

MARVEL BIOSCIENCES CORP.

Condensed Interim Consolidated Financial Statements

For the Three-Months Ended October 31, 2021 and 2020

(Unaudited – Prepared by Management)

Stated in Canadian Dollars

Notice to the Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accomplished by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The unaudited condensed consolidated interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of the condensed consolidated interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

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 Professional Accountants for a review of interim financial statements by an entity's auditor.

MARVEL BIOSCIENCES CORP.

Condensed Interim Consolidated Statements of Financial Position
(Stated in Canadian dollars)
(unaudited)

As at

	October 31, 2021 (unaudited)	July 31, 2021 (audited)
Assets		
Current assets:		
Cash	\$ 2,119,093	\$ 2,393,144
Goods and services taxes receivable	14,789	59,106
Prepaid and deposits (note 3)	15,750	15,750
Total current assets	2,149,632	2,468,000
Property and equipment	114	152
Total assets	\$ 2,149,746	\$ 2,468,152
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 304,281	\$ 112,477
Total current liabilities	304,281	112,477
Shareholders' equity:		
Share capital (note 5)	6,459,569	6,459,569
Contributed surplus	99,522	99,522
Deficit	(4,713,626)	(4,203,416)
Total shareholder's equity	1,845,465	2,355,675
Total liabilities and shareholder's equity	\$ 2,149,746	\$ 2,468,152

Nature and continuance of operations of business (note 1)

Approved and authorized for issuance on behalf of the Board of Directors on December 15, 2021:

signed "J. Roderick Matheson"

CEO and Director

signed "Jeremy Fehr"

Audit Committee Chair and Independent Director

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

MARVEL BIOSCIENCES CORP.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Stated in Canadian dollars)
(unaudited)

For the three-months ended October 31, 2021 and 2020

	2021	2020
Expenses		
Management and director consulting fees (note 10)	\$ 167,963	\$ 113,462
Clinical study expense (note 8,9)	241,273	204,190
Professional fees	22,797	32,238
General and administrative expenses	75,092	12,965
Travel expense	1,549	880
Transfer agent fees	1,229	-
Bank charges	269	387
Depreciation	38	46
	<u>510,210</u>	<u>364,168</u>
Loss before other items	510,210	364,168
Other items		
Foreign exchange loss (gain)	-	(1,773)
	<u>\$ (510,210)</u>	<u>\$ (362,395)</u>
Net loss and comprehensive loss		
	32,586,231	12,635,515
Weighted average shares outstanding		
	\$ (0.02)	\$ (0.03)
Loss per share (note 6)		

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

MARVEL BIOSCIENCES CORP.

Condensed Interim Consolidated Statements of Cash Flows
(Stated in Canadian dollars)
(unaudited)

For the three-months ended October 31, 2021 and 2020

	2021	2020
Cash provided by (used in):		
Operations		
Net loss	\$ (510,210)	\$ (362,395)
Items not involving cash:		
Depreciation	38	46
	(510,172)	(362,349)
Change in non-cash working capital		
Good and services taxes receivable	44,317	(12,583)
Accounts payable and accrued liabilities	191,804	31,887
Net cash used in operations	(274,051)	(343,045)
Financing		
Issuance of common shares, net of share issue costs (note 5)	-	420,644
Share subscription advance (note 5)	-	9,000
Net cash provided from financing activities	-	429,644
Increase in cash	(274,051)	86,599
Cash, beginning of period	2,393,144	224,810
Cash, end of period	\$ 2,119,093	\$ 311,409

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

MARVEL BIOSCIENCES CORP.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Stated in Canadian dollars)
(unaudited)

For the three-months ended October 31, 2021 and 2020

	Share Capital	Contributed Surplus	Deficit	Total Equity
Balance, July 31, 2020	\$ 898,432	\$ 384,442	\$ (1,164,070)	\$ 118,804
Private placements, net of share issue costs	420,644	-	-	420,644
Finder warrants issued (note 5)	(8,398)	8,398	-	-
Net loss	-	-	(362,395)	(362,395)
Balance, October 31, 2020	\$ 1,310,678	\$ 392,840	\$ (1,526,465)	\$ 177,053
Balance, July 31, 2021	\$ 6,459,569	\$ 99,522	\$ (4,203,416)	\$ 2,355,675
Net loss	-	-	(510,210)	(510,210)
Balance, October 31, 2021	\$ 6,459,569	\$ 99,522	\$ (4,713,626)	\$ 1,845,465

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

MARVEL BIOSCIENCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three-month period ended October 31, 2021 and 2020
(Amounts Stated in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Marvel Biosciences Corp. (“Marvel” or the “Company”) (formerly “Alphanco Ventures Corp.”) is a biotechnology company that was incorporated on August 1, 2018 under the laws of the Province of British Columbia. The Company continued from British Columbia to Alberta on June 14, 2021. The Company’s head office is 420, 505 8th Ave SW, Calgary, Alberta T2P 1G2 and the registered and records office is 600, 815 8th Avenue SW, Calgary Alberta T2P 3T2

Alphanco Venture Corp. (“AVC”) was a capital pool company listed on the TSX Venture Exchange (the “TSXV”) that received conditional approval from the TSXV for its acquisition of all of the outstanding shares of Marvel Biotechnology Inc. as its proposed “Qualifying Transaction” as defined under TSXV policies. The Transaction was pursuant to a reverse take-over (“RTO”) by AVC which acquired all of the issued and outstanding shares of Marvel Biotechnology Inc. by amalgamation agreement in exchange for common shares in the capital of AVC. As a result of the Transaction, Marvel Biotechnology Inc. became a wholly-owned subsidiary of Marvel Bioscience Corp. (formerly Alphanco Venture Corp.).

In connection with closing of the Qualifying Transaction which occurred June 14, 2021, AVC changed its name to Marvel Bioscience Corp. and commenced trading on the TSXV under the symbol “MRVL” approximately July 12, 2021. The Company is classified as a Tier 2 issuer pursuant to TSXV policies and a reporting issuer in each of the Provinces of British Columbia, Alberta, and Ontario.

The accompanying condensed interim consolidated financial statements have been prepared as at October 31, 2021 after giving effect to the reverse takeover of Marvel Biosciences Corp. (formerly “Alphanco Ventures Corp.”) by Marvel Biotechnologies Inc.

The Company is currently a pre-clinical stage pharmaceutical development biotechnology company that utilizes a “drug redevelopment” approach to drug development. Historically, when a new class of drug is developed, it is optimized for a particular target, but typically only approved for a specific disease. Often, a new disease is identified which involves the same target, however, pending the remaining patent life, the originally approved drug may not have sufficient time left for it to be commercially viable to be developed for the new disease indication. Marvel develops new synthetic chemical derivatives of the original approved drug for the new disease indication. Patent protection is sought as the new potential asset is developed by the Company. The Company believes the business model results in significantly less risk, cost and time to develop its assets compared to traditional biotechnology companies.

The Company has currently developed several new chemical entities, using synthetic chemical derivatives of known, off-patent drugs, that inhibit the A2a adenosine receptor with application to neurological diseases (depression & anxiety, Alzheimer’s, ADHD), and the non-neurological conditions of cancer and non-alcoholic steatohepatitis. Marvel is also exploring additional undisclosed targets to expand its asset pipeline.

MARVEL BIOSCIENCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three-month period ended October 31, 2021 and 2020
(Amounts Stated in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS (*continued*)

Going Concern

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company will need to raise sufficient working capital to maintain operations. Without additional financing, the Company may not be able to fund its ongoing operations and complete development activities. The Company has incurred operating losses from inception, has no recurring revenue sources and does not currently have the financial resources to sustain operations in the long-term.

The Company has a deficit balance of \$4,713,626 (July 31, 2021 - \$4,203,416) largely due to expenditures in scientific research and compound development, and clinical study expenses. In particular, the Company incurred \$241.273 of these expenditures in the first quarter of 2022 (2021 - \$204,190). A government scientific research and experimental development (“SR&ED”) assistance application was submitted for the expenses incurred for the year ended July 31, 2021 for \$287,747 and has yet to be received.

The Company actively manages its cash flow and investment in research to match its cash generated from financing activities including eligible government programs. In order to maximize cash generated from operations, the Company plans to focus on developing compounds with positive indicators of activity that can be patented or patentable and commercialized; minimize operating expenses where possible; and limit capital expenditure. As the Company continues to expend on research and development, investments will be financed through eligible government programs and external financing. Management believes that successful execution of its business plan will result in sufficient cash flow and new financing to fund projected operational and investment requirements for its pipeline of compounds it has identified. However, no assurances can be given that the Company will be able to achieve all or part of the objectives discussed above, or that sufficient financing from outside sources will be available. Further, if the Company’s operations are unable to generate cash flow levels at or above current projections, the Company may not have sufficient funds to meet its obligations over the next twelve months. Should such events occur, management is committed to implementing all or a portion of its contingency plan. This plan has been developed and designed to provide additional cash flow, and includes, but is not limited to, deferring certain additional product development initiatives, and reducing general and administrative expenses, while seeking outside financing or seeking a potential partner in the development of its products.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including the Company’s. This outbreak could decrease spending, adversely affect demand for the Company’s product and harm the Company’s business and results of operations. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations at this time.

MARVEL BIOSCIENCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three-month period ended October 31, 2021 and 2020
(Amounts Stated in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS *(continued)*

The failure of the Company to achieve one or all of the above items may have a material adverse impact on the Company's financial position, results of financial performance and cash flows. These factors indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The ability of the Company to continue as a going concern is dependent upon successful execution of its plans noted above. The outcome of these initiatives cannot be predicted at this time. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern for a reasonable period of time.

2. BASIS OF PREPARATION

Statement of Compliance and basis of presentation

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed interim consolidated financial statements have been prepared on the basis of accounting policies, methods of computation, and estimates and judgements consistent with those applied in the Company's July 31, 2021 annual consolidated financial statements.

These condensed interim consolidated financial statements do not include all of the information required of full audited consolidated financial statements and therefore these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended July 31, 2021.

Functional and presentation currency

The financial statements are presented in Canadian Dollars, which is the Company's functional and presentation currency.

Approval of the financial statements

The condensed interim consolidated financial statements of the Company for the period ended October 31, 2021, were approved and authorized for issuance by the Board of Directors on December 15, 2021.

3. PREPAID AND DEPOSITS

The Company pursuant to an independent corporate development consulting contract entered into effective July 12, 2021 prepaid were \$15,750 as at October 31, 2021 (July 31, 2021 - \$15,750).

MARVEL BIOSCIENCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements

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4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are non-interest bearing and detailed below:

	October 31, 2021	July 31, 2021
Trade accounts payable	\$ 30,644	\$ 1,563
Accrued accounts payable	259,682	110,914
Government remittances	13,955	-
	\$ 304,281	\$ 112,477

5. SHARE CAPITAL

(a) Common Shares

Authorized:

Unlimited number of common shares without par value.

Issued and outstanding:

	Number Issued	Amount Issued
Common shares		
Balance, July 31, 2020	11,965,098	898,432
Private placements	8,588,333	3,230,500
Exercise of performance warrants	5,000,000	418,318
Acquisition of Marvel Biosciences Corp.	7,032,800	2,095,525
Share issue costs	-	(183,206)
Balance, October 31, 2021 and July 31, 2021	32,586,231	\$ 6,459,569

On August 27, 2020, the Company closed a private placement of 1,145,000 units of the Company for gross proceeds of \$343,500. Each unit consists of one common share of the Company and one common share purchase warrant, which entitles the holder to purchase one common share of the Company at \$0.50 per common share. These warrants expire 2 years from the date of closing. There was no residual value to allocate to the warrants.

On October 15, 2020, the Company closed a private placement of 353,333 units of the Company for gross proceeds of \$106,000. Each unit consists of one common share of the Company and one common share purchase warrant, which entitles the holder to purchase one common share of the Company at \$0.50 per common share. These warrants expire 2 years from the date of closing. There was no residual value to allocate to the warrants.

On November 30, 2020, the Company closed a private placement of 550,000 units of the Company for gross proceeds of \$165,000. Each unit consists of one common share of the Company and one common share purchase warrant, which entitles the holder to purchase one common share of the Company at \$0.50 per common share. These warrants expire 2 years from the date of closing. There was no residual value to allocate to the warrants.

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5. SHARE CAPITAL (continued)

On November 13, 2020, 2,000,000 performance share purchase warrants of Marvel were exercised by a related party for gross proceeds of \$50,000. As a result of the exercise of the performance share purchase warrants, \$34,618 has been removed that was originally recorded to contributed surplus. (See Note 13).

On April 13, 2020, 3,000,000 share-purchase performance warrants were exercised for gross proceeds of \$75,000. The Company received conditional acceptance by the TSX Venture Exchange of the Proposed Transaction on March 11, 2021. Pursuant to the Proposed Transaction, the remaining 3,000,000 performance share purchase warrants of Marvel were required to be exercised prior to Closing of the Proposed Transaction by a related party and equivalent common shares issued. As a result of the exercise of the performance share purchase warrants, \$258,700 has been removed that was originally recorded to contributed surplus. (see Note 13).

On June 10, 2021, the Company closed a private placement of 6,540,000 common shares of the Company for gross proceeds of \$2,616,000.

On June 14, 2021, the Company issued 19,013,431 common shares at a deemed price of \$0.40 per common share to effect the reverse takeover transaction ("RTO") for total valuation of \$2,095,525 in connection of the acquisition of Marvel Biosciences Corp. The Company had 7,032,800 shares outstanding prior to the RTO, On consolidation, the Company eliminated the pre-RTO Marvel common shares and the corresponding Company pre-RTO share value. (note 4).

Share issue costs of \$183,206 (2020 – \$11,078), were incurred in relation to the above issuances.

Escrow

11,400,098 shares issued to Principals pursuant to the Qualifying Transaction are subject to a Tier 2 Value Security Escrow Agreement to be released over a 36-month period. 150,000 shares issued to non-Principals pursuant to the Qualifying Transaction are subject to a Tier 2 Value Security Escrow Agreement to be released over a 36-month period, in accordance with the Exchange's Seed Share Resale Restrictions. 2,700,000 shares are subject to a CPC Escrow Agreement to be released over an 18-month period.

(b) Warrants

Warrant transactions are summarized as follows:

	Number	Average Exercise Price	Weighted Average Remaining Life
Balance, July 31, 2020	6,365,000	\$ 0.28	2.21
Issued on private placements	2,048,333	0.50	0.90
Issuance of broker warrants	58,200	0.50	0.82
Balance, October 31, 2021 and July 31, 2021	8,471,533	\$ 0.28	1.38

MARVEL BIOSCIENCES CORP.

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(Amounts Stated in Canadian dollars)

5. SHARE CAPITAL (continued)

The following table shows the warrants outstanding at October 31, 2021:

Exercise Price	Number	Weighted Average Remaining Life
\$0.25	5,700,000	1.27
\$0.50	2,771,533	0.86
	8,471,533	1.13

(c) Stock Options

On March 12, 2021, the company received conditional regulatory approval of the 20% fixed stock option plan and grants of 2,425,000 stock options were granted July 14, 2021 pursuant to the Company's reverse take-over transaction to officers, directors, consultants and employees subject to approval by the Company's disinterested shareholders at the next shareholder meeting prior to vesting or exercise of such options.

On July 29, 2021, 400,000 stock options of the Company were granted pursuant to an investor relations contract effective August 1, 2021 at a price of \$0.40, vesting in equal monthly portions over twelve (12) months from the Grant date for a period of five years, subject to and only issued after disinterested shareholder approval of the Company's stock option plan at the next shareholder meeting held by the Company prior to the vesting or exercise of such options.

6. LOSS PER SHARE

The calculation of weighted average shares outstanding for the diluted loss per share calculation excludes the impact of the options and warrants outstanding as at October 31, 2021 as the effect is anti-dilutive.

7. SHARE-BASED COMPENSATION

During the year ended July 31, 2020, the Board of Directors issued 6,600,000 performance warrants. The performance warrants entitle the holder to purchase one common share of the Company at a set price and vest immediately.

The following table sets forth a reconciliation of performance warrant activity:

	Number	Average Exercise Price
Balance, July 31, 2020	6,600,000	\$ 0.07
Exercised	5,000,000	\$ 0.025
Balance, October 31, 2021 and July 31, 2021	1,600,000	\$ 0.20

MARVEL BIOSCIENCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three-month period ended October 31, 2021 and 2020
(Amounts Stated in Canadian dollars)

7. SHARE-BASED COMPENSATION (continued)

The range of exercise prices of the outstanding performance warrants and weighted average contractual life remaining as at October 31, 2021 are as follows:

Exercise Price	Number Outstanding and Exercisable	Average Exercise Price	Weighted Average Remaining Life
\$0.20	1,600,000	\$ 0.20	1.25
	1,600,000	\$ 0.20	1.25

8. CLINICAL STUDY EXPENSE

During the three-month period ended October 31, 2021, the Company initiated and conducted ongoing clinical studies to determine if the Company had indications of viable active compounds, that could lead to drugs being developed to be made commercially, totaling \$241,273 (2020 – \$204,190). Because the costs incurred were to determine if a viable active compound existed and further development should be undertaken, the amounts have been expensed. These costs incurred during the period, broken down by nature, are as follows:

	2021	2020
Consultants	\$ 34,389	\$ 37,500
Research lab and supplies	206,884	166,690
	\$ 241,273	\$ 204,190

9. GOVERNMENT SCIENTIFIC RESEARCH AND DEVELOPMENT EXPENSE CREDIT

The Company has applied for Government SR&ED refundable tax credits related to the July 31, 2021 fiscal year end totaling \$287,747 and non-refundable tax credits totaling \$22,468 offset by \$74,746, for the preparation of the SR&ED applications, for a net refundable receivable of \$213,001. The amount will be received on the successful processing of the SR&ED applications.

10. RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined the key personnel to be the executive and non-executive officers and directors of the Company.

During the year ended July 31, 2021, a privately held company owned by a director and officer of the Company provided executive management, executive financial and administrative staff and services under an Executive Management and Administrative Services Contract ("Contract") totaling \$515,100 (2020 - \$278,985). Under the Contract, a deposit of \$35,000 was advanced to the related party during the year ended July 31, 2020. On July 31, 2021, this contract was mutually terminated, and the deposit was retained by the related party as a contract termination settlement.

MARVEL BIOSCIENCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three-month period ended October 31, 2021 and 2020
(Amounts Stated in Canadian dollars)

10. RELATED PARTY TRANSACTIONS *(continued)*

During the three-months ended October 31, 2021, a privately held company owned by a director and Chief Executive Officer of the Company provided executive management services on a month-to-month basis no longer under Contract totaling \$37,500 (2020 – \$37,500). These amounts are included in Management consulting fees. The Company also pays a monthly office and equipment rental fee of up to \$4,000 per month to the privately held company. The total costs paid for the three months ended totaled \$9,918 (2020 - \$9,648) and are included in general and administrative expenses. During the three-month period ended October 31, 2021, the Company paid the Chief Scientific Officer and director \$37,500 (2020 – \$37,500) for consulting services under a consulting agreement. These amounts are included in Clinical study expense.

During the three-month period ended October 31, 2021, the Company paid a privately held company owned by the Chief Financial Officer \$33,000 (2020 – nil) for consulting services. These amounts are included in Management consulting fees.

As at October 31, 2021 and July 31, 2021, no amounts were owed to related parties for the above services.

Transactions with related parties are incurred in the normal course of business and initially recorded at fair value.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of cash, accounts payable and accrued liabilities, and due to related party approximate their fair value because of the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

There have been no changes from the prior year.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2021, the Company had a cash balance of \$2,119,093 (July 31, 2021 - \$2,393,144) to settle current liabilities of \$304,281 (July 31, 2021 - \$112,477). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. To maintain liquidity, the Company is currently investigating financing opportunities.

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(Amounts Stated in Canadian dollars)

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (*continued*)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at October 31, 2021 and 2020, the Company did not have any investments in investment-grade short-term deposit certificates.

Foreign currency risk

The Company is exposed to foreign currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than Canadian dollars. As at October 31, 2021, the Company had monetary liabilities of US\$171,734 or \$212,325 (July 31, 2021 - US\$54,905 or \$73,123) at the Canadian equivalent.

For the year ended July 31, 2020, the Company's sensitivity analysis suggests that a change in the absolute rate of exchange in US dollar by 10% will increase or decrease net loss by approximately \$17,173 (July 31, 2021 - \$7,312). The Company has not entered into any foreign currency contracts to mitigate this risk. Foreign currency risk is considered low relative to the overall financial operating plan.

Price risk

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