

BIOVAXYS

BioVaxys Technology Corp.

**Condensed Consolidated Interim Financial Statements
For the Three Months Ended January 31, 2023**

(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, 2023 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	January 31, 2023	October 31, 2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 71,613	\$ 141,898
Goods and Services Tax receivable	81,328	45,291
Prepaid expenses	792,574	360,630
Loan receivable, current portion (note 4)	164,092	166,710
	<u>1,109,607</u>	<u>714,529</u>
Loan receivable (note 4)	149,561	151,035
	<u>1,259,168</u>	<u>865,564</u>
TOTAL ASSETS		
LIABILITIES AND SHAREHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable	\$ 1,424,263	\$ 1,312,736
Accrued liabilities	106,000	120,899
Due to related parties (note 6)	345,631	205,461
	<u>1,875,894</u>	<u>1,639,096</u>
TOTAL LIABILITIES		
SHAREHOLDERS' DEFICIT		
Share capital (note 7)	18,085,223	17,051,994
Reserves (note 7)	1,853,425	1,781,146
Accumulated other comprehensive income	8,957	1,614
Deficit	(20,564,331)	(19,608,286)
	<u>(616,726)</u>	<u>(773,532)</u>
TOTAL SHAREHOLDERS' DEFICIT		
	<u>\$ 1,259,168</u>	<u>\$ 865,564</u>
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		

Nature and continuance of operations (note 1)

Subsequent events (note 10)

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on March 29, 2023. They are signed on the Company's behalf by:

/s/ James Passin

Director & Chief Executive Officer

/s/ David Wang

Director

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

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

For the three months ended	January 31, 2023	January 31, 2022
OPERATING EXPENSES		
General and administrative (note 6)	\$ 69,664	\$ 36,639
Investor relations	208,700	102,507
Management and consulting fees (note 6)	372,594	618,343
Professional fees (note 6)	69,277	59,927
Research and development	119,775	215,136
Share-based payments (notes 6 and 7)	64,908	163,628
Transfer agent, regulatory and listing fees	9,839	10,463
Travel and accommodation	311	1,751
	(915,068)	(1,208,394)
OTHER INCOME (LOSS)		
Foreign exchange loss	(39,598)	(7,034)
Accretion income (note 4)	3,050	4,184
Loss on settlement of debt (note 7)	(4,429)	-
	(40,977)	(2,850)
NET LOSS FOR THE PERIOD	(956,045)	(1,211,244)
Other comprehensive income (loss)		
Foreign currency translation adjustment	(7,343)	5
COMPREHENSIVE LOSS	\$ (963,388)	\$ (1,211,239)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding, basic and diluted	114,033,810	92,246,671

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

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

	Number of Shares	Share Capital	Reserves	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Shareholders' Deficit
Balance, October 31, 2021	92,186,961	\$ 14,757,785	\$ 1,422,789	\$ 18,599	\$ (8,022,452)	\$ 8,176,721
Shares issued for service	151,720	40,000	-	-	-	40,000
Share-based payments	-	-	163,628	-	-	163,628
Foreign currency translation adjustment	-	-	-	5	-	5
Net loss for the period	-	-	-	-	(1,211,244)	(1,211,244)
Balance, January 31, 2022	92,338,681	\$ 14,797,785	\$ 1,586,417	\$ 18,604	\$ (9,233,696)	\$ 7,169,110
Balance, October 31, 2022	108,812,635	\$ 17,051,994	\$ 1,781,146	\$ 1,614	\$ (19,608,286)	\$ (773,532)
Shares issued in private placements	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	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	-	-	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)

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

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

For the three months ended	January 31, 2023	January 31, 2022
OPERATING ACTIVITIES		
Net loss for the period	\$ (956,045)	\$ (1,211,244)
Non-cash items		
Share-based payments	64,908	163,628
Shares issued for services	10,000	40,000
Accretion income	(3,050)	(4,184)
Loss on settlement of debt	4,429	-
Foreign exchange loss	7,142	5,324
Net changes in non-cash working capital items		
Goods and Services Tax receivable	(36,037)	10,972
Prepaid expenses	(432,242)	8,355
Accounts payable and accrued liabilities	883,494	510,818
Due to related parties	140,150	30,833
Cash used in operating activities	(317,251)	(445,498)
FINANCING ACTIVITIES		
Proceeds from shares issued in private placement, net	247,100	-
Cash provided by financing activities	247,100	-
Effect of foreign exchange rate change on cash	(134)	1,375
Net change in cash	(70,285)	(444,123)
Cash, beginning of the period	141,898	593,115
Cash, end of the period	\$ 71,613	\$ 148,992
Non-cash transactions		
Shares issued on settlement of debt	\$ 120,000	\$ -
Shares issued on exercise of warrants to settle debt	\$ 513,500	\$ -
Shares issued in private placements to settle debt	\$ 150,000	\$ -

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

BioVaxys Technology Corp.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended January 31, 2023 and 2022
(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 Suite 503, 905 West Pender Street, Vancouver, British Columbia, V6C 1L6.

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, 2023, the Company had a working capital deficit of \$766,287 (October 31, 2022 – \$924,567) and an accumulated deficit of \$20,564,331 (October 31, 2022 - \$19,608,286). 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. Such adjustments could be material.

2. BASIS OF PREPARATION

(a) Statement of compliance

These condensed consolidated interim financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including International Accounting Standard 34 *Interim Financial Reporting*. The accounting policies followed in these condensed consolidated interim financial statements are consistent with those of the previous financial year. The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the years ended October 31, 2022 and 2021, 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 March 29, 2023.

(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, 2022 and 2021.

BioVaxys Technology Corp.
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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, 2023	October 31, 2022
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.
- (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.

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

Estimation Uncertainty

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

- (i) Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date the condensed consolidated interim statement of financial position could be impacted.
- (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. 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, 2022.

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

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

4. LOAN RECEIVABLE

	January 31, 2023	October 31, 2022
Balance, beginning of the period	\$ 317,745	\$ 316,221
Accretion income	3,050	15,771
Foreign exchange loss	(7,142)	(14,247)
Balance, end of the period	313,653	317,745
Loans receivable, current portion	(164,092)	(166,710)
Loans receivable	\$ 149,561	\$ 151,035

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

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

The loan receivable was accounted for using the amortized cost method discounted at an effective interest rate of 5.25% estimated for the vendor. During the three months ended January 31, 2023, accretion income of \$3,050 (2022 - \$4,184) was recorded in the condensed consolidated interim statements of loss and comprehensive loss.

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5. INTANGIBLE ASSETS

The intangible assets comprise several patents, licensed patents, patent applications, and the related in-process research and development work (collectively, "IPR&D"). These intangible assets have not been amortized, as they are not available for use.

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

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

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

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 haptized cancer vaccine using a single hapten vaccine technology ("Licensed Technology"). Pursuant to the agreement, the Company 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, two have expired previously and the other two expire in 2023 and 2026, respectively. As at January 31, 2023, the Company has not been required to make any payments towards either Milestone Payment or Royalty Payment.

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5. INTANGIBLE ASSETS (continued)

Hapten-based Cancer Vaccines Development (continued)

Bihaptenized Cancer Vaccines Patent

On September 24, 2018, Dr. David Berd, Chief Medical Officer of the Company, filed a patent application for bihaptenized autologous vaccines and the use thereof. The application, together with another application amended from it on October 16, 2018, form the technology platform for “bihaptenized cancer vaccines”.

COVID Diagnostic and Vaccine Development

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

6. 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, 2023	January 31, 2022
General and administrative expenses	\$ -	\$ 2,019
Management and consulting fees	172,998	175,998
Professional fees	-	5,665
Rent	-	4,500
Share-based payments	33,327	147,086
	\$ 206,325	\$ 335,268

As at January 31, 2023, the Company was indebted to the related parties for a total of \$345,631 (October 31, 2022 - \$205,461) for management and consulting fees, professional fees and reimbursable expenses. The amount is non-interest-bearing and has no terms of repayment.

7. SHARE CAPITAL

(a) Authorized

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

(b) Issued

Share capital activities for the three months ended January 31, 2023:

- (i) The Company issued 1,550,000 units for proceeds of \$155,000 pursuant to a private placement. Each unit is comprised of one common share and one warrant. Each warrant entitles the holder to acquire one common share at a price of \$0.20 per share for two years from the closing date. The Company incurred total finder’s fees of \$18,400.

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7. SHARE CAPITAL (continued)

(b) Issued (continued)

- (ii) The Company issued 1,500,000 units valued at \$150,000 pursuant to a private placement. Each unit is comprised of one common share and one warrant. Each warrant entitles the holder to acquire one common share at a price of \$0.20 per share for two years from the closing date. The Company also issued 1,427,000 common shares in connection with the exercise of warrants. The warrants had a total exercise value of \$513,500. The total consideration of \$663,500 from these share issuances was netted against amounts payable of \$629,071, resulting in a \$34,429 loss on settlement of debt.
- (iii) The Company issued 940,000 units for proceeds of \$117,500 pursuant to a private placement. Each unit is comprised of one common share and one warrant. Each warrant entitles the holder to acquire one common share at a price of \$0.20 per share for two years from the closing date. The Company incurred total finder's fees of \$7,000 and issued 56,000 finders warrants with a fair value of \$7,371. Each finders 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%.
- (iv) The Company issued 49,382 common shares pursuant to a consulting agreement with a director of the Company. The shares were issued in exchange for \$10,000 of consulting fees.
- (v) 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.

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

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

(c) Stock options

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

	Number of Options	Weighted Average Exercise Price (\$)
Balance, October 31, 2021	5,234,864	0.41
Granted	5,355,000	0.22
Forfeited	(200,000)	0.35
Expired	(84,864)	0.01
Cancelled	(350,000)	0.47
Balance, October 31, 2022 and January 31, 2023	9,955,000	0.35

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

During the three months ended January 31, 2022, the Company granted 2,255,000 options to directors, officers and consultants with an exercise price of \$0.25 and a maturity date of December 31, 2025. The options vested over three year with one-third vesting immediately, one-third vesting on the first anniversary and the remaining one-third vesting on the second anniversary. The fair value of these options was \$372,752.

BioVaxys Technology Corp.
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(Unaudited)

7. SHARE CAPITAL (continued)

(c) Stock options (continued)

During the three months ended January 31, 2023, the Company recognized share-based payments of \$64,908 (2022 - \$163,628) in equity reserves, which pertains to the options granted to directors, officers and advisors of the Company and vested during this period. Share-based payment expense is determined using the Black-Scholes Option Pricing model. Weighted average assumptions used in calculating the fair value of share-based compensation expense are as follows:

	January 31, 2023	January 31, 2022
Risk-free interest rate	2.28%	1.18%
Dividend yield	0%	0%
Expected volatility	118.43%	98.55%
Expected life (years)	4.28	4
Forfeiture rate	0%	0%

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

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

Expiry Date	Exercise Price (\$)	Number of Options Issued	Number of Options Exercisable
September 3, 2025	0.280	100,000	100,000
October 20, 2025	0.450	2,850,000	2,850,000
December 31, 2025	0.250	2,155,000	1,436,667
February 12, 2026	0.570	750,000	750,000
April 29, 2026	0.200	750,000	250,000
September 3, 2026	0.250	1,000,000	1,000,000
August 4, 2026	0.200	850,000	283,333
October 4, 2027	0.200	1,500,000	500,000
		9,955,000	7,170,000

As at January 31, 2023, the weighted average remaining life for outstanding stock options was 3.27 (October 31, 2022 – 3.53) years.

(d) Share purchase warrants

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

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance, October 31, 2021	19,540,241	0.50
Granted	8,673,333	0.26
Balance, October 31, 2022	28,213,574	0.43
Granted	3,990,000	0.20
Exercised	(1,427,000)	0.36
Expired	(5,960,980)	0.50
Balance, January 31, 2023	24,815,594	0.38

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7. SHARE CAPITAL (continued)

(d) Share purchase warrants (continued)

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

Expiry Date	Exercise Price (\$)	Number of Warrants Issued and Exercisable
February 5, 2023	0.50	4,217,647
January 14, 2024	0.50	3,812,159
January 28, 2024	0.50	5,122,455
February 10, 2025	0.30	1,680,000
February 25, 2025	0.30	2,643,333
August 25, 2024	0.20	2,000,000
September 19, 2024	0.20	1,350,000
November 10, 2024	0.20	3,050,000
November 28, 2024	0.20	940,000
		24,815,594

(e) Brokers' warrants

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

	Number of Brokers' Warrants	Weighted Average Exercise Price (\$)
Balance, October 31, 2021	233,874	0.50
Expired	(233,874)	0.50
Balance, October 31, 2022	-	-
Granted	56,000	0.20
Balance, January 31, 2023	56,000	0.20

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

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

(f) Escrow shares

As at January 31, 2023, 7,018,051 (October 31, 2022 – 7,045,053) shares were subject to escrow conditions, and 3,509,025 shares will be released from escrow every six months until September 30, 2023.

(g) Reserves

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

8. FINANCIAL INSTRUMENTS

Fair Value

As at January 31, 2023, 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.

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, 2023.

As at January 31, 2023, the Company had a foreign currency cash balance of US\$2,195 and accounts payable of US\$304,966. A 10% change in the Canadian dollar versus the US dollar would give rise to a gain/loss of approximately \$40,000, based on the Company's current net exposure. Additionally, the Company had a loan receivable of €250,000 and accounts payable of €317,545. A 10% change in the Canadian dollar versus the euro would give rise to a gain or loss of approximately \$10,000, 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, 2023, the Company is not exposed to significant interest rate risk.

8. FINANCIAL INSTRUMENTS (continued)

Liquidity Risk

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

As of January 31, 2023, the Company had cash of \$71,613 (October 31, 2022 - \$141,898), accounts payable of \$1,424,263 (October 31, 2022 - \$1,312,736) and due to related parties of \$345,631 (October 31, 2022 - \$205,461). The Company's accounts payable and accrued liabilities are due within 90 days. Amounts due to related parties are due on demand. The Company addresses its liquidity through debt and equity financing obtained through the sale of common shares and the exercise of warrants and options. There is no assurance that it will be able to do so in the future. Liquidity risk is assessed as high.

9. 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, 2023.

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

10. SUBSEQUENT EVENTS

On February 8, 2023, the Company issued 222,804 common shares pursuant to a consulting agreement with a director of the Company.

On March 16, 2023, the Company acquired TAETSoftware Corp ("TAETCo"). TAETCo is a Vancouver-based clinical studies management company engaged in the development and commercialization of the Trial Adverse Events Tracker technology platform, a proprietary software application which will enable clinical study subjects to record and submit clinical trial Adverse Drug Events reports to study sponsors in real time. The Company acquired all outstanding shares of TAETCo in exchange for 24,500,000 common shares, with an additional 2,500,000 common shares payable upon the successful testing of the beta version of the application.

On March 16, 2023, the Company completed a non-brokered private placement. The Company issued 5,360,000 common shares at a price of \$0.125 per share for gross proceeds of \$670,000.