

BIOCURE TECHNOLOGY INC.

Management's Discussion & Analysis As at June 30, 2023

INTRODUCTION

The following management's discussion and analysis ("MD&A") is a review of operations, current financial position and outlook for the Company and is performed by management using the information available as at August 25, 2023. We have prepared this MD&A with reference to National Instrument 51-102F1 of the Canadian Securities Administrators. This MD&A should be read in conjunction with the Company's audited financial statements for the years ended December 31, 2022 and the related notes thereto ("Annual Financial Statements"). The Company's Annual Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company.

As used in this MD&A and unless otherwise indicated, the terms "we", "us", "our", "Company", and "CURE" refer to Biocure Technology Inc. Unless otherwise specified, all dollar amounts are expressed in Canadian dollars. This MD&A contains certain information forward-looking statements. Forward-looking statements may also be made in the Company's other reports filed with or furnished to the Canadian securities commissions. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from such statements. The words "aim," "anticipate," "believe," "continue," "could," "expect," "intend," "likely", "may," "optimistic," "plan," "potential", "predict", "should," "would," and other similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance, and therefore you should not put undue reliance upon them. The material assumptions supporting these forward-looking statements include, among other things the Company's ability to:

- obtain any necessary financing on acceptable terms;
- manage current tax and regulatory regimes;
- manage the fluctuation in interest rates; and
- follow general economic and financial market conditions.

Some of the factors that may cause actual results to differ materially from those indicated in these statements are found in the section "Risk Factors" in this MD&A.

The forward-looking statements contained in this MD&A reflect our views and assumptions only as of the date of this MD&A. The Company undertakes no obligation to update or revise any forward-looking statements after the date on which the statement is made, except as required by applicable laws, including the securities laws of Canada.

OUR BUSINESS

Biocure Technology Inc. (the “Company” or “Biocure”) was incorporated under the Business Corporation Act (British Columbia) on August 24, 2007. The Company is engaged in a mineral exploration property project through a limited partnership. The Company is also engaged in developing and commercializing several biopharmaceutical technologies relating to uses of recombinant and ranibizumab. The Company’s head office is located at Suite 300, 1055 West Hastings Street, Vancouver, BC, Canada.

On November 24, 2017, the Company acquired 100% of the issued and outstanding common and preferred shares of BiocurePharm Corporation (“BP Korea”), in exchange for the common shares of the Company (the “Transaction”). BP Korea, a private corporation, was incorporated on August 29, 2005, under the laws of the Republic of Korea. The Company was established to develop and commercialize several Biosimilars and biopharmaceutical technologies for production of biopharmaceuticals in Korea and oversea countries. BP Korea’s registered and head office is located at S-202, Pai Chai University Daedeok Campus, 11-3 Techno 1-ro, Yuseong-gu, Daejeon, Republic of Korea.

The Restructuring Transaction is designed to enable BP Korea, under the leadership of its CEO to separately market, finance and develop its product portfolio while maintaining a minority investment in BP Korea, which was previously a private subsidiary of the Company. The Company believes its market value does not reflect the value of BP Korea and that BP Korea will have more success with its financing endeavors in Korea as restructured.

On December 16, 2022, the Company entered into an agreement to sell 1,773,879 common shares and 57,954 preferred shares of BP Korea held by the Company, representing 46% for the outstanding shares of BP Korea (the “Restructuring Transaction”) and 51% of the shares currently held to Sang Mok Lee (President and CEO “Dr. Lee”). The sale was completed on May 31, 2023 and the subsidiary had been deconsolidated on the transaction completion date. As consideration of the BP Korea Shares, Dr. Lee will transfer to the Company an aggregate of 27,317,506 common shares of Biocure held by him for cancellation and return to treasury. The Company received an aggregate of 27,317,506 common shares of the Company held by Dr. Lee for cancellation and return to treasury. The segment of BP Korea meets the criteria of a discontinued operation under IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. The operating segment was not previously classified as held-for-sale or as discontinued operations.

On December 28, 2022, the Company’s subsidiary BP Korea closed its non brokered private placement and issued 16,250 shares at \$4.248 per share for gross proceeds of \$69,030. The Company’s interest in BP Korea decreased to 93.73%.

On January 17, 2023, Company’s subsidiary BP Korea closed its non brokered private placement and issued 12,500 shares at \$4.328 per share for gross proceeds of \$54,100. The Company’s interest in BP Korea decreased to 93.42%.

On January 31, 2023, Company’s subsidiary BP Korea closed its non-brokered private placement and issued 55,000 shares at \$4.32 per share for gross proceeds of \$237,600. The Company’s interest in BP Korea decreased to 92.10%.

Key Management Change

Effective February 16, 2021, Mr. Berkan Unal joined the Board of Directors as an Independent Director. He replaced Mr. Hans Frykman.

Effective July 22, 2021, Dr. Bjorn Cochlovius joined the Management as President.

Effective December 21, 2022, Danny Joh has resigned from the Board of Directors.

Effective June 30, 2023, Berkan Unal has resigned from the Board of Directors.

Equity

During the six months ended June 30, 2023, the CEO of the Company sold 23,317,506 of the Company’s common share in exchange for 1,773,879 common shares and 57,954 preferred shares of BP Korea held by the Company. The

Company cancelled and returned to its treasury 23,317,506 common shares that were received from the CEO. Upon the cancellation, \$956,113 was recorded as a reduction to shares capital for the assigned value of the shares, and \$2,697,646 in connection to the gain of the sale was allocated to reserves.

During the six months ended June 30, 2022, there were no transactions affecting share capital.

During the year ended December 31, 2022, 2,300,00 shares were issued to settle \$361,846 of debt. The Company recorded \$292,846 of forgiveness of loan in connection to the debt settlement.

During July 2023, the Company amend the terms of 6,706,525 share purchase warrants originally issued on July 14, 2021 with an expiry date on July 14, 2023. The Company extended the warrant terms to July 14, 2026, and reduced the exercise price of warrants from \$0.21 to \$0.50. The amendment will require the incorporation of an accelerated expiry provision such that the remaining exercise period of the warrants will be reduced to 30 days if, for any 10 consecutive trading days during the unexpired term of such of the warrants, the closing price of the corporation's common shares exceeds the amended exercise price by 25% or more (which would be a trading price of \$0.625 per common share or higher), with the 30-day expiry period commencing on the day the corporation disseminates a press release advising of the commencement of the exercise period.

Loans

Loans Payable

The following table summarizes the principal and interest amount in loans payable:

| | June 30, 2023 | December 31, 2022 |
|---|--------------------------|------------------------------|
| | \$ | \$ |
| Loans payable, unsecured: | | |
| Non-interest bearing, unsecured and due on demand (Note 11) | 47,000 | 47,000 |
| CEBA Loan | 36,957 | 34,189 |
| Total | 83,957 | 81,189 |

| | June 30, 2023 | December 31, 2022 |
|---------------------------|--------------------------|------------------------------|
| | \$ | \$ |
| Balance, beginning | 34,189 | 34,189 |
| Additions - CEBA | - | (4,994) |
| Repayments | - | - |
| Accretion - CEBA | 2,768 | 4,994 |
| Balance, ending | 36,957 | 34,189 |

During the year ended December 31, 2020, the Company entered into a Canada Emergency Business Account “CEBA” loan with the Government of Canada. The loan is an interest free loan of \$60,000 from the Government of Canada. If the Government of Canada is repaid by December 31, 2022, 33% being \$20,000 will be forgiven. If the Company is not able to repay, the loan will convert into a regular loan with a three-year term at 5% per annum. The loan was recorded at a fair value of \$29,222 using an effective rate of 17%, considering the grant, the interest-free loan and the forgivable portion. On January 12, 2022, the government announced the repayment date will be extended to December 31, 2023. The Company recognized an additional \$4,994 of income from government assistance in other income in connection to the extension announcement. During the six months ended June 30, 2023, the Company recorded accretion expense of \$2,768 (June 30, 2022 - \$2,767). The Company anticipates a repayment of the CEBA loan prior to December 31, 2023, and has reclassified the loan to current as of December 31, 2022.

OVERALL PERFORMANCE

Since its inception in August 2005, Biocure has accumulated a deficit of \$24,986,256 (December 31, 2022 - \$27,504,715). With the Restructuring Transaction of the Company completed, the Company intends to search for opportunities to continue operations.

The Company has funded its operations with proceeds from loans payable, equity financing, and expects to seek additional funding through equity financings to finance its operations.

SELECTED FINANCIAL INFORMATION

The following table provides selected financial information for the three and six months ended June 30, 2023 and 2022. The selected financial information set out below has been derived from the consolidated financial statements and accompanying notes, in each case prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of Financial Reporting Interpretations Committee (“IFRIC”). The selected financial information set out below may not be indicative of the Company’s future performance. The following discussion should be read in conjunction with the Condensed Consolidated Interim Financial Statements for the three and six months ended June 30, 2023.

Functional and presentation currency

The consolidated financial statements of the Company are presented in Canadian dollars.

The individual financial statements of each entity of the Company are presented in the currency of the primary economic environment in which the entity operates. The financial currency of the Company is the Canadian dollar. The functional currency of the discontinued operations subsidiary is the South Korea won, and the comparative period had been restated to segregate out the discontinued operations portion. The figures presented are in Canadian dollars, unless noted otherwise.

Three months ended June 30, 2023 and 2022

| | 2023 | Restated 2022 |
|--|--------------------|------------------|
| | \$ | \$ |
| EXPENSES | | |
| Accretion | 1,419 | 1,417 |
| Consulting | 8,000 | 42,443 |
| Director and management fees | 30,000 | 20,000 |
| Filing fees | 10,584 | 16,393 |
| General and administrative | 6,175 | 5,616 |
| Insurance | 7,868 | 7,684 |
| Payroll | - | 3,527 |
| Professional fees | 37,861 | 32,200 |
| Travel | - | - |
| Total Expenses from Continuing operations | (101,907) | (129,280) |
| INCOME (LOSS) BEFORE OTHER ITEMS | (101,907) | (129,280) |
| OTHER ITEMS | | |
| Income from equity accounted investment in BPK | (27,939) | - |
| Gain on retained investment | 2,805,376 | - |
| | (2,777,437) | - |
| NET GAIN (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS | (2,675,530) | (129,280) |
| NET GAIN (LOSS) FOR THE PERIOD FROM DISCONTINUING OPERATIONS | (64,495) | (164,800) |
| Loss attributable to the shareholders of the Company | 2,620,862 | (276,818) |
| Loss attributable to non-controlling interest | 9,827 | (17,262) |
| | 2,611,035 | (294,080) |
| OTHER COMPREHENSIVE INCOME (items that may be reclassified to profit or loss) | 30,074 | 81,401 |
| Attributable to the shareholders of the Company | 27,700 | 76,623 |

| | | |
|--|-------------------|--------------------|
| Attributable to non-controlling interest | 2,374 | 4,778 |
| | 30,074 | 81,401 |
| COMPREHENSIVE LOSS | 2,641,109 | (212,679) |
| Attributable to the shareholders of the Company | 2,648,562 | (200,195) |
| Attributable to non-controlling interest | (7,453) | (12,484) |
| BASIC AND DILUTED LOSS PER SHARE (attributable to the owners of the parent) | \$ 0.03 | \$ (0.00) |
| WEIGHTED AVERAGE SHARES OUTSTANDING – BASIC AND DILUTED | 99,915,387 | 106,621,158 |

Expenses

Net loss before other items for the three months ended June 30, 2023 was \$101,907 compared to \$129,280 for the period ended June 30, 2022. The decrease was primarily due to:

- Consulting: Decreased by \$34,443 from \$42,443 during the three months ended June 30, 2022 to \$8,000 during the three months ended June 30, 2023. The Company has decreased marketing consultant services due to lack of funding.
- Director and management fees: Increased by \$10,000 from \$20,000 during the three months ended June 30, 2022 to \$30,000 during the three months ended June 30, 2023. The Company has reached new agreements with management for compensation.
- Payroll: Decreased by \$3,527 from \$3,527 during the three months ended June 30, 2022 to \$Nil during the three months ended June 30, 2023. The decrease is due to the resignation of employees in the prior year and the Company decided to outsource the service to professionals.
- Professional fees: Increased by \$5,661 from \$32,200 during the three months ended June 30, 2022 to \$37,861 during the three months ended March 31, 2023. The increase is primarily due to the Company's decision to outsource services to professionals instead of hiring in-house employees.
- There was no significant change in other expenses not previously discussed.

Other items

During the three months ended June 30, 2023, the Company:

- Recognized an investment in BPK as a result of the Restructuring Transaction. The Company owns 45% of BP Korea's outstanding shares and recorded its investment using the equity method of accounting. The Company included 45% of income (loss) from BP Korea under other items. The loss recognized during the three months ended June 30, 2023 is \$27,940 and no such transaction existed in the comparative period.
- Recognized a gain on retained investment as a result of the valuation of the 49% of BP Korea shares that were not part of the sale.

Discontinued Operations

Net loss for the three months ended June 30, 2023 was \$64,495 compared to \$164,800 for the same period in 2022. There decrease is primarily related to a decrease in research and development activities with limited cash available.

Other comprehensive income (loss)

Other comprehensive income for the three months ended June 30, 2023 was \$30,074, compared to \$81,401 during the three months ended June 30, 2022. The change was due to foreign currency translation.

Six months ended June 30, 2023 and 2022

2023

Restated

| | 2022 | |
|--|--------------------|--------------------|
| | \$ | \$ |
| EXPENSES | | |
| Accretion | 2,768 | 2,767 |
| Consulting | 16,250 | 74,635 |
| Director and management fees | 61,446 | 53,966 |
| Filing fees | 18,341 | 20,876 |
| General and administrative | 6,524 | 18,520 |
| Insurance | 15,576 | 14,257 |
| Payroll | - | 9,878 |
| Professional fees | 63,248 | 42,682 |
| Travel | - | 708 |
| Total Expenses from Continuing operations | (184,153) | (238,289) |
| INCOME (LOSS) BEFORE OTHER ITEMS | (184,153) | (238,289) |
| OTHER ITEMS | | |
| Income from equity accounted investment in BPK | (27,940) | - |
| Gain on retained investment | 2,805,377 | - |
| | 2,777,437 | - |
| NET GAIN (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS | 2,593,284 | (238,289) |
| NET GAIN (LOSS) FOR THE PERIOD FROM DISCONTINUING OPERATIONS | (310,068) | (383,217) |
| Loss attributable to the shareholders of the Company | 2,307,690 | (585,024) |
| Loss attributable to non-controlling interest | (24,474) | (36,482) |
| | 2,283,216 | (621,506) |
| OTHER COMPREHENSIVE INCOME (items that may be reclassified to profit or loss) | 159,278 | 167,169 |
| Attributable to the shareholders of the Company | 146,706 | 157,356 |
| Attributable to non-controlling interest | 12,572 | 9,813 |
| | 159,278 | 167,169 |
| COMPREHENSIVE LOSS | 2,442,495 | (454,337) |
| Attributable to the shareholders of the Company | 2,454,397 | (427,668) |
| Attributable to non-controlling interest | (11,902) | (26,669) |
| BASIC AND DILUTED LOSS PER SHARE (attributable to the owners of the parent) | \$ (0.00) | \$ (0.00) |
| WEIGHTED AVERAGE SHARES OUTSTANDING – BASIC AND DILUTED | 104,368,240 | 106,621,158 |

Expenses

Net loss before other items for the six months ended June 30, 2023 was \$184,153 compared to \$238,289 for the period ended June 30, 2022. The decrease was primarily due to:

- Consulting: Decreased by \$58,385 from \$74,635 during the six months ended June 30, 2022 to \$16,250 during the six months ended June 30, 2023. The Company has decreased marketing consultant services due to lack of funding.
- Director and management fees: Increased by \$7,480 from \$53,966 during the six months ended June 30, 2022 to \$61,446 during the six months ended June 30, 2023. The Company has reached new agreements with management for compensation.
- General and administrative: Decreased by \$11,996 from \$18,520 during the six months ended June 30, 2022 to \$6,524 during the six months ended June 30, 2023. The decrease is mainly due to a decrease in the Company's activities as there was limited cash available.
- Payroll: Decreased by \$9,878 from \$9,878 during the six months ended June 30, 2022 to \$Nil during the six months ended June 30, 2023. The decrease is due to the resignation of employees in the prior year and the Company decided to outsource the service to professionals.

- Professional fees: Increased by \$20,566 from \$42,682 during the six months ended June 30, 2022 to \$63,248 during the six months ended June 30, 2023. The increase is primarily due to the Company's decision to outsource services to professionals instead of hiring in-house employees.
- There was no significant change in other expenses not previously discussed.

Other items

During the six months ended June 30, 2023, the Company:

- recognized an investment in BPK as a result of the Restructuring Transaction. The Company owns 45% of BP Korea's outstanding shares and recorded its investment using the equity method of accounting. The Company included 45% of income (loss) from BP Korea under other items. The loss recognized during the six months ended June 30, 2023 is \$27,940 and no such transaction existed in the comparative period.
- Recognized a gain on retained investment as a result of valuation of the 49% of BP Korea shares that were not part of the sale.

Discontinued Operations

Net loss for the six months ended June 30, 2023 was \$310,068 compared to \$383,217 for the same period in 2022. There decrease is primarily related to a decrease in research and development activities with limited cash available.

Other comprehensive income (loss)

Other comprehensive income for the six months ended June 30, 2023 was \$159,278, compared to \$167,169 during the six months ended June 30, 2022. The change was due to foreign currency translation.

QUARTERLY FINANCIAL INFORMATION

The following table summarizes selected unaudited financial data for each of the last eight fiscal quarters, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of Financial Reporting Interpretations Committee ("IFRIC"):

| | Quarter Ended Restated | | | |
|---|---------------------------------------|--|---|--|
| | June 30, 2023 ("Q2 2023") \$ | March 31, 2023 ("Q1 2023") \$ | December 31, 2022 ("Q4 2022") \$ | September 30, 2022 ("Q3 2022") \$ |
| Revenue | - | - | - | - |
| Operating expenses (recovery) | 101,907 | 82,246 | 392,420 | 70,535 |
| Other income (loss) | (27,940) | - | 339,585 | (41,745) |
| Net income (loss) for the quarter | 2,611,035 | (327,819) | (587,481) | (306,033) |
| Basic and diluted loss per common share | 0.03 | (0.00) | (0.00) | (0.00) |
| Total assets | 3,591,525 | 2,053,435 | 2,083,651 | 2,073,639 |
| Total liabilities | (891,882) | (4,288,954) | (4,411,374) | (3,586,246) |

| | Quarter Ended Restated | | | |
|-------------------------------|---------------------------------------|--|---|--|
| | June 30, 2022 ("Q2 2022") \$ | March 31, 2022 ("Q1 2022") \$ | December 31, 2021 ("Q4 2021") \$ | September 30, 2021 ("Q3 2021") \$ |
| Revenue | - | - | - | - |
| Operating expenses (recovery) | 129,280 | 109,009 | (671,704) | 1,273,729 |

| | | | | |
|---|-------------|-------------|-------------|-------------|
| Other income (loss) | - | - | - | - |
| Net loss for the quarter | (294,080) | (327,426) | 3,442,098 | (1,544,881) |
| Basic and diluted loss per common share | (0.00) | (0.00) | 0.03 | (0.01) |
| Total assets | 2,110,678 | 2,338,013 | 4,153,015 | 4,428,679 |
| Total liabilities | (3,417,331) | (3,431,987) | (5,005,331) | 7,953,332 |

During the second quarter of 2023, the Company had additional gain in other income as a result of the investment retained in BPK after the Restructuring transaction.

During the first quarter of 2023, the Company had less operating expenses than prior period due to decreased business activities as the Company had limited cash available.

During the fourth quarter of 2022, the Company had higher other income compared to other periods. The company recognized a forgiveness of loan in connection to a debt settlement.

During the third quarter of 2022, the Company had less operating expenses than prior period as the company is running low on cash.

During the second quarter of 2022, the Company had more operating expenses. The Company also had a slight lower net loss than the prior period.

During the first quarter of 2022, the Company had higher operating expenses than prior period. This increase is due to the reversal of share-based compensation expense in prior period. The Company also had a higher net loss as the Company recorded net income in the prior period due to the forgiveness of accounts payable.

During the fourth quarter of 2021, the Company had a recovery of operating expenses compared to net losses in prior period. This recovery in operating expenses is due to a decrease in corporate activities and reversal of share-based compensation expense, and the decrease in net loss is due to the forgiveness of accounts payable in the discontinued operations segment.

During the third quarter of 2021, the Company had a significantly higher loss than in the comparative period. This increase in loss was mainly due to additional share-based compensation of \$909,572 related to a stock option grant during the quarter.

LIQUIDITY AND CAPITAL RESOURCES

The continuing operations of the Company are dependent upon its ability to raise additional capital during the next twelve months and beyond to support current operations and planned development. As at June 30, 2023, the Company has not earned significant revenue and has an accumulated deficit of \$24,986,256 (December 31, 2022 - \$27,504,715). In order to reach sustainable business operations, they will continue to seek additional sources of financing.

The Company's cash balance as of June 30, 2023 was \$11,653 compared to \$37,672 as of December 31, 2022. As of June 30, 2023, the Company had current assets of \$735,319 (December 31, 2022 - \$118,124), current liabilities of \$891,882 (2022 - \$4,411,374), and a working capital deficiency of \$156,563 (December 31, 2022 - \$4,293,250).

Operating Activities

During the six months ended June 30, 2023 and 2022, the Company's operating activities from continuing operations used cash of \$71,019 and \$124,731, respectively. Cash used in operating activities for the year ended June 30, 2023 and 2022 were mainly attributable to net income (loss) for the period of \$2,593,284 and \$(238,289), respectively.

Investing Activities

During the six months ended June 30, 2023 and 2022, the Company’s investing activities from continuing operations generated cash of \$45,000 and \$39,985, respectively from repayment of subsidiary loan.

Financing Activities

During the six months ended June 30, 2023 and 2022, the Company’s financing activities from continuing operations did not generate or use cash.

Discontinued operations

During the six months ended June 30, 2023, the Company’s discontinued operations used \$972 compared to \$337 during the six months ended June 30, 2022.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements, financings, or other relationships with unconsolidated entities or other persons, also known as “special purpose entities”.

RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel include those people who have authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and the Officers. The remuneration of directors and key management personnel for the six months ended June 30, 2023 and 2022 were as follows:

| | Three months ended June 30, 2023 | Three months ended June 30, 2022 | Six months ended June 30, 2023 | Six months ended June 30, 2022 |
|-------------------------------|---|---|---|---|
| | \$ | \$ | \$ | \$ |
| Director and management fees* | 60,540 | 54,423 | 143,623 | 138,506 |
| Total | 60,540 | 54,423 | 143,623 | 138,506 |

**Danny Joh has resigned from the Company's board of directors on December 21, 2022, and his fees are included up to his resignation date.*

**Berkan Unal has resigned from the Company's board of directors on June 30, 2023 and his fees are included up to his resignation date.*

**CFO of BP Korea ceased to be a related party upon completion of the restructuring transaction and his fees are included up to the restructuring transaction date*

Related parties loan to BP Korea

As of June 30, 2023, the CEO of the Company lend a loan of \$530,025 (KRW 511,114,127) (December 31, 2022 - \$608,535 (KRW 564,503,661)) which bears interest at 4.6% per annum, is unsecured, and due on demand to BP Korea. The loan was still outstanding as of June 30, 2023.

Accounts payable balances outstanding to related parties and former related parties

As at June 30, 2023, there was \$506,748 (December 31, 2022 - \$490,507) of due to directors and officers included in accounts payable. For December 31, 2022 accounts payable balance, \$48,204 of the \$490,507 was included in discontinued operations segment’s accounts payable.

As at June 30, 2023, there was \$25,000 (December 31, 2022 - \$25,000) due to a former director included in accounts payable.

Share transactions

During the six months ended June 30, 2023, the CEO of the Company sold 23,317,506 of the Company's common shares in exchange for 1,773,879 common shares and 57,954 preferred shares of BP Korea held by the Company.

During the six months ended June 30, 2022, and during the year ended December 31, 2022, directors or key management personnel did not make any share transactions.

PROPOSED TRANSACTIONS

The Company continues to engage in discussions with several financing groups and intends to provide a market update when the Company's management and board make a decision to proceed with any such financing.

SIGNIFICANT ACCOUNTING ESTIMATES

Significant Estimates and Assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of investments in KWULP and KWUC, useful lives of equipment, recoverability of receivables, fair value measurement and the timing of future cash flows of financial instruments, and the measurement of deferred tax assets and liabilities.

Significant Judgements

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's accounting policies in these consolidated financial statements were:

- Evaluating whether or not costs incurred by the Company in developing its pharmaceutical products meet the criteria for capitalization to intangible assets. Management determined that as at June 30, 2023, it was not yet able to demonstrate with sufficient certainty that future economic benefits will flow to the Company. Accordingly, all research and development costs incurred to date have been expensed.

Other significant judgments in applying the Company's accounting policies relate to the assessment of the Company's ability to continue as a going concern, the classification of its financial instruments and the classification of leases as either operating or finance type leases.

FINANCIAL INSTRUMENTS AND RISKS

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

| | June 30, 2023 | December 31, 2022 |
|---|----------------------|--------------------------|
| | \$ | \$ |
| Fair value through profit or loss | | |
| Cash | 11,653 | 37,672 |
| Fair value through other comprehensive income | | |
| Investments in KWULP and KWUC | 1,965,527 | 1,965,527 |

| | | |
|---|-----------|-----------|
| Amortized cost | | |
| Loan receivables from former subsidiary | 717,300 | - |
| | 2,694,480 | 2,003,199 |

Financial liabilities included in the statement of financial position are as follows:

| | June 30, 2023 | December 31, 2022 |
|--|---------------|-------------------|
| | \$ | \$ |
| Financial liabilities at amortized cost: | | |
| Accounts payable and accrued liabilities | 807,924 | 713,286 |
| Loans payable | 47,000 | 47,000 |
| | 854,924 | 760,286 |

Fair value

The Company has applied a three-level hierarchy to reflect the significance of the inputs used in making fair value measurements. The three levels of fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, neither directly or indirectly; and
- Level 3 – Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments consist of cash, investment in KWULP and KWUC, receivables, payable and accrued liabilities, and loans payable. The fair value of these financial instruments, other than cash, approximates their carrying value due to the short-term nature of these instruments. Cash is measured at fair value using level 1 input.

Financial liabilities measured at fair value consisted of preferred share liabilities, which is measured using level 2 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate and liquidity risk.

a) Credit risk

Credit risk is risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held in large Korean financial institutions and is not exposed to significant credit risk.

b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to limited interest rate risk.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the directors are actively involved in the review, planning, and approval of significant expenditures and commitments.

d) Foreign currency risk

The Company's disposed subsidiary and current investment in associate's functional currency is the South Korean Won and major transactions are in South Korean Wons. The Company is not exposed to significant foreign exchange risk arising from transactions dominated in a foreign currency.

e) Capital Management

The Company defines capital that it manages as its shareholders' equity. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes to the Company's approach to capital management during the period.

RISKS AND UNCERTAINTIES

Additional Financing Requirements and Access to Capital

Biocure will require substantial additional funds for further operations. Biocure may attempt to raise additional funds for these purposes through public or private equity, debt financing, and/or from other sources. There can be no assurance that additional funding or partnership will be available on terms acceptable to Biocure.

Reliance on Key Personnel

Biocure is dependent on certain members of its management, as well as consultants and contractors, the loss of services of one or more of whom could adversely affect Biocure. In addition, Biocure's ability to manage growth effectively will require it to continue to implement and improve its management systems and to recruit and train new employees. There can be no assurance that Biocure will be able to successfully attract and retain skilled and experienced personnel.

Minimal Product Revenues and History of Losses

To date, Biocure has recorded minimal revenues from operations. Biocure expects to incur additional losses in the near future. Biocure expects to incur losses until it find its opportunity to continue operations.

Volatility of Share Price, Absence of Dividends and Fluctuation of Operating Results

Market prices for the securities, including Biocure, have historically been highly volatile. Factors such as fluctuation of Biocure's operating results could have significant effect on the share price or trading volumes for the common shares. Biocure shares, if traded publicly, may be subject to significant price and volume fluctuations and may continue to be subject to significant price and volume fluctuations in the future. Biocure has not paid dividends to date and does not expect to pay dividends in the foreseeable future.

Conflict of Interest

Certain directors and senior officers of Biocure may, from time to time, be employed by or affiliated with organizations that have entered into agreements with Biocure. As disputes may arise between these organizations and Biocure, or certain organizations may undertake or have interest with competitors of Biocure, there exists the possibility for such persons to be in a position of conflict. Any decision or recommendation made by these persons involving Biocure will be made in accordance with his or her duties and obligations to deal fairly and in good faith with Biocure and such other organizations. In addition, as applicable, such directors and officers will refrain from voting on any matter in which they have a conflict of interest.

No Key Man Insurance

The Company does not currently have key man insurance in place in respect of any of its senior officers or personnel.

OUTSTANDING SHARE DATA

The Company has authorized an unlimited number of common shares without par value.

As of June 30, 2023 and the date of this MD&A, there were 81,603,652 common shares issued and outstanding.

As of June 30, 2023, there were 7,240,547 warrants issued and outstanding; As of date of this MD&A, there were 6,706,525 warrants issued and outstanding.

As of June 30, 2023 and date of this MD&A, there were 7,270,000 stock option outstanding and exercisable.

ADDITIONAL INFORMATION

The Company files annual and other reports and other information with Canadian securities regulatory authorities. The documents are available to the public at <http://www.sedar.com>.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A.