BIOMRK DIAGNOSTICS INC.

Form 51-102F1
Management's Discussion & Analysis
Annual Report
For the Year Ended March 31, 2017

1.1 Date of Report: July 28th, 2017

The following management's discussion and analysis ("MD&A") should be read together with the condensed consolidated financial statements and accompanying notes for the year ended March 31, 2017, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

This MD&A includes certain statements that may be deemed "forward-looking statements". Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "project", "predict", "potential", "could", "might", "should" and other similar expressions. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

1.2 Overall Performance

BioMark Diagnostics Inc. was incorporated under the Business Corporation Act of British Columbia on June 19, 2014. The head office of the Company is 165-10551 Shellbridge Way, Richmond, British Columbia, V6X 2W8.

BioMark Diagnostics is developing proprietary, non-invasive, and accurate cancer diagnostic solutions to help detect, monitor, and assess treatment for cancer early and cost effectively. The platform technology is also designed to be used for measuring response to treatment and potentially for serial monitoring for cancer survivors. For more information please visit the company website at: www.biomarkdiagnostics.com

Announcements and Highlights during the year:

- BioMark received a grant from NSERC to collaborate with Dr. David Wishart and his labs at TMIC (The Metabolomics Innovation Centre) for continuation of fingerprint development. The grant is allocated and managed by TMIC.

- BioMark presented scientific poster at University of Manitoba related to gene expression and protein bands in cancer tissue biopsy

- BioMark filed for provisional patent related to lung cancer metabolites following encouraging results of its clinical studies at TMIC

- BioMark made presentations to various federal and provincial government institutions across British Columbia, Alberta and Manitoba for funding and collaboration.

- BioMark presented and met with and presented to several global molecular diagnostic companies in US and BC, Canada. BioMark was selected by the provincial government to have a one on one meeting. In addition, discussions were started with a large regional diagnostic lab service provider to assess potential collaboration post approval and meeting of technical lab specifications. Discussions and relationships are still being maintained / enhanced.

- On June 20th, 2016, the Company announced that it has engaged Stockhouse Deal Room in connection with closing the second tranche of its current private placement.

- BioMark announced on June 23rd, 2016 a partial closing of its private placement for gross proceeds of CAD $163,615, wherein 1,090,767 units priced at CAD $0.15 per unit were issued.

- On July 5, 2016, the Company announced that its designated analytical service provider Biopharmaceutical Research Inc (BRI) has completed the raw data collection for the 200-patient trial using an internal standard developed for BioMark that meets Health Canada and US FDA standards.

- BioMark submitted a joint application with Saint Boniface Research Centre following a call for proposal by Diagnostic Services Manitoba for research and innovation on December 9th. 2016. In total there were 6 grants available. Announcements regarding the grant winners were to be made by May 2017.

- BioMark prepared a detailed Expression of Interest proposal with collaboration with Cancer Care Manitoba (Dr. Andrew Maksymuik, Dr. Sitar (University of Manitoba) and Dr. Tappia (Saint Boniface Research Centre) for Genome Prairie application on January 18, 2017.

Risk Factors and Uncertainty

The Company is focused on more select market introduction and development of all its product lines while instituting cost control of product development.

The failure to generate future sales in the Company's main products could have a significant and adverse affect on the Company.

The Company is engaging in prototype development, conducting additional clinical research related to technology positioning, protocol development and regulatory submissions. Negative clinical trials along with regulatory non-approval or delays could adversely affect sales, product commercialization and could have a major impact on the Company. Additionally, industry evolution and existing or new market entrants can impact the competitive position of BioMark. New detection and screening technologies in genomics, epigenetics, exosomes, and liquid biopsy incorporating big data can negatively impact BioMark commercialization efforts.

BioMark's success will depend in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse affect on the Company. The contributions of these individuals to the immediate operations of BioMark are of central importance. In addition, there can be no assurance that BioMark will be able to continue to attract and retain all personnel necessary for the development and operation of its business.

Management is continuing efforts to attract additional equity and capital investors and implement cost control measures to maintain adequate levels of working capital. Nevertheless, there can be no assurance provided with respect to the successful outcome of these ongoing actions. If the Company is unable to obtain additional financing on reasonable terms, the Company may be required to curtail or reduce its operations to continue as a going concern.

In addition, the Company's limited working capital could affect the Company's ability to seize upon opportunities requiring investment, or to reinvest in its products in a timely manner.

1.3 Selected Annual Information

The following information is a summary of the Company's financial data for the three most recently completed financial years.

	March 31, 2017	Marc 31, 2016	March 31, 2015
	$	$	$
Total Expenses	721,006	1,407,530	2,884,355
Net Loss	715,424	1,403,120	2,875,155
Loss Per share	0.01	0.03	0.11
Total Assets	39,572	33,766	230,335
Distribution or Cash Dividends	None	None	None

Concentration of clinical trials in 2015 and 2016, reductions in operating expenses including use of consultants were major factors that caused the variations. These are discussed in detail under sections 1.4 and 1.5.

1.4 Discussion of Operations

The Company has generated no revenues for the year ended March 31, 2017 and has recorded a net loss of $715,424 for the year ended March 31, 2017. The net loss includes share-based compensation of $9,924 compared to the prior year of $91,237, which was the fair value of the remaining vested options granted in 2015 year-end. All options were vested as of March 31, 2017. The Company continues to build its patent portfolio and advancing its patent registration to different jurisdictions, which explains the significant professional fees in both 2017 and 2016. These investments are important intangible assets for a biotechnology company but the value is not reported in the current balance sheet.

Consulting service fees decreased by $368,494 compared to the prior year due to reduced third-party consulting services.
The filing and transfer agent fees decreases by $26,124 mainly due to the reduction for OTCQB annual listing fees. The Company's share still trades on the OTCMKTS. Given the volume of transactions generated over the past 12 months on the OTCQB the Company decided to forsake the listing to conserve capital and deploy it elsewhere.

Research and other expense decreased by $ 159,145 due to the leverage of government funds. Some research costs were offset by support through NSERC grants/awards. Private Foundation support directly to fund some research led by Dr. Andrew Maksymuik who is the principal investigators on those studies.The funds are managed by Dr. Maksymuik. The start dates for the trials were postponed due to the Ethics Board approval requirements both in Canada and Bangladesh. The Company is expecting the increase of research and other expense in the next fiscal year. The Company has no payroll and engages on the basis of consulting services as needed compared to the previous year. The major expenses are related to lab, R&D, and operational activities.

Professional fees for the year ended March 31, 2017 were $ 136,146 compared to $138,026 for the year ended March 31, 2016, a slight decrease of $ 1,880.

The office and miscellaneous decreased by $29,284 compared to the previous year due to cost savings measures and the termination of office lease located in Surrey BC.

Travel expenses during the period was $18,153 compared to $38,437 for the same prior year. The decrease of $20,284 was as a result of reduced travel expenses to investor, clinical trial site visit and scientific forums.

Upcoming Potential Operational Objectives

In the coming quarters, BioMark will continue to evolve its business operations to help further leverage its expertise in cancer detection, monitoring and assessment. Some key business objectives initiatives include:

- Raise capital especially in the institutional
- Complete its Bangladesh and Canadian trial and submit an application to Health Canada for diagnostic application of its ABA assay initially using LCMS and followed by Elisa kits. The LCMS is the industry gold reference standard, hence to gain recognition the company is focusing on this analytical methodology; See notes below on activities related to our clinical trials.
- Revalidate and advance the clinical commercialization of its customized fingerprint assay with The Metabolomics Innovation Centre (TMIC) for lung cancer. A larger cohort of samples with an emphasis of earlier stage lung cancer samples will sourced and analyzed. In addition the company will enhance its supporting software as needed for the assay; The company anticipates the completion of the sample validation by end of this fiscal year.
- Continue to research technologies or methods that will enhance the signal detection and reduce overall costs associated with sample collection and preparation with a goal to lower cost detection costs associated with our platform;
- Conduct and appropriately register the clinical trials which include measuring response to chemotherapy and surgical intervention for lung cancer;
- Developing stronger industry collaborations both locally and internationally;
- Present at key local events to increase visibility
- Apply for appropriate government grants with partner institution

1.5 Summary of Quarterly Results

The following information is a summary of the Company's financial results for the eight most recently completed quarters.

	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
	$	$	$	$
Total Revenue	5,582	-	-	-
Expenses	243,409	111,757	150,306	215,534
Net Loss	(237,827)	(111,757)	(150,306)	(215,534)
Loss per Share	(0.004)	(0.002)	(0.003)	(0.004)

	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
	$	$	$	$
Total Revenue	-	-	4,410	-
Expenses	700,749	260,892	236,597	209,292
Net Loss	(696,339)	(260,892)	(232,187)	(209,292)
Loss per Share	(0.014)	(0.005)	(0.005)	(0.007)

1.6 Liquidity

The Company has total assets of $39,572 as at March 31, 2017 consisting of cash and amounts receivable and has a negative working capital of $1,065,024.

At March 31, 2017, the Company had cash and cash equivalents of $ 17,489 (March 31, 2016 – $14,132) and working capital deficit increased by $510,744 from fiscal 2016 due to a decrease in financing activities and increase of liabilities during the year compared to 2016. Total liabilities increased by $516,550 from March 31, 2016 which are largely related party payments. Working capital is defined as current assets less current liabilities. Cash and cash equivalents slightly increased by $ 3,357.

Cash utilized in operating activities during the year ended March 31, 2017 was $109,549 (March 31, 2016 – $310,933). This difference between March 31, 2017 and March 31, 2016 was an overall decrease in operating expenses.

At March 31, 2017, share capital was $3,249,024 comprising 54,436,543 issued and outstanding common Shares (March 31, 2016 – $3,134,182 comprising 53,345,776 issued and outstanding common Shares). Surplus capital at March 31, 2017 is $647,543 (March 31, 2016 – $604,896) the increase is the result of the share based payments recognized for the year.

As a result of the net loss for the year ending March 31, 2017 of $715,424 (March 31, 2016 – ($1,403,120)) the deficit at March 31, 2017 increased to $5,008,782 from $ 4,293,358 as at March 31, 2016.

At present, the Company's operations do not generate cash inflows and its financial success after March 31, 2017 is dependent on management's ability to continue to obtain sufficient funding to sustain operations through the development stage and successfully bring the Company's technologies to the point that they may be out licensed so that the Company achieves profitable operations. The research and development process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's future research and development and to cover administrative and overhead expenses in the coming years the Company may raise money through equity sales. Many factors influence the Company's ability to raise funds, including the Company's record of accomplishment, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to various factors, including the progress of research activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control. Should those risks fully materialize, it may not be able to raise adequate funds to continue its operations.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on funding through future equity issuances and through short term borrowing in order to finance ongoing operations. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all. See subsequent event for additional information.

1.7 Capital Resources

The Company does not have any other commitments for material capital expenditures. The Company is not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on the Company's financial condition, changes in financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources.

See section 1.11 – subsequent events.

1.8 Off-Balance Sheet Arrangements

There is no off-balance sheet arrangements to which the Company is committed.

1.9 Transactions Between Related Parties

During the year ended March 31, 2017, the Company entered into the following transactions with related parties:

a) For the year ended March 31, 2017, directors and officers of the company provided consulting services to the company of $294,000. These charges are included in consulting fees. Consulting fees by CEO was $240,000 and former CFO was $54,000 for the year ended March 31, 2017. (Refer to Note 4 of the audited financial statements)

b) For the year ended March 31, 2017, the Company recognized $4,667 of share-based compensation for stock options held by directors and officers, which were granted in 2015. This amount is included in share-based compensation expense.

c) On May 14, 2014, the Company entered a General Service Agreement (the "Service Agreement") with BioMark Technologies Inc., Both Biomark Diagnostics and Biomark Technologies are managed by the CEO of the Company. According to the Service Agreement, the Company engaged Biomark Technologies to provide important services that include continuation of research and development, establishing a framework quality management system, IP refinement and filing, establish protocols with key investigators, linking platforms that Biomark Diagnostics can leverage, engage in territorial business development from relationships that Biomark Technologies developed over the years, supplier validation and review, operating capital and other related functions (the "Services"). Biomark Technologies uses subcontractors to perform some of its services. The Company will pay management fees equivalent to cost plus a 25% administration fee to Biomark Technologies and payable upon completion of the Services. For the year ended March 31, 2017, the Company paid $15,928 to Biomark Technologies as administration fees (2016 - $63,611). BTI holds approximately 75% of the common shares of the Company as at March 31, 2017 (2016 – 82%). The CEO owns more than 10% interest in the Company. The term of this Agreement will remain in full force and effect indefinitely until terminated as provided in the Agreement. In the event that either party wishes to terminate this Agreement, that each party will be required to provide 30 days' notice to the other party.

d) On May 14, 2014, the Company entered into an Independent Contractor Agreement (the "Agreement") with the CEO of the Company. According to the Agreement, the CEO will provide consulting services to the Company for one year with a compensation of $240,000 per year plus benefits. In addition, the CEO will be paid a cash bonus equivalent to 30% of the annual salary at the end of each year if the trading price of the Company shares increased by more than 30% from the trading price at the beginning of the year. For the

purpose of this calculation, the starting trading price is $0.25 per share. The CEO will also be granted stock options for 1,000,000 shares at a price of $0.25 per share (granted). Finally, if the Company's market capitalization exceeds $200 million USD, the CEO will be paid an additional cash bonus of $500,000. The terms of the CEO agreement are on year to year basis unless terminated accordance to the terms and conditions set forth in the agreement. According to the Agreement, the Company engaged CEO service to provide important services that include develop and direct the corporate strategy, resource allocation, review acquisitions or partnerships, drive or generate revenue growth, hire, and retain staff as necessary, support in capital raise rounds, manage past relationships and build business and collaborations

1.10 Fourth Quarter

The Corporation incurred a net loss of $237,827 in the fourth quarter ended March 31, 2017, compared to a net loss of $696,339 in the same quarter a year earlier. The decrease in net loss in the fourth quarter ended March 31, 2017 was due to a major decrease in consulting fees, share-based compensation and travel expenses.

Net loss, quarter over quarter is influenced by various factors including the scope and stage of clinical development and research. Consequently, expenses may vary from quarter to quarter. General and administrative expenses are dependent on the infrastructure required to support the clinical and business development activities of the Company. A material increases in research and development as well as general and administrative costs is anticipated over the short term, as the Company's research and development and regulatory activities increase.

1.11 Proposed Transactions

Subsequent events post March 31, 2017 that were instigated to increase working capital to help deliver on future activities:

a) On June 20th, 2017 announced that effective June 15, 2017, Ms. Guoyu Huang, MBA, has been appointed as Interim Chief Financial Officer. In connection with the appointment of Ms. Huang to Interim CFO, the Company has granted stock options to purchase 250,000 shares, exercisable at a price of $0.15 per share for a period of five years. Abbey Abdiye will step down as CFO but will provide the necessary transitionary support.

b) On June 29th, 2017, the Company closed a non-brokered private placement of 6,397,909 units at $0.10 per unit for total consideration of $639,791. Each unit is composed of one common share and one-half of a share purchase warrant. Each warrant will entitle the holder to acquire one share

at a price of $0.15 per share for a period of two years. The proceeds of the private placement will be used for the regulatory submission activities, further product development, marketing initiatives and general working capital

1.12 Critical Accounting Estimates

The preparation of the 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. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The more significant areas are as follows:

- the estimates and assumptions used in the share-based payments;
- the fair value measurements for financial instruments; and
- value of warrants in private placement.

The Company also made judgments, apart from those involving estimates, in applying accounting policies. Actual results may differ from these estimates.

Significant areas where management's judgment has been applied include:

- Classifying categories of financial assets and financial liabilities in accordance with IAS 39, Financial instruments: recognition and measurement;
- Evaluating if the criteria for recognition of provisions and contingencies are met in accordance with IAS 37, Provisions, contingent liabilities and contingent assets; and
- The assessment of the Company's ability to continue as a going concern.

1.13 Changes in Accounting Policies including Initial Adoption

During the year ended March 31, 2017, the Company did not adopt any new accounting standards and interpretations.

New accounting standards issued but not yet effective

Certain new standards, interpretations, amendments, and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

• IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.
• IFRS 15: New standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers, effective for annual periods beginning on or after January 1, 2018.
• IFRS 16: Leases: New standard to establish principles for recognition, measurement, presentation, and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

1.14 Financial Instruments and Other Instruments

Fair values

The Company's financial instruments include cash, accounts payable and due to related parties. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature.

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

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 (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – Inputs that are not based on observable market date.

Credit risk

The Company is not exposed to credit risk.

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.

1.15 Other MD&A Requirements

(a) More information about the Company is on SEDAR at www.sedar.com.

(b) Information required in the following sections of National Instrument 51-102, if applicable:

(i) Section 5.3 – Additional Disclosure for Venture Issuers without Significant Revenue;

An analysis of material components of the Company's general and administrative expenses is disclosed in the Statement of Comprehensive Loss forming part of the Financial Statements for the period ended March 31, 2017 to which this MD&A relates.

(ii) Section 5.4 – Disclosure of Outstanding Share Data; and

a. Authorized:

Unlimited common shares without par value

b. Common Shares Issued:

As at March 31, 2017, the Company had 54,436,543 common shares issued and outstanding.

	Number
Balance, March 31, 2017	54,436,543
Balance, July 28, 2017	60,834,452

As at July 28, 2017 and March 31, 2017, there were 25,766,000 common shares held in escrow.

Share Purchase Warrants

As at March 31, 2017, the Company had 545,384 shareholder warrants issued and outstanding. On June 24, 2016, the Company closed a non-brokered private placement of 983,767 units at $0.15 per unit for a total consideration of $147,565. Each warrant will entitle the holder to acquire one share at a price of $0.30 per share for a period of one year. The Company also issued 107,000 units as share issuance costs with a fair value of $16,050. The Company uses the residual value method to allocate proceeds of the unit amongst the common share and the share purchase warrant. A value of $0.06 per warrant was allocated to the contributed surplus for a total amount of $32,723.

c. Stock options:

The Company has reserved 4,490,000 common shares under its 2014 Amended Stock Option Plan. The plan provides for the granting of options to directors, employees, and consultants. Stock options granted generally have varying expiry terms of up to five years and vesting periods determined at the discretion of the directors. The number of options exercisable as at March 31, 2017 was 4,490,000 (2016 – 3,270,000 options). The weighted average life remaining for these options was 2.58 years and weighted average exercise price was $0.25 per option.

(iii) Section 5.7 – Additional Disclosure for Reporting Issuers with Significant Equity Investees.

Not Applicable.

(c) Disclosure required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* and, as applicable, Form 52-109F1 *Certification of Annual Filings – Full Certificate*, Form 52-109F1R *Certification of Refiled Annual Filings*, or Form 52-109F1 *AIF Certification of Annual Filings in Connection with Voluntarily Filed AIF*.

Form 52-109F1 Certification of Annual Filings is filed on SEDAR.