Condensed Interim Financial Statements of Helix BioPharma Corp.
For the three months ended October 31, 2025, and 2024

Notice to Reader

The accompanying unaudited condensed interim financial statements for the three months ended October 31, 2025 and 2024 have been prepared by management in accordance with International Financial Reporting Standards and approved by the Board of Directors of Helix BioPharma Corp. (the "Company"). These condensed interim financial statements have not been reviewed by the Company's independent auditor.

HELIX BIOPHARMA CORP.

Condensed Interim Statements of Financial Position
In thousands of Canadian dollars

	Notes	October 31, 2025	July 31, 2025
Assets			
Current assets			
Cash		$ 498	$ 65
Accounts receivable	9	39	121
Prepaid expenses and other receivables		138	223
		675	409
Non-current assets			
Property, plant and equipment	4	2	4
Intangible assets	5, 10	18,389	18,389
Total Assets		**$ 19,066**	**$ 18,802**
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	9, 10, 13	$ 2,648	$ 2,881
Loan payable	5, 9, 10	352	335
Total Liabilities		3,000	3,216
Shareholders' equity			
Share capital	6	180,780	179,292
Warrants	6	1,181	1,181
Stock options	6	2,692	2,692
Contributed surplus		48,297	48,297
Accumulated deficit		(216,884)	(215,876)
Total Shareholders' equity		**16,066**	**15,586**
Total Liabilities and shareholders' equity		**$ 19,066**	**$ 18,802**

Going concern (Note 1)
Commitments (Note 7)
Subsequent event (Note 14)

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

Approved on behalf of the Board of Directors – December 12, 2025

/s/ Jacek Antas
Jacek Antas
Director

/s/ Janusz Grabski
Janusz Grabski
Director

HELIX BIOPHARMA CORP.

Condensed Interim Statements of Net Loss and Comprehensive Loss
In thousands of Canadian dollars, except share and per share figures

	Notes	Three months ended October 31, 2025	Three months ended October 31, 2024
Operating expenses			
Research	10, 11	$ 391	$ 1,321
Operating, general and administration	10, 12	537	273
		(928)	(1,594)
Other items			
Gain on sale of property, plant and equipment	4	-	6
Finance income		2	7
Finance expense	5	(11)	(1)
Other income	13	-	268
Foreign exchange loss		(71)	(22)
Net loss and comprehensive loss		**$ (1,008)**	**$ (1,336)**
Basic and diluted loss per common share [(i)]		**$ (0.01)**	**$ (0.03)**
Weighted average and fully diluted common shares outstanding [(i)]		**75,870,826**	**49,021,536**

(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 condensed interim financial statements.

HELIX BIOPHARMA CORP.

Condensed Interim Statements of Changes in Shareholders' Equity (Deficiency)

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

	Notes	Common shares		Share purchase warrants					
		Number	Amount	Number	Amount	Options	Contributed surplus	Deficit	Total
Balance, July 31, 2024		**49,021,536**	**$ 158,572**	**5,364,511**	**$ 957**	**$ 3,692**	**$ 47,360**	**$ (210,671)**	**$ (90)**
Warrants (net of warrant issuance costs), expired unexercised	6	-	-	(2,745,100)	579	-	(579)	-	-
Options, expired unexercised	6	-	-	-	-	(47)	47	-	-
Stock-based compensation	6	-	-	-	-	62	-	-	62
Net loss for the year		-	-	-	-	-	-	(1,336)	(1,336)
Balance, October 31, 2024		**49,021,536**	**158,572**	**2,619,411**	**1,536**	**3,707**	**46,828**	**(212,007)**	**$ (1,364)**
Balance, July 31, 2025		**74,155,765**	**179,292**	**2,031,411**	**1,181**	**2,692**	**48,297**	**(215,876)**	**$ 15,586**
Private placements	6	2,222,333	1,667	-	-	-	-	-	1,667
Share issuance costs	6	-	(179)	-	-	-	-	-	(179)
Net loss for the year		-	-	-	-	-	-	(1,008)	(1,008)
Balance, October 31, 2025		**76,378,098**	**$ 180,780**	**2,031,411**	**$ 1,181**	**$ 2,692**	**$ 48,297**	**$ (216,884)**	**$ 16,066**

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

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

	Three months ended October 31, 2025	Three months ended October 31, 2024
Cash flows from operating activities		
Net loss for the period	$ (1,008)	$ (1,336)
Adjustment for non-cash items:		
Depreciation of property, plant and equipment	2	4
Stock-based compensation	-	62
Gain on sale of property, plant and equipment	-	(6)
Other income - write-off of payable balances (Note 13)	-	(268)
Interest expense	4	-
Research and development investment tax credits	15	-
Foreign exchange loss	71	8
Changes in non-cash working capital items:		
Accounts receivable	67	18
Prepaid expenses and other receivables	85	181
Accounts payable and accrued liabilities	(458)	476
Net cash flows used in operating activities	(1,222)	(861)
Cash flows from financing activities		
Net proceeds from the issuance of common shares, net of share issuance costs (Note 6)	1,655	-
Net cash flows provided by financing activities	1,655	-
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	-	8
Net cash flows provided by investing activities	-	8
Net change in cash	433	(853)
Cash, beginning of the period	65	1,081
Cash, end of the period	**$ 498**	**$ 228**
Other cash flow information:		
Interest received	2	7
Interest paid	1	-
Supplemental non-cash flow information:		
Share issuance costs in accounts payable and accrued liabilities	167	-
Options, expired unexercised	-	113

The accompanying notes form an integral part of these condensed interim 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 condensed interim 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 $1,008 for the three months ended October 31, 2025 (three months ended October 31, 2024 – $1,336). As at October 31, 2025, the Company had working capital deficiency of $2,325, shareholders' equity of $16,066, cash of $498 and an accumulated deficit of $216,884. 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.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 condensed interim 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 condensed interim 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 condensed interim financial statements of the Company were approved and authorized for issue by the Board of Directors on December 12, 2025.

Basis of Measurement

These condensed interim 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 condensed interim 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 condensed interim 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 condensed interim 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 condensed interim 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

These condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. These condensed interim financial statements of the Company should be read in conjunction with the Company's annual audited financial statements for the year ended July 31, 2025, which were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB").

3. New accounting standards and pronouncements not yet adopted

The Company does not expect the adoption of any new standards, amended standards or interpretations published, but not effective for the Company's fiscal year beginning on August 1, 2025, to have a significant impact on the condensed interim financial statements of the Company in future periods.

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 three months ended October 31, 2025 are as follows:

	Research equipment	Leasehold improvements	Computer equipment	Computer software	Furniture and fixtures	Total
Cost:						
At July 31, 2025	$ 1,136	$ -	$ 63	$ 21	$ 21	$ 1,241
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At October 31, 2025	$ 1,136	$ -	$ 63	$ 21	$ 21	$ 1,241
Accumulated Depreciation:						
At July 31, 2025	$ 1,134	$ -	$ 61	$ 21	$ 21	$ 1,237
Depreciation (Note 10)	1	-	1	-	-	2
Disposals	-	.	-	-	-	-
At October 31, 2025	$ 1,135	$ -	$ 62	$ 21	$ 21	$ 1,239
Net book value:						
At July 31, 2025	2	-	2	-	-	4
At October 31, 2025	**$ 1**	**$ -**	**$ 1**	**$ -**	**$ -**	**$ 2**

During the three months ended October 31, 2025, the Company recorded a net gain on sale of property, plant and equipment of $Nil (three months ended October 31, 2024: net gain of $6, 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).

5. Intangible assets and loan payable

	October 31, 2025	July 31, 2025
Intangible assets - IP acquired	**$ 18,389**	**$ 18,389**

As October 31, 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. Intangible assets with an indefinite useful life are tested for impairment at least annually. During the three months ended October 31, 2025, as there were no indications that these assets may be impaired, no impairment loss was recognized (three months ended October 31, 2024: $Nil).

As part of these 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.

	October 31, 2025	July 31, 2025
Loan payable	**$ 352**	**$ 335**

The following table outlines the movements in loan payable for the three months ended October 31, 2025 (July 31, 2025: $Nil):

Balance at July 31, 2025	$ 335
Interest	3
Foreign exchange adjustment	14
Balance at October 31, 2025	**$ 352**

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

5. Intangible assets and loan payable (continued)

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. (Notes 9, 10). As at October 31, 2025, the Company's current CEO is no longer the CEO of metaShape.

6. Shareholders' equity

(i) Preferred shares

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

(ii) Common shares

The Company is authorized to issue an unlimited number of common shares without par value. As at October 31, 2025, the Company had 76,378,098 common shares issued and outstanding (July 31, 2025: 74,155,765).

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.

On August 22, 2025, the Company closed the private placement financing for gross proceeds of $1,667 from the issuance of 2,222,333 common shares at a price of $0.75 per common share. In connection with the closing, a fee of 10% of gross proceeds raised is payable by the Company to an eligible finder, being $167.

(iii) Warrants

The following table summarizes warrant activities for the three months ended October 31, 2025:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance, At July 31, 2025 and October 31, 2025	**2,031,411**	**3.82**

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

October 31, 2025			
Number of Warrants	**Exercise Price ($)**	**Expiry Date**	**Weighted Average Remaining Life**
440,000	3.50	December 3, 2025	0.09
1,200,000	3.50	December 29, 2025	0.16
391,411	5.15	May 12, 2026	0.53
2,031,411	**3.82**		**0.22**

(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 October 31, 2025, options to purchase up to 7,637,810 common shares (July 31, 2025: 7,415,577) may be granted under the plan.

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

6. Shareholders' equity (continued)

As at October 31, 2025 and at July 31, 2025, options to purchase a total of 3,206,667 common shares were issued and outstanding under the equity compensation plan.

The following table summarizes activity under the Company's stock option plan for the three months ended October 31, 2025:

	Number of options	Weighted Average Exercise Price ($)
Balance, at July 31, 2025 and October 31, 2025	**3,206,667**	**1.12**

(iv) Stock options (continued)

No stock options were granted or exercised during the three months ended October 31, 2025.

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

Number of options		Exercise	Expiry	Weighted Average
Outstanding	Exercisable	Price ($)	Date	Remaining Life
226,667	226,667	1.30	January 9, 2028	2.19
70,000	70,000	1.30	May 12, 2028	2.53
2,880,000	2,880,000	1.10	July 19, 2029	3.72
30,000	30,000	0.90	April 4, 2030	4.43
3,206,667	**3,206,667**	**1.12**		**3.59**

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 4, 2025	30,000	94.91%	2.52%	nil	5 years	-	$ 17

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	$ 290	$ -	$ -	$ -	$ -	$ -	$ 290
Operating leases	1	-	-	-	-	-	1
	$ 291	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 291**

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 October 31, 2025 and July 31, 2025, the associated amount included in accounts payable and accrued liabilities was $911.

7. Commitments (continued)

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 October 31, 2025, €350 and US$360 (July 31, 2025: €350 and US$360) have so far been paid to the University of Tübingen and Moffitt Cancer Center and Research Inc. respectively.

The Company has already terminated both the agreements in the previous year.

Operating lease commitments

The Company is committed to paying $1 under a month-to-month facility lease agreement (July 31, 2025: $1 under a month-to-month facility lease agreement) with notice period of no longer than two months.

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 three months ended October 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.

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 October 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.

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

9. Financial instruments and risk management (continued)

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 also exposed to interest rate risk on its loan payable and the impact of 1% change in interest rate for the three months ended October 31, 2025 is $1 (three months ended October 31, 2024: not applicable).

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.

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:

	October 31, 2025				**July 31, 2025**			
	USD	CHF	GBP	EUR	USD	CHF	GBP	EUR
Accounts payable	(1,123)	(77)	(1)	(20)	(1,147)	(98)	(3)	(37)
Accruals	(131)	-	(1)	(17)	(161)	(12)	-	-
Loan payable	-	(202)	-	-	-	(200)	-	-
Net foreign currencies	**(1,254)**	**(279)**	**(2)**	**(37)**	**(1,308)**	**(310)**	**(3)**	**(37)**
Closing exchange rate	1.4018	1.7436	1.8399	1.6109	1.3844	1.7036	1.8298	1.5820
Impact of 1% change in exchange rate	+/- $17.6	+/- $4.9	+/- $0.0	+/- $0.6	+/- $18.1	+/- $5.3	+/- $0.1	+/- $0.6

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.

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.

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

	October 31, 2025	**July 31, 2025**
Government related – GST/HST	$ 24	$ 60
Research and development investment tax credits	-	46
Patent costs recoverable from a former subsidiary	15	15
	$ 39	**$ 121**

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.

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

9. Financial instruments and risk management (continued)

Liquidity risk (continued)

As at October 31, 2025, the Company's cash reserves of $498 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:

	31-Oct-25			July 31, 2025		
	Carrying amount	Less than one year	Greater than one year	Carrying amount	Less than one year	Greater than one year
Accounts payable	$ 2,062	$ 2,062	$ -	$ 2,303	$ 2,303	$ -
Accrued liabilities	586	586	-	578	578	-
Loan payable	352	352	-	335	335	-
	$ 3,000	**$ 3,000**	**$ -**	**$ 3,216**	**$ 3,216**	**$ -**

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 three months ended October 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. The Company defines key management personnel as being the Chief Executive Officer, Chief Operating Officer, Chief Technology Officer and Chief Financial Officer. No post-employment benefits or other long-term benefits were made during this period.

The following table summarizes key management personnel compensation for the three months ended:

	October 31, 2025	October 31, 2024
Salary and management consulting	$ 354	$ 58
Stock-based compensation	-	10
	$ 354	**$ 68**

At October 31, 2025, included in accounts payable and accrued liabilities is an amount of $103 (July 31, 2025: $340) due to related parties.

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 and as at July 31, 2025, the CEO of both entities associated with the Laevoroc asset acquisitions and that of metaShape is the Company's current CEO. As at October 31, 2025, the Company's current CEO is no longer the CEO of metaShape.

During the three months ended October 31, 2025, the Company accrued interest of $3 on loan payable to metaShape (three months ended October 31, 2024: $Nil).

The following table summarizes non-management directors' compensation for the three months ended:

	October 31, 2025	October 31, 2024
Stock-based compensation	**$ -**	**$ 2**

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

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 three months ended:

	October 31, 2025	October 31, 2024
Research and development programs, excluding the below items	$ 234	$ 1,093
Salaries and benefits	140	177
Stock-based compensation	-	47
Depreciation of property, plant and equipment (Note 4)	2	4
Research and development investment tax credits	15	-
	$ 391	**$ 1,321**

12. Operating, general and administration

The following table outlines operating, general and administration costs expensed for the three months ended:

	October 31, 2025	October 31, 2024
Operating, general and administration, excluding below items	$ 401	$ 245
Salaries and benefits	136	13
Stock-based compensation	-	15
	$ 537	**$ 273**

13. 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 $Nil during the three months ended October 31, 2025 (three months ended October 31, 2024: $268).

14. Subsequent events

On November 1, 2025, 20,000 stock options expired unexercised.