenses)	888,753	(40,977)
NET INCOME (LOSS) FOR THE PERIOD	518,049	(956,045)
Other comprehensive loss		
Foreign currency translation adjustment	11,931	(7,343)
COMPREHENSIVE INCOME (LOSS)	\$ 518,049	\$ (963,388)
Basic and diluted loss per share	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding	145,267,618	114,033,810

BioVaxys Technology Corp.
Condensed Consolidated Interim Statements of Shareholders' Equity
For the three months ended January 31, 2024 and 2023
(Expressed in Canadian dollars, unless otherwise noted)
(Unaudited)

	Number of Shares	Share Capital	Obligation to Issue Shares	Reserves	AOCI	Deficit	Total Shareholders' Equity
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 8 (b))	3,990,000	422,500	-	-	-	-	422,500
Share issuance costs	-	(25,400)	-	-	-	-	(25,400)
Finders warrants issued	-	(7,371)	-	7,371	-	-	-
Shares issued for service (note 8 (b))	49,382	10,000	-	-	-	-	10,000
Shares issued on settlement of debt	750,000	120,000	-	-	-	-	120,000
Exercise of warrants	1,427,000	513,500	-	-	-	-	513,500
Share-based payments (note 8 (c))	-	-	-	64,908	-	-	64,908
Foreign currency translation adjustment	-	-	-	-	7,343	-	7,343
Net loss for the period	-	-	-	-	-	(956,045)	(956,045)
Balance, January 31, 2023	115,029,017	\$ 18,085,223	\$ -	\$ 1,853,425	\$ 8,957	\$ (20,564,331)	\$ (616,726)
Balance, October 31, 2023	145,111,821	\$ 21,992,835	\$ -	\$ 1,939,147	\$ (8,440)	\$ (27,295,603)	\$ (3,372,061)
Shares issued in private placement (note 8 (b))	36,783,334	1,103,500	63,667	-	-	-	1,167,167
Share issuance costs (note 8 (b))	-	(68,133)	-	-	-	-	(68,133)
Shares issued on settlement of debt (note 8 (b))	7,166,666	322,500	-	-	-	-	322,500
Share-based payments (note 8 (c))	-	-	-	22,455	-	-	22,455
Foreign currency translation adjustment	-	-	-	-	11,931	-	11,931
Net loss for the period	-	-	-	-	-	518,049	518,049
Balance, January 31, 2024	189,061,821	\$ 23,350,702	\$ 63,667	\$ 1,961,602	\$ 3,491	\$ (26,777,554)	\$ (1,398,092)

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

For the three months ended	January 31, 2024	January 31, 2023
OPERATING ACTIVITIES		
Net income (loss) for the period	\$ 518,049	\$ (956,045)
Non-cash items		
Share-based payments	22,455	64,908
(Gain) on write-off of accounts payable	(880,386)	-
Loss on settlement of debt	-	4,429
Foreign exchange loss	-	7,142
Shares issued for services	-	10,000
Accretion income	-	(3,050)
Net changes in non-cash working capital items		
Goods and Services Tax receivable	(12,722)	(36,037)
Prepaid expenses	(189,216)	(432,242)
Accounts payable and accrued liabilities	387,048	883,494
Due to related parties	157,154	140,150
Cash generated (used) in operating activities	2,382	(317,251)
FINANCING ACTIVITIES		
Proceeds from shares issued in private placement, net	962,668	247,100
Cash provided by financing activities	962,668	247,100
Effect of foreign exchange rate change on cash	(892)	(134)
Net change in cash	964,158	(70,285)
Cash, beginning of the period	977	141,898
Cash, end of the period	\$ 965,135	\$ 71,613

Supplemental disclosure of non-cash activity

Shares issued on settlement of debt	\$ 322,500	\$ 120,000
Shares issued on exercise of warrants to settle debt	\$ -	\$ 513,500
Shares issued in private placements to settle debt	\$ -	\$ 150,000
Shares issuance costs in accrued liabilities at period end	\$ 60,434	\$ -

BioVaxys Technology Corp.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended January 31, 2024 and 2023
(Expressed in Canadian dollars, unless otherwise noted)
(Unaudited)

1. NATURE AND CONTINUANCE 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 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 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. As of January 31, 2024, the Company had a working capital deficit of \$1,398,092 and an accumulated deficit of \$26,777,554. 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 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, and such adjustments could be material.

2. BASIS OF PREPARATION

(a) Statement of compliance

These condensed consolidated interim financial statements 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 audited consolidated financial statements for the years ended October 31, 2023, and 2022, 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 July 10, 2024.

(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, 2023 and 2022.

BioVaxys Technology Corp.
Notes to the Condensed Consolidated Interim Financial Statements
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2. BASIS OF PREPARATION (continued)

(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, 2024	October 31, 2023
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) 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.

BioVaxys Technology Corp.
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2. BASIS OF PREPARATION (continued)

(e) Significant accounting estimates and judgments (continued)

- (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 ("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.

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 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

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, 2023, unless noted below, and should be read in conjunction with those annual consolidated financial statements and notes thereto.

BioVaxys Technology Corp.
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4. LOAN RECEIVABLE

	January 31, 2024	October 31, 2023
Balance, beginning of the period	\$ -	\$ 317,745
Accretion income	-	24,848
Foreign exchange loss	-	3,326
Derecognition of Loans Receivable	-	(345,919)
Balance, end of the period	-	-
Loans receivable, current portion	-	-
Loans receivable	\$ -	\$ -

On April 28, 2021, the Company entered into 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 three months ended January 31, 2024, accretion income of \$nil (2023 - \$3,050) 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 (note 4). A promissory note was issued for the remaining €67,545 payable by the Company to the vendor.

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.

As at January 31, 2024, there was an outstanding balance of \$98,125 on the promissory note payable (October 31, 2023 - \$Nil). The movement is due to the payable amount being reclassified from accounts payable as at October 31, 2023 of \$99,237.

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

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5. TAETCO ACQUISITION AND DISPOSAL (continued)

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 9.

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.

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6. RESEARCH AND DEVELOPMENT

During the three months ended January 31, 2024 and 2023, the Company incurred the following research and development expenses:

For the year ended	January 31, 2024	January 31, 2023
Consulting		
GMP manufacturing process development	\$ -	\$ 45,776
Sarbecovirus vaccine evaluation	-	21,357
Ovarian cancer vaccine research	-	52,642
	\$ -	\$ 119,775

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”):

- 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 the Company reaches US\$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.

Among the four patents under the TJU License, three have expired previously, with the remaining one to expire in 2026. As at January 31, 2024, the Company has not been required to make any payments towards either Milestone Payment or Royalty Payment.

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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, 2024	January 31, 2023
Management, and consulting and director fees	\$ 143,523	\$ 172,998
Share issuance costs	5,000	-
Share-based payments	11,762	33,327
	\$ 160,285	\$ 206,325

- (i) During the three months ended January 31, 2024, the Company recognized \$31,500 (2023 - \$31,500) in management and directors' fees and \$2,302 (2023 - \$6,517) in share-based payments for services provided by the Chief Executive Officer ("CEO") of the Company. As of January 31, 2024, due to related parties balance included \$230,022 (October 31, 2023 - \$165,121) owing to the CEO. On January 29, 2024, the Company issued 2,500,000 common shares to the CEO to settle amounts owing to them (note 8 (b)).
- (ii) During the three months ended January 31, 2024, the Company recognized \$60,498 (2023 - \$60,498) in management fees and \$2,302 (2023 - \$6,517) in share-based payments for services provided by the Chief Operating Officer ("COO") and President of the Company. As of January 31, 2024, due to related parties balance included \$378,693 (October 31, 2023 - \$321,354) owing to the COO. On January 29, 2024, the Company issued 633,333 common shares to the COO to settle amounts owing to them (note 8 (b)).
- (iii) During the three months ended January 31, 2024, the Company expensed \$30,000 (2023 - \$30,000) in management fees and \$2,302 (2023 - \$6,517) in share-based payments for services provided by the Chief Medical Officer ("CMO") of the Company. As of January 31, 2024, due to related parties balance included \$160,000 (October 31, 2023 - \$130,000) owing to the CMO.
- (iv) During the three months ended January 31, 2024, the Company expensed \$1,500 (2023 - \$18,000) in management fees, \$1,793 (2023 - \$5,809) in share-based payments for services provided by the former Chief Financial Officer ("CFO") of the Company, and \$5,000 in share issuance costs (2023 - \$nil) for services provided by a company controlled by this individual. As of January 31, 2024, due to related parties balance included \$36,100 (October 31, 2023 - \$28,700) owing to the former CFO and the company controlled by the former CFO. The former CFO is now a current director of the Company.
- (v) During the three months ended January 31, 2024, the Company expensed \$1,400 (2023 - \$1,500) in directors' fees, \$3,063 (2023 - \$6,664) in share-based payments for services provided by a director of the Company, and \$18,625 (2023 - \$nil) in consulting fees for services provided by a company controlled by this director. As of January 31, 2024, due to related parties balance included \$110,000 (October 31, 2023 - \$89,975) owing to this director and the company controlled by this director.
- (vi) During the three months ended January 31, 2024, the Company expensed \$nil (2023 - \$31,500) in management and directors' fees and \$nil (2023 - \$1,303) in share-based payments for services provided by a former director of the Company. As of January 31, 2024, due to related parties balance included \$nil (October 31, 2023 - \$22,500) owing to the former director.

As at January 31, 2024, the Company was indebted to the related parties for a total of \$914,803 (October 31, 2023 - \$757,649) for management and consulting fees, professional fees, share issuance costs and reimbursable expenses. The amounts are non-interest-bearing and have no terms of repayment.

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8. SHARE CAPITAL

(a) Authorized

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

(b) Issued

As of January 31, 2024, the Company had 189,061,821 (October 31, 2023 – 145,111,821) shares outstanding.

Share capital activities for the three months ended January 31, 2024:

- (i) On January 29, 2024, the Company issued 7,166,666 common shares with a fair value of \$322,500 to settle amounts payable of \$215,000 to various vendors. 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. The Company recognized a \$107,500 loss on settlement of debt.
- (ii) On January 31, 2024, the Company issued 36,783,334 units at a price of \$0.03 per unit for total gross proceeds of \$1,103,500, 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. The Company recognized share issuance costs of \$68,133 in relation to this share issuance. As at January 31, 2024, the Company had received \$966,168 in relation to this tranche, which included money received from a finder net of their finder's fees of \$7,700. The remaining \$196,800 is recognized as subscriptions receivable in the statement of financial position as at January 31, 2024, and was received subsequent to period end.

Share capital activities for the three months ended January 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, 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 common share purchase 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 under the same terms of the private placement financing on the same date and issued 1,427,000 common shares with exercise prices of \$513,500. In lieu of receiving cash for these share issuances, debt in the amount of \$629,071 was settled and a loss on the settlement of \$34,429 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 common share purchase 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.

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8. SHARE CAPITAL (continued)

(b) Issued (continued)

The Company incurred total finder's fees of \$7,000 and issued 56,000 finders warrants with a fair value of \$7,371 in relation to this private placement. 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%.

(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, October 31, 2023, and January 31, 2024	9,955,000	0.32

No stock options were granted during the three months ended January 31, 2024 or 2023.

During the three months ended January 31, 2024, the Company recognized share-based payments of \$22,455 (2023 - \$64,908) in equity reserves, which pertains to the options granted to directors, officers and advisors of the Company in a prior fiscal year.

Additional information regarding stock options outstanding as at January 31, 2024 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	2,155,000
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	8,921,667

As of January 31, 2024, the weighted average remaining life for outstanding stock options was 2.27 years.

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8. SHARE CAPITAL (continued)

(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, 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
Granted	36,783,334	0.05
Expired	(8,934,614)	0.50
Balance, January 31, 2024	48,446,667	0.10

During the three months ended January 31, 2024, 8,934,614 warrants with an exercise price of \$0.50 expired without being exercised.

Additional information regarding share purchase warrants outstanding as at January 31, 2024 is as follows:

Expiry Date	Exercise Price (\$)	Number of Warrants Issued and Exercisable
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
January 31, 2026	0.05	36,783,334
		48,446,667

(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, 2022	-	-
Granted	56,000	0.20
Balance, October 31, 2023 and January 31, 2024	56,000	0.20

Additional information regarding brokers' warrants outstanding as at January 31, 2024, is as follows:

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

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8. SHARE CAPITAL (continued)

(f) Escrow shares

As at January 31, 2024, nil (October 31, 2023 – nil) shares were subject to escrow conditions.

(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, 2024, the Company's financial instruments consist of cash, loans receivable, 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.

Fair value measurement hierarchy for financial instruments as at January 31, 2024:

	Date of valuation	Fair value measurement using			
		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		965,135	965,135	-	-

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9. FINANCIAL INSTRUMENTS (continued)

The fair values 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 three months ended January 31, 2024.

As at January 31, 2024, the Company had a net foreign currency cash balance of US\$145,054 and accounts payable and accrued liabilities of US\$468,602. A 10% change in the Canadian dollar versus the US dollar would give rise to a gain/loss of approximately \$43,000, based on the Company's current net exposure. Additionally, the Company had a promissory note of €67,545 and accounts payable of €7,657. A 10% change in the Canadian dollar versus the euro would give rise to a gain or loss of approximately \$11,000, 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, 2024, 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, 2024, the Company had cash of \$965,135 (October 31, 2023 - \$977), accounts payable of \$1,714,992 (October 31, 2023 - \$2,556,638), accrued liabilities of \$146,249 (October 31, 2023 - \$72,015), promissory note payable of \$98,125 (October 31, 2023 - \$99,237) and due to related parties of \$914,803 (October 31, 2023 - \$757,649). 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.

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10. 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 three months ended January 31, 2024.

The Company is not subject to any external capital requirements as at January 31, 2024 beyond those imposed by the Canadian Securities Exchange.

11. SUBSEQUENT EVENTS

On February 9, 2024, the Company issued 16,716,639 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.

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.

On February 26, 2024, the Company paid €22,515 to B-E in partial settlement of the promissory note (note 4).

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. In connection with the closing of this tranche, the Company issued 60,000 finder's warrants. Each finder's warrant is convertible into an additional share at an exercise price of \$0.15 until May 3, 2026.

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 these condensed consolidated interim financial statements, the Company has not yet received \$200,000 in relation to the issuance of 3,076,923 units from this private placement.