BioVaxys Technology Corp.

Condensed Consolidated Interim Financial Statements
For the Three and Nine months ended July 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 and nine months ended July 31, 2024, have not been reviewed or audited by the Company's independent auditors.

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

As at		July 31, 2024		October 31, 2023
ASSETS				
CURRENT ASSETS				
Cash	$	490,845	$	977
Goods and services tax receivable		176,526		87,525
Share subscription receivable (note 11)		200,000		-
Prepaid expenses		156,659		24,976
Total current assets	$	1,024,030	$	113,478
NON-CURRENT ASSETS				
Intellectual property (note 4)		1,383,619		-
TOTAL ASSETS	**$**	**2,407,649**	**$**	**113,478**
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)				
CURRENT LIABILITIES				
Accounts payable	$	1,510,654	$	2,655,875
Accrued liabilities		95,145		72,015
Promissory note payable (note 7)		67,381		-
Loan payable (note 8)		13,825		-
Due to related parties (note 10)		969,839		757,649
TOTAL LIABILITIES		2,656,844		3,485,539
SHAREHOLDERS' EQUITY (DEFICIT)				
Share capital (note 11)		26,118,823		21,992,835
Obligation to issue securities (note 11)		160,915		-
Reserves (note 11)		1,985,896		1,939,147
Accumulated other comprehensive income		(8,428)		(8,440)
Deficit		(28,506,401)		(27,295,603)
TOTAL SHAREHOLDERS' EQUITY		(249,195)		(3,372,061)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)	**$**	**2,407,649**	**$**	**113,478**

Going concern (note 1)
Subsequent events (note 15)

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on September 27, 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.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended July 31, 2024	Three months ended July 31, 2023	Nine months ended July 31, 2024	Nine months ended July 31, 2023
		Restated (note 14)		**Restated (note 14)**
OPERATING EXPENSES				
Advertising and promotion	$ 332,565	$ -	$ 386,104	$ 13,677
General and administrative	36,363	32,041	83,361	131,660
Investor relations (note 5)	43,835	3,444,966	86,224	3,889,343
Management and consulting fees (note 10)	275,993	161,268	684,569	834,335
Professional fees (note 10)	146,814	81,701	430,871	272,988
Research and development (note 9)	-	31,792	-	164,900
Share-based payments (notes 10, 11)	9,011	43,708	43,243	155,150
Transfer agent, regulatory and listing fees	40,354	21,244	78,241	46,812
Travel and accommodation	1,443	-	3,658	5,723
	(886,378)	(3,816,720)	(1,796,271)	(5,514,588)
OTHER INCOME (LOSS)				
Gain on write-off of accounts payable (note 9)	-	-	987,886	171,195
Foreign exchange gain (loss)	(6,643)	(5,891)	(1,473)	21,205
Accretion income (note 6)	-	3,337	-	9,584
Impairment reversal of intangible assets (notes 5, 14)	-	947,464	-	9,584
Gain (loss) on settlement of debt (note 11)	(293,440)	46,882	(400,940)	42,453
Total other income (expenses)	(300,083)	(991,792)	585,473	244,437
NET LOSS FOR THE PERIOD	**(1,186,461)**	**(2,84,928)**	**(1,210,798)**	**(5,270,151)**
Other comprehensive loss				
Foreign currency translation adjustment	(3,243)	(9,954)	12	(10,758)
COMPREHENSIVE LOSS	**$ (1,189,704)**	**$ (2,834,882)**	**$ (1,210,786)**	**$ (5,280,909)**
Basic and diluted loss per share	$ (0.01)	$ (0.02)	$ (0.01)	$ (0.04)
Weighted average number of common shares outstanding	220,078,017	146,815,307	180,104,234	130,446,738

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

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

	Number of Shares	Share Capital	Obligation to Issue Securities	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 11 (b))	9,350,000	1,092,500	-	-	-	-	1,092,500
Share issuance costs (note 11 (b))	-	(25,400)	-	-	-	-	(25,400)
Finders' warrants issued (note 11 (b))	-	(7,371)	-	7,371	-	-	-
Shares issued for services (note 11 (b), 14) - Restated	24,772,186	3,102,500	-	-	-	-	3,102,500
Cancellation of shares issued for services (note 11 (b))	(2,902,236)	-	-	-	-	-	-
Shares issued on settlement of debt (note 11 (b), 14) - Restated	3,652,236	265,112	-	-	-	-	265,112
Exercise of warrants	1,427,000	513,500	-	-	-	-	513,500
Share-based payments (note 11 (c))	-	-	-	155,150	-	-	155,150
Foreign currency translation adjustment	-	-	-	-	10,758	-	10,758
Net loss for the period (note 14) - Restated	-	-	-	-	-	(5,270,151)	(5,270,151)
Balance, July 31, 2023	**145,111,821**	**$ 21,992,835**	**$ -**	**$ 1,943,667**	**$ 12,372**	**$ (24,878,437)**	**$ (929,563)**
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 11 (b))	69,928,470	2,567,851	160,915	-	-	-	2,728,766
Share issuance costs (note 11 (b))	-	(118,658)	-		-	-	(118,658)
Finders' warrants issued (note 11 (b))	-	-	-	3,506	-	-	3,506
Shares issued on settlement of debt (note 11 (b))	21,838,666	1,349,540	-	-	-	-	1,349,540
Shares issued for acquisition of IMV asset (note 4, 9 (b))	5,034,701	327,255	-	-	-	-	327,255
Share-based payments (note 11 (c))	-	-	-	43,243	-	-	43,243
Foreign currency translation adjustment	-	-	-	-	12	-	12
Net loss for the period	-	-	-	-	-	(1,210,798)	(1,210,798)
Balance, July 31, 2024	**241,913,658**	**$ 26,118,823**	**$ 160,915**	**$ 1,985,896**	**$ (8,428)**	**$ (28,506,401)**	**$ (249,195)**

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

BioVaxys Technology Corp.
Condensed Consolidated Interim Statements of Cash Flows
For the nine months ended July 31, 2024 and 2023
(Expressed in Canadian dollars)
(Unaudited)

For the nine months ended		July 31, 2024		July 31, 2023
				Restated (note 14)
OPERATING ACTIVITIES				
Net loss for the period	$	(1,210,798)	$	(5,270,151)
Non-cash items				
Share-based payments		43,243		155,150
Shares issued for services		-		3,102,500
(Gain) loss on settlement of debt		400,940		(42,453)
Impairment of intangible asset		-		-
Foreign exchange gain – financial assets		1,574		(16,302)
Accretion income		-		(9,584)
Net changes in non-cash working capital items				
Goods and Services Tax receivable		(89,001)		(34,151)
Prepaid expenses		(134,565)		(319,577)
Accounts payable and accrued liabilities		(70,331)		1,101,500
Due to related parties		212,190		280,240
Cash used in operating activities		**(846,748)**		**(1,052,828)**
INVESTING ACTIVITIES				
Investment in technology		(1,056,364)		-
Cash used in investing activities		**(1,056,364)**		**-**
FINANCING ACTIVITIES				
Proceeds from shares issued in private placement, net		2,413,613		917,100
Repayment of promissory note payable		(33,429)		
Proceeds from loan payable		13,825		
Cash provided by financing activities		**2,394,009**		**917,100**
Effect of foreign exchange rate change on cash		(1,029)		(5,747)
Net change in cash		489,868		(141,475)
Cash, beginning of the period		977		141,898
Cash, end of the period	**$**	**490,845**	**$**	**423**

Supplemental disclosure of non-cash activity				
Shares issued on settlement of debt	$	1,349,540	$	265,112
Shares issued to acquire intellectual property	$	327,255	$	-
Brokers warrants issued as share issuance costs	$	3,506	$	-
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

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

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 July 31, 2024, the Company had a working capital deficit of $1,632,814 and an accumulated deficit of $28,506,401. 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 September 27, 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.

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	
			July 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.

<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 condensed consolidated interim financial statements:

(i) Management is required to assess the functional currency of the Company. In concluding that the Canadian dollar is the functional currency of the Company, management considered the currency that mainly influences the operating expenditures in the jurisdiction in which the Company operates.

(ii) The Company's ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances.

2. BASIS OF PREPARATION (continued)

(e) Significant accounting estimates and judgments (continued)

(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.

3. MATERIAL ACCOUNTING POLICY 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 fiscal year ended October 31, 2023, unless noted below, and should be read in conjunction with those annual consolidated financial statements and notes thereto.

Share subscription receivable

Share subscription receivable represents amounts due from shareholders for shares issued but not yet fully paid. This receivable is classified as a current asset if settlement is expected within 12 months of the reporting date. The share subscription receivable is initially recognized at the fair value of the consideration receivable, which is generally the subscription price of the shares. Subsequently, it is measured at amortized cost, using the effective interest method, less any provision for impairment. Impairment losses, if any, are recognized in profit or loss when there is evidence of a significant credit risk or default by the shareholder.

The entity assesses at each reporting date whether there is objective evidence that the share subscription receivable is impaired. Impairment is determined based on the expected credit loss model under IFRS 9.

4. INTELLECTUAL PROPERTY

During the nine months ended July 31, 2024

On February 11, 2024, the Company signed a definitive asset purchase agreement (the "Asset Purchase Agreement") for the acquisition of a technology portfolio from HIMV LLC ("HIMV"). This acquisition did not constitute a business combination as the Company did not acquire any processes. The transaction met the definition of an acquisition of intangible assets under IAS 38. 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 with a fair value of $327,255 (note 11).
- 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.

During the year ended October 31, 2023

There was no intellectual property held during the year ended October 31, 2023.

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 recognized 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.

(Expressed in Canadian dollars, unless otherwise noted)

5. TAETCO ACQUISITION AND DISPOSAL (continued)

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 (see note 12).

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

	July 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.

(Expressed in Canadian dollars, unless otherwise noted)

6. LOAN RECEIVABLE (continued)

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 and nine months ended July 31, 2024, accretion income of $nil and $nil (2023 - $3,337 and $9,584), respectively, was recorded in the condensed consolidated statements of loss and comprehensive loss.

During the year ended October 31, 2023, the Company agreed to offset the Loan Receivable from B-E against the Accounts Payable balance with this vendor, and the loan receivable was derecognized accordingly. See note 7.

7. PROMISSORY NOTE PAYABLE

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 6). 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. On February 26, 2024, the Company paid €22,515 to B-E in partial settlement of the promissory note. No further payments have been made as at July 31, 2024.

As at July 31, 2024, there was an outstanding balance of $67,381 on the promissory note payable (October 31, 2023 - $99,237).

8. LOAN PAYABLE

On July 27, 2024, the Company entered into an agreement with a shareholder (the "Lender"), whereby the Lender agreed to lend the Company USD$10,000 pursuant to an unsecured loan agreement. The loan is repayable on demand. After demand for payment, the Company shall pay interest at 10% per annum, calculated and payable semi-annually on the last Business Day of the applicable month. This loan was repaid subsequent to July 31, 2024 (note 15).

9. RESEARCH AND DEVELOPMENT

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

	Three months ended		**Nine months ended**	
	July 31, 2024	**July 31, 2023**	**July 31, 2024**	**July 31, 2023**
Consulting				
GMP manufacturing process development	$ -	$ -	$ -	$ 45,776
Sarbecovirus vaccine evaluation	-	-	-	21,357
Ovarian cancer vaccine research	-	-	-	52,642
Development of CoviDTH	-	31,792	-	31,792
Conference cost	-	-	-	13,333
	$ -	$ -	$ -	$ 164,900

9. RESEARCH AND DEVELOPMENT (continued)

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 July 31, 2024, the Company has not been required to make any payments towards either Milestone Payment or Royalty Payment.

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.

On December 21, 2023, the Company mutually entered into a termination and settlement agreement ("Termination Agreement") with ProCare. The Company and ProCare mutually 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 was 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, the accounts payable balance of EUR 700,000 (CAD $987,886) owing to ProCare at October 31. 2023, was written off to the statement of loss and comprehensive loss during the nine months ended July 31, 2024.

(Expressed in Canadian dollars, unless otherwise noted)

10. 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:

	Three months ended		Nine months ended	
	July 31, 2024	July 31, 2023	July 31, 2024	July 31, 2023
Management, consulting and director fees	$ 228,125	$ 123,498	$ 549,938	$ 452,994
Share issuance costs	-	-	10,000	-
Share-based payments	1,793	16,785	18,272	70,992
	$ 229,918	$ 140,283	$ 578,210	$ 523,986

(i) During the three and nine months ended July 31, 2024, the Company recognized $74,833 and $162,833 (2023 - $31,500 and $94,500) in management and directors' fees and $nil and $2,302 (2023 - $2,802 and $12,029) in share-based payments for services provided by the Chief Executive Officer ("CEO") of the Company. As of July 31, 2024, due to related parties balance included $211,333 (October 31, 2023 - $165,121) owing to the CEO. On January 29 and July 29, 2024, the Company issued 2,500,000 and 2,000,000 common shares, respectively, to the CEO to settle amounts owing to them (note 11 (b)).

(ii) During the three and nine months ended July 31, 2024, the Company recognized $67,500 and $193,164 (2023 - $60,498 and $181,494) in management fees and $nil and $2,302 (2023 - $2,802 and $12,029) in share-based payments for services provided by the Chief Operating Officer ("COO") and President of the Company. As of July 31, 2024, due to related parties balance included $391,003 (October 31, 2023 - $321,354) owing to the COO. On January 29 and July 29, 2024, the Company issued 633,333 and 2,000,000 common shares, respectively, to the COO to settle amounts owing to them (note 11 (b)).

(iii) During the three and nine months ended July 31, 2024, the Company expensed $37,500 and $102,500 (2023 - $30,000 and $90,000) in management fees and $nil and $2,302 (2023 - $2,802 and $12,029) in share-based payments for services provided by the Chief Medical Officer ("CMO") of the Company. As of July 31, 2024, due to related parties balance included $232,500 (October 31, 2023 - $130,000) owing to the CMO.

(iv) During the three and nine months ended July 31, 2024, the Company expensed $7,333 and $10,333 (2023 - $nil and $30,000) in management fees, $1,793 and $5,341 (2023 - $5,809 and $17,238) in share-based payments for services provided by a director of the Company, and $nil and $10,000 in share issuance costs (2023 - $nil and $nil) for services provided by a company controlled by this individual. As of July 31, 2024, due to related parties balance included $6,333 (October 31, 2023 - $28,700) owing to this director and the company controlled by them. This director was Chief Financial Officer ("CFO") of the Company until April 6, 2023. On July 29, 2024, the Company issued 672,000 common shares to this director to settle amounts owing to them (note 11 (b)).

(v) During the three and nine months ended July 31, 2024, the Company expensed $7,333 and $10,233 (2023 - $1,500 and $4,500) in directors' fees, $nil and $6,025 (2023 - $2,219 and $15,263) in share-based payments for services provided by a director of the Company, and $18,625 and $55,875 (2023 - $nil and $nil) in consulting fees for services provided by a company controlled by this director. As of July 31, 2024, due to related parties balance included $112,920 (October 31, 2023 - $89,975) owing to this director and the company controlled by this director. On July 29, 2024, the Company issued 1,000,000 common shares to this director to settle amounts owing to them (note 11 (b)).

10. RELATED PARTY TRANSACTIONS (continued)

(vi) During the three and nine months ended July 31, 2024, the Company expensed $15,000 and $15,000 (2023 - $nil and $nil) in management fees for services provided by the CFO, who was appointed as CFO on May 1, 2024. As of July 31, 2024, due to related parties balance included $15,750 (October 31, 2023 - $nil) owing to the CFO.

(vii) During the three and nine months ended July 31, 2024, the Company expensed $nil and $nil (2023 - $nil and $52,500) in management and directors' fees and $nil and $nil (2023 - $560 and $2,406) in share-based payments for services provided by a former director of the Company who resigned on April 6, 2023. As of July 31, 2024, due to related parties balance included $22,500 (October 31, 2022 - $22,500) owing to the former director.

As at July 31, 2024, the Company was indebted to the related parties for a total of $969,839 (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.

11. SHARE CAPITAL

(a) Authorized

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

(b) Issued

As of July 31, 2024, the Company had 241,913,658 (October 31, 2023 – 145,111,821) shares outstanding.

Share capital activities for the nine months ended July 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 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 recognized share issuance costs of $68,133 in relation to this share issuance. As the Company received additional funds of $16,667 from a subscriber of this tranche, the Company agreed to issue 555,555 more common shares to this subscriber. These shares have not yet been issued at July 31, 2024, and are therefore included as an obligation to issue shares in the statement of shareholders' equity.

(iii) On February 9, 2024, the Company issued 16,716,639 at a price of $0.03 per unit for total gross proceeds of $501,500, 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. 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 recognized share issuance costs of $35,216 in relation to this share issuance. As the Company received additional funds of $6,000 from a subscriber of this tranche, the Company agreed to issue 200,000 more common shares to this subscriber. These shares have not yet been issued at July 31, 2024, and are therefore included as an obligation to issue shares in the statement of shareholders' equity.

11. SHARE CAPITAL (continued)

(b) Issued (continued)

(iv) On February 16, 2024, the Company issued 5,034,701 common shares with a fair value of $327,255 pursuant to the Asset Purchase Agreement (note 4).

(v) 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. 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. In connection with the closing of this tranche, the Company recognized cash share issuance costs of $11,804 and issued 60,000 finder's warrants with a fair value of $3,506. Each finder's warrant is convertible into an additional share at an exercise price of $0.15 for a period of two 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 2-year expected life; share price at grant date of $0.08; 178.01% volatility; risk-free interest rate of 4.16%; and a dividend yield of 0%.

(vi) 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. 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. As at July 31, 2024, the Company has not yet received $200,000 in relation to the issuance of 3,076,923 units from this private placement. This receivable balance is included as a current asset in the statement of financial position.

(vii) On July 29, 2024, the Company issued 7,000,000 units at a price of $0.05 per unit for total gross proceeds of $350,000, 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. 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.

(viii) On July 29, 2024, the Company issued 14,672,000 common shares with a fair value of $1,027,040 to settle amounts payable of $733,600 to various vendors. Of these common shares issued, 2,000,000, 2,000,000, 1,000,000 and 672,000 common shares were issued to the CEO, COO, a director and a director of the Company, respectively, to settle amounts owing to them. The Company recognized a $293,440 loss on settlement of debt.

(ix) The Company received USD$100,000 (CAD$138,248) in advance of a private placement that closed on August 2, 2024, which involved the issuance of 4,212,340 units for total proceeds of $210,617. 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. This is included in obligation to issue shares in the statement of shareholders' equity at July 31, 2024.

Share capital activities for the nine months ended July 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.

11. SHARE CAPITAL (continued)

(b) Issued (continued)

(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 common shares under the same terms of the private placement financing on the same date and issued 1,427,000 common shares from the exercise of warrants with a total exercise value 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 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 $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%.

(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 11 (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.

(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.

(Expressed in Canadian dollars, unless otherwise noted)

11. SHARE CAPITAL (continued)

(c) Stock options (continued)

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 July 31, 2024	9,955,000	0.32

No stock options were granted during the nine months ended July 31, 2024 or 2023.

During the three and nine months ended July 31, 2024, the Company recognized share-based payments of $9,011 and $43,243 (2023 - $43,708 and $155,150) 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 July 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	750,000
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	9,171,667

As of July 31 2024, the weighted average remaining life for outstanding stock options was 1.78 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, 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	69,928,470	0.04
Expired	(8,934,614)	0.50
Balance, July 31, 2024	81,591,803	0.10

(Expressed in Canadian dollars, unless otherwise noted)

11. SHARE CAPITAL (continued)

(d) Share purchase warrants (continued)

During the nine months ended July 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 July 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
February 9, 2026	0.05	16,716,639
May 3, 2026	0.15	5,126,574
May 10, 2026	0.15	4,301,923
July 29, 2026	0.15	7,000,000
		81,591,803

(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	56,000	0.20
Granted	60,000	0.15
Balance, July 31, 2024	116,000	0.17

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

Expiry Date	**Exercise Price ($)**	**Number of Warrants Issued and Exercisable**
November 28, 2025	0.20	56,000
May 3, 2024	0.15	60,000
		116,000

(e) Escrow shares

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

(f) 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)

12. FINANCIAL INSTRUMENTS

Fair Value

As at July 31, 2024, the Company's financial instruments consist of cash, investments, share subscription receivable, promissory note, 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 July 31, 2024:

		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		490,845	490,845	-	-

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 nine months ended July 31, 2024.

As at July 31, 2024, the Company had a net foreign currency cash balance of USD$101,843 and accounts payable, accrued liabilities and loan payable of USD$656,425. A 10% change in the Canadian dollar versus the US dollar would give rise to a gain/loss of approximately $77,000, based on the Company's current net exposure. Additionally, the Company had a promissory note of €45,030. A 10% change in the Canadian dollar versus the euro would give rise to a gain or loss of approximately $7,000, based on the Company's net exposure. In practice, the actual results may differ from this sensitivity analysis, and the difference may be

12. FINANCIAL INSTRUMENTS (continued)

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 July 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 July 31, 2024, the Company had cash of $490,845 (October 31, 2023 - $977), accounts payable of $1,510,654 (October 31, 2023 - $2,655,875), accrued liabilities of $95,145 (October 31, 2023 - $72,015), promissory note payable of $67,381 (October 31, 2023 - $nil) and due to related parties of $969,839 (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.

13. 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 nine months ended July 31, 2024.

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

14. RETROSPECTIVE RESTATEMENT

Some of the comparative information for the nine months ended July 31, 2023, has been retrospectively restated to be in line with the accounting treatment applied in the preparation of the audited financial statements for the year ended October 31, 2023.

(Expressed in Canadian dollars, unless otherwise noted)

14. RETROSPECTIVE RESTATEMENT (continued)

Acquisition and disposal of TAETCo

During the nine months ended July 31, 2023, the Company completed the acquisition of TAETCo (note 5). In the condensed consolidated interim financial statements for the nine months ended July 31, 2023, this transaction was accounted for as the acquisition of an intangible asset, with the Bonus Shares classified as contingent consideration in equity. The value of the acquired asset was deemed to be $2,263,481, and the contingent consideration was valued at $180,625.

On May 20, 2023, the Company signed an agreement to sell all of its interest in TAETCo for consideration that had an estimated fair value of $305,349. The sale was still pending at July 31, 2023. During the nine months ended July 31, 2024, the Company recognized an impairment on the intangible asset of $1,958,132 in the statement of loss and comprehensive loss.

Subsequently, management assessed that the acquisition did not meet the criteria required to recognize an intangible asset under IAS 38 due to the absence of future economic benefits. It was determined that the transaction should be recognized as an investor relation expense under IFRS 2.8. The value of the investor relation services received was value at $3,062,500, and the consideration received for the sale of TAETCo was valued at $nil.

Cancellation of shares issued for services

During the nine months ended July 31, 2023, 2,902,236 shares were issued to settle an amount payable to a service provider for investor relation services received by the Company (note 11). As the shares that were issued were subsequently cancelled, the issuance of these shares was assigned a value of $nil in the condensed statement of changes in equity for the nine months ended July 31, 2023.

At year end, it was determined that the services should be valued at $182,841 and the fair value of the shares issued was $145,112. As such, a gain on settlement of debt of $37,729 was recognized in the statement of loss and comprehensive loss. In line with IAS 32.33, no gain or loss was recognized on the cancellation of these shares.

Change in debt settlement amount

On November 9, 2022, the Company issued 1,500,000 common shares as part of a non-brokered private placement and issued 1,427,000 common shares upon the exercise of warrants (note 11). The fair value of these shares issued was $663,500. The Company issued these shares to settle amounts payable to a vendor. During the nine months ended July 31, 2023, it was believed the amount that was settled was $629,071. As such, a loss on the settlement of debt of $34,429 was recognized. It was subsequently confirmed that the amount settled was $638,224. As such, the loss on settlement of debt was reduced by $9,153 to $25,276.

The condensed interim consolidated financial statements have been restated and the impact is shown below:

Condensed Interim Consolidated Statement of Loss and Comprehensive Loss for the nine months ended July 31, 2023

	As previously reported $	Adjustment $	As restated $
Impairment of intangible assets	1,958,132	(1,958,132)	-
Investor relations	644,002	3,245,341	3,889,343
Management and consulting fees	825,182	9,153	834,335
(Gain) loss on settlement of debt	4,429	(46,882)	(42,453)
		(1,249,480)	

(Expressed in Canadian dollars, unless otherwise noted)

14. RETROSPECTIVE RESTATEMENT (continued)

Condensed Interim Consolidated Statement of Changes in Equity for the nine months ended July 31, 2023

	As previously reported $	Adjustment $	As restated $
Share capital			
Acquisition of TAET Software Corp.	2,082,856	(2,082,856)	-
Shares issued for services	40,000	3,062,500	3,102,500
Shares issued on settlement of debt	120,000	145,112	265,112
Contingent consideration			
Acquisition of TAET Software Corp.	180,625	(180,625)	-
Deficit			
Net loss for the period	(4,020,671)	(1,249,480)	(5,270,151)

Condensed Interim Consolidated Statement of Cash Flows for the nine months ended July 31, 2023

	As previously reported $	Adjustment $	As restated $
Net loss for the period	(4,020,671)	(1,249,480)	(5,270,151)
Shares issued for services	40,000	3,062,500	3,102,500
Impairment of intangible assets	1,958,132	(1,958,132)	-
(Gain) loss on settlement of debt	4,429	(46,882)	(42,453)
Movement in accounts payable and accrued liabilities	909,506	191,994	1,101,500

15. SUBSEQUENT EVENTS

On August 2, 2024, the Company issued 4,212,340 units at a price of $0.05 per unit for total gross proceeds of $210,617, 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. The Company issued 96,000 finders' warrants in relation to this private placement.

On August 2, 2024, the Company issued 800,000 common shares to settle amounts payable of $40,000.

On August 6, 2024, the Company granted 11,150,000 stock options to certain officers, directors and consultants of the Company to purchase common shares at a price of $0.08 per share. One third (1/3) of these shares vest on the grant date, 1/3 on the date that is one year from the grant date and the remaining 1/3 on the date that is two years from the grant date. These stock options will expire on August 6, 2029.

On August 12, 2024, the Company repaid the USD$10,000 loan payable (note 8).

On September 11, 2024, the Company issued 6,100,000 units at a price of $0.05 per unit for total gross proceeds of $305,000, pursuant to closing the third 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. Of the units issued, 6,000,000 were issued to the CEO for $300,000.

15. SUBSEQUENT EVENTS (continued)

On September 23, 2024, the Company issued 3,000,000 units at a price of $0.05 per unit for total gross proceeds of $150,000, pursuant to closing the fourth 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.