BIOMARK DIAGNOSTICS INC.

Form 51-102F1
Management's Discussion & Analysis
Annual Report
For the Year Ended March 31, 2019

1.1 Date of Report: July 26th, 2019

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, 2019, 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:

- Management continues to raise capital through private placement and other non-dilutive financing with various institutions across Canada and United States to support completion of clinical trials which are at different stages, patent generation and filing costs and to commence /accelerate commercialization of its technology platform.

- On April 25th, 2018, BioMark announced that it has penned an agreement with the Alberta Machine Intelligence Institute (Amii) led by Dr. Osmar Zaïane of the University of Alberta's Department of Computing Science and his team to assess and employ machine intelligence to augment BioMark's breakthrough biological molecular diagnostic test for lung cancer that leverages the power of metabolomics. BioMark intends to incorporate machine and deep learning as an application-driven breakthrough embedded seamlessly onto our technology platform.

- The ethics approval for amendment for measuring response to chemo and radio therapy treatment using SSAT1 assay for late stage lung cancer patients was successfully been obtained in April 2018.

- On May 29th, 2018, BioMark and Drs. Don Miller (University of Manitoba), Thomas Klonish (University of Manitoba), Ted Lakowski (University of Manitoba) and Dr. David Wishart (University of Alberta) submitted a Letter of Intent application funded under Collaborative Health Research Project (CHRP) for a focused study to investigate SAT1 (Spermidine Acetyl Tranferase 1) as a biomarker target for improved detection and clinical management of brain tumours. The outcome of this study will help expand BioMark's platform to other cancers.

- BioMark had been working on generating the results of its first phase project with Alberta Machine Intelligence Institute (Amii) led by Dr. Osmar Zaïane of the University of Alberta's Department of Computing Science and his team in May 2018. The results demonstrated a marked improvement in our lung assess test as we refined and tested critical features. BioMark intends to increase the size of the dataset and further fine tune its algorithms as we begin to incorporate machine and deep learning application onto our technology platform.

- BioMark filled new provisional patents related to its high-performance lung cancer panel.

- The final follow- up on phase II (12 months post first check up) of the outliers in Bangladesh has been completed in May 2018 and biological samples were scheduled to be sent to BRI labs in Vancouver for analysis in mid June.

- On June 14th, 2018, BioMark obtained a revised Ethics Review Board approval on the extension of its lung cancer fingerprint study. This will facilitate re- validation and confirmation in Canada and US for early stage lung cancer studies. In addition, BioMark anticipated the to complete a thorough metabolite profile for its lung cancer panel with TMIC that could provide the basis of its lung cancer test.

- On June 17th, 2018, BioMark and its investigators have submitted its manuscript entitled "Spermidine/Spermine N1-Acetyltransferase-1 (SSAT-1) as a Diagnostic Biomarker in Human Cancer" to a peer reviewed journal (Future Science).

- BioMark obtained the first batch of samples from Cooperative Human Tissue Network (CHTN) in July 2018 that will be used in confirmation for its large lung cancer studies. The goal is to obtain over 800 samples across N. America so that a lab developed test (LDT) can be prototyped for clinical application. CHTN is a unique National Cancer Institute (NCI) supported resource. In addition, BioMark commenced discussions with a certified lab service provider that would provide beta testing services and generate SOPs (Standard Operating Protocols) for the LDT test kits if both parties accept the terms of arrangement.

- On July 18, 2018, BRI labs in Vancouver received the biological samples of the final follow up on the outliers in Bangladesh.

- BioMark team was invited to present and discuss potential business development arrangement at Luzhou Talents Development Conference in Sichuan province of China from July 3, 2018 to July 10, 2018.

- On August 24th, 2018, BioMark's manuscript entitled "Spermidine/Spermine N1-Acetyltransferase-1 (SSAT-1) as a Diagnostic Biomarker in Human Cancer" has been accepted for publication in Future Science OA.

- BioMark signed an NDA with a major lab service provider in August 2018 that will provide validation and beta testing of its lung cancer diagnostic kits once the kits are developed at TMIC following the large cohort validation studies.

- BioMark team continued discussions with the key Japanese medical/scientific group in August 2018 and signed an NDA with the leading Diagnostic lab and CRO for structuring a collaborative framework to commence clinical activities which will be announced when all parties have agreed with the terms and responsibilities.

- In August 2018, BioMark and Dr. Don Miller submitted a report on the outcome of clinical studies to NSERC. BioMark received NSERC Engage Grant for studies with Dr. Don Miller of University of Manitoba in Feb 2018. The focus of the studies was on understanding the role of SSAT1 (Spermine Spermidine Acetyl Transferase 1) and brain cancer.

- BioMark and The Metabolomics Innovation Centre (TMIC) completed analyses on over 160 markers in August 2018 and the discussion of the results, translational and commercialization objectives was followed up later.

- On September 10th, 2018, BioMark's manuscript entitled "Spermidine/Spermine N1-Acetyltransferase-1 (SSAT-1) as a Diagnostic Biomarker in Human Cancer" was been published in Future Science OA a peer reviewed publication. This acceptance provides confirmation that one of our technology platforms has an important clinical application in the cancer biomarker space.

- BioMark met with the principal investigators, regulatory team and the biostatistician in Winnipeg to discuss the status of its application to Health Canada for its Amandatine assay. Additional data will be incorporated in the submission application along with supporting peer reviewed manuscripts.

- On September 19th, 2018, BioMark was pleased to announce that it has appointed Dr. Paramjit Tappia to its scientific advisory team. Dr. Tappia's expertise in regulatory and clinical research brings depth and practicality as we begin to commercialize and position our technology for different oncology applications and potential linkages with other leading global institutions.

- On October 4th, 2018, BioMark closed the final tranche of a non-brokered private placement for gross proceeds of $ 222,100.00 wherein Biomark issued 2,221,000 units at a price of CAD $0.10 per unit. Each unit consists of one common share of the Issuer and one-half of one share purchase warrant.

- In October 2018, BioMark and Drs. Don Miller (University of Manitoba), Thomas Klonish (University of Manitoba), Ted Lakowski (University of Manitoba), Marshall Pitz (CancerCare Manitoba), Dr. David Wishart (University of Alberta) and BioMark were been invited to submit a full proposal for Collaborative Health Research Project (CHRP) for a focused study to investigate SAT1 (Spermidine Acetyl Tranferase 1) as a biomarker target for improved detection and clinical management of brain tumours.

- BioMark team was invited to present the utility of its metabolomics powered technology platform in October 2018 at a major US institution where the focus of discussions was on the use of its assays in measuring tumour activity and potentially monitor response to treatment in glioblastoma and lung cancer.

- On October 11th, 2018, Going Global Innovation Program offered by Global Affairs Canada approved BioMark's application to develop and validate robust markers associated with brain, lung and breast cancers with international partners located in United States and Qatar.

- The biological samples analysis of the final follow-up on the outliers in Bangladesh were conducted in the last week of October and the results from these studies will be used to support publications and for potential filing claims related to SSAT1 assay.

- On November 5th, 2018, BioMark was pleased to announce that it appointed Dr. Myron Weisfeldt to its scientific advisory team. Dr. Weisfeldt is a member of the National Academy of Medicine, also is professor of Medicine and the Senior Medical Director of Johns Hopkins Technology Ventures. In this position he provides advice on strategies and evaluation of intellectual property of Johns Hopkins faculty. Dr. Weisfeldt provided BioMark with excellent counsel on how to fine tune its lung cancer clinical trial protocol, FDA positioning and opened potential new opportunities for collaboration. That is what BioMark needs as the company transitions into a fully commercial entity.

- On November 13th, 2018, Drs Maksymiuk AW, Sitar DS and Tappia PS. presented "Competition to Enhance Screening for Lung Cancer - Potential Role for SSAT Testing and Targeted Metabolomics" at CancerCare Manitoba, Haematology/Oncology Grand Rounds, Winnipeg, Canada.

- On November 22nd, 2018, the manuscript entitled "Use of Amantadine as Substrate for SSAT-1 Activity as a Reliable Clinical Diagnostic Assay for Breast and Lung Cancer" was accepted for publication in Future Science OA.

- On November 26th, 2018, BioMark Diagnostics Inc. held its Annual General Meeting at 17th Floor - 1030 West Georgia St., Vancouver, BC V6E 2Y3 on Monday, at 9:00 a.m. (Vancouver Time).

- On November 28th, 2018, BioMark team was invited by Dean Reece to attend "SOM Festival of Science 2018" at School of Medicine, University of Maryland. During the visit held from November 27 to December 2, BioMark team presented the utility of its metabolomics powered technology platform to principle investigators for both lung and brain cancers. BioMark's assays can be used in measuring tumour activity and potentially monitor response to treatment. Additionally, BioMark team visited the latest biobank and discussed the potential of obtaining samples that could support both retrospective and longitudinal studies for both lung and brain cancers. BioMark signed two CDAs and discussed avenues for establishing MOU between BioMark and the institutions in Maryland.

This activity was supported by Going Global Innovation Program offered by Global Affairs Canada with key objectives of developing and validating BioMark's robust markers with international partners.

- In December 2018, BioMark team continued discussions with the potential principle investigators at University of Maryland and John Hopkins for structuring a collaborative framework to commence both retrospective and prospective clinical studies for both lung and brain cancers.

- On January 14th, 2019, BioMark received a Notice of Grant issued by the China National Intellectual Property Administration that its patent titled "DETECTION AND QUANTIFICATION OF ACETYLAMANTADINE IN URINE SAMPLES" has been granted in China.

- On March 29th, 2019, Going Global Innovation Program offered by Global Affairs Canada approved BioMark's second application to develop and validate robust markers associated with brain, lung and breast cancers with international partners located in United States.

- On March 29th, 2019, the abstract submitted to American Society of Clinical Oncology (ASCO) under Dr. Andrew Maksymiuk was accepted for online publication. This year, ASCO received more than 6,200 abstracts, which were reviewed by their Scientific Program Committee and ASCO Leadership." The 2019 ASCO Annual Meeting will be take place May 31 – June 4, 2019 at the McCormick Place Convention Center in Chicago, Illinois. The full abstract, was released by ASCO on May 15, 2019, at 5:00 PM EDT on abstracts.asco.org.

- The manuscript entitled "Predictive value and clinical significance of increased SSAT-1 activity in healthy adults", which was submitted to Future Science OA, has been reviewed. The requested revisions will be made in April 2019 and submission for publication is targeted for late May 2019.

- In March 2019, BioMark has prepared a summary report of key activities and accomplishments to McNeil Maunders Foundation who have been generous donor to Dr. Andrew Maksymiuk's research associated with BioMark.

- Discovery paper (liquid biopsy pilot study) in the use of new metabolites in conjunction with Amantadine assay to increase tissue specificity is being written and a completed paper is expected by mid-April. Our intent is to have it published in a peer reviewed journal.

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 engaged in conducting additional clinical research related to technology positioning 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, 2019	Marc 31, 2018	March 31, 2017
	$	$	$
Total Expenses	545,612	726,747	721,006
Net Loss	545,612	726,747	715,424
Loss Per share	0.01	0.01	0.01
Total Assets	34,642	51,746	39,572
Distribution or Cash Dividends	None	None	None

For discussion of annual information refer to sections 1.4 and 1.5.

1.4 Discussion of Operations

The Company generated no revenues and recorded a net loss of $545,612 for the year ended March 31, 2019. The net loss decreased by $181,135 compared to $726,747 for the year ended March 31, 2018. This was largely due to the reduction in share-based compensation from $88,145 (March 31, 2018) to $2,028 (March 31, 2019). In addition, the filing and transfer agent fees decreased by $47,437 mainly due to cost reduction in Investor Relation activities which under this category is related to investor marketing campaign and fund-raising initiatives. Total assets decreased to $34,642 for the year ended March 31, 2019 compared to $51,746 reported on March 31, 2018, due to the reduction of cash.

Professional fees for the year ended March 31, 2019 were $81,945 compared to $58,390 for the year ended March 31, 2018, an increase of $ 23,555. The Company continues to build its patent portfolio applications/filings and advancing its patent registration to different jurisdictions. The current fiscal costs year was higher due to timing and stage of the patent filings. The company anticipates spending a higher amount in the next fiscal year. These investments are important intangible assets for a biotechnology company, yet the value is not reported or captured in the current balance sheet.

Consulting service fees decreased by $60,806 compared to the prior year due to reduced third-party consulting services. The Company has no payroll and engages on the basis of consulting services as needed.

Research and other expense slightly reduced by $1,770 due to leveraging of government funds. Some research costs were offset by support through NSERC grant for work with Dr. Don Miller from University of Manitoba. Private Foundation support provided funds for some critical research led by

Dr. Andrew Maksymuik who is the principal investigators on those studies. The funds are managed by Dr. Maksymuik. The Company is expecting to increase research and other related expense in the next fiscal year. The major expenses are related to lab supplies, sample acquisition and analysis, publication costs and research related operational activities.

The office and miscellaneous reduced by $7,403 due to the existing rental agreements and prudent operational spending. Travel expenses during the period remined at similar levels, a slight reduction of $1,158.

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:

- Actively raise capital especially with institutional, family funds and strategic investors

- Submit and respond to questions related to its application to Health Canada for diagnostic application of its SSAT1 initially using LCMS. 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) and authorized lab service company for lung cancer. A larger cohort of samples with an emphasis on earlier stage lung cancer samples along with appropriate controls will be sourced through registered bio depository centres across N. America and re-analyzed/revalidated at accredited partner labs after the initial analysis and prototype kits are optimized at TMIC. In addition, the company will enhance its supporting software as needed for the assay through services rendered at leading Machine learning Institute. The company anticipates the completion of the sample validation by end of this fiscal year.

- Continue to research and develop better quantification technologies or methods that will enhance the signal detection and reduce overall costs associated with sample collection and preparation. The company's goal is to lower cost detection costs associated with our platform; Elisa tests using BioMark's monoclonal antibodies are currently being conducted which will be compared to our LCMS test for accuracy and reproducibility. Successful outcome will provide avenues to introduce the tests in centres that require economic and fast turnaround times (doctor offices for example)

- Conduct and appropriately register the clinical trials which include measuring response to radiation and chemotherapy and surgical intervention firstly for lung cancer and then for glioblastoma; A first readout on lung cancer response to treatment pilot test is anticipated in by the end of December 2019.

- Developing stronger industry collaborations both locally and internationally with leading institutions and clinicians;

- Publish in leading journals and highlight our breakthroughs at important meetings and symposiums.

- Seek strong industrial local and international partners to engage in co-development projects

- Apply for appropriate government grants with partner institutions in Canada and USA

- Build the operating and scientific team

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, 2019	December 31, 2018	September 30, 2018	June 30, 2018
	$	$	$	$
Total Revenue	-	-	-	-
Expenses	105,475	168,668	160,558	110,911
Net Loss	(105,475)	(168,668)	(160,558)	(110,911)
Loss per Share	(0.00)	(0.00)	(0.00)	(0.00)

	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
	$	$	$	$
Total Revenue	-	-	-	-
Expenses	147,536	176,375	218,422	184,414
Net Loss	(147,536)	(176,375)	(218,422)	(184,414)
Loss per Share	(0.002)	(0.003)	(0.004)	(0.003)

1.6 Liquidity

The Company has total assets of $34,642 as at March 31, 2019 consisting of cash and amounts receivable and has a negative working capital of $1,220,950.

At March 31, 2019, the Company had cash and cash equivalents of $19,994 (March 31, 2018 - $36,632), which was a decrease of $16,638 due to limited capital raise over the fiscal year and net of cash used for daily operations. Working capital deficit increased by $318,884 from fiscal 2018 mainly due to the increase related to Related Parties accrual. Working capital is defined as current assets less current liabilities.

Total liabilities increased by $301,780 from March 31, 2018 which was largely Due to Related Parties in connection with existing indebtedness related to services provided to the Company by directors and officers over the years. Cash utilized in operating activities during the year ended March 31, 2018 was $217,838 (March 31, 2018 – $770,417). This difference between March 31, 2019 and March 31, 2018 was an overall decrease in operating expense especially on Investor Relation and share-based compensation.

At March 31, 2019, share capital was $4,197,824 comprising 65,015,119 issued and outstanding common Shares (March 31, 2018 – $4,086,774 comprising 62,794,119 issued and outstanding common Shares). Surplus capital at March 31, 2019 is $811,407 (March 31, 2018 – $698,329) the increase mainly is the result of a value of $0.05 per warrant was allocated to the contributed surplus for a total amount of $111,050 related to the non-brokered private placement on April 16, 2019. As a result of the net loss for the year ending March 31, 2018 of $545,612 (March 31, 2018 – ($726,747)) the deficit at March 31, 2019 increased to $6,281,141 from $ 5,735,529 as at March 31, 2018.

At present, the Company’s operations do not generate cash inflows and its financial success after March 31, 2019 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, 2019, the Company entered into the following transactions with related parties:

a) For the year ended March 31, 2019, directors and officers of the company provided consulting services to the company of $330,000. These charges are included in consulting fees. Consulting fees by CEO was $240,000 and CFO/Project Director was $90,000 for the year ended March 31, 2019. The Company has $703,946 and $227,020 due to CEO and CFO respectively. During the year ended March 31, 2019 the CFO advanced $36,500 to the Company. (Refer to Note 4 of the audited financial statements)

b) For the year ended March 31, 2019, the Company recognized $1,383 of share-based compensation for stock options held by directors and officers, which were granted in 2017. 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, 2019, the Company paid $nil to Biomark Technologies as administration fees (2018 - $1,174). BTI holds approximately 63.07% of the common shares of the Company as at March 31, 2019 (2018 – 65.30%). 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 $105,475 in the fourth quarter ended March 31, 2019, compared to a net loss of $147,536 in the same quarter a year earlier. The decrease in net loss in the fourth quarter ended March 31, 2019 was due to a major decrease in legal fees, Research 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, 2019 that were instigated to increase working capital to help deliver on future activities:

a) On April 19, 2019 the Company closed a private placement and issued 2,000,000 units for $200,000. Each unit was sold for $0.10 and consisted of one common share and one purchase warrant.

b) On June 17, 2019 the Company settled $150,000 of debt owed to related parties through the issuance of 1,000,000 common shares at $0.15 per share.

c) On June 29, 2019 the Company had 1,130,291 warrants exercised for proceeds of $169,544.

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; and
- the fair value measurements for financial instruments;

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. 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

New accounting standards adopted effective April 1, 2018

IFRS 9 Financial Instruments
IFRS 9, "Financial Instruments" replaced IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39") and all previous versions of IFRS 9. The Company elected to apply IFRS 9 using a full retrospective approach. IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification, and measurements of financial assets and financial liabilities, derecognition of financial instruments and impairment of financial assets. IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The approach in IFRS 9 is based on how the Company manages its financial instruments and the contractual cash flow characteristics of the financial asset. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9. The application of IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities, and there was also no impact to the carrying value of any of the Company's financial assets or liabilities on the date of transition.

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 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.

Based on current expectations, the Company does not expect these standards to have a significant impact on the financial statements.

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, 2019 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, 2019, the Company had 65,015,119 common shares issued and outstanding.

	Number
Balance, March 31, 2019	65,015,119
Balance, July 26, 2019	69,145,410

Share Purchase Warrants

As at March 31, 2019, the Company had 5,461,955 shareholder warrants issued and outstanding.

On June 29, 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. Included in this placement was 50,000 units at $0.10 per unit issued for consulting services of $5,000. In connection with the private placement, the Company paid finder's fees of $21,700 cash and issued 216,000 share purchase warrants at a fair value of $9,641. Each warrant will entitle the holder to acquire one share at a price of $0.15 per share for a period of two years.

On September 18, 2017, the Company closed a non-brokered private placement of 1,873,000 units at $0.10 per unit for total consideration of $187,300. 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.

On October 4th, 2018, the Company closed a non-brokered private placement of 2,221,000 units at $0.10 per unit for total consideration of $222,100. 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.

c. Stock options:

The Company's current stock option plan (the "Existing Plan") was last approved by the shareholders on September 17, 2015. Pursuant to the Existing Plan, the maximum number of common shares of the Company which may be authorized for reservation for the grant of options from time to time shall be 20% of the Company's then issued and outstanding common shares. 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 June 15, 2017, the Company granted 250,000 stock options to the CFO. The stock options can be exercised at $0.15 per share for a period of five years and vested immediately.

On September 15, 2017, the Company granted 1,100,000 stock options to directors, officers, consultants, and employees vest at 25% at the date of grant and 25% every six months thereafter.

The number of options exercisable as at March 31, 2019 was 4,675,000 (2018 – 4,125,000 options). The weighted average life remaining for these options was 0.93 years and weighted average exercise price was $0.22 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.