Restated Consolidated Financial Statements

Quest PharmaTech Inc.

January 31, 2023 and 2022

(Expressed in Canadian Dollars, except as otherwise noted)

Notice to Reader

These audited consolidated financial statements of Quest PharmaTech Inc. (the “Company”) have been restated to correct an error in the valuation methodology used to estimate the fair value as at January 31, 2023 of convertible bonds and corporate bonds (the “OQP Bio Bonds”) of OQP Bio Inc. held by the Company. The change in valuation methodology used resulted in a significant decrease in the carry values of the OQP Bonds as at January 31, 2023 and related significant additional impairment charge. Refer to Notes 1, 14, 18, 20 and 21 of these restated audited consolidated financial statements for additional details of the restatement and its impact on the previously issued financial statements for the year ended January 31, 2023 and 2022 and as at January 31, 2023 and 2022. These revised financial statements replace and supersede the original financial statements previously filed on SEDAR on May 31, 2023.

KINGSTON
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May 31, 2023, except as to Note 21 which is as of May 28, 2024.

INDEPENDENT AUDITOR'S REPORT Edmonton, Alberta

To the Shareholders of Quest PharmaTech Inc.

Opinion

We have audited the consolidated financial statements of Quest PharmaTech Inc. and its subsidiaries (the Company), which comprise the consolidated statements of financial position as at January 31, 2023 and 2022, and the consolidated statements of income (loss) and comprehensive income (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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at January 31, 2023 and 2022, and the consolidated financial performance and consolidated cash flow for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audits 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 Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of the consolidated 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.

Emphasis of Matter - Material Uncertainty Relating to Going Concern

We draw your attention to Note 1 in the consolidated financial statements, which indicates that the Company reported a net loss $65,710,507 during the year ended January 31, 2023 and, as of that date, had consolidated cash reserves of only $374,658 and a working capital deficiency of $510,437. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter - Amended Financial Statements

We draw attention to Note 21 to the financial statements, which describes that the financial statements that we originally reported on May 31, 2023 have been amended and describes the matter that gave rise to the amendment of the financial statements. Our opinion is not modified in respect of this matter.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. This matter was addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor’s opinion thereon, and we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed the matter is provided in that context.

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

Valuation of the Investment in OQP Bio Bonds

We refer to financial statement summary of significant accounting policies on the investment in OQP Bio Bonds in Note 3 and related disclosure in Note 18.

At January 31, 2023, the value of the investment in OQP bio bonds amounted to $18,832,271. During the year, the Company recorded its investment in OQP bio bonds at fair value through profit and loss.

The investment is significant to our audit because of the significant estimates and assumptions management makes with regard to the fair values investment interest. This matter required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate the reasonableness of management's estimates, including the need to involve our valuation experts.

To address the risk for material misstatement on the investment, our audit procedures included, amongst other procedures:

Evaluated the methodologies and significant inputs used by management.

Evaluated, with the assistance of our valuation experts, the reasonableness of managements estimates of the fair value of the investment.

Tested the mathematical accuracy of management’s calculations.

Assessed the consistency of the assumptions used with other accounting estimates.

We assessed the adequacy of the Company’s disclosures related to the investment in OQP bio bonds.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditor's report thereon, which includes 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 on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor’s report. We have nothing to report in this regard.

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Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(continues)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 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 Justin Rousseau.

Kingston Ross Pasnak LLP

Kingston Ross Pasnak LLP
Chartered Professional Accountants

Quest PharmaTech Inc.

RESTATED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars, except as otherwise noted)

	January 31 2023	January 31 2022
	$	$
	(Restated - note 21)	
ASSETS		
Current		
Cash	374,658	264,340
Other receivables *[note 19]*	221,311	320
Prepaid expenses	25,533	23,490
	621,502	288,150
Non current		
Property and equipment *[note 5]*	2,972	16,457
Non-current prepaid expenses	10,420	10,420
Investment in OQP Bio bonds - long term *[note 18]*	18,832,271	80,218,210
Investment in OncoQuest *[note 18]*	7,334,908	10,495,335
	26,180,571	90,740,422
	26,802,073	91,028,572
LIABILITIES		
Current		
Accounts payable and accrued liabilities *[note 11]*	106,406	108,599
Short term loan *[note 11]*	1,000,000	500,000
Lease obligation - current portion *[note 5]*	-	13,998
	1,106,406	622,597
Subsequent events *[note 20]*		
Commitments and contingencies *[note 7]*		
SHAREHOLDERS' EQUITY		
Common shares *[note 8]*	30,741,316	30,616,716
Contributed surplus	11,133,047	11,064,397
Accumulated other comprehensive income (loss) *[note 18]*	(114,490)	(50,335)
Retained earnings	(16,064,206)	48,775,197
	25,695,667	90,405,975
	26,802,073	91,028,572

See accompanying notes

On behalf of the Board:

(signed)	(signed)
J. Mark Lievonen	Madi R. Madiyalakan
Director	Director

Quest PharmaTech Inc.

RESTATED CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(Expressed in Canadian Dollars, except as otherwise noted)

	For the years ended January 31	
	2023	**2022**
	$	$
	(Restated - note 21)	
EXPENSES		
General and administrative	**497,989**	**620,337**
Research and development including amortization, net *[note 13]*	**336,227**	**170,236**
	834,216	**790,573**
Loss before the undernoted	**(834,216)**	**(790,573)**
Other income (expenses)		
Financial expenses	**(21,002)**	**(13,063)**
Equity income (loss) - OncoQuest *[note 18]*	**(3,096,272)**	**(57,754,078)**
Gain on sale of Bioceltran shares *[note 19]*	**300,000**	—
Gain on sale of shares of OncoVent *[note 11]*	—	**28,318**
FV adjustment - investment in OncoQuest *[note 18]*	—	**(26,748,980)**
FV adjustment - investment in OQP Bio bonds [note 18]	**(61,385,939)**	—
Cost recoveries *[note 11]*	**150,000**	**241,255**
Foreign exchange loss	**(724)**	**(1,453)**
	(64,053,937)	**(84,248,001)**
Net loss for the year	**(64,888,153)**	**(85,038,575)**
Other comprehensive income (loss) *[note 18]*	**(64,155)**	**(50,335)**
Comprehensive loss	**(64,952,308)**	**(85,088,910)**
Basic loss per share *[note 15]*	**$ (0.384)**	**$ (0.505)**
Fully diluted loss per share *[note 15]*	**$ (0.384)**	**$ (0.505)**

See accompanying notes

Quest PharmaTech Inc.

RESTATED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars, except as otherwise noted)

	Share capital - common shares	Contributed surplus	Accumulated other comprehensive income (loss)	Retained earnings (deficit)	Total shareholders' equity (deficiency)
	$	$	$	$	$
Balance, January 31, 2021	**30,616,716**	**10,793,897**	**—**	**133,813,772**	**175,224,385**
Other comprehensive loss *[note 18]*	—	—	(50,335)	—	(50,335)
Share based payments *[note 10]*	—	270,500	—	—	270,500
Net loss for the year	—	—	—	(85,038,575)	(85,038,575)
Balance, January 31, 2022	**30,616,716**	**11,064,397**	**(50,335)**	**48,775,197**	**90,405,975**
Shares issued *[note 8]*	124,600	(35,600)	—	—	89,000
Share options expired	—	(48,750)	—	48,750	—
Share based payments *[note 10]*	—	153,000	—	—	153,000
Other comprehensive income *[note 18]*	—	—	(64,155)	—	(64,155)
Net loss for the year - restated *[note 21]*	—	—	—	(64,888,153)	(64,888,153)
Balance, January 31, 2023	**30,741,316**	**11,133,047**	**(114,490)**	**(16,064,206)**	**25,695,667**

See accompanying notes

Quest PharmaTech Inc.

RESTATED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars, except as otherwise noted)

	For the years ended January 31	
	2023	**2022**
	$	$
	(Restated - note 21)	
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Net income (loss) for the period	**(64,888,153)**	**(85,038,575)**
Items that do not involve cash		
Amortization	**13,486**	**38,562**
Loss on Adjustment of Property and Equipment	—	**1,946**
Gain on sale of Bioceltran shares *[note 19]*	**(300,000)**	-
Gain on sale of OncoVent shares *[note 11]*	—	**(28,318)**
Fair value adjustment - OQP Bio bonds	**61,385,939**	—
Share-based payments *[note 10]*	**153,000**	**270,500**
Sale proceeds due from Bioceltran	**210,000**	—
Net change in working capital *[note 12]*	**(225,227)**	**82,051**
Allocation of (income) loss from OncoQuest *[note 18]*	**3,096,272**	**57,754,078**
Fair value adjustment - investment in OncoQuest *[note 18]*	—	**26,748,980**
NET CASH FROM (USED IN) OPERATING ACTIVITES	**(554,683)**	**(170,776)**
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Exercise of options into common shares *[note 8]*	**89,000**	—
Proceeds from sale of Bioceltran shares	**90,000**	—
Short term working capital loan *[note 11]*	**500,000**	**250,000**
NET CASH FROM FINANCING ACTIVITES	**679,000**	**250,000**
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Lease obligation reduction	**(13,999)**	**(13,998)**
NET CASH FROM / (USED IN) INVESTING ACTIVITES	**(13,999)**	**(13,998)**
Net increase in cash	**110,318**	**65,226**
Cash, beginning of period	**264,340**	**199,114**
Cash, end of period	**374,658**	**264,340**

See accompanying notes

Quest PharmaTech Inc.

NOTES TO THE RESTATED CONSOLIDATED FINANCIAL STATEMENTS (Expressed in Canadian Dollars, except as otherwise noted)

January 31, 2023

1. CORPORATE INFORMATION AND GOING CONCERN UNCERTAINTY

Corporate information

Quest PharmaTech Inc. ("Quest" or the "Company") is a publicly traded, Canadian based pharmaceutical company developing products to improve the quality of life. The Company is developing targeted cancer therapy with its lead product (MAb AR9.6), under development for a novel target (truncated O-glycans on MUC16) discovered at University of Nebraska Medical Center.

The Company also holds an equity interest in several companies, including a 42.52% equity interest in OncoQuest Inc. ("OncoQuest"), a private Canadian biotechnology company developing next generation of combinatorial immunotherapy products for the treatment of cancer. OncoQuest's technology platform included a panel of tumor antigen specific monoclonal antibodies of the immunoglobulin G ("IgG") and E ("IgE") class targeting CA125, MUC1, PSA, Her2/neu, CA 19.9 and TAG72; and the application of combinatorial immunotherapy to enhance tumor specific immunity and clinical outcome. On April 22, 2020, OncoQuest announced a definitive agreement to sell its drug portfolio to Dual Industrial Co., Ltd. (renamed as OncoQuest Pharmaceuticals, Inc or "OQP Korea" in May, 2020) in exchange for OQP Korea bonds and cash with a notional value of US$308.4 million and a commitment to fund the Oregovamab Phase 3 Clinical Trial. The asset transfer agreement ("ATA") transaction completed its second closing in February 2021 and as a result all legal title and registrations for OncoQuest's immunotherapy assets were transferred to OQP Korea. In return, OncoQuest received US$125 million of OQP Korea bonds convertible into OQP Korea shares, US$8.4 million in cash, and an OQP Korea unsecured 1% interest bearing corporate bond for USD$175 million, exchangeable into 65,229,709 shares of OQP Korea with an ascribed notional value of US$175 Million subject to regulatory approval. As the requisite approvals have not yet been received and the trading in the shares of OQP Korea has been suspended on the KOSDAQ Exchange in March 2021, OncoQuest management are working with OQP Korea management to resolve these issues as quickly as possible and monetize the consideration received in the transaction with OQP Korea. In May 2021, OQP Korea determined to spin out the biotechnology business, comprised of the immunotherapy assets, into a separate company that will pursue a public listing on a different exchange. In August 2021, the reorganization was implemented, and OQP Korea's biotechnology business assets were transferred to OQP Bio Inc. (Korea), a private Korean company ("OQP Bio"). In January 2022, OncoQuest issued an in-kind dividend of OQP Bio bonds to its shareholders, including to Quest. The OQP Bio bonds received by Quest have a face value of KRW129.1 billion and an estimated fair value on January 31, 2023, of $18.8 million.

Subsequent to year-end, the Company entered into a non-binding agreement in principle with OQP Bio Inc. (the "Agreement in Principle"), to exchange the Company's OQP Bio bonds for 77.5 billion KRW (Cdn$83,855,000) in cash and 64.6 billion KRW (Cdn$69,897,200) in bonds of Canaria Bio M (K-OTC – 118970) ("CABM"). The cash is receivable in 3 tranches (end of May 2023 – 21.6 billion KRW (Cdn$23,371,200), end of December 2023 – 25.9 billion KRW (Cdn$28,023,800) and end of June 2024 – 30.0 billion KRW (Cdn$32,460,000)). The CABM bonds, if issued, are contemplated to carry a feature that would permit the Company to convert its CABM bonds into 20.5 million CABM shares and following a business restructuring, the CABM shares are contemplated to be converted into 2.51 million shares of Canaria Bio ("CAB"), a KOSDAQ traded company (KOSDAQ

NOTES TO THE RESTATED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars, except as otherwise noted)

January 31, 2023

1. CORPORATE INFORMATION AND GOING CONCERN UNCERTAINTY [CONTINUED]

trading symbol – 016790). The Agreement in Principle is indicative and non-binding. The Company's receipt of cash for a portion of its OQP Bio bonds was to be provided by third-party purchasers to be arranged by OQP Bio, none of which have been identified to date. The Company has not entered into a binding definitive agreement with OQP Bio regarding the proposed transactions contemplated by the Agreement in Principle nor received any cash payments under the Agreement in Principle with OQP Bio. A binding definitive agreement had not been entered into by the deadline specified in the Agreement in Principle (May 19, 2023) nor had one been entered into at the financial statement filing date (May 31, 2023). The terms and conditions of the Agreement in Principle are indicative and subject to change. There can be no assurance that a definitive agreement will be entered into, and even if entered into, the Company will be subject to significant performance risk of the counterparties, liquidity risk and price volatility risk for any securities received. Until a buyer is identified, none of the cash payments contemplated under the Agreement in Principle will be received. Conversion of the remaining bonds into shares of CAB is dependent on further restructuring of OQP Bio, CABM and CAB, none of which has occurred to date nor have any legal commitments to effect such restructurings been entered into. The OQP Bio bonds represent an illiquid investment and there can be no assurance that the Company will be able to find a buyer for or be able to monetize all or any part of its OQP Bio bonds.

In April 2024, the Company changed the valuation methodology used to support the value the Company's OQP Bio bonds as at January 31, 2023. Originally, the bonds were valued based on the fair value of the cash and shares of Canaria Bio expected to be received under the transactions contemplated by the Agreement in Principle. Under the new valuation methodology, the Company engaged an independent valuator to prepare a valuation report that provides a fair value of the OQP Bio bonds as at January 31, 2023 based on customary valuation metrics for financial instruments. The change in the valuation methodology resulted in a significant decrease in the carry values of the OQP Bonds as at January 31, 2023 and related significant additional impairment charge.

Another equity investment for Quest includes an 10.67% interest in OncoVent Co., Ltd., a China-based global pharmaceutical company focusing on the development, manufacturing and commercialization of Cancer Immunotherapy Products within China with pancreatic cancer as its first target.

In September 2022, the Company sold its ownership interest in Bioceltran Co. Ltd. for proceeds of $300,000. $90,000 was paid on execution of the sale agreement and the remaining $210,000 is receivable within 12 months. As part of the transaction, the Company also terminated the exclusive license for the Photodynamic Therapy technology.

The Company's head office is located at 4342 – 97 Street NW, Edmonton, Alberta, Canada T6E 5R9 and it is incorporated under the Business Corporations Act (Alberta).

The Company's functional and presentation currency is the Canadian dollar. The Company is publicly traded on the TSX Venture Exchange under the symbol "QPT".

1. CORPORATE INFORMATION AND GOING CONCERN UNCERTAINTY [CONTINUED]

These consolidated financial statements have been authorized for issue by the Company's Board of Directors on May 28, 2024.

Going concern uncertainty

The Company's consolidated financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company has experienced significant cash outflows from operations since its inception.

The Company has reported a net loss of $64,888,153 for the year ended January 31, 2023 (2022 Net Loss - $85,038,575) and a shareholders' equity of $25,695,667 (January 31, 2022 – shareholders' equity of $90,405,975), the Company has consolidated cash reserves of only $374,658 at January 31, 2023 (January 31, 2022 - $264,340) and as at January 31, 2023 had a working capital deficiency of $510,437 (January 31, 2022 – working capital deficiency $343,939). In addition, in March 2021, trading in the shares of OQP Korea was suspended on the KOSDAQ exchange which impacts the ability of OncoQuest to monetize the OQP Korea share and bond consideration received by OncoQuest under the ATA, to pay for the costs of the ATA transaction including Canadian income tax and to distribute any ATA net proceeds to its shareholders, including Quest. The immunotherapy assets of OncoQuest sold to OQP Korea in 2020 under the ATA and subsequently transferred to OQP Bio in 2021 in connection with a reorganization of OQP Korea, were further transferred by OQP Bio without the bond obligations being transferred to or assumed by the buyer and no longer form part of the assets of OQP Bio backing the OQP Bio bonds. This puts the Company at significant risk given that OQP Bio now has diminished assets from which to repay the bonds. Further, the Company's basis for attributing value to the OQP Bio bonds is significantly dependent on the issuance of publicly traded securities in exchange for the bonds. Accordingly, there is a material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern.

Subsequent to year-end, the Company entered into a non-binding agreement in principle with OQP Bio Inc., to exchange the Company's OQP Bio bonds for 77.5 billion KRW (Cdn$83,855,000) in cash and 64.6 billion KRW (Cdn$69,897,200) in bonds of CABM, however a definitive agreement was never executed and no cash payments have been received.

The Company's ability to continue as a going concern is uncertain and is dependent upon its ability to raise additional capital to successfully complete its research and development programs, commercialize its technologies, conduct clinical trials and receive regulatory approvals for its products, and upon the ability and timing for the Company to monetize its OQP Bio bonds. It is not possible at this time to predict the outcome of these matters. The Company's consolidated financial statements do not reflect any adjustments to the classifications and carrying values of assets and liabilities, or to the amounts reported as earnings per share, that may be required should the Company be unable to continue as a going concern and therefore be required to

1. CORPORATE INFORMATION AND GOING CONCERN UNCERTAINTY [CONTINUED]

realize its assets and discharge its liabilities in other than the normal course of business. The Company intends to address this uncertainty through new share or debt issuances, licensing arrangements and/or strategic partnerships.

2. BASIS OF PREPARATION

These consolidated financial statements of the Company were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of May 28, 2024, the date the Board of Directors approved the consolidated statements.

These consolidated financial statements have been prepared on a historical cost basis, with the exception of financial instruments classified at fair value through profit or loss ("FVTPL"). In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of expenses during the period. Actual results could differ from these estimates.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of measurement

The consolidated financial statements have been prepared on a going concern basis under the historical cost convention, except for share-based transactions and certain financial instruments which are measured at fair value.

Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned and controlled subsidiaries incorporated in Canada as at January 31, 2023:

- Madenco BioSciences Inc. (100%)
- Sonolight Pharmaceuticals Corp. ("Sonolight") (100%)

3. SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control and continue to be consolidated until the date such control ceases. The financial statements of the subsidiaries are prepared using accounting policies consistently applied. All inter-company transactions and balances have been eliminated in full.

Cash

Cash consists of cash on hand less cheques issued and outstanding, plus deposits in transit, carried at amortized cost.

Prepaid Expenses

Prepaid expenses represent costs incurred that benefit future periods. These costs are amortized over a specific time period based on the specific agreements. If the period is expected to exceed one year, as is the case with certain clinical research agreements whereby the Company made up front payments, the prepaid expense is classified as a long-term asset.

Short-Term Borrowing

The Company or its subsidiaries from time-to-time receives cash from investors to be used for working capital purposes. These are short term in nature with a term of less than 12 months and are expected to be repaid along with accrued interest, if any, within the term. The interest rate on such borrowings vary based on the term of such deposit.

Investments

OncoVent Co., Ltd.

The Company has an investment in OncoVent Co., Ltd. ("OncoVent") (see Note 17 – Investment in OncoVent). The Company owns 10.67% of the shares of OncoVent. The Company's former subsidiary, OncoQuest Inc. ("OncoQuest"), owns 29% of the shares of OncoVent. As a result of the direct and indirect ownership interest in OncoVent, the Company owns approximately 23%, holds significant influence over OncoVent and its operations and accounts for its investment in OncoVent using the equity method of accounting.

OQP Bio Inc.

The Company has an investment in OQP Bio Inc. ("OQP Bio") comprised of OQP Bio bonds that were received in January 2022 as an in-kind dividend from OncoQuest. The OQP Bio bonds have a face value of KRW129.1 billion and an estimated fair value of Cdn$18.8 million at January 31, 2023, all of which is classified as long term on the statement of financial position due to the timing of receipt of the bond consideration.

3. SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

The OQP Bio bonds represent an illiquid investment and there can be no assurance that the Company will be able to find a buyer for or be able to monetize all or any of its OQP Bio bonds.

Intangible assets

Intangible assets include proprietary rights, intellectual property and patent rights that have been acquired from third parties. Intangible assets are recorded at historical cost less accumulated amortization. Following acquisition, the Company evaluates the prospective commercialization of the acquired intangible assets. Depending on the results of the evaluation, the Company generally commences amortization of the assets over a period of three to five years.

Intangible assets are amortized over the useful economic life and assessed for impairment at the end of each reporting period. The amortization period and the amortization method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life of the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Property and equipment

Property and equipment are recorded at historical cost net of government assistance and accumulated amortization. Amortization of property and equipment is calculated over their estimated useful lives on a declining balance or straight-line basis at the following annual rates:

Computer equipment	Declining balance - 30%
Furniture and fixtures	Declining balance - 30%
Office equipment	Declining balance - 30%
Manufacturing and research and development equipment	Declining balance - 30%
Right-of-use asset	Over the term of the lease
Leasehold improvements	Straight-line - lease term

Leases

The Company assesses whether a contract is a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying

3. SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever the lease term has changed the lease payments change, in which cases the lease liability is measured by discounting the revised lease payments using the initial discount rate. The Company did not make any such adjustments during the year ended January 31, 2023 and 2022, respectively.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at amortized cost less accumulated depreciation and impairment losses.

Research and development

Research and development expenses are expensed as incurred. Upfront and milestone payments made to third parties in connection with specified research and development projects are expensed as incurred.

Investment tax credits

Investment tax credits relating to qualifying scientific research and experimental development expenditures that are recoverable in the current year are accounted for as a reduction in research and development expenditures. Investment tax credits are recognized when the related expenditures are incurred and there is reasonable assurance of their realization.

Foreign currency translation

Monetary transactions are translated into Canadian Dollars using the exchange rates prevailing at the dates of the transactions. Equity and Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing at year end. Revenue and expenses are translated at exchange rates in effect on the date of the transaction. Gains and losses arising from foreign currency transactions are included in income for the period.

3. SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

Government assistance

Non-refundable government assistance towards current expenses is included in the determination of income for the period as a reduction of the expenses to which it relates. Amounts received for future expenditures are recorded as a current liability.

Financial instruments

Financial assets within the scope of IFRS 9 are classified at amortized cost, at fair value through other comprehensive income (FVOCI) or fair value profit or loss (FVTPL). The Company determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus or minus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs. The Company's financial assets include cash, accounts receivable and an investment in OQP Bio bonds.

Financial assets and liabilities are off set and the net amount presented in the financial statements when and only when, the Company has legal rights to offset the amounts and intend either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include all financial assets unless measured at amortized cost or at fair value through other comprehensive income. The Company can make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

The Company may irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on a different basis.

The Company has designated the OQP Bio bonds as a financial asset at fair value through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

Amortized cost
Financial asset measurement at amortized cost is permitted by IFRS 9 if the following conditions are met:

1. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

2. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has designated cash and accounts receivable at amortized cost.

Fair value through other comprehensive income
Financial asset measurement at fair value through other comprehensive income is permitted by IFRS 9 if the following conditions are met:

1. The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
2. The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value plus or minus, in the case of financial liabilities not at FVTPL, directly attributable transaction costs. The Company's financial liabilities include accounts payable and accrued liabilities, and the short term loan.

Subsequent Measurement
The subsequent measurement of financial liabilities depends on their classification as follows:

Financial Liabilities at amortized cost
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate ("EIR").

The Company has designated accounts payable and accrued liabilities and the short-term loan as measured at amortized cost.

3. SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities measured at fair market value and financial liabilities designated at fair value through profit or loss.

Financial liabilities are classified as measured at fair market value if they are acquired for the purpose of selling in the near term. Gains or losses on liabilities at fair market value are recognized in the income statement. Nothing is designated here in this classification.

Financial guarantee contracts
Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs due performance of the debtor. Financial guarantee contracts consist of common share instruments which guarantee a dividend in kind if additional common shares are issued to other investors below a stated price. Financial guarantee contracts are recognized initially as a liability at fair value and adjusted for transaction costs that are directly attributable to the issuance of the guarantee and are subsequently measured at fair market value.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices without any deduction for transaction costs or using a valuation technique where no active market exists.

Impairment of long-lived assets

Assets that are subject to amortization are reviewed at the end of each reporting period for indications that the asset may be impaired. An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Long-lived assets other than goodwill that have incurred an impairment loss are reviewed for possible reversal of impairment at each reporting date.

Impairment of financial assets

Under IFRS 9, the Company is required to apply an expected credit loss ("ECL") model to all debt financial assets not held at FVTPL, where credit losses that are expected to transpire in future years are provided for, irrespective of whether a loss event has occurred or not as at the date of the statement of financial position. For receivables, the Company has applied the simplified approach under IFRS 9 and has calculated ECLs taking into consideration historical credit loss experience and financial factors specific to the debtors and general economic conditions.

3. SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

Evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or,
- Default or delinquency in interest or principal payments; or,
- Probable bankruptcy or reorganization of the borrower.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets.

Share-based payments

The Company accounts for share-based payment transactions granted to employees and non-employees using the fair value method. Fair value is calculated using the Black-Scholes option pricing model with the assumptions described in note 10 and is recognized for employees over the vesting period of the options granted, and for non-employees as goods are received or services rendered. The amount of share-based compensation recognized in each period is also based on the number of share options ultimately expected to vest to each participant. As a result, the Company is required to estimate forfeiture rates, which are typically based on historical employee turnover data and trends. Changes in estimated forfeiture rates will impact the recognition of share-based compensation expense from period to period. Consideration paid on the exercise of share-based payments is credited to share capital and the amount in contributed surplus related to the share-based payments exercised is reclassified to share capital.

Under the fair value-based method, share-based payments to non-employees are measured at the fair value of the consideration received, or the fair value of the equity instruments issued, or liabilities incurred, whichever is more reliably measured. The cost of share-based payments to non-employees is recognized over the vesting period. For fully vested share-based payments, the cost is measured and recognized at the grant date. Share-based payments are included in the general and administrative and research and development line items on the consolidated statements of loss.

Income taxes

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred income tax assets and liabilities are measured at the tax rates expected to apply in the period when the assets are realized, or the liability is settled based on the tax rates that have been enacted or substantively enacted at the date of the consolidated statements of financial position. The carrying

3. SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

amount of the deferred tax asset is reviewed at each consolidated statement of financial position date and reduced to the extent that it is not probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Basic and diluted loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. Diluted loss per share is computed using the treasury stock method. Under this method, options, warrants and convertible securities are assumed to be exercised at the beginning of the period [or at the time of issuance, if later]. Proceeds from the exercise are assumed to be used to purchase common shares at the average market price during the period. Incremental shares [the difference between the number of shares assumed issued and the number of shares assumed purchased] are included in the denominator of the diluted loss per share computation. See Loss Per Share in note 15.

Use of estimates and significant judgements

The measurement of certain assets and liabilities is dependent upon future events whose outcome will not be fully known until future periods. Therefore, the preparation of these consolidated financial statements requires the Company's management to make estimates and assumptions and apply significant judgements that affect the reported amounts of assets, liabilities and capital reserves. Actual results may vary from those estimated. The amounts recorded for the Company's investment in OncoQuest, investments in OQP Bio bonds, the assessment of the Company's ability to continue as a going concern, share-based compensation, right-of-use asset and liability, are the more significant items which reflect estimates made and judgements applied in the consolidated statements of financial position. Such estimates and assumptions have been made using careful judgments, including using a Black-Scholes option pricing model to estimate the fair value of options and using third party evidence to value and support the Company's investment in OncoQuest and the OQP Bio bonds, which, in management's opinion, are within reasonable limits of materiality and conform to the significant accounting policies summarized in these consolidated financial statements.

Other comprehensive income (losses)

Other comprehensive income (losses) are comprised of gains/losses on conversion of US dollar denominated non-controlling interests in subsidiaries to the Company's functional currency. In addition, other comprehensive losses include gains/losses on the redemption or conversion of preferred shares.

Investment in OncoQuest Inc.

The Company accounts for its Investment in OncoQuest Inc. using the Equity Method of accounting. The equity

3. SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

method involves the recording of the initial investment at cost and the subsequent adjusting of the carrying value of the investment for the Company's proportionate share of the earnings or loss. The cost of the investment includes transaction costs.

Adjustments are made to align the accounting policies of OncoQuest with those of the Company before applying the equity method. When the Company's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of OncoQuest, If OncoQuest subsequently reports profits, the Company resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

Changes to Accounting Standards

The following new standards, amendments and interpretations have been issued but are not effective for the fiscal year ended January 31, 2023 and, accordingly, have not been applied in preparing these consolidated financial statements:

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current
Amendments to IAS 8: Definition of Accounting Estimates
Amendments to IAS 12: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
Amendments to IAS 1 and IFRS Practice Statement 2: Making Materiality Judgements

The following new standards and amendments had no impact on the consolidated financial statements of the company:

Amendments to IAS 37: Onerous Contracts
Amendments to IFRS 3: Conceptual Framework
Amendments to IAS 16: Leases
Amendments to IFRS 9: Derecognition of Financial Liabilities

4. INTANGIBLE ASSETS

All intangible assets have been fully amortized. The historical presentation of the technologies is noted below:

Targeted Cancer Therapy Technologies

The Company has identified and validated the tumor-targeting abilities of a novel monoclonal antibody, AR9.6, that binds to MUC16 and blocks the activation of growth factor receptors and thereby inhibit phosphorylation of Akt, which leads to reduced cell proliferation, in vivo tumor growth and metastasis.

AR9.6, as a promising theranostic agent, was established in animal models leading to two manuscripts in peer reviewed journals and one patent application.

The potential cancer targets include pancreatic, colon, leukemia, ovarian and breast cancer.

NOTES TO THE RESTATED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars, except as otherwise noted)

January 31, 2023

5. PROPERTY AND EQUIPMENT

For the year ended January 31, 2023:

	Computer Equipment	Furniture and Fixtures	Office Equipment	Manufacturing and Research and Development Equipment	Leasehold Improvements	Totals 2023	Totals 2022
Cost, beginning of year	96,357	12,114	31,494	457,983	10,224	608,212	791,696
Additions	—	—	—	—	—	—	—
Deletions	—	—	—	—	—	—	—
Cost, end of year	96,357	12,114	31,494	457,983	10,224	608,212	791,696
Accumulated amortization, beginning of year	94,495	12,114	31,494	455,662	10,224	603,989	736,677
Adjustments	—	—	—	—	—	—	—
Amortization	547	—	—	704	—	1,251	38,562
Accumulated amortization, end of year	95,042	12,114	31,494	456,366	10,224	605,240	775,239
Net book value	**1,355**	**-**	**-**	**1,617**	—	**2,972**	**16,457**

NOTES TO THE RESTATED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars, except as otherwise noted)

January 31, 2023

5. PROPERTY AND EQUIPMENT [CONTINUED]

For the year ended January 31, 2022:

	Computer Equipment	Furniture and Fixtures	Office Equipment	Manufacturing and Research and Development Equipment	Leasehold Improvements	Leased Assets	Totals 2022
Cost, beginning of year	96,357	12,114	31,494	457,983	10,224	183,484	791,696
Additions	—	—	—	—	—	—	—
Deletions	—	—	—	—	—	—	—
Cost, end of year	96,357	12,114	31,494	457,983	10,224	183,484	791,696
Accumulated amortization, beginning of year	93,667	12,097	31,473	454,662	10,224	134,554	736,677
Adjustments	—	—	—	—	—	—	—
Amortization	828	17	21	1,000	—	36,696	38,562
Accumulated amortization, end of year	94,495	12,114	31,494	455,662	10,224	171,250	775,239
Net book value	**1,902**	**-**	**-**	**2,321**	—	**12,234**	**16,457**

Right-of-Use Leased Assets - Effective February 1, 2019, on adoption of IFRS 16, the Company has recorded leased assets related to the Company's right-of-use for its lease space at 8123 Roper Road NW Edmonton. The 5-year lease is effective until May 31, 2023, with no renewal provisions in the lease agreement. The Company has a minimum annual lease payment obligation of $42,516. Based on an estimated incremental borrowing rate of 5.95%, the Company recorded leased assets of $183,484.

At January 31, 2023, the lease obligation is estimated to be $nil. The Company recorded $157 of interest expense under Financial Expenses for the right-of-use liability for fiscal 2023 (2022 - $2,146) which is included in Financial Expenses on the Consolidated Statements of Operations.

NOTES TO THE RESTATED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars, except as otherwise noted)

January 31, 2023

6. INCOME TAXES

Details of the components of income taxes from operations are as follows:

	2023 $	2022 $
Income (loss) from operations	**(64,888,153)**	(85,038,575)
Statutory tax rate	**23.00%**	23.00%
Income tax payable (recovery) at Canadian statutory tax rate	**(14,924,275)**	(19,558,872)
Adjustment in income taxes resulting from:		
Non-deductible expenses	**475**	99,978
CCA in excess of amortization	**(12,875)**	-
Equity loss	**712,143**	-
Fair value adjustment	**14,118,765**	-
Non-capital losses carried forward	**105,767**	-
Impact on deferred tax assets resulting from statutory rate increase	**-**	(52,516)
Potential deferred tax assets not recognized	**-**	19,511,410
Deferred tax recovery	—	—

Significant components of the Company’s deferred tax balances are as follows:

	2023 $	2022 $
Deferred tax assets		
Non-capital loss carryforwards	**3,064,764**	2,984,575
Tax cost of property and equipment in excess of book values	**85,636**	89,483
Scientific research and experimental development expenditure pool	**806,942**	852,023
	3,957,342	3,926,081
Valuation allowance	**(3,957,342)**	(3,926,081)
	—	—

NOTES TO THE RESTATED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars, except as otherwise noted)

January 31, 2023

6. INCOME TAXES [CONTINUED]

The Company and its subsidiaries have non-capital losses for income tax purposes of approximately $13,325,063 at January 31, 2023 (2022 – $12,728,196), and scientific research and experimental development expenses of approximately $2,807,018 at January 31, 2023 (2022 – $2,807,018) that can be applied against taxable income. The benefit of these deductible temporary differences has not been recognized. The Company also has investment tax credits ("ITCs") of $701,426 (2022 – $701,426) that can be applied against future taxable income for which no deferred tax asset has been recognized. The Company also has capital losses for income tax purposes of approximately $2,936,346 at January 31, 2023 (2022 - $242,228) which carryforward indefinitely and can be applied against future taxable capital gains for which no deferred tax asset has been recognized.

The non-capital losses and investment tax credits ("ITCs") available for carry forward will expire as follows:

Expiry	**Non-capital losses**	**ITC**
	$	$
2026	2,501,172	—
2027	1,137,273	91,300
2028	614,800	98,900
2029	97	198,900
2030	122	48,700
2031	809,406	63,700
2032	524,854	41,500
2033	727,483	50,200
2034	98	75,400
2035	1,344,512	32,826
2036	48	—
2037	1,381,038	—
2038	1,156,433	—
2039	467,426	—
2040	1,007,607	—
2041	833,260	—
2042	283,457	—
2043	535,977	—
Totals	**13,325,063**	**701,426**

(Expressed in Canadian Dollars, except as otherwise noted)

7. COMMITMENTS AND CONTINGENCIES

The company entered into a 5-year lease for its office building in May 2017. The lease was extended until May 2023 however, the extension of the lease was considered short term and was directly expensed into general and administrative and research and development expenses during the year. The Company recognized $53,714 of lease expense in the consolidated statements of loss in fiscal 2023 (2022 – $26,451).

8. SHARE CAPITAL

Authorized

Unlimited number of common shares without nominal or par value
Unlimited number of first preferred shares
Unlimited number of second preferred shares

The first and second preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series.

Issued

	Number of common shares	Amount $
Common shares		
At January 31, 2021	168,239,247	30,616,716
At January 31, 2022	168,239,247	30,616,716
Shares issued pursuant to the exercise of share options	890,000	124,600
At January 31, 2023	**169,129,247**	**30,741,316**

During the year ended January 31, 2023, 890,000 share options were exercised into 890,000 common shares for net proceeds of $124,600 from 2 officers and 2 consultants of the Company.

NOTES TO THE RESTATED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars, except as otherwise noted)

January 31, 2023

8. SHARE CAPITAL [CONTINUED]

The following options to purchase common shares were outstanding as at January 31, 2023:

Exercise price $	Options outstanding #	Weighted average remaining life (years)	Options exercisable #
0.09	**1,400,000**	**0.72**	**1,400,000**
0.10	**5,775,000**	**0.65**	**5,775,000**
0.115	**2,050,000**	**0.92**	**2,050,000**
0.15	**3,225,000**	**0.70**	**3,225,000**
0.18	**1,250,000**	**0.40**	**1,250,000**
0.23	**1,720,000**	**0.74**	**1,720,000**
0.25	**3,110,000**	**0.51**	**3,110,000**
0.15	**18,530,000**	**0.66**	**18,530,000**

The following schedule details the warrants and share options granted and expired:

	Shares issuable on exercise of			
	Warrants		Share options	
	Number of warrants #	Weighted average exercise price $	Number of share options #	Weighted average exercise price $
Balance, January 31, 2021	—	—	**18,295,000**	**0.15**
Granted	—	—	2,500,000	0.11
Expired	—	—	(2,050,000)	0.10
Exercised	—	—	—	—
Balance, January 31, 2022	—	—	**18,745,000**	**0.15**
Granted	—	—	1,700,000	0.09
Expired	—	—	(1,025,000)	0.10
Exercised	—	—	(890,000)	0.10
Balance, January 31, 2023	—	—	**18,530,000**	**0.15**

8. SHARE CAPITAL [CONTINUED]

Company share options

For the year ended January 31, 2023, the Company granted 1,700,000 share options, as per the Company's Share Option Plan to 2 employees and 4 non-employees at exercise prices ranging from $0.09 - $0.10, vesting immediately on date of grant (see Note 10 – Share Based Payments).

For the year ended January 31, 2022, the Company granted 2,500,000 share options, as per the Company's Share Option Plan to 5 employees and 5 non-employees at exercise prices ranging from $0.10 - $0.115, vesting immediately on date of grant (see Note 10 – Share Based Payments).

On November 27, 2015, the Company obtained shareholder approval to amend its Share Option Plan such that the aggregate number of common shares eligible for issuance under the Share Option Plan shall not exceed 25,000,000. As at January 31, 2023, 6,470,000 options are available for issue (January 31 2022 – 6,255,000).

9. CAPITAL DISCLOSURES

The Company is a biotechnology company and consistent with other companies in the industry, the Company's objectives when managing capital are to safeguard its accumulated capital in order to maintain its ability to operate as a going concern so that it can continue with its drug development program and strive to maximize shareholder value. Capital is defined by the Company as shareholders' equity (primarily comprising of share capital, contributed surplus and retained earnings). The Company manages its capital structure and makes adjustments to it based on the needs of the Company's operations and the requirement for funding to continue with the Company's drug development program. The Company does this through new share or debt issuances, selling assets or licensing its technologies to third parties to fund operations. The Company is not subject to any externally imposed capital requirements.

10. SHARE-BASED PAYMENTS

For the year ended January 31, 2023, the Company granted a total of 1,700,000 (2022 – 2,500,000) share options under the Company's Share Option Plan. Options vested immediately. The fair value of options vesting in 2023 of $153,000, of which $100,800 is included under general and administrative expenses and $52,200 as research and development expenses (2022 - $270,500 - $232,000 G&A / $38,500 R&D) was recognized as a share-based payment expense and credited to contributed surplus for the years ended January 31, 2023 and 2022. There were no forfeitures of Company's share options during the years ended January 31, 2023 and 2022.

The Company used the Black-Scholes option pricing model to estimate the fair value of these options. The Company considers historical volatility of its common shares in estimating future share price volatility. The

(Expressed in Canadian Dollars, except as otherwise noted)

10. SHARE-BASED PAYMENTS [CONTINUED]

following assumptions, disclosed on a weighted average basis, were used:

	2023	2022
Dividend yield	0.00 %	0.00 %
Volatility	265 %	292 %
Risk-free interest rate	2.81 %	1.44 %
Expected life (years)	10.00	10.00
Fair value per option	$0.09	$0.11

For share options issued to non-employees, the Company has determined that the fair value of the share options issued, $9,000 in 2023 ($98,000 in 2022) is a reliable measure of the fair value of the services provided to the Company by non-employees. The $9,000 amount in 2023 is included in the fair value of options vesting in 2023 of $153,000 noted above.

11. RELATED PARTY TRANSACTIONS

Cost Sharing Agreement - The Company and OncoQuest operate in the same lease space. In December 2015, the Company entered into a Cost Sharing agreement with OncoQuest whereby certain of the common costs (leasing costs, utilities, etc.) are shared on an equal 50/50 basis between the companies. These costs are approximately $7,500 gross per month and fluctuate on a month-to-month basis. The amount paid for lease and other office related costs to the Company increased on February 1, 2017 to a monthly rate of $10,000 per month due to the increase in scope of operations at OncoQuest. The Company received $30,000 under this arrangement during the year ended January 31, 2023.

Cost Recovery - Executive Services Agreement - In July 2020, the Company entered into an Executive Services Agreement with OncoQuest whereby the Company’s officers render executive services to OncoQuest for a fee of $10,000 per month.

During the year ended January 31, 2021 the Company received 2% interest bearing debt funding of $250,000 from OncoQuest Inc. During the year ended January 31, 2022, the Company received additional debt funding of $250,000 from OncoQuest. The funding is for drug development and operational purposes, is short term, unsecured and repayable within 12 months. During the year ended January 31, 2023, the Company received a further $500,000 of 2% interest bearing debt funding from OncoQuest. The Company accrued $18,657 of loan interest related to this obligation for the year ended January 31, 2023 (2022 - $5,096). This accrued loan interest is included in accounts payable and accrued liabilities on the statement of financial position. Subsequent to year-end, the Company made a $200,000 principal repayment of the debt funding to OncoQuest Inc.

During the year ended January 31, 2023, two officers of the Company exercised 445,000 share options to acquire

(Expressed in Canadian Dollars, except as otherwise noted)

11. RELATED PARTY TRANSACTIONS [CONTINUED]

445,000 common shares of the Company at an exercise price of $0.10 per common share.

During the year ended January 31, 2022, as part of executive compensation, the Company remunerated one of its officers with a bonus payment comprised of shares of OncoVent having an estimated fair market value of $28,318.

These transactions were recorded at the exchange amount which is the amount agreed to by the related parties.

12. SUPPLEMENTAL CASH FLOW INFORMATION

Net change in non-cash working capital items related to operating activities

	2023 $	**2022** $
Other receivables	**(220,991)**	32,410
Prepaid expenses	**(2,043)**	26,116
Accounts payable and accrued liabilities	**(2,193)**	23,525
	(225,227)	82,051

During the year ended January 31, 2023, the Company paid $2,346 of interest (2022 - $6,341) and income taxes of $nil (2022 - $nil).

13. GOVERNMENT ASSISTANCE

During the year ended January 31, 2023, the Company recognized $nil (2022 - $nil) of government assistance related to scientific research and development claims made for research and development expenditures.

	2023 $	**2022** $
Gross research and development expenditures	**336,227**	170,236
Less: government assistance	—	—
Research and development expenditures, net	**336,227**	170,236

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments include cash, accounts receivable, the OQP Bio bonds, accounts payable and accrued liabilities and the short term loan.

a) Carrying value and fair value

The carrying values of cash, short term investments, other receivable, accounts payable and accrued liabilities, and the short term loan approximate their fair value due to the immediate or short-term maturity of these financial instruments.

Fair value

All financial instruments carried at fair value are categorized in one of three categories:

Level 1 – Quoted market price
Level 2 – Market observable valuation technique
Level 3 – Non-market observable valuation technique

During the years ended January 31, 2023 and 2022, there were no transfers between levels of the fair value hierarchy. The OQP Bio bonds are designated as fair value through profit or loss and are categorized as a Level 3 financial instrument, as the fair value techniques used market observable valuation techniques. These estimates are subjective in nature and involve uncertainties and matters of judgement and, therefore, cannot be determined with precision. Changes in the assumptions could significantly affect the estimates.

Investment valuations are affected by various factors including financial position, results from operations and foreseeable future cash flows from operations of investees. Investees have limited history of operations and there is no certainty that their strategic objectives and goals will be achieved, and there is no guarantee that shareholders' value will increase or be sustained even if these strategic objectives and goals are achieved. Management recognizes and monitors the performance of investees and makes appropriate adjustments to the assumptions and valuation model, if necessary. Investment valuations are susceptible to high volatilities and actual fair values may significantly differ from management's estimates.

Fair value of OQP Bio bonds at January 31, 2023:

In valuing the convertible bonds comprising part of the OQP Bio bonds, the valuator assumed that the bonds will be held until maturity in 2050 and the Company will receive the principal payments at that time. The fair value of the debt component of such bonds was calculated based on an assumed market rate of interest for similar instruments estimated at 21.275% based on market data, the fact that the issuer of the bonds is not revenue generating and the current default status of the corporate bond comprising part of the OQP Bio bonds. In valuing the fair value of the conversion feature of the convertible bonds, the valuator used a Black-Scholes option pricing

(Expressed in Canadian Dollars, except as otherwise noted)

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT [CONTINUED]

model, using the following assumptions:

Current price of issuer's shares:	KRW 3.612
Time to maturity:	27.13 and 27.24 years, respectively, for the two bonds
Expected volatility:	124.39%
Risk free interest rate:	3.18%

In valuing the (non-convertible) corporate bond, three scenarios for realization were assumed each with the probability of occurrence assigned to them: Scenario 1: Restructuring of bond (20% probability assigned); Scenario 2: Legal proceeding and Recovery (40% probability assigned); and Scenario 3: Default and no recovery (40% probability assigned). For Scenario 1; it was assumed that the bond would be restructures as a 10-year corporate bond with the same accrued interest and principal payable at maturity. For Scenario 2; a 40% recovery rate was assumed. For Scenarios 1 and 2, an assumed market rate of interest of 21.275% was used in the fair value calculations.

As a result, the estimated fair value of the OQP Bio bonds at January 31, 2023 was determined to be $18.8 million, with all of the bonds classified as long term due to the timing of potential receipt of the bond consideration.

A sensitivity analysis on the estimated fair value of the OQP Bio bonds at January 31, 2023 provided a range as noted below: The base case valuation is Cdn$18,832,271.

Probability of			Estimated fair value
Scenario 1 (Restructuring)	Scenario 2 (Legal Proceedings and Recovery)	Scenario 3 (Default and no recovery	($Cdn)
10%	45%	45%	19,221,802
15%	42.50%	42.50%	19,027,036
20%	***40%***	***40%***	***18,832,271***
25%	37.50%	37.50%	18,637,506
30%	35%	35%	18,442,740
35%	32.50%	32.50%	18,247,975
40%	30%	30%	18,053,210
45%	27.50%	27.50%	17,858,444

(Expressed in Canadian Dollars, except as otherwise noted)

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT [CONTINUED]

A sensitivity analysis of recovery rate to determine the estimated fair value of the OQP Bio bonds for the base case of a 20 % probability of Scenario 1 (restructuring), a 40% probability of Scenario 2 (Legal Proceedings and Recovery) and 40% probability of Scenario 3 (Default and no receovery) are noted below:

The base case valuation of the OQP Bio Bonds is $Cdn 18,832,271.

Recovery Rate %	Scenario 1 (Restructuring)	Scenario 2 (Legal Proceedings and Recovery)	Scenario 3 (Default and no recovery)	Estimated fair value ($Cdn)
30%	3,143,205	11,766,799	-	14,910,005
35%	3,143,205	13,727,933	-	16,871,138
40%	***3,143,205***	***15,689,066***	***-***	***18,832,271***
45%	3,143,205	17,650,199	-	20,793,404
50%	3,143,205	19,611,332	-	22,754,537
55%	3,143,205	21,572,465	-	24,715,671
60%	3,143,205	23,533,599	-	26,676,804
65%	3,143,205	25,494,732	-	28,637,937
70%	3,143,205	27,455,865	-	30,599,070

Other input variables (including market interest rates and risk-free interest rates) had limited impact on the estimated fair value of the OQP Bio bonds. While the above analysis includes factors that are quantifiable in nature, the valuation of the OQP Bio bonds are also influenced by changes in unobservable inputs. For instance, systemic market risks have a direct impact on valuation of financial assets. Geopolitical risks such as potential aggression or a flare up in tensions from North Korea towards South Korea may have adverse impacts in the valuation of financial assets such as OQP Bio bonds. Other idiosyncratic entity risks that encompass and not limited to company specific events, management decisions, industry specific factors and/or regulatory changes and drug marketing approval decisions have a direct bearing on the valuation of OQP Bio Bonds.

a) Risks

The Company is exposed to risks of various degrees of significance from its use of financial instruments which could affect its ability to and specifically to achieve its strategic objectives for growth and stakeholder returns.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT [CONTINUED]

The principal risks the company is exposed to and the actions taken to manage them are:

i) Foreign currency risk

The Company has certain assets and liabilities that are denominated in foreign currencies and are exposed to risks from changes in foreign exchange rates and the degree of volatility of these rates.

At January 31, 2023 the Company's exposure to foreign currency risk is US$2,088 in cash and KRW129,090,021,194 in OQP Bio bonds. The year-end rate of conversion of U.S. to Canadian dollars is 1.335 and KRW to Canadian dollars is 0.001082. Based on the foreign currency exposures noted above, a 10 percent strengthening of the Canadian dollar would have decreased the net income by $13,967,819, assuming all other variables remain unchanged. A 10 percent weakening of the Canadian dollar would have an equal but opposite effect, assuming all other variables remain unchanged.

At January 31, 2022 the Company's exposure to foreign currency risk is US$5,023 in cash and KRW129,090,021,194 in OQP Bio bonds. The year-end rate of conversion of U.S. to Canadian dollars is 1.2719 and KRW to Canadian dollars is 0.001054. Based on the foreign currency exposures noted above, a 10 percent strengthening of the Canadian dollar would have decreased the net income by $13,619,636, assuming all other variables remain unchanged. A 10 percent weakening of the Canadian dollar would have an equal but opposite effect, assuming all other variables remain unchanged.

The Company currently does not use derivative instruments to reduce its exposure to foreign currency risk.

ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's exposure to liquidity risk is dependent on its ability to raise funds to meet its commitments and sustain its operations. The Company controls liquidity risk by managing its working capital and by securing additional funds through equity, debt or partnering transactions (see Capital Disclosures, note 9). The Company only has cash reserves of $374,658 at January 31, 2023 (January 31, 2022 - $264,340). As such, there is a liquidity risk for the Company at January 31, 2023.

(Expressed in Canadian Dollars, except as otherwise noted)

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT [CONTINUED]

As at January 31, 2023, the contractual maturities of financial liabilities were as follows:

	Carrying Amount	Contractual Cash Flow	Within 1 Year	1 to 2 Years
Trade payables and accrued liabilities	106,406	106,406	106,406	-
Lease obligations	-	14,172	14,172	-
Short term loan to related parties	1,000,000	1,000,000	1,000,000	-
Total	1,106,406	1,120,578	1,120,578	-

As at January 31, 2022, the contractual maturities of financial liabilities were as follows:

	Carrying Amount	Contractual Cash Flow	Within 1 Year	1 to 2 Years
Trade payables and accrued liabilities	108,599	108,599	108,599	-
Lease obligations	13,998	56,688	42,516	14,172
Short term loan to related parties	500,000	500,000	500,000	-
Total	622,597	665,287	651,115	14,172

iii) Credit risk
Financial instruments that subject the Company to credit risk consist primarily of cash, long-term investments and accounts receivable. To minimize its exposure to credit risk, the Company invests surplus cash in short-term deposits that are fully guaranteed by the Company's financial banker, a major Canadian chartered bank. As the Company is a research and development company, the Company's exposure to credit risk for accounts receivable amounts, is not considered to be significant. The Company's exposure to credit risk for its long term investments of OQP Bio bonds is considered to be significant.

iv) Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and financial liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company's cash and long-term investments are comprised of highly liquid deposits that earn interest at market rates. Accounts receivable and accounts payable bear no interest. The Company manages its interest rate risk by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. The Company's policy limits the investing of excess funds to liquid government guaranteed deposits or GIC's.

NOTES TO THE RESTATED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars, except as otherwise noted)

January 31, 2023

15. LOSS PER SHARE

Basic and diluted net loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding for the year. In determining diluted net loss and net loss per common share, the weighted average number of common shares outstanding is adjusted for share options and warrants eligible for exercise where the average market price of common shares for the year exceeds the exercise price. Common shares that could potentially dilute basic net loss and net loss per common share in the future that could be issued from the exercise of share options and warrants were not included in the computation of the diluted loss per common share for the years ended January 31, 2023 and 2022 because to do so would be anti-dilutive.

The numerator and denominator used in the calculation of historical basic and diluted net loss amounts per common share are as follows:

	2023	**2022**
	$	$
Net loss	**(64,888,153)**	(85,038,575)
Number of weighted average common shares outstanding	**168,395,468**	168,239,247
Basic loss per share	**($0.384)**	($0.505)
Fully diluted loss per share	**($0.384)**	($0.505)

The following share options could potentially dilute basic earnings per common share in the future. These securities are not included in the computation of diluted earnings per share, because to do so would have reduced the loss per common share (anti-dilutive) for the years presented:

	2023	**2022**
Share-based payment transactions	18,530,000	18,745,000
	18,530,000	18,745,000

(Expressed in Canadian Dollars, except as otherwise noted)

16. COMPENSATION OF KEY MANAGEMENT

Key management includes directors and executives of the Company. The compensation paid or payable (including share-based payments) to key management for services is shown below:

	2023	**2022**
	$	**$**
Management compensation	370,167	275,818
Director compensation	93,000	57,500
Totals	463,167	333,318

17. INVESTMENT IN ONCOVENT CO., LTD.

As part of the preferred share agreement, on March 4, 2016, the Company's former subsidiary, OncoQuest, signed a joint venture contract with Shenzhen Hepalink. The agreement results in the creation of a new company in China called OncoVent Co., Ltd. ("OncoVent"), to focus on the research and development of Cancer Immunotherapy Products for the Chinese market. Under the agreement, OncoQuest licensed the greater China rights to the Immunotherapy Technologies and provided US$1,000,000 for 46% of the shares of OncoVent. Shenzhen Hepalink contributed US$5,000,000 for 54% of the shares of OncoVent. As part of the agreement, OncoQuest transferred a portion of its shares in OncoVent to Quest and to another party such that Quest owns 11% and the other party owns 6%, respectively, of the shares of OncoVent. Management believes the creation of OncoVent will provide additional resources for product development that OncoQuest can access to accelerate its worldwide product registration strategy. OncoVent will focus on the development, manufacturing and commercialization of Cancer Immunotherapy Products within China with pancreatic cancer as its first target. On October 31, 2016, Shenzhen Hepalink contributed US$5,000,000 to OncoVent. On November 1, 2016, OncoQuest contributed $1,337,900 (US$1,000,000) to OncoVent.

For financial statement purposes, the Company accounts for its investment in this affiliated entity under the equity method. OncoVent began operations in November 2016.

Investment in OncoVent Co., Ltd.	$	$
	Year ended Jan 31, 2023	**Year ended Jan 31, 2022**
Opening balance	—	—
Equity method share of loss for the year	—	—
Closing balance	—	—

The closing balances are $nil due to OncoVent losses that have reduced the Company's investment to $nil.

Summarized financial information for Quest's investment in OncoVent, is not included in these financial statements because the information is not considered to be material at this time.

NOTES TO THE RESTATED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars, except as otherwise noted)

January 31, 2023

18. INVESTMENT IN ONCOQUEST INC.

OncoQuest recorded net income for the year ended January 31, 2021 of $364,821,822 (USD283,846,541). Quest, with a 45.65% ownership interest in OncoQuest at January 31, 2021, recorded Equity Method income of $164,169,820 for the year ended January 31, 2021.

Quest reduced the value of its investment in OncoQuest at January 31, 2021 by recording a fair value adjustment of $101,564,533 so that Quest's investment in OncoQuest would not exceed $175,266,938, Quest's percentage ownership interest in OncoQuest at year end of 45.65% multiplied by the after tax value of OncoQuest pursuant to the November 6, 2020 transfer of the OncoQuest immunotherapy assets to OQP for gross proceeds of USD$308.4 million.

OncoQuest recorded a net loss for the year ended January 31, 2022 of $135,828,030 (USD108,421,728). This loss resulted from OncoQuest writing down the value of the OQP Bio bonds by $133,277,067 (USD106,384,787) due to the lack of liquidity and marketability of the bonds. Quest, with a 42.52% ownership interest in OncoQuest at January 31, 2022, recorded an Equity Method loss of $57,754,078.

Quest reduced the value of its investment in OncoQuest at January 31, 2022 by recording a fair value adjustment of $26,748,980, and a foreign exchange adjustment in other comprehensive loss of $50,335 so that Quest's investment in OncoQuest would not exceed $10,495,335, Quest's percentage ownership interest in OncoQuest at year end of 42.52% multiplied by OncoQuest's shareholders' equity at January 31, 2022 of $24,683,289 (USD 19,406,627).

The January 2022 dividend received by Quest from OncoQuest reduced Quest's investment in OncoQuest by a further $80,218,210.

The dividend was an in-kind dividend of OQP Bio bonds with a face value of KRW129.1 billion and an estimated fair value on January 31, 2023, of Cdn$18.8 million.

OncoQuest recorded a net loss for the year ended January 31, 2023 of $7,285,277 (USD5,567,655). This loss resulted from foreign exchange changes and expected credit losses during the year related to OncoQuest's foreign-denominated receivables, put option and investments. Quest, with a 42.52% ownership interest in OncoQuest at January 31, 2023, recorded an Equity Method loss of $3,096,272.

Quest recorded a foreign exchange adjustment in other comprehensive income of ($64,155).

(Expressed in Canadian Dollars, except as otherwise noted)

18. INVESTMENT IN ONCOQUEST INC. [CONTINUED]

The Company's equity investment in OncoQuest is as follows for the years ended January 31, 2023 and 2022:

	Year Ended
	January 31
	$
Investment in OncoQuest at January 31, 2021	**175,266,938**
Equity Method income (loss) for the year ended January 31, 2022	(57,754,078)
Fair value adjustment at January 31, 2022	(26,748,980)
Other comprehensive loss – foreign exchange	(50,335)
January 2022 in-kind dividend from OncoQuest	(80,218,210)
Investment in OncoQuest at January 31, 2022	**10,495,335**
Equity Method loss for the year ended January 31, 2023	(3,096,272)
Other comprehensive income – foreign exchange	(64,155)
Investment in OncoQuest at January 31, 2023	**7,334,908**

OQP Bio Bonds received as a dividend by Quest:

OQP Bio Bond	Face Value (KRW)	Fair Value ($Cdn)	Maturity Date
		(January 31, 2023)	
10th CB	20,415,802,314	154,942	**February 6, 2050**
13th CB	19,406,110,515	127,103	**March 20, 2050**
1st Corporate Bond	89,268,108,367	18,550,226	**February 24, 2022**
Totals	**129,090,021,194**	**18,832,271**	

Subsequent to year-end, the Company entered into a non-binding agreed in principle (the "Agreement in Principle") with OQP Bio Inc., to exchange the Company's OQP Bio bonds for 77.5 billion KRW (Cdn$83,855,000) in cash and 64.6 billion KRW (Cdn$69,897,200) in bonds of Canaria Bio M ("CABM").

The Agreement in Principle is indicative and non-binding. The Company's receipt of cash for a portion of its OQP Bio bonds was to be provided by third-party purchasers to be arranged by OQP Bio, none of which have been identified to date. The Company had not received the first tranche of cash that would have been due on May 31, 2023 had a definitive agreement been finalized under the same terms as the Agreement in Principle. The second tranche of cash due on December 31, 2023 was also not received. The Company has not entered into a binding definitive agreement with OQP Bio regarding the proposed transactions contemplated by the Agreement in Principle nor received any cash payments under the Agreement in Principle with OQP Bio. A binding definitive agreement had not been entered into by the deadline specified in the Agreement in Principle (May 19, 2023) nor had one been entered into at the financial statement filing date (May 31, 2023). The terms and conditions of the Agreement in Principle are indicative and subject to change. There can be no assurance

18. INVESTMENT IN ONCOQUEST INC. [CONTINUED]

that a definitive agreement will be entered into, and even if entered into, the Company will be subject to significant performance risk of the counterparties, liquidity risk and price volatility risk for any securities received. Until a buyer is identified, none of the cash payments contemplated under the Agreement in Principle will be received. Conversion of the remaining bonds into shares of CAB is dependent on further restructuring of OQP Bio, CABM and CAB, none of which has occurred to date nor have any legal commitments to effect such restructurings been entered into. The OQP Bio bonds represent an illiquid investment and there can be no assurance that the Company will be able to find a buyer for or be able to monetize all or any part of its OQP Bio bonds.

The estimated fair value of the OQP Bio bonds was determined to be $18.8 million at January 31, 2023, based on a valuation prepared by an independent valuator in April 2024, with the Company recording a fair value loss of $61,385,939 for the year ended January 31, 2023. The full amount of the bonds, $18.8 million, are classified as long term due to the timing of receipt of the bond consideration.

Bond Valuation Methodology

Overall, the Company's independent valuator utilized the probability-weighted average return model ("PWERM") approach to calculate the fair value of the OQP Bio bonds, calculating the expected future cash flows from the convertible bonds and corporate bonds comprising the OQP Bio bonds, and discounting them at an appropriate rate to reflect the probability of different outcomes. This method involves a forward-looking analysis of the potential future outcomes; it also estimates the ranges of future and present value under each outcome and applies a probability factor to each outcome as of the valuation date. Each scenario is evaluated with a corresponding percentage to represent the probability of its occurrence. These probabilities are estimated to the best of management's ability, taking into account the data, information, and circumstances available as of the valuation date.

Bond Valuation Assumptions:

In valuing the convertible bonds comprising part of the OQP Bio bonds, the valuator assumed that the bonds will be held until maturity in 2050 and the Company will receive the principal payments at that time. The fair value of the debt component of such bonds was calculated based on an assumed market rate of interest for similar instruments estimated at 21.275% based on market data, the fact that the issuer of the bonds is not revenue generating and the current default status of the corporate bond comprising part of the OQP Bio bonds. In valuing the fair value of the conversion feature of the convertible bonds, the valuator used a Black-Scholes option pricing model, using the following assumptions:

(Expressed in Canadian Dollars, except as otherwise noted)

18. INVESTMENT IN ONCOQUEST INC. [CONTINUED]

Current price of issuer's shares:	KRW 3.612
Time to maturity:	27.13 and 27.24 years, respectively, for the two bonds
Expected volatility:	124.39%
Risk free interest rate:	3.18%

In valuing the (non-convertible) corporate bond, three scenarios for realization were assumed each with the probability of occurrence assigned to them: Scenario 1: Restructuring of bond (20% probability assigned); Scenario 2: Legal proceeding and Recovery (40% probability assigned); and Scenario 3: Default and no recovery (40% probability assigned). For Scenario 1; it was assumed that the bond would be restructureD as a 10-year corporate bond with the same accrued interest and principal payable at maturity. For Scenario 2; a 40% recovery rate was assumed. For Scenarios 1 and 2, an assumed market rate of interest of 21.275% was used in the fair value calculations.

OncoQuest Summarized Financial Information:

	As at January 31 2023	As at January 31 2022
	USD	USD
Current assets	$7,784,120	$50,353,977
Non-current assets	$17,816,682	$7,665,604
Current liabilities	$13,592,029	$40,443,153
Non-current liabilities	$nil	$nil

	For the year ended	For the year ended
	January 31 2023	January 31 2022
	USD	USD
Revenue	$nil	$nil
Net income / (loss)	($5,567,655)	($110,256,652)
Other comprehensive income / (loss)	$nil	$nil

19. SALE OF INVESTMENT IN BIOCELTRAN CO., LTD.

In September, 2022, the Company sold its ownership interest in Bioceltran for proceeds of $300,000. $90,000 cash was paid on execution of the sale agreement and the remaining $210,000 is receivable within 12 months. As part of the transaction, the Company also terminated the exclusive license for the Photodynamic Therapy technology.

NOTES TO THE RESTATED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars, except as otherwise noted)

January 31, 2023

20. SUBSEQUENT EVENTS

In February 2023, the Company made a $200,000 principal repayment on the 2% interest bearing debt funding to OncoQuest Inc.

In May, 2023, the Company entered into an agreement in principle (the "Agreement in Principle") with OQP Bio, to exchange the Company's OQP Bio bonds for 77.5 billion KRW (Cdn$83,855,000) in cash and 64.6 billion KRW (Cdn$69,897,200) in bonds of Canaria Bio M (K-OTC – 118970) ("CABM"). The cash is receivable in 3 tranches (end of May 2023 – 21.6 billion KRW (Cdn$23,371,200), end of December 2023 – 25.9 billion KRW (Cdn$28,023,800) and end of June 2024 – 30.0 billion KRW (Cdn$32,460,000)). The CABM bonds will carry a feature that permits the Company to convert its CABM bonds into 20.5 million CABM shares and following a business restructuring, the CABM shares will be converted into 2.51 million shares of Canaria

Bio ("CAB"), a KOSDAQ traded company (KOSDAQ trading symbol – 016790.

The Agreement in Principle is indicative and non-binding. The Company's receipt of cash for a portion of its OQP Bio bonds was to be provided by third-party purchasers to be arranged by OQP Bio, none of which have been identified to date. The Company had not received the first tranche of cash that would have been due on May 31, 2023 had a definitive agreement been finalized under the same terms as the Agreement in Principle. The second tranche of cash due on December 31, 2023 was also not received. The Company has not entered into a binding definitive agreement with OQP Bio regarding the proposed transactions contemplated by the Agreement in Principle nor received any cash payments under the Agreement in Principle with OQP Bio. A binding definitive agreement had not been entered into by the deadline specified in the Agreement in Principle (May 19, 2023) nor had one been entered into at the financial statement filing date (May 31, 2023). The terms and conditions of the Agreement in Principle are indicative and subject to change. There can be no assurance that a definitive agreement will be entered into, and even if entered into, the Company will be subject to significant performance risk of the counterparties, liquidity risk and price volatility risk for any securities received. Until a buyer is identified, none of the cash payments contemplated under the Agreement in Principle will be received. Conversion of the remaining bonds into shares of CAB is dependent on further restructuring of OQP Bio, CABM and CAB, none of which has occurred to date nor have any legal commitments to effect such restructurings been entered into. The OQP Bio bonds represent an illiquid investment and there can be no assurance that the Company will be able to find a buyer for or be able to monetize all or any part of its OQP Bio bonds.

In June, 2023, the Company received a 2% interest bearing loan of $200,000 from OncoQuest Inc.

In June, 2023, the Company granted 3,700,000 share options to Officers and Consultants of the Company all at an exercise price of $0.10 per common share, expiring in June 2028.

20. SUBSEQUENT EVENTS [CONTINUED]

In July, 2023, the Company granted 1,550,000 share options to Officers and Directors of the Company all at an exercise price of $0.08 per common share, expiring in July 2033.

In September 2023, the Company reported a change of management of CABM with the parties continuing to negotiate in good faith to identify a buyer for the monetization of Quest's OQP Bio bonds.

In September 2023, Quest also announced that OncoQuest has commenced legal proceedings in Korea against OQP Bio / CABM seeking payment of approximately 18.8 billion KRW or USD$14.5 million that remains unpaid in respect of the exercise of a put option by OncoQuest in connection with the sale of its immunotherapy technology assets to a predecessor to OQP Bio in April 2020. In December, 2023, OncoQuest received USD$1.0 million of put option funding from OQP Bio / CABM.

In January 2024, the Company received a cash dividend from OncoQuest of approximately $685,000.

There were no other subsequent events, other than those disclosed elsewhere in the consolidated financial statements.

21. RESTATED FINANCIAL STATEMENTS AND CORRECTION OF AN ERROR

These audited consolidated financial statements of the Company have been restated to correct an error in the valuation methodology used to estimate the fair value as at January 31, 2023 of the OQP Bio bonds held by the Company. The change in valuation methodology used resulted in a significant decrease in the carry values of the OQP Bio bonds as at January 31, 2023 and related significant additional impairment charge.

The Company selected a different valuation methodology for its estimate of fair value for the OQP Bio bonds at January 31, 2023 and retained an independent valuator to prepare a valuation of the fair value of the OQP Bio bonds as at January 31, 2023. The independent valuation arrived at an estimated fair value at January 31, 2023 significantly lower than the fair value reported in the original financial statements, and as a result the carrying value of the OQP Bio bonds are being written down and an impairment charge taken for such estimated reduction in value. The methodology used to determine the fair value of the OQP Bio bonds in the originally filed financial statements was incorrect and not in compliance with International Financial Reporting Standards (IFRS). To ensure compliance with IFRS, the Company has undertaken a restatement of these financial statements.

Impact on Financial Statements:
The identified deficiencies affected the disclosures and the reported figures in the consolidated statements of financial position, income (loss) and comprehensive income (loss), changes in shareholders' equity, and cash flows. The restatement addresses and corrects the reported figures and the disclosures related to the terms, conditions, and associated risks of the OQP Bio Bonds.

NOTES TO THE RESTATED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars, except as otherwise noted)

January 31, 2023

21. RESTATED FINANCIAL STATEMENTS AND CORRECTION OF AN ERROR [CONTINUED]

Change in Valuation Methodology:
In the original consolidated financial statements, the OQP Bio bonds were fair valued based on the underlying fair value of cash and shares of CAB receivable under the Agreement in Principle. In these restated consolidated financial statements, the OQP Bio bonds are fair valued based on the value of the bonds at January 31, 2023 based on customary valuation methods for financial instruments. A valuation was prepared by an independent valuation expert, using the Income and Market valuation approaches to fair value the OQP Bio bonds at January 31, 2023. Based on the valuation prepared by the valuator, the OQP Bio bonds were estimated to have a fair value of $18,832,271 at January 31, 2023.

As a result of this valuation methodology change, the reported values in the following consolidated statements have changed:

	Original Reported Values	**Restated Values**	**Differences**
	$	$	$
Financial Position			
Investment in OQP Bio Bonds	76,388,109	18,832,271	(57,555,838)
Total Assets	84,357,911	26,802,073	(57,555,838)
Income (loss) and comprehensive income (loss)			
FV adjustment – investment on OQP Bio bonds	(3,830,101)	(61,385,939)	(57,555,838)
Net loss for the year	(7,332,315)	(64,888,153)	(57,555,838)
Comprehensive loss	(7,396,470)	(64,952,308)	(57,555,838)
Basic and fully diluted loss per share	(0.043)	(0.384)	(0.341)
Changes in Shareholders' Equity			
Retained earnings	41,491,632	(16,064,206)	(57,555,838)
Cash Flows			
Fair value adjustment – OQP Bio bonds	3,830,101	61,385,939	57,555,838

NOTES TO THE RESTATED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars, except as otherwise noted)

January 31, 2023

21. RESTATED FINANCIAL STATEMENTS AND CORRECTION OF AN ERROR [CONTINUED]

Amended Disclosures:
The following notes in the financial statements have been revised to incorporate the corrected disclosures:

Note 1: [Corporate Information and Going Concern Uncertainty]
Note 3: [Significant Accounting Policies – OQP Bio Inc.]
Note 14: [Financial Instruments and Risk Management]
Note 18: [Investment in OncoQuest Inc. - OQP Bio Inc.]
Note 20: [Subsequent Events]