BioVaxys Technology Corp.

Consolidated Financial Statements
For the Years Ended October 31, 2021 and 2020

(Expressed in Canadian dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BioVaxys Technology Corp.

Opinion
We have audited the consolidated financial statements of BioVaxys Technology Corp. (the "Company"), which comprise the consolidated statements of financial position as at October 31, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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

Material Uncertainty Related to Going Concern
We draw attention to Note 2 to the financial statements, which describes events or conditions, that indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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 identified above 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.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. 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 related 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 skepticism 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.

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

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

February 28, 2022

MOORE

An independent firm
associated with Moore
Global Network Limited

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

As at		October 31, 2021		October 31, 2020
ASSETS				
CURRENT ASSETS				
Cash	$	593,115	$	2,423,095
Goods and Services Tax receivable		48,961		48,316
Prepaid expenses		148,466		590,708
Loan receivable, current portion (note 5)		83,945		-
		874,487		3,062,119
Loan receivable (note 5)		232,276		-
Intangible assets (notes 4 and 6)		7,396,821		7,396,821
TOTAL ASSETS	**$**	**8,503,584**	**$**	**10,458,940**
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Accounts payable (note 7)	$	216,465	$	753,798
Accrued liabilities		38,115		50,513
Due to related parties (note 7)		72,283		95,780
TOTAL LIABILITIES		326,863		900,091
SHAREHOLDERS' EQUITY				
Share capital (note 8)		14,757,785		10,751,647
Reserves (note 8)		1,422,789		372,988
Accumulated other comprehensive income (loss)		18,599		(1,273)
Deficit		(8,022,452)		(1,564,513)
TOTAL SHAREHOLDERS' EQUITY		8,176,721		9,558,849
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**8,503,584**	**$**	**10,458,940**

Going concern (note 2)
Subsequent events (notes 8 and 12)

These consolidated financial statements were authorized for issue by the Board of Directors on February 28, 2022. They are signed on the Company's behalf by:

/s/ James Passin ________________________________,

Director & Chief Executive Officer

/s/ David Wang ________________________________,

Director

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

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

	Year ended October 31, 2021	Year ended October 31, 2020
OPERATING EXPENSES		
Advertising and promotion	$ 1,719,801	$ 84,510
General and administrative (note 7)	176,944	10,923
Investor relations	412,458	42,075
Management and consulting fees (note 7)	1,813,248	105,258
Professional fees (note 7)	405,373	214,874
Research and development (note 5)	726,057	238,774
Share-based payments (notes 7 and 8)	1,137,253	347,713
Transfer agent, regulatory and listing fees	50,320	47,238
Travel and accommodation	579	7,020
	(6,442,033)	(1,098,385)
OTHER INCOME (LOSS)		
Foreign exchange loss	(23,562)	(4,375)
Accretion income (note 5)	6,050	-
Interest income	1,606	137
	(15,906)	(4,238)
Net loss from continuing operations	**(6,457,939)**	**(1,102,623)**
Net loss from discontinued operation (note 11)	-	(71,688)
NET LOSS FOR THE YEAR	**(6,457,939)**	**(1,174,311)**
Other comprehensive loss		
Foreign currency translation adjustment	19,872	(1,273)
COMPREHENSIVE LOSS	**$ (6,438,067)**	**$ (1,175,584)**
Basic and diluted loss per share attribute to continuing operations	$ (0.078)	$ (0.039)
Basic and diluted loss per share attribute to discontinued operation	$ -	$ (0.003)
Weighted average number of common shares outstanding, basic and diluted	82,930,053	28,210,647

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

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

	Number of Shares *	Share Capital	Reserves	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Shareholders' Equity
Balance, October 31, 2019	**21,454,856**	**$ 571,309**	**$ 10,150**	**$ -**	**$ (391,347)**	**$ 190,112**
Shares issued pursuant to acquisition (note 4)	31,100,000	6,842,000	-	-	-	6,842,000
Shares issued pursuant to private placement, net	13,738,235	2,951,130	21,902	-	-	2,973,032
Exercise of stock options	200,000	4,790	(2,290)	-	-	2,500
Exercise of warrants	7,581,520	382,418	(3,342)	-	-	379,076
Share-based payments	-	-	347,713	-	-	347,713
Forfeiture of stock options	-	-	(1,145)	-	1,145	-
Foreign currency translation adjustment	-	-	-	(1,273)	-	(1,273)
Net loss	-	-	-	-	(1,174,311)	(1,174,311)
Balance, October 31, 2020	**74,074,611**	**10,751,647**	**372,988**	**(1,273)**	**(1,564,513)**	**9,558,849**
Shares issued in private placements, net	13,579,261	3,033,487	26,747	-	-	3,060,234
Exercise of stock options	650,000	275,721	(111,971)	-	-	163,750
Exercise of warrants	3,520,816	586,930	(2,228)	-	-	584,702
Shares issued for service	362,273	110,000	-	-	-	110,000
Share-based payments	-	-	1,137,253	-	-	1,137,253
Foreign currency translation adjustment	-	-	-	19,872	-	19,872
Net loss	-	-	-	-	(6,457,939)	(6,457,939)
Balance, October 31, 2021	**92,186,961**	**$ 14,757,785**	**$ 1,422,789**	**$ 18,599**	**$ (8,022,452)**	**$ 8,176,721**

** The numbers of shares in the above table have been restated to retrospectively reflect the effect of the two-for-one stock split (note 8) effective April 29, 2020. See note 8.*

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

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

For the year ended		October 31, 2021		October 31, 2020
OPERATING ACTIVITIES				
Net loss from continuing operations	$	(6,457,939)	$	(1,102,623)
Non-cash items				
Share-based payments		1,137,253		347,713
Shares issued for services		110,000		-
Accretion income		(6,050)		-
Unrealized foreign exchange loss (gain)		5,662		(6,301)
Net changes in non-cash working capital items				
Goods and Services Tax receivable		(645)		(46,032)
Prepaid expenses		442,242		(567,011)
Accounts payable and accrued liabilities		(501,452)		183,463
Due to related parties		(23,497)		(19,406)
Cash used in operating activities of continuing operations		**(5,294,426)**		**(1,210,197)**
INVESTING ACTIVITY				
Cash acquired in share exchange agreement		-		41,364
Cash provided by investing activity of continuing operations		**-**		**41,364**
FINANCING ACTIVITIES				
Proceeds from shares issued in private placement, net		3,060,234		2,973,032
Proceeds from warrants exercised		584,702		379,076
Proceeds from stock options exercised		163,750		2,500
Loan advanced to vendor		(369,700)		-
Cash provided by financing activities of continuing operations		**3,438,986**		**3,354,608**
Net cash used in operating activities of discontinued operation		-		(16,688)
Net cash provided by investing activities of discontinued operations		-		20,000
Net change in cash, discontinued operation		**-**		**3,312**
Net change in cash		(1,855,440)		2,189,087
Effect of foreign exchange rate change on cash		25,460		5,028
Cash, beginning of the year		2,423,095		228,980
Cash, end of the year	**$**	**593,115**	**$**	**2,423,095**
Non-cash transactions				
Shares issued to acquire BioVaxys Inc.	$	-	$	6,842,000
Warrants issued for finders' service		-		21,902

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

1. NATURE OF OPERATIONS

BioVaxys Technology Corp. (the “Company”) was incorporated on April 25, 2018, pursuant to the provisions of the *Business Corporations Act* of British Columbia and was a wholly owned subsidiary of Bearing Lithium Corp. (“Bearing”). The registered and records office is located at Suite 503, 905 West Pender Street, Vancouver, British Columbia, V6C 1L6.

As a clinical stage biotechnology company, BioVaxys Technology Corp. is developing viral and oncology vaccine platforms, as well as immuno-diagnostics. The Company is advancing a SARS-CoV-2 vaccine based on its haptenized viral protein technology. The Company’s haptenized autologous cell vaccine will also be developed for stage III/stage IV ovarian cancer. In addition, the Company is developing its CoviDTH®, a diagnostic for evaluating the presence or absence of a T-cell immune response to SARS-CoV-2, the virus that causes COVID-19. Prior to the share exchange agreement described below, the Company was a mineral exploration company (note 11). The Company’s shares are traded on the Canadian Securities Exchange under the symbol “BIOV” and on the OTCQB under the symbol "BVAXF”.

Share Exchange

On June 2, 2020, the Company and BioVaxys Inc. (“BioVaxys”) entered into a share exchange agreement (“Share Exchange Agreement”) (note 4). Pursuant to the Share Exchange Agreement, the Company acquired all the issued and outstanding shares of BioVaxys by way of a share exchange with BioVaxys’ shareholders (“Transaction”). Upon completion of the Transaction on September 30, 2020, BioVaxys became a wholly owned subsidiary of the Company, and the Company changed its name to BioVaxys Technology Corp.

COVID-19 Impact

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, including the recent Omicron variant, has adversely affected workforces, economies and financial markets globally, potentially leading to an economic downturn.

The Company has initiated the study and development of BVX-0320, its proprietary vaccine candidate for COVID-19. The extent to which the coronavirus may further impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in the United States, Canada and other countries to contain and treat the disease. These events remain highly uncertain and, as such, the Company cannot determine their financial impact at this time.

2. BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

These consolidated financial statements were approved and authorized by the Board of Directors on February 28, 2022.

2. BASIS OF PREPARATION (continued)

(b) Basis of preparation

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for the cash flow information. Certain comparative figures on the consolidated statements of financial position and consolidated statements of loss and comprehensive loss were reclassified in order to conform with current year presentation.

(c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions, balances, income and expenses are eliminated in full upon consolidation.

The legal subsidiary of the Company is as follows:

			Ownership Interest	
Name of Subsidiary	Place of Incorporation	Functional Currency	October 31, 2021	October 31, 2020
BioVaxys Inc.	USA	US dollar	100%	100%

(d) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency. The functional currency of the Company's subsidiary is noted above and the financial statement balances and transactions of the subsidiary are measured using that functional currency.

(e) Going concern

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. The Company's ability to continue as a going concern and realize the carrying value of its assets is dependent on its ability to raise capital through equity and debt financing, the outcome of which cannot be predicted at this time. These matters indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION (continued)

(f) Significant accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

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

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

(iii) The determination of whether a set of assets acquired and liabilities assumed in an acquisition constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits. The acquisition of BioVaxys was determined to constitute an asset acquisition.

(iv) Impairment of intangible assets or cash-generating units ("CGU") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's intangible assets.

Estimation Uncertainty

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

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

(ii) The measurement of identifiable assets acquired pursuant to the Transaction, assumed at fair value on the date of acquisition and the allocation of the purchase consideration over the fair value of the assets acquired, is subject to management estimation and judgment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Income taxes

Deferred income tax is recognized using the liability method on temporary differences arising between the tax and accounting bases of assets and liabilities as well as for the benefit of losses available to be carried forward to future years. Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect either accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the consolidated statement of financial position date. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

b) Share-based payments

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and expensed over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if the fair value of the goods or services cannot be reliably measured and is recorded at the date the goods or services are received. The fair value of the options granted is measured using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to reserves.

c) Share capital

Proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Any previously recorded share-based payment included in the reserves account is transferred to share capital on exercise of options. Share capital issued for non-monetary consideration is valued at the closing market price at the date of issuance. The proceeds from issuance of units are allocated between common shares and warrants based on the residual method. Under this method, the proceeds are allocated first to share capital based on the fair value as determined by the quoted bid price of the common shares and any residual value is allocated to reserves. Consideration received for the exercise of warrants is recorded in share capital, and any related amount recorded in reserves is transferred to share capital. Charges for options or warrants that are cancelled, forfeited, or expired are reclassified from reserves to deficit.

d) Loss per share

Basic loss per share is computed by dividing net loss attributable to common shareholders by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

e) Discontinued operations

A discontinued operation represents a major line of business or geographic area of operations for the Company that either has been disposed of or is classified as held for sale. The items in the consolidated statement of financial position related to these discontinued operations are presented on specific lines in the annual consolidated financial statements. Profit or loss items related to these discontinued operations are shown separately in the consolidated financial statements for all periods presented if they are material to the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Intangible assets

Intangible assets are recorded at cost less accumulated amortization and any accumulated impairment losses. Intangible assets with finite useful lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful lives of intangible assets are assessed as either finite or indefinite. The amortization method and amortization period of an intangible asset with a finite useful life is reviewed annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method as appropriate and are treated as a change in accounting estimates.

The amortization expense on intangible assets with finite lives is recognized in the consolidated statements of loss and comprehensive loss.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite use 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.

g) Research and development costs

Expenditures related to research activities are recognized as an expense in the period in which they are incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, the entity can demonstrate all of the following:

i. the technical feasibility of completing the intangible asset so that it will be available for use or sale;
ii. its intention to complete the intangible asset and use or sell it;
iii. its ability to use or sell the intangible asset;
iv. how the intangible asset will generate probable future economic benefits. Among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
v. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
vi. its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs are capitalized as soon as the above criteria are met. Where no internally generated intangible asset can be recognized, development expenditures are expensed in the period in which they are incurred.

After initial recognition, internally generated intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses. They are amortized on a straight-line basis over their useful life, and an impairment loss is recognized in profit or loss when their recoverable amount is less than their net carrying amount.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Impairment of long-lived assets

The recoverable amount of a non-financial asset or a CGU is the higher of its fair value less costs to sell and its value in use. Value in use is determined on the basis of profit or loss projections over its useful life using management's forecast tools (for the first three years) and an estimate over the subsequent years based on long-term market trends for the asset or CGU involved. The calculation takes into account net cash flows to be received on disposal of the asset or CGU at the end of its useful life based on the growth and profitability profile of each asset or CGU.

An impairment loss is recognized when the carrying amount of any non-financial asset or its CGU exceeds its estimated recoverable amount. Impairment losses are allocated to first reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Moreover, when goodwill and another asset (or asset group) of a CGU are tested for impairment at the same time, the other asset (or asset group) is tested for impairment before goodwill. When the other asset (or asset group) is impaired, the impairment loss is recognized prior to goodwill being tested for impairment.

An impairment loss recognized in prior periods for a non-financial asset or a CGU other than goodwill is reversed when there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount, without exceeding the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior periods. An impairment loss recognized for goodwill cannot be reversed.

i) Foreign currency translation

(i) Translation of foreign currency transactions

Transactions in foreign currencies are translated using the exchange rate prevailing at the date of the transaction. At each reporting date, foreign currency denominated monetary assets and liabilities are translated at year-end exchange rates. Exchange differences arising from the transactions are recorded in profit or loss for the period, except for exchange differences relating to borrowings hedging net investments denominated in the consolidated subsidiaries' currency. These differences are recognized in other comprehensive income as currency translation differences until the disposal of the net investment. Exchange differences arising from operating transactions are recorded in operating profit or loss for the period; exchange differences related to financing transactions are recognized as finance costs or income, or in other comprehensive income (loss).

(ii) Translation of foreign operations

The assets and liabilities of a foreign operation, including goodwill and fair value adjustments arising from the acquisition, are translated in Canadian dollars at year-end exchange rates. Income and expenses, and cash flows of a foreign operation are translated into Canadian dollars using average exchange rates. Differences resulting from translating foreign operations are reported as translation differences in equity. When a foreign operation is disposed of, the translation differences previously recognized in equity are reclassified to profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Financial instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive 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 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 assets/liabilities	IFRS 9 classification
Cash	FVTPL
Loan receivable	Amortized cost
Accounts payable	Amortized cost
Due to related parties	Amortized cost

(ii) Measurement

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 carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and 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 consolidated statements of loss and comprehensive loss in the period in which they arise.

(iii) 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 consolidated 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.

k) Changes in significant accounting policies and adoption of a new accounting standard

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

(Expressed in Canadian dollars, unless otherwise noted)

4. ACQUISITION

On June 2, 2020, the Company and BioVaxys entered into a Share Exchange Agreement (note 1). Pursuant to the Share Exchange Agreement, the Company acquired all of the issued and outstanding shares of BioVaxys by way of a share exchange with the shareholders of BioVaxys on September 30, 2020 (the "Transaction"), specifically, each shareholder of BioVaxys transferred their shares of BioVaxys to the Company in exchange for fully paid and non-assessable common shares of the Company. As a result, the Company issued 31,100,000 common shares in exchange for all of the issued and outstanding securities of BioVaxys, which included 6,788,800 common shares issued to certain advisors and 1,160,000 common shares issued to Thomas Jefferson University ("TJU") (note 6).

The Company agreed to provide BioVaxys with a secured bridge loan facility of up to US$200,000 bearing interest at a rate of 9% per annum. At the date of the Transaction, $160,068 (US$120,000) had been advanced to BioVaxys, which was eliminated on consolidation upon the completion of the Transaction as an intercompany balance.

The Company determined that BioVaxys did not meet the criteria for a business primarily due to lack of process and operations. Accordingly, the transaction was recorded as an asset acquisition under IFRS 2 *Share-based Payments* at the following fair values:

Purchase price:		
Consideration paid in shares with fair value of $0.22 per share	$	6,842,000
Legal fees incurred		68,613
Elimination of intercompany balance		160,068
	$	7,070,681
Assets less liabilities acquired:		
Cash	$	41,364
Prepaid expenses		23,697
Accounts payable and accrued liabilities		(336,015)
Due to related parties		(55,186)
Value allocated to intangible assets (note 6)		7,396,821
	$	7,070,681

5. LOAN RECEIVABLE

	October 31, 2021	October 31, 2020
Balance, beginning of the year	$ -	$ -
Addition	321,421	-
Accretion income	6,050	-
Foreign exchange loss	(11,250)	-
Balance, ending of the year	316,221	-
Loans receivable, current portion	(83,945)	-
Loans receivable	$ 232,276	$ -

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

(Expressed in Canadian dollars, unless otherwise noted)

5. LOAN RECEIVABLE (continued)

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

The loan receivable was accounted for using the amortized cost discounted at an effective interest rate of 5.25% estimated for the vendor. The benefit of the term loan provided at a below-market rate of interest is treated as an incentive to the vendor and recorded as research and development expense, measured at $48,279 as the difference between the proceeds provided and the fair value of the loan repayments based on prevailing market interest rates. Accretion income of $6,050 (2020 - $nil) was recorded in the consolidated statements loss and comprehensive loss for the year ended October 31, 2021.

6. INTANGIBLE ASSETS

The intangible assets comprise several patents, licensed patents, patent applications, and the related in-process research and development work (collectively, "IPR&D") incurred up to the date of the Transaction (note 4). These intangible assets have not been amortized as they are not available for use. During the years ended October 31, 2021 and 2020, impairment tests were conducted and no impairment charge was required on the intangible assets.

Subsequent to the Transaction, the Company has continued to carry on these in-process research and development projects. The research and development costs incurred on these projects during the years ended October 31, 2021 and 2020 have been expensed on the consolidated statement of loss and comprehensive loss.

	Hapten-based Cancer Vaccines Development	COVID Diagnostic and Vaccine Development	Total
Balance as at October 31, 2019	$ -	$ -	$ -
Additions from BioVaxys acquisition (note 4)	5,513,993	1,882,828	7,396,821
Balance as at October 31, 2020 and October 31, 2021	$ 5,513,993	$ 1,882,828	$ 7,396,821

Hapten-based Cancer Vaccines Development

Thomas Jefferson University License

BioVaxys entered into an exclusive license agreement dated April 25, 2018 with TJU for four US patents ("TJU License") related to a haptenized cancer vaccine using a single hapten vaccine technology ("Licensed Technology"). Pursuant to the agreement, BioVaxys was granted the exclusive right to use the TJU License to develop, make and sell products worldwide for the term from the agreement date to five years after the expiry of all patents on the Licensed Technology. As a partial royalty for the license granted by TJU, BioVaxys issued to TJU a warrant at an exercise price of $10, which was automatically exercised and exchanged for the Company's shares on the date of the Transaction (note 4).

Under the agreement, BioVaxys is also required to pay to TJU the following payments when achieving the corresponding milestones ("Milestone Payment"):

6. INTANGIBLE ASSETS (continued)

Thomas Jefferson University License (continued)

- US$25,000 following enrollment of the first patient in a phase 3 clinical trial (or foreign equivalent if outside the US) for a product utilizing the Licensed Technology;
- US$25,000 following US Food and Drug Administration allowance for a product utilizing the Licensed Technology; and
- US$100,000 once BioVaxys reaches US$5,000,000 in net sales of a product utilizing the Licensed Technology.

In addition, BioVaxys is required to pay to TJU a running royalty ("Royalty Payment") based on 2% of net sales of products under the TJU License, and 0.25% of net sales of such products during the period after the expiry of the patent.

Among the four patents under the TJU License, two have expired previously and the other two expire in 2023 and 2026, respectively. As at October 31, 2021, BioVaxys has not been required to make any payments towards either Milestone Payment or Royalty Payment.

Bihaptenized Cancer Vaccines Patent

On September 24, 2018, Dr. David Berd, Chief Medical Officer of the Company, filed a patent application for bihaptenized autologous vaccines and the use thereof. The application, together with another application amended from it on October 16, 2018, form the technology platform for "bihaptenized cancer vaccines". On October 4, 2019, Dr. Berd assigned these patent applications to BioVaxys for $nil consideration, which form part of the intangible assets acquired in the Transaction (note 4).

During the year ended October 31, 2021, the Company entered National Phase patent prosecution in the jurisdictions of the United States, European Union, United Kingdom, Japan, China, Republic of Korea, Australia, Russia, Brazil and India.

COVID Diagnostic and Vaccine Development

SARS-CoV-2 T-Cell Activity Diagnostic ("CoviDTH")

In August 2020, BioVaxys began preparing a provisional patent application with the United States Patent and Trademark Office (USPTO) for a novel diagnostic platform invented by BioVaxys ("Diagnostic Platform"). The Diagnostic Platform is designed to screen for an immune system T-cell response in patients who may have been exposed to SARS-CoV-2, and a T-cell response in those patients who have received a vaccine for SARS-CoV-2 (not limited to the SARS-CoV-2 vaccine candidate), to evaluate, amongst others, viral infection status and vaccine efficacy. BioVaxys filed the US provisional patent application on October 28, 2020.

In April 2021, the Company completed the US Trademark Application, CoviDTH, with foreign filing for the trademark completed in October 2021 for Canada, Mexico, China, European Union and United Kingdom.

Haptenized Viral Protein Vaccine Patent Application

On March 20, 2020, BioVaxys filed US patent application #62/992,722, Haptenized Coronavirus Spike Protein Vaccine which is the basis of BXV-0320, BioVaxys' SARS-CoV-2 vaccine candidate, and filed PCT/US21/23310 on March 19, 2021.

Pan-sarbecovirus Vaccine

On October 27, 2021, the Company filed US Provisional Application #63/253,149 Methods of Immunization Against Coronavirus.

(Expressed in Canadian dollars, unless otherwise noted)

7. RELATED PARTY TRANSACTIONS

Key Management Compensation

Key management consists of the officers and directors who are responsible for planning, directing and controlling the activities of the Company. The following expenses were incurred by the Company's key management:

For the year ended		October 31, 2021		October 31, 2020
Management and consulting fees	$	738,563	$	91,166
Professional fees		19,693		52,796
General and administrative expenses		16,710		-
Rent		18,000		6,000
Share-based payments		406,124		299,241
	$	1,199,090	$	449,203

As at October 31, 2021, the Company was indebted to the related parties for a total of $72,283 (2020 - $95,780) for management and consulting fees, professional fees and reimbursable expenses. The amount is non-interest bearing and has no terms of repayment.

As at October 31, 2021, accounts payable included $nil (2020 - $8,262) due to related parties relating to professional fees.

8. SHARE CAPITAL

(a) Authorized

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

(b) Stock split

Effective April 29, 2020, the Company completed a forward split of its issued and outstanding common shares on the basis of a two-for-one stock split of the Company's common shares. Shareholders received two new common shares for every one common share held. All references to share and per share amounts in these consolidated financial statements have been retroactively restated to reflect the effect from the stock split.

(c) Issued

Share capital activities for the year ended October 31, 2021:

(i) The Company issued 362,273 common shares pursuant to a consulting agreement with a director of the Company. The shares were issued in exchange for $110,000 of consulting fees.

(ii) The Company issued 3,520,816 common shares pursuant to the exercise of warrants for proceeds of $584,702. The fair value of warrants at $2,228 was reclassified from reserves to share capital.

(iii) The Company issued 650,000 common shares pursuant to the exercise of stock options for proceeds of $163,750. The fair value of stock options of $111,971 was reclassified from reserves to share capital.

(Expressed in Canadian dollars, unless otherwise noted)

8. SHARE CAPITAL (continued)

Share capital activities for the year ended October 31, 2021 (continued):

(iv) On February 5, 2021, the Company issued 4,417,647 units at a price of $0.255 per unit for total proceeds of $1,126,500. Each unit consists of one common share and one whole common share purchase warrant. Each warrant is exercisable to acquire one common share at an exercise price of $0.50 for a period of two years from the issuance date. In connection with the private placement, the Company paid a cash finder's fee equal to $60,000. The Company has applied the residual method in valuing the shares and the share purchase warrants included in the units, therefore, these warrants have been recorded at $nil value.

(v) During July 2021, the Company issued 9,161,614 units at a price of $0.22 per unit for total proceeds of $2,015,555. Each unit consists of one common share and one whole common share purchase warrant. Each warrant is exercisable for one additional common share at an exercise price of $0.50 for a period of 30 months. In connection with the private placement, the Company paid a cash finder's fee equal to $21,821. The Company has applied the residual method in valuing the shares and the share purchase warrants included in the units, therefore, these warrants have been recorded at $26,747.

Share capital activities for the year ended October 31, 2020:

(i) On August 26, 2020 and September 3, 2020, the Company issued 13,738,235 units for gross proceeds of $3,022,412, net of share issuance costs of $71,282. Each unit is comprised of one common share and one-half of one full warrant. Each warrant entitles the holder to acquire one common share at a price of $0.50 for two years. The Company paid cash commissions of $37,379 and issued 233,874 brokers' warrants with a fair value of $21,902.

(ii) On September 30, 2020, the Company issued 31,100,000 common shares pursuant to the Transaction (note 4).

(iii) The Company issued 7,581,520 common shares pursuant to the exercise of warrants for proceeds of $379,076. The fair value of warrants at $3,342 was reclassified from reserves to share capital.

(iv) The Company issued 200,000 common shares pursuant to the exercise of stock options for proceeds of $2,500. The fair value of stock options at $2,290 was reclassified from reserves to share capital.

(c) Stock options

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

	Number of Options	Weighted Average Exercise Price ($)
Balance, October 31, 2019	716,996	0.018
Granted	3,600,000	0.420
Forfeited	(240,280)	0.028
Exercised	(200,000)	0.013
Balance, October 31, 2020	3,876,716	0.393
Granted	2,100,000	0.400
Expired	(91,852)	0.019
Exercised	(650,000)	0.252
Balance, October 31, 2021	5,234,864	0.412

(Expressed in Canadian dollars, unless otherwise noted)

8. SHARE CAPITAL (continued)

Share-based payment expense is determined using the Black-Scholes Option Pricing Model. During the year ended October 31, 2021, the Company recognized share-based payments of $1,137,253 (2020 - $347,713) in equity reserves, which pertains to options granted to directors, officers and advisors of the Company. Weighted average assumptions used in calculating the fair value of share-based compensation expense are as follows:

	2021	**2020**
Risk-free interest rate	0.99%	0.36%
Dividend yield	0%	0%
Expected volatility	94.70%	92.99%
Expected life (years)	5	5
Forfeiture rate	0%	0%

The expected volatility used for the stock options granted during the year ended October 31, 2021 is based on the historical share prices of comparable companies.

The weighted average share price at the date of exercise for the stock options exercised in 2021 was $0.52 (2020 - $0.28) per share.

Additional information regarding stock options outstanding as at October 31, 2021 is as follows:

Expiry Date	Exercise Price ($)	Number of Options Issued	Number of Options Exercisable
December 2, 2021 (2)	N/A (1)	12,480	12,480
January 4, 2022 (2)	N/A (1)	12,480	12,480
January 5, 2022 (2)	N/A (1)	12,480	12,480
May 4, 2022	N/A (1)	32,448	32,448
May 25, 2022	N/A (1)	14,976	14,976
September 3, 2025	0.280	100,000	100,000
October 20, 2025	0.450	2,950,000	1,950,000
February 12, 2026	0.465	350,000	350,000
February 12, 2026	0.570	750,000	750,000
September 3, 2026	0.250	1,000,000	1,000,000
		5,234,864	4,984,864

(1) As part of the Arrangement with Bearing (note 11), Bearing options were issued to Bearing stock option holders, which are exercised concurrently when the related Bearing stock options are exercised. The related Bearing stock options have exercise prices ranging from $0.26 to $0.83 per share.

(2) Subsequent to October 31, 2021, 37,440 stock options expired unexercised.

As at October 31, 2021, the weighted average remaining life for outstanding stock options was 4.14 (2020 - 4.71) years.

(d) Share purchase warrants

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

	Number of Warrants	Weighted Average Exercise Price ($)
Balance, October 31, 2019	9,950,000	0.05
Exercised	(7,435,000)	0.05
Granted	6,869,116	0.50
Balance, October 31, 2020	9,384,116	0.38
Granted	13,579,261	0.50
Exercised	(3,423,136)	0.17
Balance, October 31, 2021	19,540,241	0.50

(Expressed in Canadian dollars, unless otherwise noted)

8. SHARE CAPITAL (continued)

(d) Share purchase warrants (continued)

Additional information regarding share purchase warrants outstanding as at October 31, 2021 is as follows:

Expiry Date	Exercise Price ($)	Number of Warrants Issued and Exercisable
August 26, 2022	0.50	4,483,689
September 3, 2022	0.50	1,477,291
February 5, 2023	0.50	4,417,647
January 14, 2024	0.50	3,812,159
January 28, 2024	0.50	5,349,455
		19,540,241

(e) Brokers' warrants

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

	Number of Brokers' Warrants	Weighted Average Exercise Price ($)
Balance, October 31, 2019	244,200	0.05
Granted	233,874	0.50
Exercised	(146,520)	0.05
Balance, October 31, 2020	331,554	0.37
Exercised	(97,680)	0.05
Balance, October 31, 2021	233,874	0.50

Additional information regarding broker's warrants outstanding as at October 31, 2021, is as follows:

Expiry Date	Exercise Price ($)	Number of Warrants Issued and Exercisable
August 26, 2022	0.50	233,874
		233,874

The brokers' warrants granted during the year ended October 31, 2020 were valued using the following Black-Scholes Option Pricing Model assumptions:

	2020
Risk-free interest rate	0.29%
Dividend yield	0%
Expected volatility	91.82%
Expected life (years)	2
Forfeiture rate	0%

(f) Escrow shares

As at October 31, 2021, 14,090,103 shares (2020 - 23,483,503) were subject to escrow conditions and 3,522,525 shares will be released from escrow every six months until September 30, 2023.

(g) Reserves

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

(Expressed in Canadian dollars, unless otherwise noted)

9. INCOME TAX

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

		2021		2020
Canadian statutory income tax rate		27%		27%
Income tax recovery at statutory rate	$	(1,743,644)	$	(317,408)
Tax effect of:				
Permanent differences and other		373,256		75,219
Change in unrecognized deferred income tax assets		1,370,388		242,188
Deferred income tax recovery	$	-	$	-

The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

		2021		2020
Deferred income tax assets				
Non-capital losses	$	1,686,543	$	327,786
Share issuance costs		27,050		15,419
Unrecognized deferred tax assets		(1,713,593)		(343,205)
Net deferred income tax asset	$	-	$	-

As at October 31, 2021, the Company has non-capital losses carried forward of approximately $6,246,000 which are available to offset future years' taxable income expiring between 2038 and 2041.

10. FINANCIAL INSTRUMENTS

Fair Value

As at October 31, 2021, the Company's financial instruments consist of cash, accounts payable and due to related parties. The fair values of these financial instruments approximate their carrying values due to their current nature.

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

IFRS 13 prioritizes the inputs into three levels that may be used to measure fair value:

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.
- Level 2 – Inputs that are observable, either directly or indirectly, but do not qualify as Level 1 inputs (i.e., quoted prices for similar assets or liabilities).
- Level 3 – Prices or valuation techniques that are not based on observable market data and require inputs that are both significant to the fair value measurement and unobservable market data.

The Company is exposed in varying degrees to a variety of financial instrument related risks:

10. FINANCIAL INSTRUMENTS (continued)

Foreign Exchange Risk

The Company is exposed to currency fluctuations. From time to time, the Company has US dollar balances in cash and accounts payable, and is therefore exposed to gains or losses on foreign exchange. A significant change in the currency exchange rate between the Canadian dollar relative to the US dollar could have an effect on the Company's profit or loss, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations during the year ended October 31, 2021.

As at October 31, 2021, the Company had a foreign currency cash balance of US$136,736 and accounts payable of US$63,242. A 10% change in the Canadian dollar versus the US dollar would give rise to a gain/loss of approximately $9,100, based on the Company's current net exposure. Additionally, the Company had a loan receivable of €250,000 and accounts payable of €28,000. A 10% change in the Canadian dollar versus the euro would give rise to a gain/loss of approximately $31,800, based on the Company's net exposure. In practice, the actual results may differ from this sensitivity analysis, and the difference may be material. Management considers foreign exchange to be a moderate risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company reduces its credit risk on cash by placing this instrument with institutions of high credit worthiness. The Company does not have significant exposure to credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. As at October 31, 2021, the Company is not exposed to significant interest rate risk.

Liquidity Risk

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

As of October 31, 2021, the Company had cash of $593,115 (2020 - $2,423,095), accounts payable of $216,465 (2020 - $753,798), accrued liabilities of $38,115 (2020 - $50,513) and due to related parties of $72,283 (2020 - $95,780). The Company's accounts payable and accrued liabilities are due within 90 days. Amounts due to related parties are due on demand. The Company addresses its liquidity through debt and equity financing obtained through the sale of common shares and the exercise of warrants and options. There is no assurance that it will be able to do so in the future. Liquidity risk is assessed as high.

(Expressed in Canadian dollars, unless otherwise noted)

11. DISCONTINUED OPERATION

On September 27, 2017, Bearing entered into an option agreement with FenixOro Gold Corp. ("Fenix"), (formerly American Battery Metals Corp.), whereby Fenix has the option to acquire a 50% interest in the Fish Lake Valley Project located in central-western Nevada (the "Option Agreement"). Bearing transferred its interest in the Fish Lake Valley Project and the Option Agreement to the Company under the Asset Purchase Agreement dated July 19, 2018.

During the year ended October 31, 2020, the Company initiated a plan to dispose of its interest in the Fish Lake Valley Project mineral properties. Accordingly, the Company's portion of the operating result related to the project was presented as a discontinued operation.

During the year ended October 31, 2020, the Company terminated the Option Agreement with Fenix and impaired the mineral property by $55,000, as the recoverable amount was determined to be less than the carrying value. The Company then sold the interest in the Fish Lake Valley Project for $10,000 to Bearing.

The results of the discontinued operation are as follows:

For the year ended		October 31, 2020
Operating expenses:		
Management and consulting fees	$	15,400
Professional fees		250
Travel and accommodation		1,038
Other expenses:		
Impairment of mineral property		55,000
Net loss from discontinued operation	$	71,688

12. SUBSEQUENT EVENTS

a) Subsequent to October 31, 2021, the Company issued 151,720 common shares pursuant to a consulting agreement with a director of the Company.

b) Subsequent to October 31, 2021, the Company granted 2,255,000 stock options to certain directors, officers and consultants with an exercise price of $0.25 and a maturity date of December 31, 2025. The stock options vested over three years with one third vested immediately, one third vested on the first anniversary and the remaining vesting on the second anniversary.

c) Subsequent to October 31, 2021, the Company issued 5,323,333 units for proceeds of $798,500 pursuant to a private placement. Each unit is comprised of one common share and one warrant. Each warrant entitles the holder to acquire one common share at a price of $0.30 for three years. The Company incurred share cash finders fees of $18,840.

d) Subsequent to October 31, 2021, the Company cancelled 350,000 stock options with an exercise price of $0.465.