Critical Outcome Technologies Inc.

Unaudited Condensed Interim Financial Statements
Fiscal 2018 - First Quarter

For the three months ended July 31, 2017 and 2016

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Critical Outcome Technologies Inc.

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Notice of No Audit or Review of Condensed Interim Financial Statements

The accompanying Interim Statements of Financial Position as at July 31, 2017, and April 30, 2017, of Critical Outcome Technologies Inc., and the Interim Statements of Comprehensive Loss, the Interim Statements of Changes in Equity, and the Interim Statements of Cash Flows for the three month periods ended July 31, 2017 and 2016, have been prepared by, and are the responsibility of the Company's management and have been reviewed and approved by the Audit Committee as authorized by the Board of Directors.

Neither an audit nor review of the Interim Financial Statements is required by the Company's independent auditor under regulatory reporting requirements, however, under National Instrument 51-102 paragraph 4.3(3)(a), the Company must advise whether a review has occurred or not. Accordingly, management advises that the Company's independent auditor, KPMG LLP, was not engaged to perform a review of these Interim Financial Statements.

Critical Outcome Technologies Inc.

Interim Statements of Financial Position

(All amounts in Canadian dollars)
(Unaudited)

As at	July 31, 2017	April 30, 2017
Assets		
Current assets:		
Cash and cash equivalents	$ 568,270	$ 717,676
Investments (note 6)	58,807	1,291,160
Investment tax credits and other receivables	208,308	185,823
Prepaid expenses and deposits	444,279	524,884
	1,279,664	2,719,543
Non-current assets:		
Equipment (note 7)	37,469	42,499
Intangible assets (note 8)	1,259,296	1,264,705
	1,296,765	1,307,204
Total assets	$ 2,576,429	$ 4,026,747
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 1,666,331	$ 1,747,061
Warrant liability (note 9)	181,730	1,459,182
	1,848,061	3,206,243
Long-term accrued liability	150,000	225,000
Total liabilities	150,000	225,000
Shareholders' equity	578,368	595,504
Total liabilities and shareholders' equity	$ 2,576,429	$ 4,026,747

Going concern (note 3)
Commitments (note 14)
Subsequent event (note 16)

See accompanying notes to interim financial statements

Critical Outcome
Technologies Inc.

Interim Statements of Comprehensive Loss

(All amounts in Canadian dollars)
(Unaudited)

For the three months ended	**July 31, 2017**	**July 31, 2016**
Expenses (income):		
Research and product development	$ 667,175	$ 614,205
Sales and marketing	85,681	103,602
General and administration	781,123	653,697
Investment tax credits	(17,999)	(40,558)
	1,515,980	1,330,946
Loss before finance income (expense)	(1,515,980)	(1,330,946)
Finance income (expense):		
Interest and financing, net	1,195	12,133
Change in fair value of warrant liability (note 9)	1,277,452	(1,052,470)
Foreign exchange gain (loss)	(4,672)	56,220
	1,273,975	(984,117)
Loss and comprehensive loss	$ (242,005)	$ (2,315,063)
Loss per share:		
Weighted average shares outstanding	14,915,844	14,690,779
Basic and diluted loss per common share	$ (0.02)	$ (0.16)

See accompanying notes to interim financial statements

Critical Outcome Technologies Inc.

Interim Statements of Changes in Shareholders' Equity

(All amounts in Canadian dollars)
(Unaudited)

For the three months ended July 31, 2017

	Common Shares	Warrants	Total Share Capital	Contributed Surplus	Deficit	Total Shareholders' Equity
Balance, April 30, 2017	$ 31,438,860	$ 1,164,145	$ 32,603,005	$ 4,889,147	$ (36,896,648)	$ 595,504
Share-based compensation (note 11)	-	-	-	228,669	-	228,669
Option issuance costs	-	-	-	(3,800)	-	(3,800)
Warrants expired (note 10 (a))	-	(166,606)	(166,606)	166,606	-	-
Loss and comprehensive loss	-	-	-	-	(242,005)	(242,005)
Balance, July 31, 2017	$ 31,438,860	$ 997,539	$ 32,436,399	$ 5,280,622	$ (37,138,653)	$ 578,368

For the three months ended July 31, 2016

	Common Shares	Warrants	Total Share Capital	Contributed Surplus	Deficit	Total Shareholders' Equity
Balance, April 30, 2016	$ 29,152,856	$ 1,437,727	$ 30,590,583	$ 4,008,051	$ (30,687,758)	$ 3,910,876
Share-based compensation	-	-	-	116,171	-	116,171
Warrant exercises	1,912,525	(273,582)	1,638,943	-	-	1,638,943
Loss and comprehensive loss	-	-	-	-	(2,315,063)	(2,315,063)
Balance, July 31, 2016	$ 31,065,381	$ 1,164,145	$ 32,229,526	$ 4,124,222	$ (33,002,821)	$ 3,350,927

See accompanying notes to interim financial statements

Critical Outcome Technologies Inc.

Interim Statements of Cash Flows

(All amounts in Canadian dollars)
(Unaudited)

For the three months ended	July 31, 2017	July 31, 2016
Cash provided by (used in):		
Operating activities:		
Loss	$ (242,005)	$ (2,315,063)
Items not involving cash:		
Amortization - equipment	8,971	6,983
Amortization - intangible assets	47,786	49,489
Loss on disposal of patents	-	13,250
Share-based compensation	228,669	116,171
Change in fair value of warrant liability	(1,277,452)	1,052,470
Investment tax credits	17,999	(40,558)
Interest and financing expense, net	(1,195)	(12,133)
Unrealized (gain) loss on market value of investments	5,208	(38,200)
Foreign exchange loss (gain)	4,672	(56,220)
	(1,207,347)	(1,223,811)
Change in non-cash operating working capital	(115,494)	193,863
Foreign exchange gain (loss) realized	(7,493)	29,846
Interest received	1,802	11,320
Net cash (used in) operating activities	(1,328,532)	(988,782)
Investing activities:		
Redemption (purchase) of investments	1,227,145	(208,726)
Purchase of equipment	(3,941)	(7,510)
Expenditures on intangible assets	(42,377)	(32,859)
Net cash provided by (used in) investing activities	1,180,827	(249,095)
Financing activities:		
Proceeds from issuance of common shares and warrants	-	1,607,543
Costs of issuing common shares and warrants	-	(1,387)
Costs of issuing stock options	(3,800)	
Interest paid	(722)	(465)
Net cash provided by financing activities	(4,522)	1,605,691
Increase in cash and cash equivalents	(152,227)	367,814
Effect of exchange rate fluctuations on cash and cash equivalents	2,821	26,374
Cash and cash equivalents, beginning of the period	717,676	2,141,978
Cash and cash equivalents, end of the period	$ 568,270	$ 2,536,166
Represented by:		
Cash	$ 258,980	$ 244,229
Cash equivalents	309,290	2,291,937
	$ 568,270	$ 2,536,166

See accompanying notes to interim financial statements

1. Corporate Information:

Critical Outcome Technologies Inc. ("COTI" or the "Company" or the "Corporation") is a public corporation listed in Canada on the TSX Venture Exchange ("TSXV") under the trading symbol "COT" and in the United States on the OTCQB under the trading symbol "COTQF". The Company is incorporated under the laws of the Province of Ontario, Canada with its registered office located at Suite 213, 700 Collip Circle, London, Ontario, Canada, N6G 4X8.

2. Description of business:

COTI is a clinical stage biopharmaceutical company that is advancing a pipeline of targeted therapies for the treatment of cancer and other unmet medical needs. The Company's lead clinical candidate, COTI-2, is an oral small molecule targeting p53, a tumor suppressor gene that is mutated in over 50% of all cancers, and the Company's second clinical candidate, COTI-219, is a novel oral small molecule compound targeting the mutant forms of KRAS with such mutations occurring in up to 30% of all cancers.

3. Going concern:

The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize on its assets and discharge its liabilities and commitments in the normal course of operations. For COTI, there are material uncertainties related to certain conditions and events that raise significant doubts about the Company's ability to continue as a going concern. In particular, the Company has no commercial operating revenues and operating cash flows continue to be negative. Key financial results for the three months ended July 31, 2017 and 2016 are indicative of concern. These results include a loss of $242,005 (July 31, 2016 – $2,315,063) and negative cash flow from operations of $1,328,532 (July 31, 2016 – $988,782). As at July 31, 2017, the Company had a deficit of $37,138,653 (April 30, 2017 – $36,896,648), shareholders' equity of $578,368 (April 30, 2017 – $595,504), and a working capital deficit of $568,397 (April 30, 2017 – working capital deficit of $486,700).

The Company is dependent upon key personnel, the successful completion of the Company's clinical trials for COTI-2, and success in raising additional funds to support continuing operations and meet its liabilities and commitments as they become due while executing its strategic business plans for fiscal 2018 and future years. The Company is taking steps to address the going concern risk by pursuing sources of financing including but not limited to, raising capital in the private and public markets, securing government grants, seeking partners for business development collaboration opportunities, and other strategic initiatives. The Company has discretion with many of its expenditure activities and plans to manage these activities in fiscal 2018 within the limits of available cash resources.

While the Company has a history of obtaining financing, there is no certainty that any of the aforementioned strategies will enable the Company to alleviate the going concern risk in future periods. Subsequent to the quarter-end, the Company realized approximately $1,500,000 in financing through a private placement with accredited investors (note 16).

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The ability of the Company to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent on the successful completion of the actions taken or planned, some of which are described above, which management believes will mitigate the adverse conditions and events which raise doubt about the validity of the going concern assumption used in preparing these financial statements. There is no certainty that these and other strategies will be sufficient to permit the Company to continue beyond April 30, 2018. Accordingly, these financial statements do not include any adjustments to the carrying values and classification of assets and liabilities, or the reported expenses that would be necessary if the going concern assumption was not appropriate. Any adjustments to the financial statements could be material.

4. Basis of preparation:

(a) Compliance with accounting standards:

These interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and specifically International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB").

The accounting policies in these fiscal 2018 interim financial statements are consistent with the policies the Company adopted in its Annual Financial Statements as at, and for the year ending, April 30, 2017. These accounting policies were disclosed in detail in note 5 of the Company's April 30, 2017 Annual Financial Statements. COTI has also prepared these interim financial statements on an individual entity basis, as it has no subsidiaries. Management has determined that the Company operates in one reportable segment based on the business activities reflected in its revenues and expenses since inception.

In preparing these interim financial statements, certain information and disclosures normally included in the notes to the Annual Financial Statements are condensed or not presented. These interim financial statements should be read in conjunction with the Company's most recent Annual Financial Statements as of April 30, 2017, and related notes.

These interim financial statements were authorized for issuance by the Audit Committee on September 29, 2017.

(b) Basis of measurement:

The interim financial statements have been prepared on a historical cost basis, except for the warrant liability, and investments classified as fair-value-through-profit-and-loss (“FVTPL”), that are measured at fair value at each reporting date.

The Statements of Comprehensive Loss are presented using the functional classification for expenses.

(c) Functional and presentation currency:

The financial statements are presented in Canadian dollars (“CAD”), which is the functional currency of the primary economic environment in which the Company operates.

(d) Use of estimates and judgements:

The preparation of these interim financial statements in conformity with IFRS requires management to make estimates and assumptions, and apply judgement in the process of applying accounting policies, that affect the reported amounts of assets, liabilities, income, and expenses at the date of the interim financial statements. Actual results could differ materially from these estimates and assumptions. There has been no material change in the significant estimates and assumptions as described in note 4 (d) of the Annual Financial Statements for the year ended April 30, 2017, except as follows:

(i) Warrant liability:

The Company has issued warrants with an exercise price denominated in a currency other than the Company’s functional currency resulting in their classification as derivative liabilities. The Company measures the value of the warrant liability by reference to the fair value of the common shares underlying the warrants. Estimating the fair value for these warrants is determined using a currency translated option valuation model. This requires management to determine the most appropriate inputs to the valuation model including the estimated life of the warrants, estimated common share price volatility, expected dividend yield, and the risk free interest rate. There were significant changes in certain key inputs to the valuation model when compared to the assumptions at the April 30, 2017 year end as set out in note 9 that resulted in a significant change in the fair value of the warrant liability reported in the quarter.

5. Significant accounting policies:

The significant accounting policies, set out in detail in note 5 of the Annual Financial Statements for the year ended April 30, 2017, have been consistently applied to all periods presented in these interim financial statements.

(a) Adoption of new accounting pronouncements:

The Company did not adopt any new accounting policies in the quarter.

(b) Accounting pronouncements not yet adopted

The IASB has issued new standards and amendments to existing standards. These changes in accounting were not yet effective at May 1, 2017, and could have an impact on future periods.

(i) IFRS 9 - Financial Instruments

In July 2014, the IASB issued the final publication of the IFRS 9 standard, superseding the current IAS 39 - Financial Instruments: recognition and measurement standard. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39. The standard is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. Management is assessing the impact of this standard on the financial statements.

6. Investments:

The Company invests cash not required for immediate working capital purposes in investments that are rated “A high” or greater by Standard and Poor’s and the Dominion Bond Rating Service. At July 31, 2017, the investment consisted of a Canadian provincial government USD stripped bond with a cost of $60,842 and a fair value of $58,807.

7. Equipment:

Summary details of the Company’s equipment at July 31, 2017, appear in the following table.

	Computer Hardware	Furniture and Fixtures	Total
Cost, April 30, 2017	$ 83,610	$ 122,248	$ 205,858
Purchases	3,941	-	3,941
Disposals	(2,074)	-	(2,074)
Cost, July 31, 2017	85,477	122,248	207,725
Accumulated amortization, April 30, 2017	(49,566)	(113,793)	(163,359)
Amortization	(6,807)	(2,164)	(8,971)
Disposals	2,074	-	2,074
Accumulated amortization, July 31, 2017	(54,299)	(115,958)	(170,256)
Net carrying value, July 31, 2017	$ 31,178	$ 6,291	$ 37,469

8. Intangible assets:

Summary details of the Company's intangible assets at July 31, 2017, appear in the following table.

	Molecules	Patents Granted	Patents Pending	Computer Software	Total
Cost, April 30, 2017	$ 3,526,287	$ 746,243	$ 180,612	$ 269,747	$ 4,722,889
Additions	-	23,067	19,310	-	42,377
Transfer upon patent grant	-	19,397	(19,397)	-	-
Patent abandonment	-	-	-	-	-
Expired software licenses	-	-	-	(84,375)	(84,375)
Cost, July 31, 2017	3,526,287	788,707	180,525	185,372	4,680,891
Accumulated amortization, April 30, 2017	(3,131,337)	(191,247)	-	(135,600)	(3,458,184)
Amortization	(7,751)	(12,234)	-	(27,801)	(47,786)
Amortization reversal - patent abandonment	-	-	-	-	-
Expired software licenses	-	-	-	84,375	84,375
Accumulated amortization, July 31, 2017	(3,139,088)	(203,481)	-	(79,026)	(3,421,595)
Net carrying value, July 31, 2017	$ 387,199	$ 585,226	$ 180,525	$ 106,346	$ 1,259,296

9. Warrant liability:

During fiscal 2015, the Company completed a private placement financing on a unit basis with each unit consisting of one common share and one warrant to purchase a common share. The exercise price of the warrant is USD $3.40. Under IFRS, warrants issued with an exercise price denominated in a foreign currency are considered financial derivative instruments and the prescribed accounting treatment is to classify these warrants as a current liability measured at fair value upon initial recognition. At each subsequent reporting date, the warrants are re-measured at fair value and the change in fair value is recognized through profit or loss. Upon warrant exercise, the fair value previously recognized in Warrant liability is transferred from Warrant liability to Share capital.

The Company consolidated its common shares during the quarter, effective June 30, 2017 (note 10). The warrants disclosed as Warrant liability were consolidated on the same basis as the common shares in accordance with the terms of the warrant security agreement.

Details related to the Warrant liability are summarized below.

	July 31, 2017	April 30, 2017
Opening balance, outstanding warrants	1,001,006	1,011,706
Warrants exercised	-	(10,700)
Closing balance, outstanding warrants	1,001,006	1,001,006
Expiry dates	Oct 16 - Nov 24/19	Oct 16 - Nov 24/19
Weighted average exercise price in CAD	$ 4.245	$ 4.645
Opening balance	$ 1,459,182	$ 2,123,018
Fair value of warrant exercises transferred to share capital	-	(32,786)
Fair value adjustment at the report date	(1,277,452)	(631,050)
Net fair value change during the period	(1,277,452)	(663,836)
Closing balance	$ 181,730	$ 1,459,182

A summary of the assumptions used in the valuation model for re-measuring the fair value of the Warrant liability at the July 31, 2017 and April 30, 2017 reporting periods is set out below.

	Key Assumption	July 31, 2017	April 30, 2017
1	Estimated volatility	80.85 - 82.37%	71.53 - 72.11%
2	USD-CAD foreign exchange rate	1.2478	1.3654
3	Estimated life in years	2.19 - 2.28	2.46 - 2.57
4	Market price in CAD	$1.15	$3.80
5	Exercise price in USD	$3.40	$3.40

10. Share capital:

On June 23, 2017, the Company announced that, in accordance with the approval of the Company's shareholders obtained on October 13, 2016, the Board of Directors was proceeding with a consolidation of the Company's issued and outstanding common shares based on ten pre-consolidation common shares for one post-consolidation common share (the "Consolidation"). Upon approval from the TSX Venture Exchange, the Company's common shares commenced trading on a consolidated basis on June 30, 2017.

In addition to the consolidation of the Company's common shares, the Company's outstanding common share purchase warrants and share options were subject to adjustment as outlined under the terms of their respective security agreements. For both common shares and common share purchase warrants, all fractional post–consolidation shares were rounded to the next lowest whole number if the first decimal place was less than five and rounded to the next highest whole number if the first decimal place was five or greater. For share options, where the consolidation calculation resulted in a fractional number of common shares, the number to be purchased was rounded down to the nearest whole number as directed by the Share Option Plan.

Certain warrants issued by private placement contained a forced exercise provision where the expiry date will be accelerated to a period of 21 days if, for any ten consecutive trading days during the unexpired term of the warrant (the “Premium Trading Days”), the closing price of the Common Shares on the TSXV equaled or exceeded three times the exercise price set out in the warrant certificate. Because of the Consolidation, the forced exercise provision was adjusted to reflect the ten to one ratio effected in the Consolidation. Following the Consolidation, the Company is entitled to accelerate the expiry date of the warrants to a period of 21 days if, for any ten consecutive trading days during the unexpired term of the warrant, the closing price of the Common Shares on the TSXV equals or exceeds 1.3 times the exercise price of the warrants. If this occurs, the reduced exercise period of 21 days will begin seven calendar days after the tenth Premium Trading Day. Any warrants not exercised during this reduced exercise period would expire.

Summary details of the Company’s share capital at July 31, 2017, with comparable amounts for April 30, 2017, restated to reflect the effect of the consolidation, appear in the following table.

		July 31, 2017		April 30, 2017	
	Expiry Date Ranges	Issued	Amount	Issued	Amount
Share capital:					
Authorized:					
Unlimited common shares					
Unlimited preference shares					
Issued and fully paid:					
Common shares, without par value		14,915,844	$ 31,438,860	14,915,844	$ 31,438,860
Common share purchase warrants:					
$4.20 warrants	Jun 28 - Jul 31/17	-	-	214,427	156,283
$3.15 compensation warrants	Jun 28 - Jul 31/17	-	-	9,612	10,324
$3.80 warrants	Mar 29/18	242,055	225,424	242,055	225,424
$2.60 warrants	Feb 4/19	76,923	33,492	76,923	33,492
$1.90 USD compensation warrants	Apr 11 - Jun 6/19	300,000	472,222	300,000	472,222
$2.60 USD compensation warrants	Oct 16 - Nov 24/19	46,075	66,050	46,075	66,050
$3.80 warrants	Dec 18/19 - Feb 16/20	309,937	186,815	309,937	186,814
$2.90 compensation warrants	Dec 18/19 - Feb 16/20	16,281	13,536	16,281	13,536
		991,271	997,539	1,215,310	1,164,145
			$ 32,436,399		$ 32,603,005

A summary of the changes in warrants is set out below.

	Warrants	Amount
Balance April 30, 2017	1,215,310	1,164,145
Warrants expired (note 10 (a))	(224,039)	(166,606)
Balance July 31, 2017	991,271	$ 997,539

Details concerning the share capital transactions during the quarter are summarized below.

(a) Warrants expired:

Warrants related to various private placements expired during the quarter as set out below. The net amount previously recorded for these warrants of $166,606 was transferred to Contributed Surplus.

Warrant type	Warrants expired		Warrant value transferred		Warrant costs transferred		Share Capital
$4.20 common share	214,427	$	(170,700)	$	14,270	$	(156,430)
$3.15 agent	9,612		(10,176)		-		(10,176)
	224,039	$	(180,876)	$	14,270	$	(166,606)

11. Share-based compensation:

For the three months ended July 31, 2017, the Company recorded share-based compensation expense of $228,669 (July 31, 2016 – $116,171) consisting primarily of the amortization of options granted to employees, directors, and consultants in prior periods. At July 31, 2017, 280,652 options (July 31, 2016 – 451,629) were available for grant under the share option plan. There were no option exercises during the quarter (July 31, 2016 – nil).

Details concerning the 40,000 share options (July 31, 2016 – 305,000) issued by the Company during the quarter and the assumptions used in the Black-Scholes valuation model related to these options are summarized below.

Award terms		
Option terms:		
Number granted		40,000
Exercise price	$	3.20
Life of options in years		5.00
Vesting from grant date	4,000 on grant, 16,000 equally on a quarterly basis over 2 years; 20,000 equally on the completion of 4 milestones	
Valuation model assumptions		
Risk free interest rate		1.760%
Expected dividend yield		-
Estimated share price volatility		76.01%
Estimated life in years		3.41
Estimated share option value	$	47,552

12. Financial instruments and risk management:

The Company is exposed to credit risk, liquidity risk, foreign exchange risk, and interest rate risk from its financial assets and liabilities. Risk management strategies are designed to ensure the Company's risks and related exposures are consistent with its business objectives and risk tolerance. There have been no significant changes to the Company's key financial risks or risk management strategies since the Company's fiscal year-end of April 30, 2017.

(a) Financial assets and liabilities:

The Company has determined that the carrying values of its financial assets and liabilities, being cash and cash equivalents, investments, other receivables, accounts payable and accrued liabilities, and the long-term accrued liability approximate their fair values because of the relatively short periods to maturity of these instruments.

The Warrant liability is recorded at fair value at each reporting period. Its fair value is estimated using a currency translated option valuation model incorporating estimated life, currency and price volatility, and the risk free interest rate (note 9).

Investments are reported at their fair value at each reporting period.

(b) Liquidity risk:

Liquidity risk is the risk of the Company having difficulty in meeting the obligations associated with its financial liabilities in delivering cash or another financial asset. The Company monitors and manages its actual cash and projected cash flows with the primary objective of maintaining liquidity and its ability to meet its financial obligations.

The contractual maturities of the Company's financial liabilities, with the exception of its long-term liability, on an undiscounted cash flow basis mature within one year. The Company has determined it has, or will have, sufficient working capital to manage its maturing financial liabilities as they come due based on its current cash, cash equivalents, and investments, and subject to its ability to raise funds as demonstrated in prior years (note 3 and 16). The Company has excluded the Warrant liability from the liquidity risk analysis, as the obligation is non-cash and will be settled in shares.

(c) Foreign currency risk:

The Company has historically entered contracts denominated in currencies other than CAD. As a result, the Company may be exposed to risk from fluctuations in exchange rates between the CAD and these currencies. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. As a result, variations in foreign exchange rates could cause fluctuations in the Company's operating results and cash flows. During the quarter, the Company's foreign exchange exposure was primarily related to the USD.

The Company's exposure to foreign currency risk expressed in CAD at the quarter-end is set out below. Excluding the currency impact of the warrant liability, which is a liability not settled in cash, a 5% strengthening of the CAD against the USD at July 31, 2017 would have decreased the Company's loss by approximately $25,000. A 5% weakening of the CAD against the USD would have an equal but opposite effect assuming all other variables remain constant.

As at July 31, 2017	CAD	USD	Other	Total
Cash and cash equivalents	$ 481,593	$ 86,551	$ 126	$ 568,270
Investments	-	58,807	-	58,807
Other receivables	186	-	4,864	5,050
Accounts payable and accrued liabilities	(989,206)	(616,884)	(36,476)	(1,642,566)
Warrant liability	-	(181,730)	-	(181,730)
Long-term accrued liability	(150,000)	-	-	(150,000)
	$ (657,427)	$ (653,256)	$ (31,486)	$ (1,342,169)

13. Supplementary cash flow information:

July 31	2017	2016
Change in non-cash working capital:		
Investment tax credits and other receivables	$ (40,370)	$ (12,713)
Prepaid expenses and deposits	80,606	27,563
Accounts payable and accrued liabilities	(155,730)	179,013
	$ (115,494)	$ 193,863

The Company did not engage in any investing or financing transactions that did not involve the use of cash during the quarter.

14. Commitments:

The Company had commitments at the quarter-end to pay for the completion of work primarily related to research and development contracts for the Company's Phase 1 clinical trial of COTI-2 in gynecologic cancers. Payment timing of clinical trial costs is subject to the actual timing of trial activities such as the enrollment of patients, administration of drug, and completion of patient testing, as well as the negotiated payment terms with the trial site. The Company currently expects the clinical trial to conclude in fiscal 2019. A summary of the estimated timing of these commitments during the next fiscal years is set out below.

Fiscal Years ending April 30	2018	2019	2020	Total
COTI-2:				
Clinical trial costs	$ 689,137	$ 419,374	$ 310,411	$ 1,418,923
Other preclinical	118,044	-	-	118,044
	807,181	419,374	310,411	1,536,966
Other molecules	56,023	-	-	56,023
Other non-R&D consulting contracts	157,139	64,007	-	221,146
Total	$ 1,020,342	$ 483,381	$ 310,411	$ 1,814,135

15. Related party transactions:

The Company's key personnel include the Company's C-level executives ("Executives") and its directors. At July 31, 2017, there were directors' fees payable of $19,933 (July 31, 2016 – $5,444) and accrued salaries, benefits, and outstanding vacation pay owing to Executives of $209,629 (July 31, 2016 – $241,610).

Material transactions with key personnel that occurred during the quarter were in the ordinary course of business and included:

(a) The appointment of a Chief Scientific Officer ("CSO") effective June 12, 2017 whose compensation package included the award of share options (note 11).

16. Subsequent event:

(a) Private placement:

The Company completed the first tranche of a non-brokered private placement on September 19, 2017, and issued approximately 1,300,000 units consisting of one common share and one whole warrant at $1.16 per unit for gross proceeds of approximately $1,500,000. The Company paid finders' fees in connection with the offering of approximately $47,000 in cash and issued approximately 41,000 compensation warrants. Each common share purchase warrant and each compensation warrant is exercisable for one common share at an exercise price of $1.21 for a period of 12 months from the date of issue.

(b) Share options expired:

A total of 123,992 common share purchase options awarded in September 2012 expired in September 2017. The options were exercisable at various prices ranging from $1.40 to $1.60 per common share.