

BIOHEP TECHNOLOGIES LTD.

Condensed Interim Financial Statements For the Three Months Ended April 30, 2015

(Unaudited - Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, continuous disclosure requirement, if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the unaudited condensed interim financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these Unaudited Condensed Consolidated Interim Financial Statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of unaudited condensed interim financial statements by an entity's auditor.

BioHEP Technologies Ltd.
Condensed Interim Statement of Financial Position
(Unaudited – Expressed in Canadian dollars)

As at	April 30 2015	January 31 2015
ASSETS		
CURRENT ASSETS		
Cash	\$ 5,674	\$ 6,836
GST receivable	82	42
	5,756	6,878
NON CURRENT ASSETS		
Investment in Spring Bank Pharmaceuticals Inc.	1,000	1,000
TOTAL ASSETS	\$ 6,756	\$ 7,878
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Notes 6)	\$ 41,550	\$ 39,508
Notes payable (Note 4)	10,467	9,919
TOTAL LIABILITIES	52,017	49,427
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 5)	6,508	6,000
Obligation to issue shares (Note 4)	-	508
Deficit	(51,769)	(48,057)
TOTAL SHAREHOLDERS' DEFICIENCY	(45,261)	(41,549)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY	\$ 6,756	\$ 7,878

These unaudited condensed interim financial statements were authorized for issue by the Board of Directors on June 29, 2015. They are signed on the Company's behalf by:

"Bruce Schmidt"

Director

"Donald Gordon"

Director

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

BioHEP Technologies Ltd.
Condensed Interim Statement of Operations and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars)

	For the three months ended	
	April 30, 2015	April 30, 2014
Expenses		
Administrative	\$ 130	\$ -
Finance costs (Note 4)	294	-
Accretion of note payables (Note 4)	253	-
Professional fees	1,750	-
Consulting fees	-	34,833
Investor Relations	196	-
Transfer agent, regulatory and general	1,089	1,126
Net loss and comprehensive loss for the period	\$ 3,712	\$ 35,959
Basic and diluted loss per common share	\$ 0.001	\$ (0.060)
Weighted average number of common shares outstanding	2,871,445	632,306

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

BioHEP Technologies Ltd.
Condensed Interim Statement of Changes in Shareholders' Deficiency
For the Period Ended April 30, 2015
(Unaudited - Expressed in Canadian dollars)

	Number of outstanding shares	Share capital \$	Obligation to issue shares \$	Deficit \$	Total shareholders' equity \$
Incorporator shares, February 11, 2014	100	1	-	-	1
Redemption of shares pursuant to the Plan of Arrangement (Note 1)	(100)	(1)	-	-	(1)
Shares issued pursuant to the Plan of Arrangement (Note 1)	2,845,378	6,000	-	-	6,000
Net loss	-	-	-	(35,959)	(35,959)
Balance, April 30, 2014	2,845,378	6,000	-	(35,959)	(29,959)
Balance, January 31, 2015	2,845,378	6,000	508.00	(48,057)	(41,549)
Issuance of note payable	80,000	508	(508)	-	-
Net loss	-	-	-	(3,712)	(3,712)
Balance, April 30, 2015	2,925,378	6,508	-	(51,769)	(45,261)

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

BioHEP Technologies Ltd.
Condensed Interim Statement of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	For the three months ended	
	April 30, 2015	April 30, 2014
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net loss for the period	\$ (3,712)	\$ (35,959)
Items not involving cash:		
Finance costs	294	-
Accretion of expense	253	-
	(3,165)	(35,959)
Net changes in non-cash working capital items:		
GST receivables	(40)	(1,723)
Accounts payable and accrued liabilities	2,043	32,682
	(1,162)	(5,000)
FINANCING ACTIVITIES		
Cash acquired from the Plan of Arrangement	-	5,000
Issuance of note payables	-	-
	-	5,000
Change in cash	(1,162)	-
Cash, beginning of the period	6,836	-
Cash, end of the period	\$ 5,674	\$ -

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

1 NATURE OF OPERATIONS AND GOING CONCERN

BioHEP Technologies Ltd. ("BioHEP" or the "Company") was incorporated under the British Columbia *Business Corporations Act* as a private company on February 11, 2014. On April 11, 2014, BioHEP completed a Plan of Arrangement ("Arrangement") with Carrus Capital Corporation ("Carrus"). Under the terms of the Arrangement, BioHEP received substantially all of Carrus' interest in the SB-9000 technologies. As consideration for the SB-9000 technologies, BioHEP issued 2,845,378 common shares to Carrus ("Arrangement Shares"), which were then distributed to the shareholders of Carrus pro rata based on their relative shareholdings of Carrus. As a result of completing the Arrangement and subsequent to issuing the Arrangement Shares, the Company became a reporting issuer in the jurisdictions of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec.

The Company's head office is located at 1320 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. At April 30, 2015, the Company had a working capital deficiency of \$46,262 (January 31, 2015 – \$42,549). The Company is newly incorporated and not generating any revenues. It has incurred a loss and negative cash flows from operations since inception and had a deficit of \$51,769 as at April 30, 2015 (January 31, 2015 – \$48,057). The Company's ability to continue as a going concern and realize the carrying value of its assets is dependent on its ability to raise capital through equity financing, or upon the generation of profits from its portfolio of bio-pharmaceutical assets, the outcome of which cannot be predicted at this time. These matters cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2 BASIS OF PREPARATION

(a) Statement of compliance to International Financial Reporting Standards

These unaudited condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements comply with International Accounting Standard 34, Interim Financial Reporting ("IAS 34").

(b) Basis of preparation

These condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These unaudited condensed interim financial statements follow the same accounting policies and methods of application as the annual audited financial statements for the year ended January 31, 2015.

These financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency.

3 ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorization of these financial statements, the IASB and International Financial Reporting Interpretation Committee have issued the following new and revised standards and interpretations, which are not yet effective for the relevant reporting periods. The new and revised standards are applicable to the Company are as follows:

IFRS 9 Financial Instruments (2014)

This is a finalized version of **IFRS 9**, which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- **Classification and measurement.** Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of **IFRS 9** introduces a “fair value through other comprehensive income” category for certain debt instruments. Financial liabilities are classified in a similar manner to under **IAS 39**; however, there are differences in the requirements applying to the measurement of an entity's own credit risk.
- **Impairment.** The 2014 version of **IFRS 9** introduces an “expected credit loss” model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.
- **Hedge accounting.** Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- **Derecognition.** The requirements for the derecognition of financial assets and liabilities are carried forward from **IAS 39**.

Applicable to the Company's annual periods beginning February 1, 2018.

The Company has not early-adopted IFRS 9; however, the Company is currently assessing the impact of this standard on the financial statements.

4 NOTES PAYABLE

On October 31, 2014, the Company entered into a loan agreement for an amount of \$10,000 with two related parties. The loan agreement provides for a term of one year and bears simple interest at 12% per annum, with interest payable upon maturity date. The loan is unsecured. As additional consideration of the risk associated with the loan, the Company is obligated to issue 80,000 common shares to the lenders. These common shares have been issued on April 1, 2015. As at April 30, 2015, the Company recorded \$10,467 for the notes and interest payable and \$508 of the obligation to issue shares was reclassified to share capital.

The liability component of the notes payable was recognized initially at the fair value of a similar liability that does not have an obligation to issue shares, which was calculated based on the application of a market interest rate of 18%. The difference between the face value of \$10,000 and the fair value of the notes payable represents the value of the obligation to issue shares component which has been recognized separately in current liabilities.

BioHEP Technologies Ltd.
Notes to the Condensed Interim Financial Statements
For the Three Months Ended April 30, 2015
(Unaudited - Expressed in Canadian dollars)

4 NOTES PAYABLE cont'd

	During the three months ended April 30, 2015	
Balance, January 31, 2015	\$	9,919
Accretion of notes payable		253
Interest accrual		295
Balance, April 30, 2015	\$	10,467

5 SHARE CAPITAL

(a) Authorized common shares

There are an unlimited number of common shares without par value authorized for issue.

(b) Issued

At April 30, 2015, the Company had 2,925,378 common shares issued and outstanding (January 31, 2015 – 2,845,378).

During the three months ended April 30, 2015, the Company issued 80,000 shares in connection with the \$10,000 note payable (see Note 4).

During the three months ended April 30, 2014, 100 incorporator shares were issued to Carrus for \$1 on February 11, 2014. These shares were redeemed on April 11, 2014 when BioHEP completed the Arrangement with Carrus. Under the terms of the Arrangement, BioHEP received substantially all of Carrus' interest in the SB-9000 technologies at a carrying value of \$nil. As consideration for the SB-9000 technologies and \$5,000 cash, BioHEP issued 2,845,378 common shares to Carrus, which was then distributed to the shareholders of Carrus pro rata based on their relative shareholdings of Carrus.

(c) Stock option plan

The Company has adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the Option Plan can have a maximum exercise term of five years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors. During the three months ended April 30, 2015, no options were granted, expired or cancelled. As at April 30, 2015, the number of outstanding options is nil (January 31, 2015 – nil).

6 RELATED PARTY TRANSACTIONS

The Company and Carrus, its former parent company, entered into an Arrangement described in Notes 1 and 4. The Arrangement provides for the transfer from Carrus of \$5,000 and the SB-9000 technologies to the Company, a wholly-owned subsidiary, and the immediate distribution of a controlling interest in the common shares of the Company to the shareholders of Carrus as at April 11, 2014. The shareholders of Carrus, at the completion of the Arrangement, will continue to collectively own the interest in the Carrus assets, albeit through an altered corporate structure.

6 RELATED PARTY TRANSACTIONS cont'd

Pursuant to the terms of an Amalgamation Agreement between BioAB Strategies Ltd and Invictus MD Strategies Ltd. ("Invictus"), Invictus will transfer the existing MX-2401 antibiotic assets and contracts to the Company in exchange of \$1.

Key management compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of the Company. As at April 30, 2015 and January 31, 2015, key management personnel were not paid any compensation, nor did they receive any employment benefits or other management incentives such as stock options.

During the three months ended April 30, 2015, the Company incurred \$1,750 for book-keeping services (April 30, 2014 – Nil) provided by an entity controlled by the Company's Corporate Secretary, and was included in accounts payable and accrued liabilities.

On October 31, 2014, the Company entered into a loan agreement for an amount of \$10,000 with two related parties (Note 4).

7 FINANCIAL INSTRUMENTS

The Company has designated its cash as fair value through profit or loss and accounts payable and accrued liabilities, notes payable and obligation to issue shares as other financial liabilities. The Company's long-term investments, although classified as available-for-sale, were previously measured at cost as the instruments do not have a quoted market price in an active market.

(a) Fair value

At April 30, 2015 and January 31, 2015, the carrying values of cash, accounts payable and accrued liabilities and obligation to issue shares approximate their fair values due to the relatively short period to maturity of those financial instruments.

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs that are not based on observable market data.

There were no transfers between Level 1, 2 and 3 during the period. At April 30, 2015 and January 31, 2015, the Company has designated its notes payables as Level 2.

(b) Financial risk management

The Company's activities potentially expose it to a variety of financial risks, including credit risk, liquidity risk, and market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at April 30, 2015, the Company's exposure to credit risk is the carrying value of cash. The Company reduces its credit risk by holding its cash at a major Canadian financial institution.

7 FINANCIAL INSTRUMENTS cont'd

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing.

The Company currently does not have adequate cash to meet short-term business requirements. At April 30, 2015, the Company had cash of \$5,674, accounts payable and accrued liabilities of \$41,551 and notes payable of \$10,467. All accounts payable accrued liabilities are due within 90 days.

Market risk

Market risk consists of currency risk, interest rate risk and other price risk. These are discussed further below.

Currency risk

Currency risk is the risk that the fair value of the Company's financial assets and liabilities will fluctuate due to changes in foreign exchange rates. The Company is not exposed to currency risk.

Interest rate risk

Interest rate risk consists of two components:

- i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity.

Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or currency risk. The Company is not exposed to other price risk.

8 MANAGEMENT OF CAPITAL

The Company's objectives in managing capital are to ensure sufficient liquidity to finance its corporate administration and working capital. The Company manages its liquidity to minimize shareholder dilution whenever possible. The Company manages its capital through regular board meetings and ongoing review of financial information. The Company considers its capital as all components of shareholders' deficiency. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund its research and development program. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing. The Company is not subject to any externally imposed capital requirements.