BIOMARK DIAGNOSTICS INC.

Form 51-102F1
Management's Discussion & Analysis
Annual Report
For the Year Ended March 31, 2020

About This Management's Discussion & Analysis

All references in this management's discussion and analysis, or MD&A, to "the Company", "BioMark", "we", "us" or "our" refer to BioMark Diagnostics Inc. and the subsidiaries through which it conducts its business, unless otherwise indicted or the context requires otherwise.

This management's discussion and analysis ("MD&A") should be read together with the annual audited consolidated financial statements and accompanying notes for the year ended March 31, 2020, which have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, or IASB. Our IFRS accounting policies are set out in Note 3 of our annual audited consolidated financial statements for the year ended March 31, 2020. All amounts are stated in Canadian dollars unless otherwise indicated.

Readers should note that the Company will need to raise additional working capital through the sale of common shares, the issuance of debt or by entering into license or collaboration agreements to fund its operation, clinical trials and per-clinical studies. As disclosed in the financial statements, these factors indicate the existence of material uncertainty that may raise significant doubt about the Company's ability to continue as a going concern.

Cautionary Statement About Forward-Looking Statements

This MD&A includes forward-looking statements within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature are forward-looking, and the words such as "anticipate", "believe", "plan", "estimate", "expect", "may", "project", "predict", "potential", "could", "might", "should", "leading", "intend", "contemplate", "shall" and other similar expressions are generally intended to identify forward-looking statements. Forward-looking statements in this MD&A include, but are not limited to, statements with respect to:

- our expected future loss and accumulated deficit levels
- our projected financial position and estimated cash burn rate
- our expectations about the timing of achieving milestones and the cost of our development programs
- our requirements for, and the ability to obtain, future funding on favorable terms or at all

- our projections for the development of the technology platform and progress of each of technologies, particularly with respect to the timely and successful completion of studies and trials and availability of results from such studies and trials
- our expectations regarding the progress, and the successful and timely completion, of the various stages of the regulatory approval process
- our ability to secure strategic partnerships with larger pharmaceutical and biotechnology companies
- our expectations regarding the acceptance of our technologies by the market
- our ability to retain and access appropriate staff, management, and expert advisers
- our expectations with respect to existing and future corporate alliances and licensing transactions with third parties, and the receipt and timing of any payments to be made by us or to us in respect of such arrangements; and
- our strategy with respect the protection of our intellectual property.

All forward-looking statements reflect our beliefs and assumptions based on information available at the time the assumption was made. These forward-looking statements are not based on historical facts but rather on management's expectations regarding future activities, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities.

By its nature, forward-looking information involves numerous assumptions, inherent risks, and uncertainties, both general and specific, known and unknown, that contribute to the possibility that the predictions, forecasts, projections or other forward-looking statements will not occur. In evaluating forward-looking statements, readers should specifically consider various factors, including the risks outlined under the heading "Risk Factors" in this MD&A. Some of these risks and assumptions include, among others:

- substantial fluctuation of losses from quarter to quarter and year to year due to numerous external risk factors, and anticipation that we will continue to incur significant losses in the future
- uncertainty as to our ability to raise additional funding to support operations
- our ability to commercialize our technologies without additional funding
- the risks associated with the development of technologies which are at clinical trial and at pre-clinical study stage
- reliance on the third parties to plan, conduct and monitor our clinical trials and pre-clinical studies
- our technologies may fail to demonstrate efficacy to the satisfaction of regulatory authorities or may not otherwise produce positive results
- risks related to filing applications to commence clinical trials and to continue clinical trials, if approved
- the risks of delays and inability to complete clinical trials due to difficulties enrolling patients
- risks related to obtain approval from regulatory authority to commercialization of technologies
- competitions from other biotechnology and pharmaceutical companies

- our reliance on the capabilities and experience of our key executives and scientists and the resulting loss of any those individuals
- our ability to adequately protect our intellectual property and trade secrets
- our ability to source and maintain licenses from third-party owners; and
- the risk of patent-related litigation,
- all as more fully described under the heading “Risk Factors” in this MD&A

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guaranteeing 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.

Any forward-looking statements represent our estimates only as of the date of this MD&A and should not be relied upon as representing our estimates as of any subsequent date. We undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or reflect the occurrence of unanticipated events, except as may be required by securities legislation.

1.1 Date of Report: July 17th, 2020

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 is a Canadian based company that is developing its advanced stage cancer diagnostic business. BioMark’s cancer diagnostics technology platform leverages "Omics" and machine learning which allows for early cancer detection. BioMark is currently focused on bringing its cancer diagnostic kits and detection solution to commercialization standards and hopes to commence distribution once clinical trials are complete and regulatory acceptance is obtained. The Company is currently listed for trading on the Canadian Securities Exchange under the symbol “BUX”, OTC Market under the symbol “BMKDF” and Frankfurt Stock Exchange under the symbol “20B”.
For more information please visit the company’s 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 establish new collaborations and to commence /accelerate commercialization of its technology platform.

- On April 16th, 2019, BioMark successfully closed the private placement as per new release on April 9th, 2019. The Issuer issued 2,000,000 units at a price of CAD $0.10 per unit for gross proceeds of $ 200,000. Each unit consists of one common share of the Issuer and one share purchase warrant at $0.20.

- On April 17th, 2019, BioMark's application entitled "Development and clinical assessment of novel biomarker drugs targeting SSAT1 for detection and therapeutic monitoring of glioblastoma" was approved. The application was Canadian Institutes of Health Research (CIHR) in partnership with the Natural Sciences and Engineering Research Council of Canada (NSERC) and in collaboration with the Social Sciences and Humanities Research Council (SSHRC). The funding is approximately for $750,000. BioMark is the industrial partner on the grant.

- The manuscript entitled "Predictive value and clinical significance of increased SSAT-1 activity in healthy adults", was submitted to Future Science OA, and was accepted on April 24th, 2019.

- On May 15th, 2019, the abstract titled "Follow-up evaluation of outliers with elevated spermine-spermidine acetyltransferase-1 activity" was published online and released by American Society for Clinical Oncology (ASCO) for the annual meeting scheduled from May 29th to June 4th 2019 in Chicago.

- BioMark team signed a letter of intent with the University of Maryland School of Medicine to collaborate in discovery and validation of BioMark's assays for early lung cancer and monitoring of residual tumor load/activity following GBM resection in late May 2019. Both parties that involved principal investors discussed clinical trial design, scope of the study and timing. During the visit, BioMark team visited core labs to determine available analytical capabilities, accreditation/compliance and to assess the possibility for conducting longitudinal studies in the future. 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.

- On May 30th, 2019, BioMark announced that its patent titled "DETECTION AND QUANTIFICATION OF ACETYLAMANTADINE IN URINE SAMPLES" was recently granted in United States.

- BioMark and TMIC submitted to Alberta Cancer Foundation "Early Detection Comprehensive Program Plan" as requested for a final short-listed review. The total grant request was for $475,000. This funding program was canceled due to changes in a new government focus in Alberta.

- On June 18th, 2019, BioMark announced that it has arranged a voluntary debt to share settlement with certain directors and officers of the Company in connection with existing indebtedness related to services provided to the Company by such directors and officers (and for which amounts had accrued as reflected in the Company's financial statements but which had not been paid). The company issued a total of 1,000,000 common shares at (the "Debt Shares") at a deemed price of $0.15 per Debt Share in settlement of the indebtedness in aggregate amount of $150,000. No warrants were issued in connection with the debt settlement. The Debt Shares was subject to a four month plus 1-day hold period.

- On June 26th, 2019, BioMark announced that the Company confirmed the collaboration arrangement with University of Maryland School of Medicine to collaborate in discovery and validation of BioMark's assays for early lung cancer and monitoring of residual tumor load/activity following glioblastoma multiforme (GBM) resection.

- Posters were recently presented at the Canadian Society of Pharmacology and Therapeutics meeting in Calgary from June 12-14 by Dr. Don Miller and two of his PhD students. These posters provided further proof our SSAT activity and link to acetyl amantadine discovery and potential pharmaceutical application in knock down of SSAT for glioblastoma during radio and chemotherapy.

- New patents were filed in June 2019 related to discovery and validation of early lung cancer biomarkers.

- Additional patients for the response to treatment study for lung cancer following chemo and radiation treatment were recruited at CancerCare Manitoba. A halfway analysis of the study might be planned to be conducted to determine potential success or adjustment/refine to the clinical protocol.

- On July 15th, 2019, BioMark submitted to *Cancers*, a manuscript titled "Liquid biopsy in lung cancer screening: The contribution of metabolomics. Results of a pilot study". On July 29th, 2019, the paper was published on PubMed. The article was selected to be on cover of *Cancers* on August 19th, 2019.

- On July 16th, 2019, BioMark submitted an application to CanExport Innovation (CXI) Program for the grant to support BioMark International and Pan Canadian Collaboration.

- 2 New patents were filed in July 2019 related to discovery and validation of lung cancer biomarkers.

- On July 29th, 2019, a group from Japan visited Vancouver and met with BioMark's key scientists, clinicians, and researchers.

- On August 27th, 2019, BioMark was pleased to announce that the article "Predictive value and clinical significance of increased SSAT-1 activity in healthy adults" has been published in the peer-reviewed journal Future Science OA. The article is also available through open access at PubMed.

- On October 15th, Drs. Maksymiuk and Sitar presented at the October 2019 Grand Rounds in University of Manitoba. The title of the presentation "Recent Findings in Early Cancer Diagnosis – Focus on Manitoba Contributions".

- BioMark team visited Asia from October 11 to October 20, 2019. Discussions were held with various interested entities for potential collaboration. Announcements were to be made following successful conclusion of discussion.

- BioMark submitted a manuscript tilted "A High-Performing Plasma Metabolite panel for Early-Stage Lung Cancer Detection" through an international research collaboration to a high impact peer review medical journal on September 17th, 2019 and are keenly awaiting notification of acceptance or rejection. A review notification was provided on October 7th to the corresponding author.

- On November 19th, 2019, BioMark announced that it has signed a Letter of Intent ("LOI") for a Licensing Relationship for Clinical Validation and Development. Both parties have agreed to proceed with clinical validation and development of BioMark's latest FDA approved drug agent while incorporating a new metabolomic quantification technique. The LOI will be replaced with a definitive license agreement, but the general terms are an initial non-refundable payment by Longhu to BioMark, an equity investment into BioMark and milestone driven payments.

- On December 11th, 2019, BioMark was proud to be featured in the official magazine of the Canadian Trade Commissioner Service (TCS) Life Sciences Special Edition. BioMark with the help of the Canadian Trade Commissioner Service (TCS) continues to develop dynamic global connections and undertaking research collaborations in an effort to bring its “next-generation” cancer diagnostics technology to market.

- On December 16th, 2019, BioMark was pleased to announce that it closed the non-brokered Private Placement for gross proceeds of $669,347 wherein BioMark issued 2,231,157 units at a price of $0.30 per unit. Each unit is composed of one common share of the Company and one-half share purchase warrant. Each whole warrant shall entitle the holder to acquire one share at a price of $0.45 per share for a period of two year after the date of issuance.

- On December 19th, 2019, BioMark was pleased to provide 2019 round up and its outlook for 2020.

- On December 20th, 2019, BioMark Diagnostics Inc. held its Annual General Meeting at 17th Floor - 1030 West Georgia St., Vancouver, BC V6E 2Y3 on Friday, at 9:00 a.m. (Pacific Standard Time).

- On December 31st, 2019, BioMark Diagnostics Inc. was pleased to announce appointment of scientific and medical advisors, granting of stock options and changes in Board of Directors.

- BioMark team met with Canada Brain Foundation to explore potential grants and funding for brain related projects across Canada. This was timely given its breakthrough research being conducted in Glioblastoma (aggressive brain cancer) and is being led by Drs. Don Miller, M. Pitz and their team in Manitoba.

- BioMark team presented at IUCPQ in Quebec City and managed to review and plan for a large prospective study with Dr. Joubert and the IUCPQ biobank team. We anticipate to source additional samples from the IUCPQ’s well established biobank for a larger scale trial on lung cancer.

- BioMark team met with other potential partners in Quebec that will assess opportunity to collaborate on the Pan Lung Cancer Screening program.

- BioMark signed a confidentiality agreement with a leading US based genetic test service provider that offers over 4000 genetic based tests to 40 states across USA. Discussions between our mutual scientific teams were held during the third week of January 2020.

- BioMark completed drafts related to clinical trial protocols for the upcoming multi centre Chinese Lung Cancer study that will be using an FDA approved drug (rimantadine) as a probe. Meetings were held with a principal scientist leading the project in China prior to the coronavirus global alert. Appropriate milestone payments were received on time as outlined in the agreement between the two parties.

- BioMark developed synthesized internal standards needed for analysis of urine samples for rimantadine clinical trials in China. The certificate of analysis has also been produced to demonstrate the quality standards necessary for regulatory rigor.

- New patents for Canada and US have been reviewed and are being filed to protect our ongoing new discoveries.

- On February 4th, 2020, BioMark was pleased to provide a market update with key activities undertaken by BioMark's team during January 2020.

- BioMark team visited USA to present to financial groups in New York. In addition, the team met with companies that specialized in market awareness programs that are geared for the US and international investment communities/markets.

- On March 16th, 2020, BioMark announced that its Advanced Raman Spectrometer might have potential to be modified and reconfigured for use in the detection of COV-2 Sars in relation to the COVID-19, Coronavirus.

- BioMark submitted an Expression of Interest (EOI) for Business Scale-up and Productivity (BSP) Program with Western Economic Diversification Canada related to commercialization of its lung cancer panel assay.

- BioMark is working on submitting a Letter of Intent for Translational Research Partnerships Program with Cancer Research Society and other clinical funding institutions based in Quebec. The Principal Investigator will be Dr. Phillipe Joubert from IUCPQ in Quebec. Total ask is estimated at$1 million and will involve a Pan Canadian Team of oncologist, scientists, biostatisticians and institutions.

- On March 24th, 2020, BioMark was pleased to announce that the manuscript tilted "A High-Performing Plasma Metabolite panel for Early-Stage Lung Cancer Detection" had been published in the peer-reviewed journal *Cancers*, validating BioMark's technology to detect early-stage (I/II) non-small cell lung cancer (NSCLC) using a simple blood plasma test.

- On March 24th, 2020 BioMark's research and medical group in Manitoba focussed on GBM studies were granted conditional ethics approval to commence clinical trials after the COVID-19 restricts are lifted. The study is being led by Drs. M. Pitz and D. Miller.

- BioMark's certified and accredited lab BRI has completed the development of internal standards based on urine and plasma that will be used as an assay to assess response to treatment for lung cancer patients following chemo and radio therapy. The lab suspended further analysis due to COVID 19 crisis and will resume at the appropriate time. The result of this proof of concept studies if successful will be another important clinical success for our amantadine and related metabolite panel. The ability to assess faster treatment response will allow for more expedient treatment options for the patients leading to better outcome. A larger clinical trial with other institutions might be made following a positive data result and publication.

- In March 2020, Dr. Horacio Bach, one of BioMark's scientific advisor and expert on antibody engineering received a major grant from CIHR for COVID- 19 antibody development.

- The planned IALSC (important event for thoracic oncologist) event scheduled in Baltimore from May 7-9th, 2020 that BioMark was invited to present has been postponed due to current travel restrictions, advisories, and public health concerns related to the Coronavirus Disease (COVID-19). The exact dates and additional information will be provided in the near future. The conference theme was Lung Cancer Hot Topic: Liquid Biopsy Meeting. This state-of-the art conference will bring together international and multidisciplinary experts in the field of liquid biopsy in lung cancer to present and discuss all the new recent advances in liquid biopsy technology and clinical application, including, but not limited to, initial mutation detection, monitoring minimal residual disease, resistance mutations, and progression.

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.

The Impact of COVID-19 Pandemic

The novel coronavirus pandemic (COVID-19) has caused a global disruption and has significantly impacted businesses across all sectors and the healthcare industry is not spared.

The COVID-19 pandemic has had both operational and commercial impact for BioMark. The application for Translational Research Partnerships Program with Cancer Research Society and Dr. Phillipe Joubert from IUCPQ in Quebec has been halted due to the impact of COVID-19. The research on GMB (glioblastoma) studies at CancerCare Manitoba were granted conditional ethics approval and to commence clinical trials after the COVID-19 restrictions are lifted. Further analysis to assess the response to treatment following radio/chemotherapy in lung cancer patients will be delayed since the lab conducting the analysis has been suspended due to COVID-19. The planned International Association for the Study of Lung Cancer (IASLC) presentation from May 7-9, 2020 in Baltimore has been postponed until the further notice. Such suspensions and delays on research and potential grant application due to COVID-19 will impact the timeline of the research and commercialization for BioMark’s technology platform. The potential milestone payment from our Chinese partner will be delayed and depend on

when the local authority allows / permits the planned clinical trial to commence and be the completed due to the COVID-19 in China.

Realizing the rapidly changing environment, BioMark responded by examining its deep expertise in quantification technology patents and the technical and regulatory expertise to address the COVID-19 pandemic positively. BioMark's Raman Spectrometer was originally developed for work in early cancer diagnostics. It was created to assist in ultra-low detection of a very small exogenous molecule in urine samples. The size of the molecule is much smaller than that of a typical virus and the system was repurposed to assess the possibility of detecting the COVID virus. In June 2020, BioMark partnered with Stream.ML and Merogenomics to form Bio-Stream Diagnostics Inc. ("Bio-Stream Diagnostics"), a new company, focused on providing low-cost COVID-19 detection in less-than-30 seconds. Leveraging Raman spectroscopy and the power of machine learning, the Bio-Stream platform will provide low-cost, accurate results in coronavirus screening. The objective of Bio-Stream Diagnostics is to develop an alternative detection tool to polymerase chain reaction (PCR) detection arrays and other detection systems. Surface-enhanced Raman spectroscopy (SERS) is uniquely suited to detect viruses and small molecules, and machine learning is well-suited for the analysis of this type of data. Hence there is very strong complementary synergies in combining these technologies. This will be a turnkey testing system, complete with a compact spectrometer, software, model execution, scanning instructions, and SERS substrates for disposable sample collection. Collectively, this team has the necessary experience of medical-based product delivery and machine learning distribution from a global commercialization perspective. Each company will be contributing distinct IPs and technical expertise in the venture. Officers from the 3 companies will be directors of the new company. Currently Bio-Stream Diagnostics is still developing the system and is collecting data from samples for validation prior to actual field tests.

BioMark's management team has instituted financial, operational and recovery measures to ensure that its business remains viable over the next 12 months and beyond. Financial measures include reducing working capital, delaying capital expenditures(equipment), cost cutting initiatives and considering applying for lines of credit through financial institutions at attractive terms, tapping into government grants/support programs. In addition, management is in communications with its board as a central nerve center on liquidity plans and operational plans to kick start our research and commercialization initiatives. BioMark ensures that all relevant risks will be disclosed and tailored to the company's specific situation.

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, 2020	Marc 31, 2019	March 31, 2018
	$	$	$
Total Expenses	1,472,328	545,612	726,747
Net Loss	1,215,282	545,612	726,747
Loss Per share	0.02	0.01	0.01
Total Assets	637,295	34,642	51,746
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

	2020	2019
	$	$
Revenue	263,283	-

The Company generated its revenue of $263,283 for the year ended March 31, 2020 and has recorded a net loss of $1,215,282.

The revenue increased by $263,283 from $ nil for the year ended March 31, 2020. This was primarily due to the recognized revenue from its Chinese partner Longhu's non-refundable payment of USD$200,000, equivalent to CAD $263,283. Based on the merits of signed LOI between BioMark & Longhu in November 2019 and the guidance of IFRS 15 – *Revenue from Contracts with Customers*, the Company recognized this USD $200,000 non-refundable payment received which serves as the transaction price to be the recognized revenue. Both BioMark and Longhu have agreed to proceed with clinical validation and development of BioMark's latest FDA approved drug agent while incorporating a new metabolomic quantification technique. The LOI will be replaced with a definitive license agreement, but the general terms are an initial non-refundable payment by Longhu to BioMark, an equity investment into BioMark and milestone driven payments. The expected license agreement will be based on the results of clinical trials that are conservatively estimated to last one and a half to two years. Current field of use will be for lung cancer and will be expanded to other cancers upon consensual agreement and outcome of the results.

The net loss increased by $669,670 from $545,612 (March 31, 2019) to $1,215,282 for the year ended March 31, 2020, which was largely due to the increase related to share-based compensation.

	2020	2019
	$	$
Expenses:		
Consulting fees	392,342	330,000
Depreciation	11,906	-
Filing and transfer agent fees	23,705	18,751
Office and miscellaneous	34,173	35,772
Professional fees	89,399	81,946
Research and other	42,347	56,430
Share-based compensation	855,895	2,028
Travel	22,561	20,685
Total operating expenses	1,472,328	545,612

The total operating expense increased by $926,716 from $545,612 (March 31, 2019) to $1,472,328 (March 31, 2020) mainly due to the increase in share-based compensation. On December 31, 2019, the Company granted 3,735,000 stock options to 15 directors, officers, consultants and employees for the services and support rendered for the past five years. These options can be exercised at $0.30 per share until December 31, 2024. The fair value of the stock options is $847,282. In addition, the Company granted 60,000 stock options to 5 consultants. These options can be exercised at $0.30 per share until December 31, 2021. The fair value of this stock options is $8,613. The Company used the Black-Scholes option pricing model with weighted average assumptions and resulting values for grants were the result of high weighted average volatility over a duration of five years with no vesting term. Those directors, officers, consultants, and scientific and business advisors have been the strong support of scientific research and business development of the Company which keeps the Company successfully operated in a limited funding resource. The Company will not anticipate having the large share-based compensation in the coming quarters.

The depreciation expense increased from $nil to $11,906 due to the adopted new accounting standards effective April 1, 2019. The Company adopted IFRS 16, Leases (“IFRS 16”) which replaced IAS 17, Leases and IFRIC 4, Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The standard is effective for annual periods beginning on or after January 1, 2019. The Company applied IFRS 16 using the modified retrospective method. Under this method, financial information was not restated and continues to be reported under the accounting standards in effect

for those periods. The Company recognized a lease liability related to its lease commitments for its office lease. The lease liability is measured at the present value of the remaining lease payments, discounted using the Company's estimated incremental borrowing rate as at April 1, 2019, the date of initial application, which resulted in no adjustment to the opening balance of deficit. The associated right-of-use asset is measured at the lease liabilities amount, plus prepaid lease payments made by the Company. The details of new accounting standard and the calculation of Right-of-use Asset and Lease Liability are discussed respectively on Note 3 and Note 5 in the Audited Annual Consolidated Financial Statement.

Consulting service fees increased by $62,342 compared to the prior year mainly due to third-party consulting services rendered to fund raising activities. The Company had no payroll and engages on consulting basis for needed services. There has been no change to the compensation for key management.

The filing and transfer agent fees increased by $4,954 and Professional fees for the year ended March 31, 2020 were $89,399 compared to $81,946 for the year ended March 31, 2019, an increase of $ 7,453. The increase in both expenses is mainly due to the fund-raising activities that required additional related legal counsel and transfer agent services, and patent filing fee. The company anticipates spending a higher amount in the next fiscal year due to timing and stage of the patent filings. The Company continues to build its patent portfolio applications/filings and advancing its patent registration to different jurisdictions. These investments are important intangible assets for a biotechnology company, yet the value is not reported or captured in the current balance sheet.

Research and other expense decreased by $14,084 due to the leveraging of government funds and the halting of research projects caused by COVID-19 lock-down during the last quarter of the fiscal year. Some research costs were offset by support through NSERC grant for work with Dr. Don Miller who is conducting research at University of Manitoba. As normality resumes and the resumption of postponed research projects, the Company expects a higher research and other related expense in the next fiscal year. The major expenses will be related to assay development, lab supplies, sample acquisition and analysis, publication costs and research related operational activities.

The office and miscellaneous decreased by $1,599 due to the existing rental agreements and prudent operational spending. Travel expenses during the period remained at similar levels, a slight increase of $1,876.

	2020	2019
	$	$
Other (income) loss		
Foreign exchange gain	(8,636)	-
Loss on settlement of debt	15,000	-
Interest income	(127)	-
Total other (income) loss	6,237	-

In addition, the Company had its other (income) loss of $6,237 for the year ended March 31, 2020 compared to $nil for the year ended March 31, 2019, which includes the gain from foreign exchange and interest and the loss on settlement of debt.

On June 17, 2019, the Company arranged a voluntary debt to share settlement with CEO and CFO of the Company in connection with existing indebtedness related services provided to the Company. Pursuant to Debt Settlement, the Company issued a total of 1,000,000 common shares (the "Debt Shares") at deemed price of $0.15 per Debt Share in settlement of indebtedness in aggregate amount of $150,000. No warrants were issued in connection with this debt settlement. The Debt Shares were subject to a four month plus 1-day hold period. The market price on June 17, 2019 was closed at $0.165, for that reason, a loss on settlement of debt in the amount of $15,000 has been recognized. The Company is choosing to settle the indebtedness through the issuance of Shares to preserve cash and to show the confidence and commitment of management in Company's future.

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.

Expected Objectives: Revenue Generation, Licensing, Commercialization, Focussed Clinical Application and develop deeper Industry Collaboration.

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

- Health Canada Submission – Anticipate decision from Health Canada for the SSAT1 amantadine assay by Q4 of 2020.The company is mindful of a potential phase II of COVID-19 pandemic that could delay response to the application.

- Apply for non-dilutive funding from Medteq, Canadian Research Society and other federal and or provincial funding grants. Collectively the funding is for around $1 million, although there are no assurances the funding will be received.

- Commence and complete the 300-lung patient trial with our Chinese partners at 2 recognized tumour hospitals using credible CRO that has been identified provided there are no restriction to conduct trials. All the protocols and standards will be designed and based on Canadian Health standards. After trials are completed results will be analyzed and submitted to CFDA for a larger scale trial. BioMark will be compensated a milestone payment after the successful submission to Chinese regulators of the results. BioMark and both its partners (Chinese and Canadian) intend to publish papers and present key findings from the trials if the results are successful.

- Publications and file patents– Target to publish 5-6 peer reviewed manuscripts especially following results of the larger trial in Quebec, clinical work being conducted at University of Manitoba and at UBC. It is important to keep our science and discovery relevant to the scientific and the biopharma communities. Relevant patents will be filed as needed to protect key discoveries.

- Build stronger base and infrastructure in US and Quebec– Expand presence, clinical partnerships and research support at existing partner sites. Seek two or more additional institutions to partner with BioMark. Apply for grants and foundation support. Increase market awareness programs to help corporate visibility and attract capital.

- Establish office and research support in Quebec to expedite the 1500 retrospective early lung cancer samples trial along with 100 prospective patients. Develop a Lab Developed test (LDT) test that will be optimized and tested at an accredited reference laboratory. Build appropriate standards and leverage lab infrastructure to beta test the assay. Refine the algorithms using AI. This initiative is expected to be completed within 24 months.

- Seek and continue to develop deeper partnership / relationships with large biopharma for early lung cancer screening program both in Canada and US.

- Commence a focussed glioblastoma (GBM) study at CancerCare Manitoba and at 2 universities Maryland that can further generate future revenues for the SSAT amantadine assay. Key indications for GBM would include ideas to optimize the system for gliomas; discriminate or correlate with specific mutations, grading of tumors, differentiate progression from pseudo progression and measuring disease burden/volume. Results from this study are expected to enable the principal researchers to obtain funding from important agencies such as CIHR, Canada Brain Foundation and National Institute of Health (NIH). Furthermore, an orphan status can be granted by FDA should our test demonstrate efficacy over existing diagnostic measurement standards.

- Capital Raise – Build a better US story where valuations can be more in line with other companies in our space.

- Bench Strength – Hire staff to help in commercialization, acceleration of clinical trials and business development

- Review proposal to participate in a multi centre Head and Neck Cancer 200 patient study headed by European medical centre

- Complete and Test an ELISA kit that utilizes monoclonal antibodies generated internally. The kit can be used to perform a quick on-premises test for BioMark's Red Alert amantadine assay.

<u>Bio-Stream Diagnostics Inc - COVID-19 or Pathogen Platform</u>

- Multi centre collaborations – Qatar University – co development venture to expedite development and commercialization of the COVID-19 30 second test. Leverage resources, sample preparation, access to samples from hospitals, invite virologists, gain access to addition ML capacity, demonstrate repeatability of our tests at 2 international sites.

- Data from existing level 2 and 3 sites – demonstrate that we can generate Raman signals on various viruses. This would be particularly important in validation. Publish and patent this discovery.

- Develop SOPs and use of different biological mediums beyond nasal swabs – saliva. Convenient and additional novelty – hence increase our patent portfolio on going.

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, 2020	December 31, 2019	September 30, 2019	June 30, 2019
	$	$	$	$
Total Revenue	-	263,283	-	-
Expenses	285,908	936,174	135,926	120,557
Net Loss	(285,908)	(672,891)	(135,926)	(120,557)
Loss per Share	(0.00)	(0.01)	(0.00)	(0.00)

	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
	$	$	$	$
Total Revenue	-	-	-	-
Expenses	105,445	168,668	160,588	110,911
Net Loss	(105,445)	(168,668)	(160,588)	(110,911)
Loss per Share	(0.00)	(0.00)	(0.00)	(0.00)

1.6 Liquidity

	2020	2019
	$	$
ASSETS		
Current		
Cash and cash equivalents	611,803	19,994
Amounts receivable	16,117	12,571
Prepaid expenses	-	437
	627,920	33,002
Equipment and tools	2,430	1,640
Right-of-use asset	6,945	-
	637,295	34,642
LIABILITIES		
Current		
Accounts payable and accrued liabilities	111,794	163,873
Lease liability	8,664	-
Due to related parties	955,964	1,090,079
	1,076,422	1,253,952

The Company has total assets of $637,295 as at March 31, 2020 and has a negative working capital of $439,127. Total assets increased to $637,295 for the year ended March 31, 2020 compared to $34,642 reported on March 31, 2019, mainly due to the increase of cash and cash equivalents. Working capital deficit reduced by $780,183 from fiscal 2019 mainly due to the increase of cash and cash equivalents and the decrease of the accounts payable and accrued liabilities. Working capital is defined as current assets less current liabilities.

At March 31, 2020, the Company had cash and cash equivalents of $611,803 (March 31, 2019 - $19,994), which was a increase of $591,809 due to the recognized and received revenue from potential Chinese partner Longhu's non-refundable payment of USD$200,000, equivalent to CAD $263,283 and the capital raised over private placements in April 2019 and December 2019. In addition, the Company recognized Right-of-use asset of $6,945 due to the new adopted accounting standards effective April 1, 2019. The Company adopted IFRS 16, Leases ("IFRS 16") which replaced IAS 17, Leases and IFRIC 4, Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The details of new accounting standard and the calculation of Right-of-use Asset and Lease Liability are discussed respectively on Note 3 and Note 5 in the Audited Annual Financial Statement.

Total liabilities decreased by $177,530 from $1,076,422 on March 31, 2020 to $1,253,952 on March 31, 2019 which was largely related to the reduction of Accounts payable and Due to related parties by $52,079 and $134,115 respectively. Due to Related Parties in connection with existing indebtedness related to services provided to the Company by directors and officers over the years. Both CEO and CFO agreed to several debt settlement arrangements to preserve the cash for the operating. The increase of $8,664 of Lease liability due to the adopted new accounting standards effective April 1, 2019. The details of new accounting standard and the calculation of Right-of-use Asset and Lease Liability are discussed respectively on Note 3 and Note 5 in the Audited Annual Financial Statement.

Cash utilized in operating activities during the year ended March 31, 2020 was $453,785 compared to $217,383 at March 31, 2019 due to an overall increase in operating expense.

At March 31, 2020, share capital was $5,433,171 comprising 72,313,729 issued and outstanding common Shares (March 31, 2019 – $4,197,824 comprising 65,015,119 issued and outstanding Common Shares). Most the increase in shares outstanding is related to capital raise through sale of equity and the exercising of warrants. Surplus capital at March 31, 2020 is $1,768,793 (March 31, 2019 – $811,407) the increase mainly is the result of share based compensation was valued and recognized for a total amount of

$855,895 related to the options granted on December 31, 2019. As a result of the net loss for the year ending March 31, 2020 of $1,215,282 (March 31, 2019 – ($545,612)) the deficit at March 31, 2020 increased to $7,496,423 from $ 6,281,141 as at March 31, 2019.

At present, the Company's operations do not generate cash inflows from the commercialization and its financial success after March 31, 2020 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. Valuable patents have been granted and filed that came from research activities conducted by the company. Some of these patents could be licensed based on the application. Several of the company's diagnostic assays are near commercialization pending regulatory approval

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 section 1.11 - subsequent events 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, 2020, the Company entered into the following transactions with related parties:

a) For the year ended March 31, 2020, 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, 2020. The Company has $698,946 and $112,270 due to CEO and CFO respectively. (Refer to Note 4 of the audited financial statements)

b) For the year ended March 31, 2020, the Company recognized $601,020 of share-based compensation for stock options held by directors and officers, which were 2,650,000 options granted on December 31, 2020. These options can be exercised at $0.30 per share until December 31, 2024.

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, 2020, the Company paid $nil to Biomark Technologies as administration fees (2019 - $nil). BTI holds approximately 56.70% of the common shares of the Company as at March 31, 2020 (2019 – 63.07%). 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 $285,908 in the fourth quarter ended March 31, 2020, compared to a net loss of $105,445 in the same quarter a year earlier. The increase in net loss in the fourth quarter ended March 31, 2020 was mainly due to the increase in Research, Travel expenses and entry adjustment after applying new accounting standards.

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 Subsequent Events

Subsequent events post March 31, 2019 that were instigated to increase working capital to help deliver on future activities:

a) On June 9, 2020, the Company granted 150,000 stock options to consultants, the stock options and an exercise price of $0.30 per share and expire two years from the date of grant.

b) On June 3, 2019, the Company entered into a license agreement with Bio-Stream Diagnostics Inc. ("Bio-Stream") to provide Bio-Stream with the right to use one granted patent for the use of Raman detection technology registered to the Company for a one-time cash fee of $10. Bio-Stream was incorporated in the province of Alberta on June 1, 2020 by the Company, Stream Technologies Inc., Merogenomics Inc., and Gamble Technologies Limited. The Company obtained 45% of Bio-Stream's issued and outstanding common shares upon incorporation, and the Company's CEO has been appointed as one of the three directors. Bio-Stream was formed to focus on developing and providing a low-cost COVID-19 detection in less-than-30 seconds.

1.12 Critical Accounting Estimates

The preparation of these 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 IFRS 9, Financial Instruments.
- 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.

1.13 Changes in Accounting Policies including Initial Adoption

New accounting standards adopted effective April 1, 2019

On April 1, 2019, the Company adopted IFRS 16, Leases ("IFRS 16") which replaced IAS 17, Leases and IFRIC 4, Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less) and leases of low-value assets.

The Company applied IFRS 16 using the modified retrospective method. Under this method, financial information was not restated and continues to be reported under the accounting standards in effect for those periods. The Company recognizes lease liabilities related to its lease commitments for its office lease. The lease liabilities are measured at the present value of the remaining lease payments, discounted using the Company's estimated incremental borrowing rate as at April 1, 2019, the date of initial application, which resulted in no adjustment to the opening balance of deficit. The associated right-of-use assets are measured at the lease liabilities amount, plus prepaid lease payments made by the Company. The Company has implemented the following accounting policies permitted under the new standard:

- leases of low dollar value will continue to be expensed as incurred; and
- the Company will not apply any grandfathering practical expedients.

As at April 1, 2019, the Company recognized $18,851 in right-of-use assets and $22,610 in lease liabilities (Note 5).

New accounting policy for leases under IFRS 16

The following is the accounting policy for leases as of April 1, 2019 upon adoption of IFRS 16:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the

Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term.

New accounting standards issued but not yet effective

In October 2018, the IASB issued amendments to IFRS 3, Definition of a Business that narrowed and clarified the definition of a business. The amendments permit a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business. The amendments are effective January 1, 2020 with earlier adoption permitted. The amendments apply to business combinations after the date of adoption. The Company will prospectively adopt the amendments on April 1, 2020 and anticipates this standard will not have a material impact on the consolidated financial statements.

In October 2018, the IASB issued amendments to IAS 1, Presentation of Financial Statements and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The amendments make minor changes to the definition of the term "material" and align the definition across all IFRS Standards. Materiality is used in making judgments related to the preparation of consolidated financial statements. The amendments are effective January 1, 2020 with earlier adoption permitted. The Company will prospectively adopt the amendments on April 1, 2020 and anticipates this standard will not have a material impact on the consolidated 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, 2020 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, 2020, the Company had 72,313,729 common shares issued and outstanding.

	Number
Balance, March 31, 2020	72,313,729
Balance, July 17, 2020	72,313,729

Share Purchase Warrants

As at March 31, 2020, the Company had 4,258,079 shareholder warrants issued and outstanding.

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.

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, of which $7,400 has been allocated to the share purchase warrants using the residual value method. 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.

On December 13, 2019, the Company closed a private placement of 2,031,157 units at $0.30 per unit for total consideration of $609,347, of which $81,246 has been allocated to the share purchase warrants using the residual value method. Each unit is composed of one common share and one-half share purchase warrant. Each warrant will entitle the holder to acquire one common share at a price of $0.45 per share for a period of two years. In connection with the private placement, the Company paid finder's fees of $9,600 cash and issued 32,000 share purchase warrants at a fair value of $4,845.

On December 13, 2019, the Company issued 200,000 units consisting of one common share and one-half share purchase warrant for the settlement of $60,000 of outstanding debt with the CEO and interim CFO. Each warrant will entitle the holder to acquire one common share at a price of $0.45 per share for a period of two years. The Company has allocated $8,000 to the share purchase warrants using the residual value method.

The number of warrants exercisable as of March 31, 2020 was 4,258,079 (2019 – 5,461,955 warrants).

c. Stock options:

The Company's current stock option plan (the "New Stock Option Plan") was last approved by the shareholders on December 20, 2019. 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 10% 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 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 stock options granted to a consultant (300,000) were cancelled during the 2018 fiscal year.

On December 31, 2019, the Company granted 3,735,000 stock options to directors, officers, consultants and employees. These options can be exercised at $0.30 per share until December 31, 2024.

On December 31, 2019, the Company granted 60,000 stock options to consultants. These options can be exercised at $0.30 per share until December 31, 2021.

The number of options exercisable as at March 31, 2020 was 5,145,000 (2019 – 4,675,000 options). The weighted average life remaining for these options was 3.68 years and weighted average exercise price was $0.26 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.