

Annual Financial Statements of Helix BioPharma Corp.
For the years ended July 31, 2026, and 2025

Management assessed the recoverable amounts of the assets using a market-based approach. The assessment considered the continued technical and commercial viability of the programs, their development status, patent and regulatory positions, third-party interest, the Company's financing activities, market capitalization, share-price performance, biotechnology-sector performance, comparable companies, and relevant licensing and acquisition activity.

Management concluded that the recoverable amounts of the LEUMUNA and GEMCEDA intangible assets were not less than their carrying amounts and, accordingly, no impairment loss was recognized during the year ended July 31, 2026.

Why the matter is a key audit matter
The impairment assessment was a key audit matter because of the significance of the assets to the financial statements and the judgment involved in assessing their recoverability.

The programs remain at a preclinical stage and do not currently generate independent cash inflows. Reliable asset-specific cash flow forecasts were therefore not available. As a result, the impairment assessment relied on a combination of market-based and qualitative evidence rather than a more conventional discounted cash-flow income-based approach.

Significant auditor judgment was required to evaluate whether company-level and industry evidence provided sufficient support for the recoverability of each asset, particularly because the Company's market capitalization reflects the value of the Company as a whole and cannot be attributed directly to LEUMUNA or GEMCEDA intangible assets.

The matter also required the involvement of professionals with specialized valuation skills and knowledge.

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

- We assessed the appropriateness of management's impairment methodology under *IAS 36 - Impairment of Assets*; including management's rationale for not preparing an asset-specific discounted cash-flow analysis.
- We assessed whether the individual programs continued to be technically and commercially viable and whether such conclusions were consistent with evidence obtained throughout our audit file.
- We verified the status of the Company's relevant patents and confirmed their good standing with governmental registries and external legal counsel;
- We compared the Company's market capitalization with its net assets and noted significant headroom.
- We involved valuation professionals to assist in assessing the valuation approach, significant assumptions and market evidence.
- We reconciled the carrying amounts included in the impairment assessment to the general ledger.
- We assessed whether the financial statement disclosures appropriately described the judgments, estimation uncertainty and impairment-testing process.

Classification of Convertible Debentures

Description of the matter
As more fully described in Note 6, on May 27, 2026, the Company issued unsecured convertible debentures ("Debentures"), in the aggregate amount of $3,673,000. The principal portion of the Debentures are convertible, at the holder's option on maturity, into common shares, at a fixed conversion price of $1.42 per common share. Accrued interest is convertible, on the maturity date, at the greater of (i) $1.42 and (ii) the

five-day volume weighted average price of the common shares less the 20% discount permitted by the TSX.

The Debentures were determined to be a compound financial instrument and management applied judgment in assessing the accounting treatment for the underlying components. Notably whether the principal and accrued interest conversion features qualified as financial liabilities at amortized cost or derivatives based on the "fixed-for-fixed" guidance in *IAS 32, Financial Instruments: Presentation*.

The accrued interest conversion feature was determined to be a derivative liability, as the "fixed-for-fixed" test was not met, due to the variability of the associated conversion pricing. Separately, the "fixed-for-fixed" test was met on the principal conversion feature, due to the fixed conversion pricing, and thus classified as a financial liability at amortized cost.

Why the matter is a key audit matter
This matter represented an area of significant risk of material misstatement given the magnitude of the value of the Debentures.

Management applied judgment in assessing the accounting treatment of the Debentures, including whether the separate conversion features met the "fixed-for-fixed" test. This in turn, led to a high degree of auditor judgement and effort in performing procedures to test management's assumptions.

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

- We read the associated legal documents to gain a comprehensive understanding of the unique features of the Debentures.
- We evaluated whether management's accounting application was consistent with noted terms; markedly observing fixed vs. variable pricing for the two conversion components; we concurred with management's accounting determinations in each instance.
- 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 29, 2026

HELIX BIOPHARMA CORP.

Statements of Financial Position
In thousands of Canadian dollars

	Notes	As at July 31, 2026	As at July 31, 2025
Assets			
Current assets			
Cash		$ 804	$ 65
Accounts receivable	10	30	121
Prepaid expenses and other receivables		152	223
		986	409
Non-current assets			
Property, plant and equipment	4	-	4
Intangible assets	5, 11	18,389	18,389
		18,389	18,393
Total assets		**$ 19,375**	**$ 18,802**
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	10, 11	$ 1,009	$ 2,881
Loan payable	5, 11	361	335
Convertible debentures	6	3,797	-
Total liabilities		**5,167**	**3,216**
Shareholders' equity			
Share capital	7	180,702	179,292
Warrants	7	-	1,181
Stock options	7	3,226	2,692
Contributed surplus		49,510	48,297
Accumulated deficit		(219,230)	(215,876)
Total shareholders' equity		**14,208**	**15,586**
Total liabilities and shareholders' equity		**$ 19,375**	**$ 18,802**

Going concern (Note 1)
Commitments (Note 8)
Subsequent events (Note 16)

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

Approved on behalf of the Board of Directors – October 27, 2026

/s/ Karen Krumeich

Karen Krumeich
Director

/s/ Zachary Stadnyk

Zachary Stadnyk
Director

HELIX BIOPHARMA CORP.

Statements of Net Loss and Comprehensive Loss

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

	Notes	Year ended July 31, 2026	Year ended July 31, 2025
Operating expenses			
Research	11, 12	$ 1,620	$ 3,558
Operating, general and administration	11, 13	2,019	1,839
		(3,639)	(5,397)
Other items			
Gain on sale of property, plant and equipment	4	-	17
Finance income		10	17
Finance expense	5, 6	(180)	(10)
Other income	15	579	305
Foreign exchange loss		(124)	(137)
		285	192
Net loss and comprehensive loss		**$ (3,354)**	**$ (5,205)**
Basic and diluted loss per common share [(i)]		**$ (0.04)**	**$ (0.09)**
Weighted average and fully diluted common shares outstanding [(i)]		**76,250,238**	**55,735,127**

(i) Basic and diluted loss per common share and weighted average and fully diluted common shares outstanding reflect the one-for-five (1:5) share consolidation effective August 16, 2024 (Notes 1 and 7).

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

HELIX BIOPHARMA CORP.

Statements of Changes in Shareholders' Equity

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

	Notes	Common shares		Share purchase warrants		Options	Contributed surplus	Deficit	Total
		Number	Amount	Number	Amount				
Balance, July 31, 2024		**49,021,536**	**$ 158,572**	**5,364,511**	**$ 957**	**$ 3,692**	**$ 47,360**	**$ (210,671)**	**$ (90)**
Private placements	7	4,000,000	3,000	-	-	-	-	-	3,000
Share issuance costs	7	-	(374)	-	-	-	-	-	(374)
Shares issued on acquisition of intangible assets	5, 7	21,009,229	17,963	-	-	-	-	-	17,963
Warrants (net of warrant issuance costs), expired unexercised	7	-	-	(3,333,100)	224	-	(224)	-	-
Options exercised	7	125,000	131	-	-	(18)	-	-	113
Options, expired unexercised	7	-	-	-	-	(1,161)	1,161	-	-
Stock-based compensation	7	-	-	-	-	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**
Private placements	7	2,222,333	1,667	-	-	-	-	-	1,667
Share issuance costs	7	-	(257)	-	-	-	-	-	(257)
Warrants (net of warrant issuance costs), expired unexercised	7	-	-	(2,031,411)	(1,181)	-	1,181	-	-
Options, expired unexercised	7	-	-	-	-	(32)	32	-	-
Stock-based compensation	7	-	-	-	-	566	-	-	566
Net loss for the year		-	-	-	-	-	-	(3,354)	(3,354)
Balance, July 31, 2026		**76,378,098**	**$ 180,702**	**-**	**$ -**	**$ 3,226**	**$ 49,510**	**$ (219,230)**	**$ 14,208**

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

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

	Year ended July 31, 2026	Year ended July 31, 2025
Cash flows from operating activities		
Net loss for the year	$ (3,354)	$ (5,205)
Adjustments for non-cash items:		
Depreciation of property, plant and equipment (Note 4)	4	10
Stock-based compensation (Note 7)	566	179
Gain on sale of property, plant and equipment (Note 4)	-	(17)
Gain on settlement of accounts payable balances (Note 15)	(515)	(268)
Interest accrued on loan payable (Note 5)	14	-
Accretion of convertible debentures and transaction costs expensed (Note 6)	159	-
Change in fair value of derivative liability (Note 6)	(7)	-
Research and development investment tax credits	15	-
Foreign exchange loss	124	137
Changes in non-cash working capital items:		
Accounts receivable	77	(68)
Prepaid expenses and other receivables (Note 4)	71	98
Accounts payable and accrued liabilities (Notes 10 and 11)	(1,469)	1,303
Net cash flows used in operating activities	**(4,315)**	**(3,831)**
Cash flows from financing activities		
Net proceeds from the issuance of common shares, net of share issuance costs (Note 7)	1,410	2,685
Proceeds from convertible debentures, net of transaction costs (Note 6)	3,644	-
Options exercised	-	113
Net cash flows provided by financing activities	**5,054**	**2,798**
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	-	19
Purchase of property, plant and equipment	-	(2)
Net cash flows provided by investing activities	**-**	**17**
Net change in cash	**739**	**(1,016)**
Cash, beginning of the year	65	1,081
Cash, end of the year	**$ 804**	**$ 65**
Other cash flow information:		
Interest received	$ 3	$ 17
Interest paid	1	14
Supplemental non-cash flow information:		
Proceeds from sale of property, plant and equipment to a vendor, adjusted against their balance in accounts payable (Note 4)	$ -	$ 17
Share issuance costs in accounts payable and accrued liabilities	-	59
Intangible assets acquisition cost in accounts payable and accrued liabilities (Note 5)	-	91
Shares issued on acquisition of intangible assets (Notes 5, 7)	-	17,963
Loan payable assumed on acquisition of intangible assets (Note 5)	-	335

Warrants (net of warrant issuance costs), expired unexercised	1,181	224
Options, expired unexercised	32	1,161

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 789 West Pender Street, Suite 480, Vancouver, BC V6C 1H2.

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 $3,354 for the year ended July 31, 2026 (July 31, 2025 – $5,205). As at July 31, 2026, the Company had a working capital deficiency of $4,181, shareholders' equity of $14,208, cash of $804 and an accumulated deficit of $219,230. Current liabilities as at July 31, 2026 include convertible debentures with a carrying amount of $3,797 that mature on July 27, 2027, with contractual undiscounted principal and interest of $4,744 payable at maturity unless converted (Note 6). As at July 31, 2025, the Company had a 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 cast 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, 2026.

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 7).

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

Basis of presentation and going concern (continued)

Functional and presentation currency

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

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 a complex judgment. 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 provide 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.

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. For milestone-based stock options, management also estimates whether, and when, each non-market performance milestone is expected to be achieved. These estimates determine the expected vesting period over which the grant-date fair value is recognized and the expected term used in the valuation, and changes in them are recognized as cumulative catch-up adjustments in the period of change (Note 7).

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 which 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.

j) Convertible debentures

Judgment is required to determine whether the features of the convertible debentures issued on May 27, 2026 are financial liabilities, equity or embedded derivatives under IAS 32 and IFRS 9. Management concluded that the principal conversion feature, at a fixed price of $1.42 per common share, meets the fixed-for-fixed condition and is an equity component, and that the accrued-interest conversion feature, which converts at a variable price, is a derivative liability measured at fair value through profit or loss. Significant estimates include the market rate of interest for a comparable debt instrument without a conversion feature, used to measure the liability component at initial recognition, and the inputs to the option pricing model used to measure the derivative liability, the most significant being expected share price volatility (Note 6).

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.

2. Material accounting policies (continued)

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

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. For awards with non-market performance conditions (milestones), the grant-date fair value is recognized over the expected vesting period based on management's best estimate of the number of options that will vest. The estimate is revised at each reporting date and the effect of any change is recognized in the period of the revision. When stock-based compensation and other stock-based payments are awarded to 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

2. Material accounting policies (continued)

Foreign currency translation (continued)

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.

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:

Financial instrument	**Classification under IFRS 9**

Financial assets	
Cash	Amortized cost
Accounts receivable	Amortized cost
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost
Loan payable	Amortized cost
Convertible debentures – debt host liability	Amortized cost
Convertible debentures – derivative liability (interest conversion feature)	FVTPL

(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.

As at July 31, 2026, the derivative liability embedded in the convertible debentures of $77 is measured at FVTPL and is classified within Level 3 of the fair value hierarchy (Note 6). There were no financial assets or liabilities at FVTPL as at July 31, 2025.

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

2. Material accounting policies (continued)

Derecognition (continued)

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.

Convertible debentures

Convertible debentures are assessed at initial recognition under IAS 32 to identify their liability, equity and embedded derivative components. Conversion features that do not result in the exchange of a fixed amount of cash for a fixed number of the Company's common shares are separated from the host contract and accounted for as derivative liabilities at FVTPL. At initial recognition, the derivative liability is measured at fair value, the liability component is measured at the fair value of a similar liability without a conversion feature, and any residual of the transaction price is allocated to equity. Directly attributable transaction costs are allocated to the components in proportion to their initial carrying amounts; costs allocated to the derivative liability are expensed immediately and costs allocated to the debt host are deducted from its carrying amount. The debt host is subsequently measured at amortized cost using the effective interest method, with accretion recognized in finance expense. The derivative liability is remeasured to fair value at each reporting date, with changes recognized in profit or loss. The equity component, if any, is not remeasured. On conversion, the carrying amounts of the components converted are transferred to share capital; on maturity, any remaining equity component is transferred to contributed surplus.

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 and the assumed conversion of convertible debentures, if dilutive. The number of additional shares for stock options and warrants 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, warrants and convertible debentures 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.

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, 2025, 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', became effective for the Company's fiscal year beginning on August 1, 2025 and did not have a significant impact on these annual financial statements.

- 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 1 January 2027. 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 financial statements.

4. Property, plant and equipment

The movement and carrying amounts of the Company's property, plant and equipment during the years ended July 31, 2026 and 2025 are as follows:

	July 31, 2026			**July 31, 2025**		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Research equipment	$ 1,136	$ 1,136	$ -	$ 1,136	$ 1,134	$ 2
Computer equipment	63	63	-	63	61	2
Computer software	21	21	-	21	21	-
Furniture and fixtures	21	21	-	21	21	-
	$ 1,241	**$ 1,241**	**$ -**	**$ 1,241**	**$ 1,237**	**$ 4**

During the year ended July 31, 2026, there were no additions to or disposals of property, plant and equipment and the Company recorded a gain on sale of property, plant and equipment of $Nil (July 31, 2025: net gain 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).

5. Intangible assets and loan payable

On May 20, 2025, the Company 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 7).

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 7).

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 11). As at July 31, 2026, the Company's current CEO is no longer the CEO of metaShape.

		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**

5. Intangible assets and loan payable (continued)

As at July 31, 2026 and July 31, 2025, the carrying amount of the IP acquired was $18,389. The IP is classified as having an indefinite useful life until the completion or abandonment of the related research and development activities and is not amortized. Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication that the asset may be impaired. During the year ended July 31, 2026, no impairment loss was recognized (July 31, 2025: $Nil).

As at July 31, 2026, the Company performed its annual impairment test of the IP acquired from the Laevoroc asset acquisitions (LR 09 and Gemceda). The IP does not generate cash inflows that are largely independent of those of other assets and was therefore tested at the level of the Company as a single cash-generating unit. With the assistance of an independent valuation specialist, the recoverable amount was determined by reference to fair value less costs of disposal using a market approach, supported by the Company's market capitalization of approximately $114,600 at July 31, 2026 (76,378,098 common shares at the TSX closing price of $1.50, a Level 1 input) compared with the carrying amount of its net assets, by transaction evidence for comparable early-stage oncology assets, and by the performance of comparable publicly traded companies since the acquisition date. An income approach was not used because both programs are at the preclinical, pre-IND stage and reliable cash flow forecasts could not be developed. Management concluded that the recoverable amount was not less than the carrying amount and that no impairment loss arose. A significant decline in the Company's market capitalization, or adverse developments in the programs or in the Company's ability to finance them, could result in an impairment loss in future periods.

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.

The loan is due on demand and accordingly presented as current in the statements of financial position. The following table outlines the movements in loan payable for the year ended July 31, 2026:

Balance, July 31, 2025	$ 335
Interest accrued	14
Foreign exchange adjustment	12
Balance, July 31, 2026	**$ 361**

6. Convertible debentures

During March 2026, the Company received subscription proceeds totaling $3,673 in connection with a non-brokered private placement of unsecured convertible debentures, which were held as subscription advances until closing. On May 27, 2026, the Company issued 3,673 unsecured convertible debentures of $1,000 each, for an aggregate principal amount of $3,673, and the subscription advances were applied to the issuance. The debentures bear simple interest at 25% per annum, payable at maturity, and mature 14 months from the closing date, on July 27, 2027. At the holder's option, the principal is convertible on the maturity date at $1.42 per common share (2,586,620 common shares), and accrued interest is convertible on the maturity date at the greater of (i) $1.42 and (ii) the five-day volume weighted average price of the common shares less the 20% discount permitted by the TSX. The Company has no right to prepay the debentures. Directly attributable transaction costs were $28.

The debentures are a compound financial instrument. The principal conversion feature meets the fixed-for-fixed condition in IAS 32 and is an equity component. The accrued-interest conversion feature results in a variable number of common shares and is a derivative liability measured at FVTPL. At initial recognition, the derivative liability was measured at fair value and the liability component was measured using a market rate of interest of 24.8% for comparable debt without a conversion feature. Because the fair value of the liability component and the derivative liability together exceeded the proceeds, no amount was allocated to the equity component. Transaction costs were allocated pro rata: $27 was deducted from the debt host and $1 attributable to the derivative liability was expensed. The debt host is accreted to its maturity amount using an

6. Convertible debentures (continued)

effective interest rate of 27.8%. The debentures mature within twelve months of July 31, 2026 and are presented as a current liability. The movements in the carrying amount of the debentures are as follows:

	Debt host liability	Derivative liability	Total
Balance, July 31, 2025	**$ -**	**$ -**	**$ -**
Issued on May 27, 2026 – principal of $3,673	3,589	84	3,673
Transaction costs allocated to the debt host	(27)	-	(27)
Accretion at the effective interest rate	158	-	158
Change in fair value recognized in profit or loss	-	(7)	(7)
Balance, July 31, 2026	**$ 3,720**	**$ 77**	**$ 3,797**

Finance expense for the year ended July 31, 2026 includes accretion on the debt host of $158 and transaction costs of $1, net of a $7 gain on remeasurement of the derivative liability. The non-cash accretion and transaction-cost adjustment in the statement of cash flows is $159. As at July 31, 2026, the debt host, net of issue costs, was $3,720 and the derivative liability was $77, for a total carrying amount of $3,797. The contractual undiscounted cash flows payable on July 27, 2027, unless converted, are $4,744, consisting of principal of $3,673 and interest of $1,071.

Fair value measurement of the derivative liability

The derivative liability is valued using a Black-Scholes call-spread model that reflects the floor conversion price of $1.42 and the cap on the value delivered created by the 20% TSX discount. Because expected volatility is a significant unobservable input, the measurement is classified within Level 3 of the fair value hierarchy. There were no transfers between levels during the year. The key inputs were as follows:

	July 31, 2026	May 27, 2026 (issue)
Share price	$1.50	$1.64
Expected volatility (unobservable)	102.7%	95.4%
Risk-free interest rate	2.79%	2.79%
Expected life (years)	0.99	1.17
Expected dividend yield	Nil	Nil
TSX discount on interest conversion price	20%	20%
Fair value of derivative liability	$ 77	$ 84

Expected volatility is based on the historical volatility of the Company's daily closing share price over the twelve months preceding each valuation date. As at July 31, 2026, an increase or decrease of 10 percentage points in expected volatility, with all other inputs held constant, would decrease the fair value of the derivative liability by approximately $4 or increase it by approximately $4, respectively. An increase or decrease of 20% in the share price would increase the fair value by approximately $17 or decrease it by approximately $18, respectively. The measurement of the debt host is also sensitive to the market rate of interest used at initial recognition; an increase in that rate above approximately 27.0% would have resulted in an amount being allocated to the equity component and a lower carrying amount of the debt host.

Other information

Debentures with a principal amount of $1,260 were subscribed by a shareholder and former director holding approximately 11.5% of the Company's outstanding common shares as at July 31, 2026, on the same terms as the other subscribers. If the principal and the interest to maturity were converted at the floor price of $1.42, the Company would issue up to 3,341,050 common shares (2,586,620 for principal and 754,430 for interest). These potential common shares were excluded from diluted loss per share because their effect is anti-dilutive.

Subsequent to July 31, 2026, the closing price of the Company's common shares on the TSX was $0.92 on October 8, 2026, below the conversion price of $1.42. This is a non-adjusting event, and the amounts recognized as at July 31, 2026 have not been adjusted.

7. Shareholders' equity

(i) Preferred shares

The Company is authorized to issue 10,000,000 preferred shares. As at July 31, 2026, the Company had Nil preferred shares issued and outstanding (July 31, 2025: 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, 2026, 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 became 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, 2026:
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. Total share issuance costs incurred in connection with the private placement were $257.

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 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.

(iii) Warrants

The following table summarizes warrant activities for the years ended July 31, 2026 and 2025:

	Number of warrants	Weighted average exercise price ($)
Balance, July 31, 2024	**5,364,511**	**4.07**
Expired	(3,333,100)	3.60
Balance, July 31, 2025	**2,031,411**	**3.82**
Expired	(2,031,411)	3.82
Balance, July 31, 2026	**-**	**-**

As at July 31, 2026, the Company had no common share purchase warrants outstanding. As at July 31, 2025, 2,031,411 common share purchase warrants were outstanding, consisting of 1,640,000 warrants with an exercise price of $3.50 expiring in December 2025 and 391,411 warrants with an exercise price of $5.15 expiring on May 12, 2026, all of which expired unexercised during the year ended July 31, 2026.

7. Shareholders' equity (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, 2026, options to purchase up to 7,637,810 common shares (July 31, 2025: 7,415,577) may be granted under the plan.

As at July 31, 2026, options to purchase 2,283,667 common shares (July 31, 2025: 3,206,667) were issued and outstanding under the equity compensation plan, of which 1,476,667 were exercisable.

The following table summarizes activity under the Company's stock option plan for the years ended July 31, 2026 and 2025:

	Number of options	Weighted average exercise price ($)
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**
Granted	1,297,000	1.63
Cancelled/expired	(2,220,000)	1.10
Balance, July 31, 2026	**2,283,667**	**1.42**

During the year ended July 31, 2026, the Company granted 1,297,000 stock options with an exercise price of $1.63 per common share, expiring on May 21, 2031. No stock options were exercised and 2,220,000 options were cancelled or expired during the year. During the year ended July 31, 2025, the Company granted 155,000 options with an exercise price of $0.90.

The following table provides information on the Company's options outstanding and exercisable as at July 31, 2026:

Exercise price ($)	Number outstanding	Number exercisable	Expiry date	Weighted average remaining life (years)
1.30	226,667	226,667	January 9, 2028	1.44
1.30	50,000	50,000	May 12, 2028	1.78
1.10	680,000	680,000	July 19, 2029	2.97
0.90	30,000	30,000	April 4, 2030	3.68
1.63	1,297,000	490,000	May 21, 2031	4.81
1.42	**2,283,667**	**1,476,667**		**3.85**

7. Shareholders' equity (continued)

(i) Stock options (continued)

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	Estimated 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 years	-	$ 18
April 4, 2025	30,000	94.91%	2.52%	nil	5 years	-	$ 17
May 21, 2026	1,297,000	95.87%	3.12%	nil	5 years	3-5 year (i)	$ 1,417

(i) Of the 1,297,000 options granted on May 21, 2026, 490,000 options vested immediately on the grant date and 807,000 options vest in three equal installments per optionee upon written certification by the Board of Directors that the related performance milestone has been achieved. The milestones relate to financing and U.S. listing objectives, clinical, regulatory and manufacturing development, and corporate and financial reporting objectives, and are expected to be achieved between December 31, 2026 and December 31, 2028. The options expire on May 21, 2031.

The Company recognized stock-based compensation of $566 for the year ended July 31, 2026 (July 31, 2025: $179). Because the awards are equity-settled, the grant-date fair value is not remeasured for subsequent changes in the Company's share price.

8. 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:

	2027	2028	2029	2030	2031+	Total
Clinical research organizations	$ 150	$ -	$ -	$ -	$ -	$ 150
Collaborative research organizations	-	-	-	-	-	-
Operating leases	1	-	-	-	-	1
	$ 151	**$ -**	**$ -**	**$ -**	**$ -**	**$ 151**

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, 2026, the associated amount included in accounts payable and accrued liabilities was $Nil (July 31, 2025: $911).

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 31, 2026, €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.

8. Commitments (continued)

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, 2025: $1 under a month-to-month facility lease agreement) with a notice period of no longer than two months.

9. 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, 2026.

10. 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

As at July 31, 2026, the fair values of cash, accounts receivable, accounts payable and accrued liabilities, loan payable and the debt host component of the convertible debentures approximate their carrying values because of the near-term maturity of these instruments. The derivative liability embedded in the convertible debentures is measured at fair value using Level 3 inputs (Note 6).

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.

10. Financial instruments and risk management (continued)

Balances in foreign currencies are as follows, as at:

	July 31, 2026				July 31, 2025			
	USD	**CHF**	**GBP**	**EUR**	**USD**	**CHF**	**GBP**	**EUR**
Cash	-	-	-	-	-	-	-	-
Accounts payable	(417)	(91)	(5)	(15)	(1,147)	(98)	(3)	(37)
Accrued liabilities	-	-	-	-	(161)	(12)	-	-
Loan payable	-	(208)	-	-	-	(200)	-	-
Net foreign currencies	**(417)**	**(299)**	**(5)**	**(15)**	**(1,308)**	**(310)**	**(3)**	**(37)**
Closing exchange rate	1.4029	1.7335	1.8876	1.6145	1.3844	1.7036	1.8298	1.5820
Impact of 1% change in exchange rate	+/- $5.9	+/- $5.2	+/- $0.1	+/- $0.2	+/- $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.

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's loan payable (Note 5) and convertible debentures (Note 6) bear interest at fixed rates of 4% and 25% per annum, respectively, and therefore do not expose the Company to cash flow interest rate risk.

The Company manages interest rate risk by seeking to earn interest on excess funds while maintaining the liquidity necessary for day-to-day operations. Investments of excess funds are limited to risk-free financial instruments with short maturities. The Company does not use derivatives to hedge cash flow 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.

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

	July 31, 2026	**July 31, 2025**
Government related – GST/HST	$ 15	$ 60
Research and development investment tax credits	-	46
Patent costs recoverable from a former subsidiary	15	15
	$ 30	**$ 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.

As at July 31, 2026, the Company's cash reserves of $804 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.

10. Financial instruments and risk management (continued)

Liquidity risk (continued)

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.

On December 3, 2025, the Company entered into a Subscription Agreement with Quantum Global Ventures AG for the purchase of 18,538,889 common shares at $1.80 per share, for expected gross proceeds of $33,370. The agreement was fully executed by both parties. However, Quantum Global Ventures AG subsequently declared bankruptcy and the Company did not receive any of the subscription proceeds. As a result, the financing did not close.

During the year ended July 31, 2026, the Company signed a term sheet with Alumni Capital Limited in respect of a potential financing transaction. Consistent with the Company's confidentiality obligations, the specific commercial terms are not disclosed.

The following table presents the carrying amounts and maturity classifications of financial liabilities as at:

	July 31, 2026			July 31, 2025		
	Carrying amount	**Less than one year – principal and interest payable**	**Greater than one year – principal and interest payable**	**Carrying amount**	**Less than one year – principal and interest payable**	**Greater than one year – principal and interest payable**
Accounts payable	$ 878	$ 878	$ -	$ 2,303	$ 2,303	$ -
Accrued liabilities	131	131	-	578	578	-
Loan payable	361	361	-	335	335	-
Convertible debentures	3,797	3,797	-	-	-	-
	$ 5,167	**$ 5,167**	**$ -**	**$ 3,216**	**$ 3,216**	**$ -**

The maturity table presents the carrying amounts of financial liabilities and contractual undiscounted principal and interest payable by maturity. The convertible debentures' contractual principal and interest payable of $4,744 is disclosed in Note 6.

11. Related party transactions

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 paid during these years.

During the years ended July 31, 2026 and 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 for the year ended July 31, 2026 are as follows:

i) The Company recorded management fees and salaries to executive officers of the Company of $973 (July 31, 2025: $413). The total balance outstanding as at July 31, 2026 is $85 (July 31, 2025: $172).

ii) 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 then CFO was an employee of. Brio's services ended on May 21, 2026, when the CFO ceased to be an employee of Brio. During the year ended July 31, 2026, the Company incurred $324 (July 31, 2025: $41) for the CFO and related accounting fees to Brio and the balance outstanding as at July 31, 2026 is $Nil (July 31, 2025: $20).

iii) On May 22, 2026, the Company entered into a consulting agreement for CFO services with Accountin.ai LLC ("Accountin"), a company controlled by the Company's current CFO. The agreement is a fixed-fee arrangement that may be terminated at any time. During the year ended July 31, 2026, the Company incurred $67 (July 31, 2025: $Nil) for the CFO fees to Accountin and the balance outstanding as at July 31, 2026 is $28 (July 31, 2025: $Nil).

11. Related party transactions (continued)

iv) 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 was the Company's current CEO. As at July 31, 2026, the Company's current CEO is no longer the CEO of metaShape. During the year ended July 31, 2026, the Company accrued interest of $14 on the loan payable to metaShape (July 31, 2025: $Nil) and the balance of the loan payable as at July 31, 2026 is $361 (July 31, 2025: $335) (Note 5).

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

	2026	2025
Salary and management consulting	$ 1,364	$ 771
Stock-based compensation	424	39
	$ 1,788	**$ 810**

At July 31, 2026, included in accounts payable and accrued liabilities is an amount of $113 (July 31, 2025: $340) due to related parties.

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

	2026	2025
Stock-based compensation	104	3
	$ 104	**$ 3**

12. 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:

	2026	2025
Research and development programs, excluding the below items	$ 921	$ 2,692
Salaries and benefits	614	773
Stock-based compensation	66	111
Depreciation of property, plant and equipment (Note 4)	4	10
Research and development investment tax credits	15	(28)
	$ 1,620	**$ 3,558**

13. Operating, general and administration

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

	2026	2025
Operating, general and administration, excluding the below items	$ 1,100	$ 1,542
Salaries and benefits	419	207
Director fees and investor relations	-	22
Stock-based compensation	500	68
	$ 2,019	**$ 1,839**

14. Income taxes

The Company recognizes deferred tax assets and liabilities for expected future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities and certain carry-forward balances.

The income tax reconciliation compares the statutory tax recovery on loss before taxes with tax recognized after applicable reconciling items.

For the year ended July 31, (in 000s)	**2026**	**2025**
Income (Loss) before taxes	(2,675)	(5,205)
Combined federal and provincial rate	26%	26%
Expected income tax recovery based on statutory rates	(692)	(1,346)
Increase (decrease) to the income tax recovery resulting from:		
Stock-based Compensation and Other Non-deductible expenses	347	2,036
Share issue costs recorded directly to equity	(234)	(77)
Change in deferred tax asset not recognized	579	(613)
Income tax (recovery) expense	**-**	**(0)**

Deferred Income Taxes, (in 000s)	**2026**	**2025**
Non-capital losses carried forward	32,883	32,066
Capital losses carried forward	312	312
Excess of tax basis over book basis of Capital Assets	2,037	2,064
Scientific Research & Experimental Development Pool and other	12,333	12,472
Share Issue costs	239	311
Deferred tax asset (liability)	47,804	47,225
Less: deferred tax asset not recognized	(47,804)	(47,225)
Deferred Tax Asset (Liability)	**-**	**-**

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, 2026, the Company has Canadian tax losses that can be carried forward of approximately $123,999 (2024 – $120,272) and are available until 2045 as follows:

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	3,269	
	$	120,517

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, 2026 is approximately $54,021,251 (2025 – $54,558,509).

Investment tax credits

The Company has also earned investment tax credits in Canada, on eligible SR&ED expenditures at July 31, 2026 of approximately $10,006,875 (2025 – $10,630,442), 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.

15. Other income

Other income totaled $579 for the year ended July 31, 2026 (July 31, 2025: $305). The 2026 amount comprises $515 from the Company's settlement of certain old balances under accounts payable and accrued liabilities for less than their carrying

value and $64 from the settlement of expenses. The comparable gain on settlement of payable balances in 2025 was $amounting to $579 during the year ended July 31, 2026 (July 31, 2025: $268.).

16. Subsequent events

Subsequent to July 31, 2026, the following events occurred:
i) Board and officer changes: Janusz Grabski resigned as a director effective August 12, 2026, and Dr. Thomas Mehrling, the Company's Chief Executive Officer, was appointed as a director effective August 14, 2026. On August 17, 2026, Dr. Mehrling resigned as Chief Medical Officer and Markus Loeffler was appointed Chief Medical Officer. Jacek Antas, Jerzy Leszczynski and Malgorzata Laube resigned as directors effective September 17, 2026, and on September 28, 2026 the Board appointed Karen Krumeich (Chair), Dirk Brockstedt, Charmaine Lykins and Jamieson Bondarenko as directors. Karen Krumeich was appointed Chair of the Audit Committee.

ii) Modification of stock options: On September 28, 2026, the Board extended the exercise period of the vested stock options held by the three directors who resigned on September 17, 2026 (500,000 options with exercise prices of $1.10 and $1.30) to September 17, 2027. The incremental fair value arising from the modification will be measured at the modification date and recognized in the year ending July 31, 2027.

iii) Expiry of stock options: On September 11, 2026, 100,000 stock options expired unexercised in accordance with the terms of the Plan, leaving 2,283,667 stock options outstanding.