Annual Financial Statements of Helix BioPharma Corp.
For the years ended July 31, 2025, and 2024

CLEARHOUSE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Helix Biopharma Corp.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Helix Biopharma Corp. (the Company), which comprise the statements of financial position as at July 31, 2025 and 2024, and the statements of loss and comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

We draw your attention to Note 1 in the financial statements, which indicates that the Company incurred a comprehensive loss of $5,204,551 during the year ended July 31, 2025. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the year ended July 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Acquisitions of Laevoroc Immunology and Laevoroc Chemotherapy

Description of the matter

As described in Note 5 to the financial statements, the Company's intangible assets comprise in process research and development (IPR&D) intellectual property (IP) acquired on May 20, 2025. The IP was acquired from two privately held Swiss companies, Laevoroc Immunology AG and Laevoroc Chemotherapy AG, pursuant to asset purchase agreements (APA). The Company determined the acquisitions did not meet the definition of a "Business" in accordance with IFRS 3, *Business Combinations*, and as such, accounted for the transactions as asset acquisitions.

As consideration across both APA's, the company issued a total of 21,009,229 common shares valued at $17,962,890. As the Company acquired the intangible assets for common share consideration, the transactions were in scope of IFRS 2, *Share Based Payments*, which requires equity-settled share-based payment transactions to be measured at the fair value of the consideration received, unless that fair value cannot be estimated reliably.

Management determined the fair value of the IP received could not be estimated reliably, and therefore applied the fair value of shares issued. Specifically, the closing share price of $0.95 on the acquisition dates, being May 20, 2025, less a 10% discount for lack of marketability (DLOM) due to contractual lockdown period of four months and one day from the valuation date. The calculation of the DLOM was determined using a blend of Chaffe and Finnerty valuation models.

Pursuant to IFRS 3 guidance, assets and liabilities acquired in asset acquisitions are recognized at their relative fair values. On the basis both acquisitions comprised single assets, being IPR&D, the intangible assets recognized, was measured with reference to the common share consideration.

Why the matter is a key audit matter
Management was required to exert judgment when: determining whether the acquisitions met the definition of a "Business", identifying assets acquired, and determining whether the transaction was more reliably measured with reference to the assets acquired or the shares issued as consideration. This in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence. Lastly, the involvement of those with specialized skills and knowledge were required in evaluating the results of our audit procedures.

How the matter was addressed in the audit
The following were the primary procedures we performed to address this key audit matter:

- We reviewed the asset purchase agreements to identify and assess relevant terms and conditions;
- Tested management's key assumptions in concluding the transactions were asset acquisitions; notably applied the concentration test in IFRS 3 and determined substantially all of the fair value of the assets acquired was concentrated in a single identifiable asset group; and accordingly concurred the transactions were asset acquisitions;
- We involved our internal valuation professionals with specialized skills and knowledge who assisted in evaluating the reasonableness of management's expert valuation report; notably the valuation techniques applied;
- We evaluated reasonableness of key inputs to management's valuation analysis; and tested on the mathematical accuracy;
- We assessed the appropriateness and completeness of the related disclosures in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon
Management is responsible for the other information. The other information comprises the annual management's discussion and analysis, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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

Clearhouse LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
October 28, 2025

HELIX BIOPHARMA CORP.

Statements of Financial Position
In thousands of Canadian dollars

	Notes	July 31, 2025	July 31, 2024
Assets			
Current assets			
Cash		$ 65	$ 1,081
Accounts receivable	9	121	54
Prepaid expenses and other receivables		223	321
		409	1,456
Non-current assets			
Property, plant and equipment	4	4	33
Intangible assets	5, 10	18,389	-
Total Assets		**$ 18,802**	**$ 1,489**
Liabilities and shareholders' equity (deficiency)			
Current liabilities			
Accounts payable and accrued liabilities	9, 14	$ 2,881	$ 1,579
Loan payable	5, 9, 10	335	-
Total Liabilities		3,216	1,579
Shareholders' equity (deficiency)			
Share capital	6	179,292	158,572
Warrants	6	1,181	957
Stock options	6	2,692	3,692
Contributed surplus		48,297	47,360
Accumulated deficit		(215,876)	(210,671)
Total Shareholders' equity (deficiency)		**15,586**	**(90)**
Total Liabilities and shareholders' equity (deficiency)		**$ 18,802**	**$ 1,489**

Going concern (Note 1)
Commitments (Note 7)
Subsequent events (Note 15)

The accompanying notes form an integral part of these financial statements.

Approved on behalf of the Board of Directors – October 27, 2025

/s/ Jacek Antas

Jacek Antas
Director

/s/ Janusz Grabski

Janusz Grabski
Director

HELIX BIOPHARMA CORP.

Statements of Net Loss and Comprehensive Loss

In thousands of Canadian dollars, except share and per share figures

	Notes	For the year ended July 31, 2025	For the year ended July 31, 2024
Operating expenses			
Research	10, 11	$ 3,558	$ 5,977
Operating, general and administration	10, 12	1,839	3,262
		(5,397)	(9,239)
Other items			
Gain on sale of property, plant and equipment	4	17	-
Finance income		17	31
Finance expense		(10)	(7)
Other income	14	305	-
Foreign exchange loss		(137)	(49)
Net loss and comprehensive loss		**$ (5,205)**	**$ (9,264)**
Basic and diluted loss per common share [(i)]		**$ (0.09)**	**$ (0.21)**
Weighted average and fully diluted common shares outstanding [(i)]		**55,735,127**	**44,485,915**

(i) Basic and diluted loss per common share and weighted average and fully diluted common shares outstanding are restated to adjust for the effect of one-for-five (1:5) share consolidation effective August 16, 2024 (Notes 1 and 6).

The accompanying notes form an integral part of these financial statements.

HELIX BIOPHARMA CORP.

Statements of Changes in Shareholders' Equity (Deficiency)

In thousands of Canadian dollars, except common share and warrant figures

		Common shares		Share purchase warrants					
	Notes	Number	Amount	Number	Amount	Options	Contributed surplus	Deficit	Total
Balance, July 31, 2023		**40,003,759**	**$ 152,068**	**7,153,646**	**$ 3,538**	**$ 819**	**$ 44,137**	**$ (201,407)**	**$ (845)**
Private placements	6	9,017,777	7,263	-	-	-	-	-	7,263
Share issuance costs	6	-	(759)	-	-	-	-	-	(759)
Warrants, expired unexercised	6	-	-	(1,789,135)	(2,581)	-	2,581	-	-
Options, expired unexercised	6	-	-	-	-	(642)	642	-	-
Stock-based compensation	6	-	-	-	-	3,515	-	-	3,515
Net loss for the year		-	-	-	-	-	-	(9,264)	(9,264)
Balance, July 31, 2024		**49,021,536**	**$ 158,572**	**5,364,511**	**$ 957**	**$ 3,692**	**$ 47,360**	**$ (210,671)**	**$ (90)**
Private placements	6	4,000,000	3,000	-	-	-	-	-	3,000
Share issuance costs	6	-	(374)	-	-	-	-	-	(374)
Shares issued on acquisition of intangible assets	5, 6	21,009,229	17,963	-	-	-	-	-	17,963
Options exercised	6	125,000	131	-	-	(18)	-	-	113
Warrants (net of warrant issuance costs), expired unexercised	6	-	-	(3,333,100)	224	-	(224)	-	-
Options, expired unexercised	6	-	-	-	-	(1,161)	1,161	-	-
Stock-based compensation		-	-	-	-	179	-	-	179
Net loss for the year		-	-	-	-	-	-	(5,205)	(5,205)
Balance, July 31, 2025		**74,155,765**	**$ 179,292**	**2,031,411**	**$ 1,181**	**$ 2,692**	**$ 48,297**	**$ (215,876)**	**$ 15,586**

The accompanying notes form an integral part of these financial statements.

HELIX BIOPHARMA CORP.
Statements of Cash Flows
In thousands of Canadian dollars

	For the year ended July 31, 2025	For the year ended July 31, 2024
Cash flows from operating activities		
Net loss for the year	$ (5,205)	$ (9,264)
Adjustment for non-cash items:		
Depreciation of property, plant and equipment	10	14
Stock-based compensation	179	3,515
Gain on sale of property, plant and equipment	(17)	-
Other income - write-off of payable balances (Note 14)	(268)	-
Foreign exchange loss	137	31
Changes in non-cash working capital items:		
Accounts receivable	(68)	8
Prepaid expenses and other receivables	98	(194)
Accounts payable and accrued liabilities	1,303	671
Net cash flows used in operating activities	(3,831)	(5,219)
Cash flows from financing activities		
Net proceeds from the issuance of common shares and share purchase warrants, net of share issuance costs (Note 6)	2,685	5,506
Options exercised	113	-
Net cash flows provided by financing activities	2,798	5,506
Cash flows from investing activities		
Proceed from sale of property, plant and equipment	19	-
Purchase of property, plant and equipment	(2)	(14)
Net cash flows provided by (used in) investing activities	17	(14)
Net change in cash	(1,016)	273
Cash, beginning of the year	1,081	808
Cash, end of the year	**$ 65**	**$ 1,081**
Other cash flow information:		
Interest received	17	-
Income tax refunds received	14	-
Supplemental non-cash flow information:		
Proceeds from sale of property, plant and equipment to a vendor, adjusted against their balance in accounts payable	17	-
Share issuance costs in accounts payable and accrued liabilities	59	-
Shares issued on acquisition of intangible assets (Notes 5, 6)	17,963	-
Loan payable assumed on acquisition of intangible assets (Note 5)	335	-
Intangible assets acquisition cost in accounts payable and accrued liabilities (Note 5)	91	-
Warrants (net of warrant issuance costs), expired unexercised	224	2,581
Options, expired unexercised	1,161	642

The accompanying notes form an integral part of these financial statements.

1. Nature of operations, basis of presentation and going concern

Nature of operations

Helix BioPharma Corp. (the "Company"), incorporated under the Canada Business Corporations Act, is a clinical-stage biopharmaceutical company developing unique therapies in the field of immune-oncology primarily focused in the areas of cancer prevention and treatment. The Company has funded its research and development activities, mainly through the issuance of common shares and warrants. The Company expects to incur additional losses and therefore will require additional financial resources, on an ongoing basis. It is not possible to predict the outcome of future research and development activities or the financing thereof.

The Company is a Canadian corporation domiciled in Canada. Its shares are publicly traded on the Toronto Stock Exchange (the "TSX") under the symbol "HBP", on the Frankfurt Boerse under the symbol "HBP0" and on the OTC Pink under "HBPCD". The Company's principal place of business is located at Suite 2050-1055 West Georgia Street, Vancouver, BC V6E 3P3. The Company's registered office is located at Bay Adelaide Centre – North Tower 40 Temperance Street, Suite 2700 Toronto, ON M5H 0B4.

Basis of presentation and going concern

These annual financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company's ability to continue as a going concern is dependent mainly on obtaining additional financing. The Company does not have sufficient cash to meet anticipated cash needs for working capital and capital expenditures through the next twelve months.

The Company reported a net loss and total comprehensive loss of $5,205 for the year ended July 31, 2025 (July 31, 2024 – $9,264). As at July 31, 2025, the Company had working capital deficiency of $2,807, shareholders' equity of $15,586, cash of $65 and an accumulated deficit of $215,876. As at July 31, 2024, the Company had working capital deficiency of $123, shareholders' deficiency of $90, cash of $1,081 and an accumulated deficit of $210,671. The Company will require additional financing in the immediate near term and in the future to see the current research and development initiatives through to completion. There can be no assurance, however, that additional financing can be obtained in a timely manner, or at all.

Not raising sufficient additional financing on a timely basis may result in delays and possible termination of all or some of the Company's research and development initiatives, and as a result, material uncertainties exist which casts significant doubt as to the ability of the Company to operate as a going concern and accordingly, the appropriateness of the use of the accounting principles applicable to a going concern. These annual financial statements do not include any adjustments to the carrying amount and classification of reported assets, liabilities and expenses that might be necessary should the Company not be successful in its aforementioned initiatives. Any such adjustments could be material. The Company cannot predict whether it will be able to raise the necessary funds it needs to continue as a going concern.

Statement of compliance

The Company's annual financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretation Committee. These annual financial statements of the Company were approved and authorized for issue by the Board of Directors on October 27, 2025.

Basis of Measurement

These financial statements have been prepared on a going concern basis, under the historical cost convention except for certain financial assets and liabilities that are presented at fair value. These financial statements have been prepared using the accrual basis of accounting except for cash flow information.

On August 16, 2024, the Company completed a one-for-five (1:5) consolidation of all of its issued and outstanding common shares (the "Consolidation"), resulting in a reduction in the issued and outstanding shares from 245,107,749 to 49,021,536 common shares. Shares reserved under the Company's equity and incentive plans were adjusted to reflect the Share Consolidation. All share and per share data presented in the Company's financial statements have been retroactively adjusted to reflect the Consolidation unless otherwise noted. (Note 6).

Functional and presentation currency

The functional and presentation currency of the Company is the Canadian dollar.

1. Nature of operations, basis of presentation and going concern (continued)

Basis of presentation and going concern (continued)

Use of estimates and critical judgments

The preparation of the Company's financial statements requires management to make critical judgments, estimates and assumptions that affect the reported amounts of expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. On an ongoing basis, management evaluates its judgments, estimates and assumptions using historical experience and various other factors it believes to be reasonable under the given circumstances. Actual outcomes may differ from these estimates that could require a material adjustment to the reported carrying amounts in the future.

The material critical estimates and judgments made by management include the following:

a) Going Concern

Significant judgments related to the Company's ability to continue as a going concern are disclosed above.

b) Asset acquisition

Estimates are made in determining the fair value of the intangible asset, the Intellectual Property ("IP") acquired as part of asset acquisition from Laevoroc Immunology AG and Laevoroc Chemotherapy AG (together, the "Laevoroc asset acquisitions"). The fair value of purchase consideration was determined based on the Company's closing share price as on the date of closing of the transaction, i.e. May 20, 2025, discounted duly for the lack of marketability of these shares. These fair value estimates are further based on management's best assessment of the related inputs used in the valuation model.

Classification of an acquisition as a business combination or an asset acquisition depends on whether the assets acquired constitute a business, which can be complex judgement. Whether an acquisition is classified as a business combination or asset acquisition can have a significant impact on the entries made on and after acquisition.

c) Estimated useful lives of intangible assets

IP acquired through the Laevoroc asset acquisitions are classified as having an indefinite useful life until the completion or abandonment of the related research and development activities. The carrying value of acquired IP would normally not be amortized, since it is not available for use until an approved product is commercialized. Once the research and development projects are successfully completed and the IP is commercialized (e.g., regulatory approval obtained, and product launched), asset's useful life is reassessed as it is then considered to have a finite useful life to begin amortization over the expected useful life of the product. If the development is abandoned (e.g., due to trial failure, safety issue or market changes), the intangible asset might no longer provides economic benefits as originally intended, consequently leading to evaluation for potential impairment.

d) Clinical study expenses

Clinical study expenses are accrued based on services received and efforts expended pursuant to contracts with contract research organizations ("CROs"), consultants, clinical study sites and other vendors. In the normal course of business, the Company contracts with third parties to perform various clinical study activities. The financial terms of these agreements vary from contract to contract and are subject to negotiations that may result in uneven payment outflows. Payments under the contracts depend on various factors such as the achievement of certain events, the successful enrollment of patients or the completion of portions of the clinical study and/or other similar conditions. The Company determines the accruals by reviewing contracts, vendor agreements and purchase orders, and through discussions with internal personnel and external providers as to the progress or stage of completion of the clinical studies or services and the agreed-upon fee to be paid for such services. However, actual costs and timing of the Company's clinical studies is uncertain, subject to risk and may change depending upon a number of factors, including the Company's clinical development plans and trial protocols.

e) Research and development costs

Judgment is required to distinguish the research phase and the development phase to correctly identify costs that qualify for capitalization.

1. Nature of operations, basis of presentation and going concern (continued)

Basis of presentation and going concern (continued)

Use of estimates and critical judgments (continued)

f) Impairment of intangible assets

Intangible assets with indefinite useful economic lives are subject to annual impairment testing under IAS 36, or more frequently if there are indicators of impairment, i.e. whenever events or changes in circumstances indicate that their carrying amount may not be recoverable (e.g., clinical trial failure, changes in regulations, technological obsolescence etc.). Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

g) Valuation of share-based compensation and warrants

Management measures share-based compensation and warrants using market-based option valuation techniques. Assumptions are made and estimates are used in applying the valuation techniques. These include estimating the future volatility of the share price, expected dividend yield, future employee turnover rates, and future exercise behaviours. Such estimates and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates of share-based payments and warrants.

h) Income taxes

Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate future taxable income in future years in order to utilize any deferred tax asset which has been recognized. Estimates of future taxable income are based on forecasted cash flows. At the current statement of financial position date, no deferred tax assets have been recognized in these financial statements.

i) Functional currency assessment

In determining its functional currency, the Company considers the currency that mainly influences sales and the cost of providing goods and services in each jurisdiction in each the Company operates. The Company also considered secondary indicators including the currency in which funds from financing activities are denominated, the currency in which funds are retained.

2. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these annual financial statements.

Cash

The Company considers cash on hand, bank deposits and bank term deposits with maturities of 90 days or less as cash.

Property, plant and equipment

Property and equipment ("PPE") are recorded at cost less accumulated depreciation and accumulated impairment charges, if any. The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, borrowing costs directly associated with the item and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided using the following methods and estimated useful life:

Asset	Basis	Rate
Computer equipment and software	Straight line	3 years
Furniture and fixtures	Straight line	5 years
Research and manufacturing equipment	Straight line	4-10 years
Leasehold improvements	Straight line	Lease term

2. Material accounting policies (continued)

Intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite.

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

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement.

Research and development costs

Research costs are expensed as incurred. Expenditures during the development phase are capitalized as internally generated intangible assets if the Company can demonstrate each of the following criteria: the technical feasibility of completing the intangible asset so that it will be available for use or sale; its intention to complete the intangible assets and use or sell it; how the asset will generate future economic benefits; the availability of resources to complete the asset; and the ability to measure reliably the expenditure during development.

Investment tax credits

The Company is entitled to Canadian federal and provincial investment tax credits, which are earned as a percentage of eligible research and development expenditures incurred in each taxation year. Investment tax credits are accounted for as a reduction of the related expenditure for items of a current nature and a reduction of the related asset cost for items of a capital nature, provided that the Company has reasonable assurance that the tax credits will be realized.

Stock-based compensation

The Company accounts for stock-based compensation and other stock-based payments awarded to employees in accordance with the fair value method. The fair value of stock options granted is determined at the appropriate measurement date using the Black-Scholes option pricing model and generally expensed over the options' vesting period for employee awards. Awards with graded vesting are considered multiple awards for fair value measurement and stock-based compensation calculation. In determining the expense, the Company accounts for forfeitures using an estimate based on historical trends. When stock-based compensation and other stock-based payments are awarded to persons other than non-employees, share capital is increased for the fair value of goods and services received.

Foreign currency translation

The Company's currency of presentation is the Canadian dollar, which is also the Company's functional currency. Foreign currency-denominated items are translated into Canadian dollars. Monetary assets and liabilities in foreign currencies are translated into Canadian dollars at the rates of exchange in effect at the balance sheet dates. Non-monetary items are translated at historical exchange rates. Revenue and expenses are translated at the exchange rates prevailing at their respective transaction dates. Exchange gains and losses arising on translation are included in income.

Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Income taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

2. Material accounting policies (continued)

Income taxes (continued)

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits, and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at end of reporting year.

Deferred tax relating to items recognized directly in equity is also recognized in equity and not in the statements of loss.

The carrying amount of deferred tax assets is reviewed at the end of the reporting year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Financial instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL.

For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

	Classification under IFRS 9
Financial Assets	
Cash	Amortized cost
Accounts receivable	Amortized cost
Financial Liabilities	
Accounts payable	Amortized cost
Loan payable	Amortized cost

(ii) Measurement

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

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

2. Material accounting policies (continued)

Financial instruments (continued)

There are no financial assets and liabilities at FVTPL as at July 31, 2025 and 2024.

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Fair value
The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair values are determined based on prevailing market rates for instruments with similar characteristics and risk profiles.

The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest-level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

Level 1 – unadjusted quoted prices as at the measurement date for identical assets or liabilities in active markets.
Level 2 – observable inputs other than quoted prices included in level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.
Level 3 – significant unobservable inputs that are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value

(iii) Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss.

Basic and diluted loss per common share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similarly to basic loss per share, except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. The inclusion of the Company's stock options and warrants in the computation of diluted loss per share has an anti-dilutive effect on the loss per share and, therefore, they have been excluded from the calculation of diluted loss per share.

2. Material accounting policies (continued)

Government grants

Government grant funds are recognised in income when there is reasonable assurance that the Company has complied with the conditions attached to them and that the grant funds will be received. Grant funds receivable are recognized in income over the periods in which the entity recognizes as expenses, the related costs for which the grant is intended to compensate. As at the date of these annual financial statements, the Company has received no government assistance.

Provisions

A provision is recognized in the statements of financial position when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties, which may be individuals or corporate entities, are also considered to be related if they are subject to common control or common significant influence. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3. New accounting standards and pronouncements not yet adopted

The Company does not expect the adoption of the following new standards, amended standards or interpretations published, but not effective for the Company's fiscal year beginning on August 1, 2024, to have a significant impact on the financial statements of the Company in future periods:

- Amendments to IAS 21: *The Effects of Changes in Foreign Exchange Rates*. 'Lack of Exchangeability' that contains guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. IAS 21 will be effective for reporting periods beginning on or after 1 January 2025.

- Amendments to IFRS 7 and IFRS 9: *Amendments to the Classification and Measurement of Financial Instruments*. Assessing contractual cash flow characteristics of financial assets and amending disclosure requirements. IFRS 7 and IFRS 9 will be effective for reporting periods beginning on or after 1 January 2026.

- IFRS 19: *Subsidiaries without Public Accountability Disclosures* is effective for reporting periods beginning on or after 31 December 2026. IFRS 19 enables simplification of reporting systems and processes for companies, reducing the costs of preparing eligible subsidiaries' financial statements, while maintaining the usefulness of those financial statements for their users.

- In April 2024, the IASB issued IFRS 18, Presentation and Disclosures in Financial Statements, to replace IAS 1, Presentation of Financial Statements, effective January 1, 2027, with early adoption permitted. The new standard is aimed to set out overall requirements for presentation and disclosures in the financial statements. Management is reviewing the impact the standard will have on the consolidated financial statements.

Amounts in thousands, except share and per share figures
Amounts in Canadian dollars, unless noted otherwise

4. Property, plant and equipment

The movement and carrying amounts of the Company's property, plant and equipment during the years ended July 31, 2025 and 2024 are as follows:

	July 31, 2025			July 31, 2024		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Research equipment	$ 1,136	$ 1,134	$ 2	$ 1,368	$ 1,341	$ 27
Leasehold improvements	-	-	-	359	359	-
Computer equipment	63	61	2	68	64	4
Computer software	21	21	-	22	21	1
Furniture and fixtures	21	21	-	21	20	1
	$ 1,241	**$ 1,237**	**$ 4**	**$ 1,838**	**$ 1,805**	**$ 33**

During the year ended July 31, 2025, the Company recorded a net gain on sale of property, plant and equipment of $17, consisting of sale of research equipment with net book value of $17, computer equipment with net book value of $2 and leasehold improvements with net book value of $Nil. (July 31, 2024: net gain of $Nil, as there was no sale of any property plant and equipment during the year).

5. Intangible assets

On May 20, 2025, the Company has closed the Laevoroc asset acquisitions as follows:

Laevoroc Immunology AG
The Company entered into an asset purchase agreement with Laevoroc Immunology AG, a privately held, Swiss immune-oncology company. As a result of the transaction, the Company has acquired the intellectual property, assigned agreements and rights to LR 09 (ulodesine hemiglutarate), an oral immune checkpoint inhibitor in preclinical development for patients relapsing with leukemia after the intensive journey of allogeneic stem cell transplantation (SCT). LR 09 is a novel, patented chemical entity discovered to be a metabolic immune checkpoint inhibitor and granted orphan drug designation by the United States Food and Drug Administration in 2022. Pursuant to the agreement, the Company acquired all the IP assets and certain liability of Laevoroc Immunology in consideration for the issuance of 11,555,076 common shares on the closing date of the transaction (Note 6).

Laevoroc Chemotherapy AG
The Company entered into an asset purchase agreement with Laevoroc Chemotherapy AG, a privately held Swiss company. Pursuant to the transaction, the Company has acquired the intellectual property, assigned agreements and rights to Gemceda, an oral gemcitabine chemotherapy combined with cedazuridine that near matches the bioavailability of its intravenous counterpart, while providing a more tolerable treatment regimen for patients with prevalent, hard-to-treat cancers. Gemcitabine is a World Health Organization essential medicine, and Gemceda is a patented prodrug in preclinical development to offer a spectrum of disease-limiting and life-enhancing treatment outcomes for these patients. Through this transaction, the Company acquired substantially all the IP assets of Laevoroc Chemotherapy in consideration for the issuance of 9,454,153 common shares on the closing date of the transaction (Note 6).

The Company's Chief Executive Officer ("CEO") is also the President of the board and CEO of both entities of the Laevoroc asset acquisitions as well as metaShape Pharma AG ("metaShape"), the lender to whom the loan payable assumed is due, at the time of closing the Laevoroc asset acquisitions. (Note 9).

Amounts in thousands, except share and per share figures
Amounts in Canadian dollars, unless noted otherwise

5. Intangible assets (continued)

	Laevoroc Immunology AG	Laevoroc Chemotherapy AG	**Total**
Fair value of the IP acquired from Laevoroc asset acquisitions:			
Consideration paid for the net assets acquired:			
11,555,076 common shares issued to Laevoroc Immunology AG (Note 6 (ii))	$ 9,880	$ -	**$ 9,880**
9,454,153 common shares issued to Laevoroc Chemotherapy AG (Note 6 (ii))	-	8,083	**8,083**
Total - 21,009,229 common shares issued	9,880	8,083	**17,963**
Other costs capitalized related to the asset acquisition:			**-**
Legal fees	53	38	**91**
Total cost	$ 9,933	$ 8,121	**$ 18,054**

Net assets acquired under Laevoroc asset acquisitions consists of the following:

	Laevoroc Immunology AG	Laevoroc Chemotherapy AG	**Total**
Total consideration:			
Fair value of common shares issed for the IP acquired	$ 9,933	$ 8,121	**$ 18,054**
Allocated to:			
Intangible assets - IP acquired	10,268	8,121	**18,389**
Loan payable assumed	(335)	-	**(335)**
Net assets acquired	$ 9,933	$ 8,121	**$ 18,054**

As at May 20, 2025 and July 31, 2025, the fair value of the IP acquired was determined to be $18,389 and are classified as having an indefinite useful life until the completion or abandonment of the related research and development activities and are not amortized. Considering the fair value of the IP on July 31, 2025 equals to the fair value on the acquisition date, no impairment loss was recognized.

As part of the acquisitions, the Company also assumed a Swiss Francs (CHF) denominated loan of $335 (CHF 200) due to metaShape. The purpose of the loan was to finance ongoing business of Laevoroc Immunology AG ("the borrower") and carries an interest of 4% per annum. As per the terms of the loan agreement, all unpaid principal and accrued interest become immediately due upon the occurrence of certain events, including sale, disposal or alienation of the borrower's business or substantial parts (that represent in value more than one quarter of total value of the business) thereof. As the sale of the borrower's IP to the Company meets the definition of substantial part, the loan is now due to the lender. On the transaction closing date, the Company assumes the lender (as a market participant) would exercise its option and repayment would be due. The fair value of the loan is equal to its redemption amount, being the face value of the loan.

6. Shareholders' equity (deficiency)

(i) Preferred shares

The Company is authorized to issue 10,000,000 preferred shares. As at July 31, 2025, the Company had Nil preferred shares issued and outstanding (July 31, 2024: Nil).

(ii) Common shares and share purchase warrants

The Company is authorized to issue an unlimited number of common shares without par value. As at July 31, 2025, the Company had 74,155,765 common shares issued and outstanding (July 31, 2024: 49,021,536).

Amounts in thousands, except share and per share figures
Amounts in Canadian dollars, unless noted otherwise

6. Shareholders' equity (deficiency) (continued)

(ii) Common shares and share purchase warrants (continued)

On August 16, 2024, the Company completed a one-for-five (1:5) consolidation of all of its issued and outstanding common shares, resulting in a reduction in the issued and outstanding shares from 245,107,749 to 49,021,536 common shares. Shares reserved under the Company's equity and incentive plans were adjusted to reflect the Consolidation. The Consolidation was approved by the Company's shareholders at the annual general meeting held on January 18, 2024 and becomes effective on August 16, 2024. No fractional common shares are issued in connection with the Consolidation, which are, if any, deemed to have been tendered by its registered owner to the Company for cancellation for no consideration.

Issued during year ended July 31, 2025:
On January 8, 2025, the Company closed the private placement financing for gross proceeds of $3,000 from the issuance of 4,000,000 common shares at a price of $0.75 per common share. In connection with the closing, the Company paid a cash fee of 10% of gross proceeds raised to an eligible finder, being $300.

On April 21, 2025, the Company issued 125,000 common shares for the exercise of 125,000 stock options for cash proceeds of $113.

On May 20, 2025, the Company has closed the Laevoroc asset acquisition transactions (Note 5) acquiring substantially all of the assets and certain liabilities of Laevoroc Immunology and of Laevoroc Chemotherapy in consideration for the issuance of 11,555,076 common shares at a fair value of $9,880 and 9,454,153 common shares at a fair value of $8,083.

Issued during year ended July 31, 2024:
On August 15, 2023, the Company closed the private placement financing for gross proceeds of $2,998 from the issuance of 3,331,111 common shares at a price of $0.90 per common share. In connection with the closing, the Company paid a cash fee of 10% of gross proceeds raised to an eligible finder, being $311.

On April 8, 2024, the Company closed the private placement financing for gross proceeds of $1,915 from the issuance of 2,553,333 common shares at a price of $0.75 per common share. In connection with the closing, the Company paid a cash fee of 10% of gross proceeds raised to an eligible finder, being $202.

On May 31, 2024, the Company closed the private placement financing for gross proceeds of $2,350 from the issuance of 3,133,333 common shares at a price of $0.75 per common share. In connection with the closing, the Company paid a cash fee of 10% of gross proceeds raised to an eligible finder, being $246.

(iii) Warrants

The following table summarizes warrant activities for the years ended July 31, 2025 and 2024:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance, July 31, 2023	**7,153,646**	**4.53**
Warrants expired	(1,789,135)	5.92
Balance, July 31, 2024	**5,364,511**	**4.07**
Warrants expired	(3,333,100)	4.23
Balance, July 31, 2025	**2,031,411**	**3.82**

The following table provides information on common share purchase warrants of the Company outstanding as at:

July 31, 2025			
Number of Warrants	Exercise Price ($)	Expiry Date	Weighted Average Remaining Life
440,000	3.50	December 3, 2025	0.34
1,200,000	3.50	December 29, 2025	0.41
391,411	5.15	May 12, 2026	0.78
2,031,411	**3.82**		**0.47**

Amounts in thousands, except share and per share figures
Amounts in Canadian dollars, unless noted otherwise

6. Shareholders' equity (deficiency) (continued)

(iv) Stock options

The Company's equity compensation plan reserves up to 10% of the Company's outstanding common shares from time to time for granting to directors, officers and employees of the Company or any person or company engaged to provide ongoing management or consulting services. As at July 31, 2025, options to purchase up to 7,415,577 common shares (July 31, 2024: 4,902,154) may be granted under the plan.

As at July 31, 2025, options to purchase a total of 3,206,667 common shares (July 31, 2024: 4,875,000) were issued and outstanding under the equity compensation plan.

The following table summarizes activity under the Company's stock option plan for the years ended July 31, 2025 and 2024:

	Number of options	Weighted Average Exercise Price ($)
Balance, July 31, 2023	**1,155,000**	**1.60**
Granted	4,280,000	1.10
Cancelled/expired	(560,000)	1.92
Balance, July 31, 2024	**4,875,000**	**1.12**
Granted	155,000	0.90
Exercised	(125,000)	0.90
Cancelled/expired	(1,698,333)	1.14
Balance, July 31, 2025	**3,206,667**	**1.12**

During the year ended July 31, 2025, the Company issued 155,000 stock options with an exercise price of $0.90.

The following table provides information on options of the Company outstanding and exercisable as at July 31, 2025:

Number of options		Exercise	Expiry	Weighted Average
Outstanding	Exercisable	Price ($)	Date	Remaining Life
226,667	226,667	1.30	January 9, 2028	2.44
70,000	70,000	1.30	May 12, 2028	2.78
2,880,000	2,880,000	1.10	July 19, 2029	3.97
30,000	30,000	0.90	April 4, 2030	4.68
3,206,667	3,206,667	1.12		3.84

The fair value of each option granted was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

Grant date	Number of options granted	Volatility factor	Risk-free interest rate	Dividend rate	Expected life	Vesting period	Fair value of options granted
January 9, 2023	460,000	92.12%	3.22%	nil	5 years	2 years	$ 313
May 12, 2023	495,000	91.86%	3.00%	nil	5 years	2 years	$ 356
July 19, 2024	4,280,000	94.62%	3.35%	nil	5 years	1 year	$ 3,642
April 1, 2025	125,000	78.88%	2.57%	nil	0.35	-	$ 18
April 4, 2025	30,000	94.91%	2.52%	nil	5 years	-	$ 17

Amounts in thousands, except share and per share figures
Amounts in Canadian dollars, unless noted otherwise

7. Commitments

The Company has agreements with third parties for various services, including services related to preclinical operations and support. Certain agreements provide for termination rights subject to termination fees or wind down costs. Under such agreements, the Company is contractually obligated to make certain payments to vendors, primarily to reimburse them for their unrecoverable outlays incurred prior to cancelation. The actual amounts the Company could pay in the future to the vendors under such agreements may differ from the purchase order amounts due to cancellation provisions. The Company's commitments are summarized as follows:

	2026	2027	2028	2029	2030	2031+	Total
Clinical research organizations	$ 289	$ -	$ -	$ -	$ -	$ -	$ 289
Operating leases	1	-	-	-	-	-	1
	$ 290	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 290**

Clinical Research Organization ("CRO") Commitments

The Company has CRO supplier agreements in place for clinical research services related to the management of the Company's clinical stage programs. As at July 31, 2025, the associated amount included in accounts payable and accrued liabilities was $911 (July 31, 2024: $267).

Collaborative Research Organizations

In fiscal 2022, the Company signed two collaboration agreements to research new and additional insights into the therapeutic response of L-DOS47; the first with the University of Tübingen for €900 and the second with Moffitt Cancer Center and Research Inc. for US$480. As at July 30, 2025, €350 and US$360 (July 31, 2024: €350 and US$360) have so far been paid to the University of Tübingen and Moffitt Cancer Center and Research Inc. respectively.

During the year ended July 31, 2025, the Company terminated both the agreements.

Operating lease commitments

The Company is committed to paying $1 under a month-to-month facility lease agreement (July 31, 2024: $13 under two month-to-month facility lease agreements) with notice periods of no longer than two months. During the year ended July 31, 2025, the Company terminated one of the facility lease agreements.

8. Capital risk management

The Company's main objectives when managing capital are to ensure sufficient liquidity to finance research and development activities, clinical trials, ongoing administrative costs, working capital and capital expenditures. The Company includes cash in the definition of capital. The Company endeavours not to unnecessarily dilute shareholders when managing the liquidity of its capital structure.

Since inception, the Company has financed its operations from public and private sales of equity, credit facilities, the exercise of warrants and stock options, and, to a lesser extent, from interest income from funds available for investment, government grants and investment tax credits. Since the Company does not have net earnings from its operations, the Company's long-term liquidity depends on its ability to access capital markets, which depends substantially on the success of the Company's ongoing research and development programs, as well as capital market conditions and availability. The Company does not currently have enough cash reserves to fully fund its clinical trials nor does the Company have sufficient cash reserves to meet anticipated cash needs for working capital and capital expenditures through at least the next twelve months.

There have been no changes to management's approach to managing its capital during the year ended July 31, 2025.

9. Financial instruments and risk management

Financial risk management

The Company is exposed to a variety of financial risks by virtue of its activities: market risk (including currency and interest rate risk), credit risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance.

Risk management (the identification and evaluation of financial risk) is carried out by the finance department, in close cooperation with management. The finance department is charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the approved policies.

Amounts in thousands, except share and per share figures
Amounts in Canadian dollars, unless noted otherwise

9. Financial instruments and risk management (continued)

Financial risk management (continued)

The Board has the overall responsibility for the oversight of these risks and reviews the Company's policies on an ongoing basis to ensure that these risks are appropriately managed.

Fair value

The fair value of financial instruments as of July 31, 2025, approximates their carrying value because of the near-term maturity of these instruments.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Company's income or the value of its financial instruments.

Currency risk

The Company has international transactions and is exposed to foreign exchange risks from various currencies, primarily the U.S. dollar and Swiss Francs. In addition, foreign exchange risks arise from purchase transactions, as well as recognized financial assets and liabilities denominated in foreign currencies.

Balances in foreign currencies are as follows, as at:

	July 31, 2025				**July 31, 2024**			
	USD	CHF	GBP	EUR	USD	CHF	GBP	EUR
Cash	-	-	-	-	15	-	-	15
Accounts payable	(1,147)	(98)	(3)	(37)	(393)	(44)	(1)	-
Accruals	(161)	(12)	-	-	(269)	-	-	-
Loan payable	-	(200)	-	-	-	-	-	-
Net foreign currencies	**(1,308)**	**(310)**	**(3)**	**(37)**	**(647)**	**(44)**	**(1)**	**15**
Closing exchange rate	1.3844	1.7036	1.8298	1.5820	1.3809	1.5702	1.7735	1.4949
Impact of 1% change in exchange rate	+/- $18.1	+/- $5.3	+/- $0.1	+/- $0.6	+/- $8.9	+/- $0.7	-	+/- $0.2

Any fluctuation in the exchange rates of the foreign currencies listed above could have an impact on the Company's results from operations; however, they would not impair or enhance the ability of the Company to pay its foreign-denominated expenses.

Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in interest rates, which are affected by market conditions. The Company is exposed to interest rate risk arising from fluctuations in interest rates received on its cash. The Company is not subject to any debt related interest rate risk.

The Company manages its interest rate risk by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct its operations on a day-to-day basis. Any investment of excess funds is limited to risk-free financial instruments. Fluctuations in the market rates of interest do not have a significant impact on the Company's results of operations due to the relatively short-term maturity of any investments held by the Company at any given point in time and the low global interest rate environment. The Company does not use derivative instruments to reduce its exposure to interest rate risk.

Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation.

Amounts in thousands, except share and per share figures
Amounts in Canadian dollars, unless noted otherwise

9. Financial instruments and risk management (continued)

Credit risk (continued)

The table below breaks down the various categories that make up the Company's accounts receivable balances as at:

	July 31, 2025	July 31, 2024
Government related – GST/HST	$ 60	$ 21
Research and development investment tax credits	46	18
Patent costs recoverable from a former subsidiary	15	15
	$ 121	**$ 54**

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. Since inception, the Company has mainly relied on financing its operations from public and private sales of equity.

The Company manages its liquidity risk by continuously monitoring forecasts and actual cash flow from operations and anticipated investing and financing activities.

As at July 31, 2025, the Company's cash reserves of $65 are insufficient to meet anticipated cash needs for working capital and capital expenditures through the next twelve months, nor are they sufficient to see the current research and development initiatives through to completion. To the extent that the Company does not believe it has sufficient liquidity to meet its current obligations, management considers securing additional funds primarily through equity arrangements to be of utmost importance.

The Company's long-term liquidity depends on its ability to access the capital markets, which depends substantially on the success of the Company's ongoing research and development programs, as well as economic conditions relating to the state of the capital markets generally. Accessing the capital markets is particularly challenging for companies that operate in the biotechnology industry.

The following are the contractual maturities of the undiscounted cash flows of financial liabilities as at:

	July 31, 2025			July 31, 2024		
	Carrying amount	Less than one year	Greater than one year	Carrying amount	Less than one year	Greater than one year
Accounts payable	$ 2,303	$ 2,303	$ -	$ 855	$ 855	$ -
Accrued liabilities	578	578	-	724	724	-
Loan payable	335	335	-	-	-	-
	$ 3,216	**$ 3,216**	**$ -**	**$ 1,579**	**$ 1,579**	**$ -**

This table only covers liabilities and obligations relative to financial instruments and does not anticipate any income associated with assets.

10. Related party transactions

During the year ended July 31, 2025, the Company entered into various transactions with related parties. The related parties consist of officers, directors and shareholders or companies controlled directly or indirectly by them. Details of the transactions and balances owing for the year ended July 31, 2025 are as follows:

i) The Company recorded management fees to executive officers of the Company of $413 (July 31, 2024: $100). The total balance outstanding as at July 31, 2025 is $172 (July 31, 2024: $Nil).

ii) Since June 2021 and up to January 2024, till the Company terminated the arrangement, the Company retained Grove Corporate Services Ltd. ("Grove") to provide accounting, governance, and administrative services, including those provided by the former Chief Financial Officer ("CFO"). During the year ended July 31, 2025, the Company recorded total fees to Grove in the amount of $Nil (July 31, 2024: $239).

Amounts in thousands, except share and per share figures
Amounts in Canadian dollars, unless noted otherwise

10. Related party transactions (continued)

iii) On January 15, 2024, the Company entered into an administrative services agreement with Varshney Capital Corp. ("VCC"), a company to which the Company's former CFO is a director of, for administrative services provided to the Company for an initial term of one year and renewed annually unless terminated. This agreement was terminated on November 8, 2024. During the year ended July 31, 2025, the Company incurred $33 (July 31, 2024: $121) for the administrative fees to VCC and the balance outstanding as at July 31, 2025 is $14 (July 31, 2024: $33).

iv) On December 9, 2024, the Company entered into a master services agreement with Danforth Global, Inc., a Delaware, USA corporation, to be provided through its subsidiaries and affiliates (collectively "Danforth"). Danforth provides outsourced corporate and clinical business functions, including finance and accounting, including the Company's former CFO, human resources, pre-clinical and clinical operations and research activities, development, risk management and strategic communications. This agreement was terminated on April 30, 2025. During the year ended July 31, 2025, the Company incurred $182 (July 31, 2024: $Nil) for the fees to Danforth and the balance outstanding as at July 31, 2025 is $110 (July 31, 2024: $Nil).

v) On May 20, 2025, the Company closed the Laevoroc asset acquisitions, resulting in acquisition of certain IPs amounting to $18,389 and assumed loan payable to metaShape amounting to $335 (CHF 200). On the date of closing, the CEO of both entities associated with the Laevoroc asset acquisitions and that of metaShape is the Company's current CEO.

vi) On June 2, 2025, the Company entered into an agreement for CFO services with Brio Financial Group LLC ("Brio"), a company to which the Company's current CFO is an employee of. During the year ended July 31, 2025, the Company incurred $41 (July 31, 2024: $Nil) for the CFO fees to Brio and the balance outstanding as at July 31, 2025 is $20 (July 31, 2024: $Nil).

The following table summarizes key management personnel compensation for the years ended July 31:

		2025		2024
Salary and management consulting	$	771	$	461
Stock-based compensation		39		3,074
	$	**810**	**$**	**3,535**

The following table summarizes non-management directors' compensation for the years ended July 31:

		2025		2024
Stock-based compensation	**$**	**3**	**$**	**223**

11. Research

Included in research expenditures are costs directly attributable to the various research and development functions and initiatives the Company has underway and includes salaries; bonuses; benefits; stock-based compensation; depreciation of property, plant and equipment; patent costs; consulting services; third party contract manufacturing, third party clinical research organization services; and all overhead costs associated with the Company's research facilities.

The following table outlines research and development costs expensed and investment tax credits for the Company's significant research and development projects for the years ended July 31:

		2025		2024
Research and development programs, excluding the below items	$	2,692	$	3,890
Salaries and benefits		773		974
Stock-based compensation		111		1,231
Depreciation of property, plant and equipment (Note 4)		10		14
Research and development investment tax credits		(28)		(132)
	$	**3,558**	**$**	**5,977**

Amounts in thousands, except share and per share figures
Amounts in Canadian dollars, unless noted otherwise

12. Operating, general and administration

The following table outlines operating, general and administration costs expensed for the years ended July 31:

	2025	2024
Operating, general and administration, excluding below items	$ 1,541	$ 687
Salaries and benefits	208	58
Director fees and Investor relations	22	233
Stock-based compensation	68	2,284
	$ 1,839	**$ 3,262**

13. Income taxes

The Company recognizes deferred tax assets and liabilities for expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities and certain carry-forward balances. The Company's effective income tax rate in year ended July 31, 2025 is 26% (July 31, 2024: 26%).

The Company's provision for income taxes differs from the amounts computed by applying the combined federal and provincial rate of 26% to the income (loss) for the years before taxes as shown in the following table at July 31:

	2025	2024
Loss before taxes	$ (5,205)	$ (9,264)
Combined federal and provincial rate	26%	26%
Expected income tax recovery based on statutory rates	(1,346)	(2,396)
Increase(decrease) to the income tax recovery resulting from:		
Stock-based compensation and other non-deductible expenses	2,036	1,025
Share issue costs recorded directly to equity	(77)	(157)
Changes in deferred tax asset not recognized	(613)	1,528
	$ -	**$ -**

Deferred taxes

	2025	2024
Non-capital losses carried forward	$ 32,066	$ 31,111
Capital losses carried forward	312	312
Excess of tax basis over booked basis of capital assets	2,064	2,068
Scientific research and experimental development pool	12,472	13,897
Share issue costs	311	450
Deferred tax asset	47,225	47,838
Less; Deferred tax asset not recognized	(47,225)	(47,838)
	$ -	**$ -**

Certain deferred tax assets have not been recognized because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

Current income tax loss and non-capital tax loss carry forwards

As at July 31, 2025, the Company has Canadian tax losses that can be carried forward of approximately $123,999 (July 31, 2024: $120,272) and are available until 2045 as follows:

Amounts in thousands, except share and per share figures
Amounts in Canadian dollars, unless noted otherwise

13. Income taxes (continued)

Expiry year		Amount
2026	$	2,113
2027		2,904
2028		2,438
2029		9,188
2030		6,552
2031		6,792
2032		13,242
2033		2,437
2034		6,727
2035		7,256
2036		7,883
2037		7,884
2038		7,152
2039		5,739
2040		7,821
2041		6,901
2042		5,642
2043		5,472
2044		5,218
2045		4,638
	$	**123,999**

Scientific Research & Experimental Development expenditures ("SR&ED")

Under the Income Tax Act (Canada), certain expenditures are classified as SR&ED expenditures and are grouped into a pool for tax purposes. This expenditure pool can be carried forward indefinitely and deducted in full in any subsequent year. The SR&ED expenditure pool at July 31, 2025 is approximately $54,559 (July 31, 2024 – $53,899).

Investment tax credits

The Company has also earned investment tax credits in Canada, on eligible SR&ED expenditures at July 31, 2025 of approximately $10,630 (July 31, 2024: $10,902), which can offset Canadian income taxes otherwise payable in future years up to 2045. Investment tax credits are accounted for as a reduction of the related expenditure for items of a current nature and a reduction of the related asset cost for items of a capital nature, provided that the Company has reasonable assurance that the tax credits will be realized. The research and development investment tax credits recorded are based on management's estimates of amounts expected to be recovered and are subject to audit by the taxation authorities and, accordingly, these amounts may vary. Federal investment tax credits are non-refundable to the Company. Refundable investment tax credits reflect eligible SR&ED expenditures incurred in Ontario and Alberta.

14. Other income

Other income includes Company's write-off of certain old balances under accounts payable and accrued liabilities that were no longer considered payable amounting to $268 during the year ended July 31, 2025 (July 31, 2024: $Nil).

15. Subsequent events

On August 22, 2025, the Company closed its non-brokered private placement of 2,222,333 common shares of the Company at a price of $0.75 per common share for gross proceeds of $1,667.