

BIOMARK DIAGNOSTICS INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended September 30, 2019 and 2018

(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 FINANCIAL POSITION
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Note	September 30, 2019	March 31, 2019
		\$	\$
ASSETS			
Current			
Cash		65,288	19,994
Amounts receivable		12,460	12,571
Prepaid expenses		437	437
		78,185	33,002
EQUIPMENT		1,640	1,640
		79,825	34,642
LIABILITIES			
Current			
Accounts payable and accrued liabilities		131,114	163,873
Due to related parties	4	953,129	1,090,079
		1,084,243	1,253,952
SHAREHOLDERS' DEFICIENCY			
Share capital	5	4,854,942	4,197,824
Share subscriptions received	5	(133,143)	52,600
Contributed surplus		811,407	811,407
Deficit		(6,537,624)	(6,281,141)
		(1,004,418)	(1,219,310)
		79,825	34,642

Nature and Operations and Going Concern (Note 1)
Commitments (Note 8)

Approved by the Board on November 29, 2019

“Rashid Ahmed”
Rashid Ahmed, Director

“Dr. Bram Ramjiawan”
Dr. Bram Ramjiawan, Director

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

	Note	Three months ended		Six months ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
		\$	\$	\$	\$
Expenses:					
Consulting fees	4	82,500	82,500	165,000	165,000
Filing and transfer agent fees		6,889	5,980	10,516	8,195
Office and miscellaneous		13,378	13,430	21,996	22,237
Professional fees		21,309	31,952	26,025	33,180
Research and other		4,182	21,213	23,780	30,144
Share-based compensation	5	-	960	-	2,028
Travel		7,668	4,523	9,166	10,686
		135,926	160,558	256,483	271,470
<hr/>					
Net loss and comprehensive loss		(135,926)	(160,558)	(256,483)	(271,470)
<hr/>					
Basic and diluted loss per share		\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
<hr/>					
Weighted average number of common shares outstanding		67,960,661	57,843,759	67,960,661	57,843,759

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

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

	Six months ended	
	September 30, 2019	September 30, 2018
	\$	\$
Operating Activities		
Net loss	(256,483)	(271,470)
Items not affecting cash:		
Share-based compensation	-	2,028
	<u>(256,483)</u>	<u>(269,442)</u>
Changes in non-cash working capital items related to operations:		
Amounts receivable	111	1,210
Prepaid expenses	-	(233)
Accounts payable and accrued liabilities	(32,759)	(1,027)
	<u>(289,131)</u>	<u>(269,492)</u>
Financing Activities		
Advances from related parties	173,250	173,250
Repayment of advances to related parties	(73,200)	(70,263)
Issue of common shares, net of issuance costs	60,400	-
Exercise of warrants	307,118	-
Share subscriptions received	(133,143)	162,100
	<u>334,425</u>	<u>265,087</u>
Cash used in operating activities	<u>(289,131)</u>	<u>(269,492)</u>
Change in cash	45,294	(4,405)
Cash, beginning	19,994	36,632
Cash, ending	<u>65,288</u>	<u>32,227</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year:		
Interest	-	-
Income taxes	-	-
Non-cash transaction		
Shares issued for services (Note 5)		

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

BIOMARK DIAGNOSTICS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Number of Shares	Share Capital	Share Subscriptions Received	Contributed Surplus	Deficit	Total
		\$	\$	\$	\$	\$
Balance, March 31, 2018	62,794,119	4,086,774	50,000	698,329	(5,735,529)	(900,426)
Shares issued for subscription received	-	-	162,100	-	-	162,100
Share-based compensation	-	-	-	2,028	-	2,028
Comprehensive loss	-	-	-	-	(271,470)	(271,470)
Balance, September 30, 2018	62,794,119	4,086,774	212,100	700,357	(6,006,999)	(1,007,768)
Shares cancelled	2,221,000	111,050	-	111,050	-	222,100
Shares subscription received	-	-	(159,500)	-	-	(159,500)
Comprehensive loss	-	-	-	-	(274,142)	(274,142)
Balance, March 31, 2019	65,015,119	4,197,824	52,600	811,407	(6,281,141)	(1,219,310)
Shares issued for cash	1,630,000	163,000	(52,600)	-	-	110,400
Shares issued for debt	1,370,000	187,000	-	-	-	187,000
Exercise of warrants	2,047,455	307,118	(133,143)	-	-	173,975
Comprehensive loss	-	-	-	-	(256,483)	(256,483)
Balance, September 30, 2019	70,062,574	4,854,942	(133,143)	811,407	(6,537,624)	(1,004,418)

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

BIOMARK DIAGNOSTICS INC.
Notes to Consolidated Financial Statements
For the six months ended September 30, 2019 and 2018
(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 Shellbridge Way, Richmond, British Columbia, V6X 2W8. The ultimate parent of Biomark Diagnostics is Biomark Technologies Inc. (“BTI”), which is located at the same address as the Company.

The Company is in developing an advanced stage cancer diagnostic business. It is developing proprietary, non-invasive, and accurate cancer diagnostic solutions to help detect, monitor and assess treatment for cancer early and cost effectively.

These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period of time. As at September 30, 2019, the Company had accumulated deficit of \$6,537,624. 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 factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. The Company’s ability to continue its operations is uncertain and is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future. In the event that additional financial support is not received or operating profits are not generated, the carrying values of the Company’s assets may be adversely affected.

These consolidated financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a forced liquidation. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) and in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting. These condensed consolidated interim financial statements should be read in conjunction with the Company’s financial statements for the year ended March 31, 2019.

Basis of Measurement and Consolidation

The consolidated interim financial statements have been prepared on an accrual basis and are based on historical costs, except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below.

These consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiary, Biomark Cancer Systems Inc. (“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.

The consolidated interim financial statements are presented in Canadian dollars which is also the functional currency for both Biomark Diagnostics and Biomark Cancer.

BIOMARK DIAGNOSTICS INC.

Notes to Consolidated Interim Financial Statements
For the six months ended September 30, 2019 and September 30, 2018
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

3. Significant Accounting Policies

Significant Estimates and Assumptions

The preparation of these consolidated interim 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

Significant Judgements

The preparation of consolidated interim 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, which is described in Note 1.

Cash and cash equivalents

The Company considers unrestricted cash on hand, in trust, in banks, in term deposits and commercial paper with original maturities of three months or less as cash and cash equivalents.

Comprehensive loss

Comprehensive loss is the change in the Company's shareholders' equity that results from transactions and other events from other than the Company's shareholders. Other comprehensive income/loss includes items that would not normally be included in comprehensive loss but excluded from net loss, such as unrealized gains and losses on available-for-sale investments.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Share issue costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to expenses.

BIOMARK DIAGNOSTICS INC.

Notes to Consolidated Interim Financial Statements
For the six months ended September 30, 2019 and September 30, 2018
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

3. Significant Accounting Policies (continued)

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.

Share-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.

Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate resource properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are assigned value based on the residual value method and included in the share warrant reserve. Warrants that are issued as payment for an agency fee or other transactions costs are accounted for as share-based payments.

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.

Financial instruments

The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value plus, in the case of financial assets not at fair value through profit and loss ("FVTPL") transaction costs.

Financial assets are subsequently measured at either:

- (i) amortized cost;
- (ii) fair value through other comprehensive income ("FVTOCI"); or
- (iii) at fair value through profit or loss ("FVTPL").

BIOMARK DIAGNOSTICS INC.

Notes to Consolidated Interim Financial Statements
For the six months ended September 30, 2019 and September 30, 2018
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3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial liabilities are generally classified and measured at fair value at initial recognition and subsequently measured at amortized cost.

The following table summarizes the classification of the Company's financial instruments under IAS 39 and the new measurement under IFRS 9:

	IAS 39 Classification	IFRS 9 Classification
Financial assets		
Cash and cash equivalents	FVTPL	FVTPL
Financial liabilities		
Accounts payable	Amortized cost	Amortized cost
Due to related parties	Amortized cost	Amortized cost

IFRS 9 uses an expected credit loss impairment model as opposed to an incurred credit loss model under IAS 39. The impairment model is applicable to financial assets measured at amortized cost where any expected future credit losses are provided for, irrespective of whether a loss event has occurred as at the reporting date. The adoption of the new expected credit loss impairment model had a negligible impact on the carrying amounts of financial assets recognized at amortized cost.

Impairment

Financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against the assets impaired. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

Non-financial assets with finite lives are tested for impairment when events or changes in circumstances indicate that their carrying amounts may not be recoverable. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment. Any impairment loss is recognized in earnings or the results of discontinued operations, as appropriate, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating units" or "CGUs"). The Company evaluates impairment losses other than goodwill impairment, for potential reversals, when events or changes in circumstances warrant such consideration.

BIOMARK DIAGNOSTICS INC.

Notes to Consolidated Interim Financial Statements
For the six months ended September 30, 2019 and September 30, 2018
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

3. Significant Accounting Policies (continued)

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Income taxes

Income tax on profit or loss comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the period end date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except for temporary differences in assets and liabilities arising in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, transactions relating to investments in jointly controlled entities to the extent that they will not reverse in the foreseeable future, and transactions arising on the initial recognition of goodwill. Deferred tax is recognized at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

A deferred tax assets is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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.

BIOMARK DIAGNOSTICS INC.
Notes to Consolidated Interim Financial Statements
For the six months ended September 30, 2019 and September 30, 2018
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

3. Significant Accounting Policies (continued)

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 expect that the lease described in Note 9 will be required to be set up as a right to use asset and a corresponding lease liability of approximately \$20,000.

4. Related Parties Transactions and Balances

During the period ended September 30, 2019, the Company has the following transactions with and balances owed to BTI:

	\$
Balance, March 31, 2018	172,795
Company expenses paid on behalf of the Company	-
Cash advance	-
Cash repayments	(13,683)
Balance, March 31, 2019	159,113
Company expenses paid on behalf of the Company	-
Cash advance	-
Cash repayments	(5,700)
Balance, September 30, 2019	153,413

On May 14, 2014, the Company entered a General Service Agreement (the “Service Agreement”) with BTI. Both the Company and BTI are managed by the CEO of the Company. According to the Service Agreement, the Company engaged BTI to provide important services that include continuation of research and development, establishing a framework quality management system, intellectual property refinement and filing, establish protocols with key investigators, linking platforms that the Company can leverage, engage in territorial business development from relationships that BTI developed over the years, supplier validation and review, operating capital and other related functions (the “Services”).

BTI uses subcontractors to perform some of its services. The Company will pay management fees equivalent to cost plus a 25% administration fee to BTI and payable upon completion of the Services. For the period ended September 30, 2019, the Company paid \$nil to BTI as administration fees (2018 - \$nil). BTI holds approximately 58.53% of the common shares of the Company as at September 30, 2019 (2018 – 65.3%). The CEO owns more than 10% interest in the Company. The term of this Service Agreement will remain in full force and effect indefinitely until terminated as provided in the Service Agreement. In the event that either party wishes to terminate this Service Agreement, that each party will be required to provide 30 days' notice to the other party.

BIOMARK DIAGNOSTICS INC.
Notes to Consolidated Interim Financial Statements
For the six months ended September 30, 2019 and September 30, 2018
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4. Related Parties Transactions and Balances (continued)

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members. Short-term key management compensation consists of the following:

	September 30, 2019	September 30, 2018
	\$	\$
Transactions		
Consulting fees:		
CEO and a company controlled by the CEO	60,000	60,000
Interim CFO	22,500	22,500
	85,500	85,500

As at September 30, 2019, the Company has \$672,946 (2018 - \$605,946) due to the Chief Executive ("CEO") and \$126,770 (2018 - \$126,270) due to the Interim Chief Financial Officer ("Interim CFO"). The balances due to related parties are unsecured, non-interest bearing and without fixed repayment terms.

Additionally, 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.

5. Share Capital

- a) Authorized
Unlimited common shares, without par value.
- b) Issued
Common shares issued and outstanding – see consolidated Statements of Changes in Equity.

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Notes to Consolidated Interim Financial Statements
For the six months ended September 30, 2019 and September 30, 2018
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5. Share Capital (continued)

b) Issued (continued)

During the year ended March 31, 2018, the Company had the following share transactions:

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.

The Company issued 420,000 common shares for consulting services of \$42,000.

During the year ended March 31, 2019, 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. 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 \$0.05 per warrant was allocated to the contributed surplus for a total amount of \$111,050.

On April 19, 2019, the Company closed a non-brokered private placement of 2,000,000 units at \$0.10 per unit for total consideration of \$200,000. Each unit is composed of one common share and one share purchase warrant. Each warrant will entitle the holder to acquire one share at a price of \$0.20 per share for a period of two years. Of the 2,000,000 units, 370,000 units were issued to settle outstanding debt with the CEO.

On June 17, 2019, the Company issued 1,000,000 common shares at \$0.15 per share to settle outstanding debt with the CEO and interim CFO.

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 interim CFO. The stock options can be exercised at \$0.15 per share for a period of five years and vested immediately. The fair value of the stock options was \$16,802.

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5. Share Capital (continued)

c) Stock Options (continued):

On September 15, 2017, the Company granted 1,400,000 stock options to directors, officers, consultants, and employees. Stock options granted to a consultant (300,000) can be exercised at \$0.15 per share until September 15, 2018. The fair value of the stock options is \$6,334. Stock options granted to directors, officers, and consultants (1,100,000 options) vest at 25% at the date of grant and 25% every six months thereafter. These stock options can be exercised at \$0.15 per share for a period of three years. The fair value of the vested options was \$20,656.

The Company used the Black-Scholes option pricing model with weighted average assumptions and resulting values for grants as follows:

	2019	2018
Assumptions:		
Weighted average share price	\$0.07	\$0.22
Weighted average risk free interest rate (%)	1.66%	1.12%
Expected life (years)	1.46 years	2.96 years
Weighted average expected volatility (%)	65%	78%
Expected dividend	Nil	Nil
Expected forfeiture rate	Nil	Nil

The weighted average fair value of each option granted was \$0.08.

Information regarding the Company's outstanding share purchase options is summarized below:

	Expiry date	Number of options outstanding	Exercise price
Balance, March 31, 2017		4,490,000	\$0.25
Granted	June 15, 2022	250,000	\$0.15
Granted	September 15, 2018	300,000	\$0.15
Granted	September 15, 2020	1,100,000	\$0.15
Cancelled	October 31, 2019	(1,165,000)	\$0.25
Cancelled	September 15, 2018	(300,000)	\$0.15
Balance, September 30 and March 31, 2019		4,675,000	\$0.22

The number of options exercisable as at September 30, 2019 is 4,675,000 (2018 – 4,125,000 options). The weighted average life remaining for these options was 0.43 years and weighted average exercise price was \$0.22 per option.

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5. Share Capital (continued)

d) Warrants:

Information regarding the Company's outstanding warrants is summarized below:

	Expiry date	Number of warrants outstanding	Number of warrants exercisable	Exercise price
Balance, March 31, 2018		4,896,839	4,896,839	\$0.17
Expired	June 28, 2018	(545,384)	(545,384)	\$0.30
Issued	October 4, 2020	1,110,500	1,110,500	\$0.15
Balance, March 31, 2019		5,461,955	5,461,955	\$0.15
Expired	June 29, 2019	(2,304,000)	(2,304,000)	\$0.15
Exercised	June 29, 2019	(1,110,955)	(1,110,955)	\$0.15
Exercised	September 20, 2019	(936,500)	(936,500)	\$0.15
Issued	April 19, 2021	2,000,000	2,000,000	\$0.20
Balance, September 30, 2019		3,110,500	3,110,500	\$0.17

6. Financial Instruments

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 data.

The following table sets forth the Company's financial assets measured at fair value on a recovering basis by level within the fair value hierarchy:

	Level 1	Level 2	Level 3	September 30, 2019
	\$	\$	\$	\$
Cash	65,288	-	-	65,288

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.

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6. Financial Instruments (continued)

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.

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 shareholders. 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. Commitments

- a) The Company is committed to an office lease for its office in Richmond, British Columbia expiring on October 2020. Minimum lease payments of \$15,150 annually are required until October 2020.
- b) The Company is committed to an Independent Contractor Agreement with the CEO as described in Note 4.
- c) The Company is committed to a General Service Agreement with Biomark Technologies Inc. as described in Note 4.