BIOMARK DIAGNOSTICS INC.

Form 51-102F1
Management's Discussion & Analysis
Quarterly Report
For the Quarter Ended December 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 unaudited consolidated interim financial statements for the nine months ended December 31, 2020 and 2019, and our annual audited consolidated financial statements and accompanying notes for the years 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 inability to accelerate developments due to shocks such as pandemics
- 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 to 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: February 26, 2021

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 130 - 3851 Shell Rd, Richmond, British Columbia, V6X 2W2.

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 quarter:

- These are challenging times for all businesses due to the impact of COVID-19. This pandemic has had both operational and commercial impact for most companies especially in conducting planned clinical trials or validation studies. Most of our clinical partner centres halted oncology related trials over the past 9

months but are slowly re-opening specific trials at CancerCare Manitoba, IUCPQ (Quebec) and China. Financial, operational and recovery measures instituted by the management team aided in sustaining business viability over the past 12 months. Financial measures include reducing working capital, delaying capital expenditures(equipment), cost cutting initiatives and tapping into government grants/support programs.

- On October 12, 2020, BioMark submitted a manuscript tilted "Use of Amantadine in the Evaluation of Response to Chemotherapy in Lung Cancer – a Pilot Study" on a recent pilot trial being conducted at CancerCare Manitoba to a peer review medical journal and are keenly awaiting notification of acceptance. The study objective is to determine the clinical utility of SSAT1 Amantadine assay to help monitor early response to treatment following Chemotherapy treatment on lung cancer patients. A positive outcome would be helpful in monitoring treatment regime for each patient early in the treatment cycle which could improve quality of life and reduce costs related to non-effective drugs.

- Further to the announcement on September 14, 2020, BioMark submitted two full applications for the Novel Technology Application in Cancer Prevention and Early Detection Spark Grants competition in October 2020. This comes after the organizers of the competition, the Canadian Cancer Society/Canadian Institutes of Health Research – Institute of Cancer Research, and Brain Canada Foundation, evaluated the abstracts for their relevance to funding opportunities in the prevention and early detection of cancer. Each successful applicant will be granted $150,000 to complete its research project.

- On October 30, 2020, BioMark head office moved into its new location at 130 – 3851 Shell Rd, Richmond, BC, V6X 2W2.

- In November 2020, BioMark team and our strategic advisor Dr. Jean-Francois (Jeff) Haince based in Quebec submitted the soft-landing program application to Quebec City to help fund our business start in Quebec. This program is designed to initiate and strategically expand our operations in Quebec.

- On November 18th, 2020, Notice of Meeting, Form of Proxy and Management Information Circular related to 2020 Annual General Meeting were filed on SEDAR and Canadian Securities Exchange as required by regulators.

- University of Brescia's team in Italy along with BioMark and Dr. Wishart's group all provided input for the final protocol titled "IDENTIFICATION OF CIRCULATING MARKERS TO CUSTOMIZE THE FOLLOW-UP OF HEAD AND NECK CANCER PATIENTS FOR EARLY IDENTIFICATION OF RECURRENCES/SECOND TUMORS". The protocol will be submitted for ethics review and approval. Ethics decision is expected by end of Feb 2021.

- BioMark along with Phytronix Technologies Inc, IUCPQ, The Metabolomics Innovation Centre (TMIC) and Saint Boniface Research Hospital completed a Medteq+ grant application titled "A Pan Canadian initiative for the development of liquid biopsy assay for lung cancer screening". The total ask is estimated at $700,000. Decision of the outcome is expected by February 2021 or March.

- On November 25th, 2020, BioMark group re-engaged with the team in China to discuss the protocol design and restart the delayed clinical trial in China due to the COVID-19 pandemic. Two medical tumour hospitals will participate in the studies and protocols are being reviewed by medical doctors for presentation to the ethics board in each hospital. Progress to be reported in the near future. All the clinical trial costs, patient recruitment, sample analysis, ethics approval will be borne by the Chinese group.

- On November 30th, 2020, Interim Financial Statement and MD&A were filed in SEDAR and Canadian Securities Exchange as required by regulators.

- On December 7, 2020, BioMark announced that it has retained Questrade, Inc. to provide market-making services in accordance with CSE guidelines.

- On December 21, 2020, BioMark Diagnostics Inc. held its Annual General Meeting at 130 – 3851 Shell Rd, Richmond, BC V6X 2W2 at 9:00 a.m. (Vancouver Time).

- Bio-Stream Diagnostics Inc. completed and submitted a WorkSafe BC COVID-19 grant application in collaboration with PIs from UBC and local medical authorities in the use of Bio-Stream's COVID-19 Raman detection system. Successful applicants will secure a grant of $150,000. Results following review of the application will be declared in the first quarter of 2021.The application is geared to provide our frontline health workers with rapid tests at the largest senior home facility in Vancouver. Granting decision is expected by March / April 2021.

- Bio-Stream Diagnostics successfully raised additional funding from private investors in December and will be applying for financial support from Alberta Innovates and other appropriate grants /assistance programs

About Sparks Grant

The Canadian Cancer Society (CCS), the Canadian Institutes of Health Research - Institute of Cancer Research (CIHR-ICR), and Brain Canada Foundation (BC or Brain Canada) have committed a total of up to $2.4M over one year to jointly fund Spark Grants focused on Novel Technology Applications in Cancer Prevention and Early Detection.

About MEDTEQ+

MEDTEQ+'s mission is, through collaborative, industry led projects, to accelerate innovation and position, on a global scale, products and services developed by the Canadian medical technologies industry, thereby generating major economic impacts while improving healthcare systems for the ultimate benefit of patients in Canada and around the world.
With a dual provincial and federal mandate, MEDTEQ+ continues to be a focus point for Canada's medical technology sector in terms of research, innovation and the integration of leading-edge solutions in the delivery of health care.

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 impacted the timeline of the research and commercialization for BioMark's technology platform. The potential milestone payment from our Chinese partner will be delayed and due to the clinical trial start dates.

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 customized reagents 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. National Research Council of Canada Institute for Biodiagnostics (NRC-IBD) will support Bio-Stream in accelerating the testing of the system prior to collection of data

from samples for validation prior to actual field tests.

BioMark's management team 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 Quarter Information

The following information is a summary of the three and nine months ended December 31, 2020 as compared to the three and nine months ended December 31, 2019.

The information is presented on the same basis as the consolidated financial statements and should be read in conjunction with the statements and accompanying notes.

	Three months ended		**Nine months ended**	
	December 31, 2020	December 31, 2019	**December 31, 2020**	December 31, 2019
	$	$	**$**	$
Revenue	**-**	263,283	**-**	263,283
Expenses:				
Consulting fees	**87,500**	144,842	**252,500**	309,842
Depreciation	**992**	-	**6,945**	-
Filing and transfer agent fees	**10,508**	3,921	**46,154**	14,436
Office and miscellaneous	**9,892**	13,768	**24,590**	31,965
Professional fees	**19,876**	33,620	**79,508**	59,645
Research and other	**64,646**	4,390	**83,994**	28,170
Share-based compensation	**-**	733,322	**12,602**	733,322
Travel	**775**	2,311	**6,535**	15,276
	194,189	936,174	**512,828**	1,192,656
Other income:				
Gain on settlement of debt	**-**	-	**(2,615)**	-
Net loss and comprehensive loss	**(194,189)**	(672,891)	**(510,213)**	(929,373)

For discussion of information refer to sections 1.4 and 1.6.

1.4 Discussion of Operations

Three months December 31, 2020 Compared to Three months ended December 31, 2019

The Company generated no revenues for the quarter ended December 31, 2020 and has recorded a net loss of $194,189. The net loss decreased by $741,985 compared to the previous year of $936,174. This mainly was due to the reduction of Share-based compensation, which is $nil compared to $733,322 for the same period of the previous year related to the option issuance for the services rendered by scientific advisors and consultants.

Consulting fee reduced by $57,342 from $144,842 to $87,500 in the same period of the previous year due to the less consulting services associated with the financial activities and revenue generation. The Company currently has no reported payroll and engages on the basis of consulting services needed. Filing and transfer agent fees increased by $6,587 compared to the same period of last year due to the fee related to the engagement with market-making program with Questrade Inc. The Professional fees reduced by $13,744 compared to the same period of last year due to the timing of the billing period of required professional services. The company anticipates spending a higher amount in the next quarter 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 increased by $60,256 from $4,390 for the quarter ended December 31, 2019 to $64,646 for the quarter ended December 31, 2020. The increased expense is mainly due to the occurred costs with resumed research projects and expansion research and development projects in Quebec. As normality resumes and the resumption of postponed research projects, the Company expects a higher research and other related expense in the coming quarters. The major expenses will be related to assay commercialization and development, lab supplies, sample acquisition and analysis, publication costs and other research related operational activities.

Travel expenses and office and miscellaneous reduced by $1,536 and $3,876 respectively compared to the same period of last year. The reduction in both expenses is mainly due to the travel bans of COVID-19 and the prudent operational spending adjusted for the impact of COVID-19.

The depreciation expense increased from $nil to $992 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 6 in the unaudited consolidated interim financial statements for the nine months ended December 31, 2020.

The nine months ended December 31, 2020 Compared to nine months ended December 31, 2019

The Company generated no revenues for the nine months ended December 31, 2020 and has recorded a net loss of $512,828. The net loss reduced by $679,828 compared to the nine months ended December 31, 2019. This was due to the combination of the increased filing and transfer agent fees, professional fees and research and others, and the reduction of the share-based compensation.

Consulting fee reduced by $57,342 due to the less consulting services associated with the financial activities and revenue generation. The depreciation expense increased from $nil to $6,945 due to the adopted new accounting standards related to office lease. Filing and transfer agent fees increased by $31,718 mainly due to the fee related to the three months public market communication program in US and the engagement for market-making program with Questrade.

Office and miscellaneous and travel decreased by $7,375 and $8,741 respectively due to the restrictions of travel, research, and business development activities for the impact of COVID-19. The increase of $19,863 for professional fees mainly occurred for the additional legal and audit services, and the timing and stage of the patent filings. The share-based compensation reduced by $720,720 compared to $733,322 as reported for the nine months ended December 31, 2019 due to the issued options in December 2019 for the services rendered to support administrative services, business development and market awareness activities which keeps the Company operated in a limited funding resource.

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 comments, request for more information or decision from Health Canada for the SSAT1 amantadine assay by Q2 of 2021. The company is hopeful that with the slow down in of COVID-19 pandemic that it might be easier now to resume dialogue with Health Canada.

- Continue to seek non-dilutive funding from Medteq, CQDM SynergiQc, GenSolve, Canada Brain Foundation and other federal and or provincial funding grants. Collectively the funding is for over $3.75 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 a credible CRO that has been identified provided there are no future restriction to conduct trials. Discussions have restarted and protocols are being finalized for presentation to respected institutional ethics board at each participating tumour hospital. 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. One of the principal investigators has flown to China to kickstart the clinical trials and meet with our Chinese partners.

- Publications and file patents– Target to publish 3-4 peer reviewed manuscripts especially following results of the anticipated 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, cement clinical partnerships and research support at existing partner sites. Seek two or more additional international institutions to partner with BioMark.

- Increase market awareness programs to help corporate visibility and attract capital.

- Establish office and research support in Quebec to expedite the 1200 retrospective early lung cancer samples trial along with 100 -200 prospective patients who have been identified with nodules during a low dose CT scan. Develop a Lab Developed test (LDT) test that will be optimized and tested at

an accredited reference laboratory using a new technology platform. Build appropriate standards and establish a lab in Quebec that will beta test the assay. Refine the algorithms using AI by leveraging expertise in Quebec AI cluster and local funding support. Biomark intends to showcase its early lung cancer test and lab facility in Quebec City through a Showcase grant offered by Quebec City government. Commercial introduction of our early lung cancer diagnostic assay is expected to commence within 18 - 24 months.

- Seek and continue to develop deeper partnership / relationships with large biopharma and diagnostics labs for co-development and or validation of BioMark's early lung cancer screening program both in Canada and US.

- Commence a focussed glioblastoma (GBM) study at CancerCare Manitoba and seek to expand the test sites to include McGill University and 2 universities in 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 compelling 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, technical lab support and business development especially in Quebec

- Begin research preparation with The Metabolomics Innovation Centre to participate in a multi centre Head and Neck Cancer 200 patient study headed by a Italian medical institution

- Validate an ELISA kit that utilizes monoclonal antibodies generated internally at an FDA approved lab. The kit can be used to perform a quick on-premises test for BioMark's Red Alert amantadine assay. Discussions to validate and commence sales of the kits to jurisdictions where BioMark conducted its trials is scheduled for later part of 2021.

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

On June 3, 2020, 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.

- 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.

- Develop SOPs that are used at different testing sites. The test will use saliva. This would be more convenient and might increase testing capacity.

- Modifications to the hardware and customization of consumable needed for running the test are being implemented.

- Application to Worksafe BC grant related to COVID 19 has been submitted in collaboration with research partners at UBC and a local leading senior home care facility.

- National Research Council of Canada Institute for Biodiagnostics (NRC-IBD) will support Bio-Stream starting in Feb 2021 in accelerating the testing of the system prior to collection of data from samples for validation prior to actual field tests.

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.

	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
	$	$	$	$
Total Revenue	-	-	-	-
Expenses	194,189	187,453	131,186	279,672
Net Loss	(194,189)	(187,453)	(128,571)	(285,909)
Loss per Share	(0.00)	(0.00)	(0.00)	(0.00)

	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
	$	$	$	$
Total Revenue	263,283	-	-	-
Expenses	936,174	135,926	120,557	123,218
Net Loss	(672,891)	(135,926)	(120,557)	(123,218)
Loss per Share	(0.01)	(0.00)	(0.00)	(0.00)

For the detailed discussion refer to sections 1.4 and 1.6.

1.6 Liquidity

Financial Condition and Cash Flow

The Company has total assets of $404,195 as of December 31, 2020 compared to $743,048 reported on December 31, 2019 and has a negative working capital of $553,793. The reduction of asset is mainly due to the decreased cash utilized in operating activities.

On December 31, 2020, the Company had cash equivalents of $357,456 (December 31, 2019 – $724,665). Working capital deficit increased by $225,848 from December 31, 2019 ($327,945) due to the large reduction in current assets especially for cash. Working capital is defined as current assets less current liabilities. Total liabilities reduced by $16,205 from $1,068,563 as of December 31, 2019 to $1,052,358 as of December 31, 2020 which is a combination of increased long-term government loan and the reduced accounts payable and accrued liabilities and Due to the related parties. The long-term government loan includes $60,000 of government CEBA loan under BioMark Cancer Systems Inc. and $40,000 of government RRRF loan under BioMark Diagnostics Inc. The accounts payable and accrued liabilities reduced by $87,162 from $123,059 (December 31, 2019) to $35,897 (December 31, 2020). Due to the related parties decreased by $29,043 from $945,504 (December 31, 2019) to $916,461 (December 31, 2020) mainly occurred by the unpaid compensations for key management personnel.

Cash utilized in operating activities during the quarter ended December 31, 2020 shows items not affecting cash which includes the reduction in share-based compensation and debt settlement in shares along with the depreciation due to the adoption of the new accounting standards and the reductions in accounts payable and accrued liabilities.

On December 31, 2020 share capital was $5,738,394 comprising 73,974,229 issued and outstanding common shares (December 31, 2019 - it was $5,520,070 comprising 72,313,729 issued and outstanding common shares). Contributed Surplus on December 31, 2020 is $1,725,247 (December 31, 2019 - $1,545,347), the increase is the result of the share-based compensation accrued and shares issued for cash from December 2019 to September 2020. As a result of the net loss for the nine months ended December 31, 2020 of $510,213 (December 31, 2019 – $929,373) the deficit on December 31, 2020 increased to $8,006,636 compared to $7,210,514 on December 31, 2019.

At present, the Company's operations do not generate cash inflows and its financial success after December 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 subsequent event for additional information.

1.7 Capital Resources

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

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 quarter ended December 31, 2020, the Company entered into the following transactions with related parties:

a) For the quarter ended December 31, 2020, directors and officers of the company provided consulting services to the company of $87,500. These charges are included in consulting fees. Consulting fees from the CEO was $60,000 and the Interim CFO who also performed duties as Project Director was $27,500 for the quarter ended December 31, 2020. As of December 31, 2020, the Company has $767,445 due to CEO (2019 - $675,945). The balance owing to the interim CFO as of December 31, 2020 is $40,895 (2019 - $118,645). The balances due to related parties are unsecured, non-interest bearing and without fixed repayment terms.

b) For the quarter ended December 31, 2020, the Company recognized $nil of share-based compensation for stock options held by director and officers.

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 quarter ended December 31, 2020, the Company paid $nil to Biomark Technologies as administration fees (2019 - $nil). BTI holds approximately 55.43% of the common shares of the Company as at December 31, 2020 (2019 – 56.70%). 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.

Despite this provision in the Agreement, the Company has not compensated the CEO with a cash bonus based on these trading price calculations. The Company and the CEO are considering an alternate form of executive compensation arrangement, different than the Agreement, to better reflect the current stage of the Company and industry comparable.

1.10 Fourth Quarter

N/A

1.11 Proposed Transactions

N/A

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.

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 December 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 of December 31, 2020, the Company had 73,974,229 common shares issued and outstanding.

c. Share Purchase Warrants

As at December 31, 2020, the Company had 3,147,579 shareholder warrants issued and outstanding of which 2,000,000 warrants will entitle the holder to acquire one share at price of $0.20 per share and 1,147,579 warrants will entitle the holder to acquire one share at price of $0.45 per share for a period of two years after its Closing Date respectively. The Company uses the residual value method to allocate proceeds of the unit amongst the common share and the share purchase warrant.

On October 4, 2020, 1,110,500 warrants were exercised at a price of $0.15 per share.

d. 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.

The number of options exercisable as of December 31, 2020 was 4,095,000 (2019 – 5,145,000 options). The weighted average life remaining for these options was 3.77 years and weighted average exercise price was $0.29 per option. For the quarter ended December 31, 2020, 100,000 options were cancelled.

(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 52-109FV2 Certification of Interim Filings is filed on SEDAR.