

BIOMARK DIAGNOSTICS INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the period from incorporation on June 19, 2014 to December 31, 2014

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS**

Under National Instrument 51-102, if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for review of condensed consolidated interim financial statements by an entity's auditor.

BIOMARK DIAGNOSTICS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Note	For the three months ended December 31, 2014	For the period from incorporation on June 19, 2014 to December 31, 2014
		\$	\$
Revenue		9,200	9,200
Expenses:			
Corporate and professional services		155,385	170,947
Legal fees		82,418	172,080
Listing fees	1	1,243,050	1,245,720
Office and miscellaneous		94,597	105,108
Research and other		174,569	174,569
Share-based compensation	5	222,032	222,032
Wages and benefits		87,788	87,788
		2,059,839	2,178,244
Net loss and comprehensive loss for the period		(2,050,639)	(2,169,044)
Basic and diluted loss per share		(0.07)	(0.15)
Weighted average number of common shares outstanding		31,388,559	14,814,243

BIOMARK DIAGNOSTICS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
For the period from incorporation on June 19, 2014 to December 31, 2014
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Period from incorporation on June 19, 2014 to December 31, 2014
	\$
Operating Activities	
Net loss for the period	(2,169,044)
Listing expenses	1,210,204
Stock-based compensation	222,032
	(736,808)
Changes in non-cash working capital item related to operations:	
Account receivable	(9,200)
GST receivable	(13,678)
Accounts payable and accrued liabilities	34,735
	(724,951)
Cash used in operating activities	
Financing Activities	
Due to a related party	114,091
Share subscriptions	114,500
Issue of common shares, net of issuance costs	523,260
	752,151
Cash provided by financing activities	
Increase in cash during the period	27,200
Cash, beginning of the period	92,000
Cash, end of the period	119,200
Supplemental Disclosure of Cash Flow Information:	
Cash paid during the period:	
Interest	-
Income taxes	-

Non-cash Transactions – see Note 8

BIOMARK DIAGNOSTICS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
For the period from Incorporation on June 19, 2014 to December 31, 2014
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	<u>Number of Shares</u>	<u>Share Capital</u> \$	<u>Shares Subscriptions</u> \$	<u>Contributed Surplus</u> \$	<u>Deficit</u> \$	<u>Total</u> \$
Balance, June 19, 2014 (date of incorporation)	-	-	-	-	-	-
Shares issued for cash at \$0.0001	10,000	1	-	-	-	1
Shares cancelled	(10,000)	(1)	-	-	-	(1)
Shares exchanged by Biomark Cancer shareholders	44,900,000	1,225,000	-	34,704	-	1,259,704
Shares issued to Noor Energy Corporation	310,000	62,500	-	-	-	62,500
Shares issued for cash at \$0.25	2,125,040	531,260	-	-	-	531,260
Share issue costs	-	(17,700)	-	-	-	(17,700)
Cash received for private placement	-	-	114,500	-	-	114,500
Stock-based compensation	-	-	-	222,032	-	222,032
Comprehensive loss	-	-	-	-	(2,184,126)	(2,184,126)
Balance, December 31, 2014	<u>47,335,040</u>	<u>1,801,060</u>	<u>114,500</u>	<u>256,736</u>	<u>(2,184,126)</u>	<u>(11,830)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

BIOMARK DIAGNOSTICS INC.

Notes to the Condensed Consolidated Interim Financial Statements

December 31, 2014

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

1. Nature and Operations and Going Concern

Biomark Diagnostics Inc. (“Biomark Diagnostics” or the “Company”) was incorporated on June 19, 2014 under the Business Corporation Act of British Columbia. The head office of the Company is 165 – 10551 Richmond, British Columbia, V6X 2W8.

Asset Purchase Agreement

On September 5, 2014 and amended on September 8, 2014 and September 18, 2014, Luger Minerals Corp. (“Luger”) entered into an Asset Purchase Agreement with Biomark Technologies Inc. (“Biomark Technologies”), Rashid Ahmed Bux (“Rashid”) and Bux Investments Ltd. (“Bux”) to acquire and transfer certain assets, properties and rights (collectively “IP”) to Luger for the following consideration:

- i) Issuance of 40,000,000 common shares of Luger to Biomark Technologies (issued on September 29, 2014);
- ii) Loan forgiveness of the balance due from Biomark Technologies;
- iii) Assumption of all expenses incurred by Biomark Technologies for this transaction.

Plan of Arrangement

On June 19, 2014 an Arrangement Agreement (“Arrangement”) was entered into among Biomark Diagnostics, Luger Minerals Corp., Noor Energy Corporation (“Noor”) and Kyle Stevenson, the controlling shareholder of Noor (the “Controlling Shareholder”). Under the Arrangement, the following transactions took place on October 30, 2014:

- i) Luger acquired from Noor, which is a company listed on the Canadian Stock Exchange (“CSE”), all of the issued and outstanding shares of Noor’s wholly owned subsidiary, Biomark Diagnostics (the “Purchase Shares”), for consideration of \$5,000.
- ii) Each outstanding Luger common share was then exchanged for one Biomark Diagnostics common share such that Luger became a wholly-owned subsidiary of Biomark Diagnostics.
- iii) Noor issued 1,000 of its common shares to Biomark Diagnostics in exchange for 310,000 common shares of Biomark Diagnostics. Out of the 310,000 shares, the Controlling Shareholder of Noor agreed to forgo 60,000 shares, which were to be cancelled.
- iv) The Purchase Shares and the 60,000 Biomark Diagnostics shares held by the Controlling Shareholder were to be cancelled.

Following the completion of the Arrangement, Biomark Diagnostics applied for a listing on the CSE. On November 3, 2014, the Company commenced trading on the CSE under the trade symbol “BUX”.

BIOMARK DIAGNOSTICS INC.

Notes to the Condensed Consolidated Interim Financial Statements

December 31, 2014

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management) – Page 2

1. Nature and Operations and Going Concern (continued)

As a result of the above noted transactions, the parties who controlled the IP before the Asset Purchase Agreement and the Arrangement continued to control Biomark Diagnostics Inc., including the IP, after the Asset Purchase Agreement and the Arrangement. As a result, no value has been allocated to the 40,000,000 shares issued to Biomark Technologies.

On October 15, 2014, Luger, now the wholly-owned subsidiary of Biomark Diagnostics Inc. changed its name to Biomark Cancer Systems Inc. (“Biomark Cancer”).

The fair value of all the consideration given and charged to listing expense was comprised of:

	Number of common shares	\$
Shares issued to Biomark Cancer shareholders	4,900,000	1,147,704
Shares issued to Noor	310,000	62,500
Cash paid to Noor		5,000
Other listing expenses		30,516
Total listing expense		1,245,720

The value of the common shares issued to Biomark Cancer shareholders in the amount of \$1,147,704 included in the listing expense is comprised 4,900,000 common shares at \$0.25 per share, less the share capital of Biomark Cancer prior to the Arrangement. The value of the shares issued to Noor for \$62,500 was based on \$0.25 per share, less the value of the 60,000 shares which will be forgone by the Controlling Shareholder. Therefore, no value has been recorded for the 60,000 shares. As at December 31, 2014, the 60,000 shares were still outstanding. The fair value of \$0.25 per share was based on the fair value from the concurrent private placement.

Concurrent with the closing of the Arrangement, the Company placed 40,000,000 of the common shares, representing the shares issued in connection with the Asset Purchase Agreement, into escrow. These shares are subject to a 36-month escrow release period from the completion of the Arrangement with 10% released upon completion of the Arrangement and 15% of such escrowed shares released on the 6, 12, 18, 24, 30 and 36 month anniversaries of the completion of the Arrangement. As at December 31, 2014, there were 36,000,000 common shares held in escrow.

BIOMARK DIAGNOSTICS INC.

Notes to the Condensed Consolidated Interim Financial Statements

December 31, 2014

(Stated in Canadian Dollars)

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2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) and in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting and which were in effect as of December 31, 2014.

Basis of Measurement and Consolidation

The condensed consolidated financial statements have been prepared on an accrual basis and are based on historical costs. The consolidated financial statements are presented in Canadian dollars which is also the Company’s functional currency.

These condensed consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2014, the Company has generated revenues of \$9,200 and has an accumulated deficit of \$2,184,126. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These condensed consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern.

These condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Biomark Cancer. Biomark Cancer was incorporated on February 27, 2014 under the Business Corporation Act of British Columbia. All material inter-company balances and transactions have been eliminated upon consolidation.

Significant Estimates and Assumptions

The preparation of condensed consolidated 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 for 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 fair value measurements for financial instruments and the recoverability and measurement of deferred tax assets.

BIOMARK DIAGNOSTICS INC.

Notes to the Condensed Consolidated Interim Financial Statements

December 31, 2014

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management) – Page 4

2. Basis of Preparation (continued)

Significant Judgements

The preparation of condensed 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 financial statements are the valuation of shares in the listing expense, the classification of financial instruments and the going concern assumption.

In addition, management has made certain estimates and assumptions when calculating the fair value of share options. The significant assumptions include estimates of expected volatility, expected life and expected risk-free rate of return. Management also makes certain assumptions with respect to the number of options expected to vest. Changes in these assumptions may result in a material change to share-based compensation expense.

3. Significant Accounting Policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements of Biomark Cancer as at March 31, 2014. The accompanying unaudited condensed consolidated interim financial statements should be read in conjunction with the Biomark Cancer's audited financial statements for the period ended March 31, 2014.

Intellectual properties

Intellectual properties consist of patents and trademarks acquired from Biomark Technologies. Research costs are expensed as incurred. Development costs are expensed as incurred unless they meet certain criteria for deferral and amortization. The Company assesses whether it has met the relevant criteria for deferral and amortization at each reporting date.

Stock-based compensation:

Stock options granted to employees, consultants or directors are measured at fair value at the grant date and expensed over the vesting period with a corresponding increase to contributed surplus. Upon the exercise of the stock options, consideration paid together with the amount previously recognized in contributed surplus is recorded as an increase to share capital.

BIOMARK DIAGNOSTICS INC.

Notes to the Condensed Consolidated Interim Financial Statements

December 31, 2014

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management) – Page 5

3. Significant Accounting Policies (cont'd)

Impairment of tangible and intangible assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Accounting standards issued but not yet applied

The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements. The Company is currently evaluating the potential impacts of these new standards and does not anticipate any material changes to the financial statements upon adoption of this new and revised accounting pronouncement.

- IFRS 9 – *Financial Instruments* (effective January 1, 2018) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.

BIOMARK DIAGNOSTICS INC.

Notes to the Condensed Consolidated Interim Financial Statements

December 31, 2014

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management) – Page 6**4. Due to a related party**

During the period ended December 31, 2014, the Company has the following transactions with Biomark Technologies:

	\$
Company expenses paid by Biomark Technologies	362,782
Loan receivable written off in accordance to the Asset Purchase Agreement	(48,691)
Cash advances to Biomark Technologies	(200,000)
Balance payable, December 31, 2014	114,091

The expenses paid by Biomark Technologies represent the expenses incurred for the Asset Purchase Agreement as indicated in Note 1, in the amount of \$355,641, plus the applicable taxes of \$7,141.

5. Share Capital

a) Authorized
Unlimited common shares, without par value.

b) Issued
Common shares issued and outstanding:

	Shares	Amount
		\$
Balance at incorporation, June 19, 2014	-	-
Shares held by original Diagnostics shareholders	10,000	1
Shares cancelled and exchanged to Luger shares	(10,000)	(1)
Shares exchanged by Biomark Cancer shareholders	44,900,000	1,225,000
Share issued to Noor	310,000	62,500
Private placement at \$0.25	2,125,040	531,260
Share issue costs	-	(17,700)
Balance, December 31, 2014	47,335,040	1,801,060

Concurrent to the Arrangement, the Company closed a private placement of 2,125,040 shares at \$0.25 per share for total consideration of \$531,260. Share issue cost of \$17,700 was incurred.

As at December 31, 2014, the Controlling Shareholder of Noor had not cancelled the 60,000 shares issued in accordance to the Asset Purchase Agreement (see Note 1).

BIOMARK DIAGNOSTICS INC.

Notes to the Condensed Consolidated Interim Financial Statements

December 31, 2014

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management) – Page 7

5. Share Capital (cont'd)

c) Stock Options:

The Corporation has reserved 4,490,000 common shares under its 2014 Stock Option Plan. The plan provides for the granting of options to directors, employees and consultants. The Board of Directors determines the features of the awards, including the exercise price, the term and vesting provisions, provided no stock options will have a term exceeding five years.

On October 31, 2014, the Company granted 4,490,000 stock options to directors, officers, consultants, and employees. Stock options outstanding at December 31, 2014 will expire on October 31, 2019. Stock options granted to directors and officers of the Company (3,320,000 options) vest at 25% at the date of grant and 25% every six months thereafter. Stock options granted to consultants (1,170,000 options) vest at 33.33% every 6 month from the date of grant. As of December 31, 2014, there were 4,490,000 stock options outstanding and 830,000 stock options are vested and exercisable at \$0.25 per option. The weighted average life remaining for these options was 4.84 years and weighted average exercise price was \$0.25 per option.

The fair value of the stock-based compensation from vested options recognized during the period ended December 31, 2014 was \$222,032. The Company used the Black-Scholes option pricing model with weighted average assumptions and resulting values for grants as follows:

	2014
Assumptions:	
Weighted average risk free interest rate (%)	2.20%
Expected life (years)	5.0 years
Weighted average expected volatility (%)	114%
Expected dividend	Nil

The weighted average fair value of each option granted was \$0.25 in 2014.

d) Contributed Surplus:

	\$
Balance, March 31, 2014	-
Cancellation of shares with \$nil consideration	34,704
Stock-based compensation	222,032
Balance December 31, 2014	256,736

e) Share subscriptions

As at December 31, 2014 the Company received \$114,500 towards a private placement at \$0.50 per common share. (See Note 9).

BIOMARK DIAGNOSTICS INC.

Notes to the Condensed Consolidated Interim Financial Statements

December 31, 2014

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management) – Page 8

6. Financial Instruments

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Fair value

The carrying value of cash, accounts receivable, accounts payable and due to a related party approximated their fair value because of the relatively short-term nature of these instruments.

Credit risk

The Company is exposed to credit risk with respect to its accounts receivable. To reduce the credit risk of the loan receivable, the Company regularly reviews the collectability.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

The Company intends to meet its current obligations in the following year with funds to be raised through private placements, shares for debt, loans and related party loans.

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the 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 the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

BIOMARK DIAGNOSTICS INC.

Notes to the Condensed Consolidated Interim Financial Statements

December 31, 2014

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management) – Page 9

7. Capital Risk Management

The Company defines its capital as shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its technologies and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the development stage, its principal source of funds is from the issuance of common shares.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash.

The Company is not subject to externally imposed capital requirements.

8. Non-cash Transactions

Investing and financing activities that do not have a direct impact on cash flows are excluded from the statements of cash flows. The following transactions were excluded from the statement of cash flows:

During the period ended December 31, 2014:

- The Company issued 40,000,000 common shares pursuant to the terms of the Asset Purchase Agreement with Biomark Technologies Inc.
- Certain shareholders of the Company returned 2,200,000 common shares for cancellation for \$nil consideration. Accordingly, the Company recorded \$34,704 from share capital to contributed surplus, being the cost of the cancelled shares.

9. Subsequent Event

On January 2, 2015, the Company closed the first tranche of a non-brokered private placement of 302,000 units at a price of \$0.50 per unit for gross proceeds of \$151,000. (See Note 5e)

On January 14, 2015, the Company announced that shares of the Company have commenced trading on the OTC Pink Sheets under the symbol BMKDF.

On February 17, 2015, the Company announced listing and trading on OTCQB, effective February 17, 2015 under a symbol BMKDF

On February 18, 2015, the Company closed the final tranche of a non-brokered private placement of 1,198,000 units at a price of \$0.50 per unit for gross proceeds of \$599,000.

10. Commitment

The Company is committed to an office lease for its office in Richmond, British Columbia expiring on October 2016. Minimum lease payments of \$25,962 annually are required until October 2016.