BIOMARK DIAGNOSTICS INC.

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2021

(Stated in Canadian Dollars)

Independent auditor's report

To the Shareholders of BioMark Diagnostics Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of BioMark Diagnostics Inc. and its subsidiaries (together, the Company) as at March 31, 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statement of financial position as at March 31, 2021;
- the consolidated statement of loss and comprehensive loss for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in deficiency for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statem*ents section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Material uncertainty related to going concern

We draw attention to note 1 in the consolidated financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Comparative information

The financial statements of the Company for the year ended March 31, 2020 were audited by another auditor who expressed an unmodified opinion on those statements on July 17, 2020.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Pascale Lavoie.

PricewaterhouseCoopers LLP[1]

Québec, Quebec
July 14, 2021

[1] CPA auditor, CA, public accountancy permit No. A124423

BIOMARK DIAGNOSTICS INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2021 AND 2020
(Stated in Canadian Dollars)

	Note	2021	2020
		$	$
ASSETS			
Current			
Cash and cash equivalents		877,678	611,803
Amounts receivable		27,166	16,117
Prepaid expenses		18,165	-
		923,009	627,920
Long-term investments	5	3,200	-
Equipment and tools		-	2,430
Right-of-use asset	6	26,730	6,945
		952,939	637,295
LIABILITIES			
Current			
Accounts payable and accrued liabilities		27,124	111,794
Lease liability	6	9,708	8,664
Due to related parties	4	885,585	955,964
		922,417	1,076,422
Long-term lease liability	6	18,009	-
Long-term government loans	7	91,607	-
		1,035,730	1,076,422
SHAREHOLDERS' DEFICIENCY			
Share capital	8	6,876,090	5,433,171
Share subscriptions received (receivable)	8	3,000	(144,668)
Contributed surplus		1,632,429	1,768,793
Deficit		(8,590,613)	(7,496,423)
		(79,094)	(439,127)
		952,939	637,295

Nature of Operations and Going Concern (Note 1)
Commitments (Note 12)
Subsequent Events (Note 13)

"Rashid Ahmed"
Rashid Ahmed, Director

"Dr. Bram Ramjiawan"
Dr. Bram Ramjiawan, Director

BIOMARK DIAGNOSTICS INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020
(Stated in Canadian Dollars)

	Note	2021	2020
		$	$
Revenue		-	263,283
Expenses:			
Consulting fees	4	385,000	392,342
Depreciation on right-of-use asset	6	11,256	11,906
Depreciation on equipment and tools		2,430	-
Filing and transfer agent fees		66,052	23,705
Office and miscellaneous		19,500	31,781
Legal and professional fees		88,046	89,399
Interest and bank charges		4,138	2,392
Research and other		118,432	42,347
Share-based compensation	8	395,481	855,895
Travel		7,397	22,561
Total operating expenses		1,097,732	1,472,328
Other (income) loss:			
Foreign exchange (gain) loss		10,082	(8,636)
(Gain) loss on settlement of debt		(2,615)	15,000
Government grants		(10,949)	-
Interest income		(60)	(127)
Total other (income) loss		(3,542)	6,237
Net loss and comprehensive loss		(1,094,190)	(1,215,282)
Basic and diluted loss per share		$ (0.02)	$ (0.02)
Weighted average number of shares outstanding		73,304,906	71,295,696

BIOMARK DIAGNOSTICS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020
(Stated in Canadian Dollars)

	2021	2020
	$	$
Operating Activities		
Net loss	(1,094,190)	(1,215,282)
Items not affecting cash:		
Depreciation on right-of-use asset	11,256	11,906
Depreciation on equipment and tools	2,430	-
Consulting services paid in shares	-	5,999
(Gain) loss on settlement of debt	(2,615)	15,000
(Gain) on fair value discount of long-term government loan	(10,949)	-
Interest accretion on long-term government loan	2,556	-
Share-based compensation	395,481	855,895
	(696,031)	(326,482)
Changes in non-cash working capital items related to operations:		
Amounts receivable	(11,049)	(3,546)
Prepaid expenses	(18,165)	437
Accounts payable and accrued liabilities	(82,055)	(52,079)
Due to related parties	351,749	(72,115)
Cash used in operating activities	(455,551)	(453,785)
Investing Activities		
Purchase of investments	(3,200)	-
Purchase of equipment	-	(790)
Cash used in investing activities	(3,200)	(790)
Financing Activities		
Repayment of advances to related parties	(422,128)	185,000
Repayment of lease liability	(11,988)	(10,187)
Proceeds from common shares, net of issuance costs	-	709,120
Exercise of options	582,499	-
Exercise of warrants	328,575	162,451
Share subscriptions received	147,668	-
Proceeds from long-term government loans	100,000	-
Cash provided by financing activities	724,626	1,046,384
Change in cash and cash equivalents	265,875	(591,809)
Cash and cash equivalents, beginning	611,803	19,994
Cash and cash equivalents, ending	877,678	611,803
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for:		
Interest	785	1,204
Income taxes	-	-
Non-cash transactions:		
Shares issued for services and debt settlements (Note 8 (b))	-	267,999
Finder’s warrants issued (Note 8 (b))	-	4,845

BIOMARK DIAGNOSTICS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN DEFICIENCY
(Stated in Canadian Dollars)

	Number of Shares	Share Capital	Share Subscriptions Received (Receivable)	Contributed Surplus	Deficit	Total
		$	$	$	$	$
Balance, March 31, 2019	65,015,119	4,197,824	52,600	811,407	(6,281,141)	(1,219,310)
Shares issued for cash, net	3,661,157	665,074	(77,268)	96,646	-	684,452
Shares issued for debt	1,570,000	262,000	-	-	-	262,000
Share issued for services	19,998	5,999	-	-	-	5,999
Share-based compensation	-	-	-	855,895	-	855,895
Exercise of warrants	2,047,455	307,119	(120,000)	-	-	187,119
Warrants issued - agents	-	(4,845)	-	4,845	-	-
Comprehensive loss	-	-	-	-	(1,215,282)	(1,215,282)
Balance, March 31, 2020	72,313,729	5,433,171	(144,668)	1,768,793	(7,496,423)	(439,127)
Share subscription received	-	-	147,668	-	-	147,668
Exercise of options	2,550,000	972,244	-	(389,745)	-	582,499
Exercise of warrants	1,920,500	470,675	-	(142,100)	-	328,575
Share-based compensation	-	-	-	395,481	-	395,481
Comprehensive loss	-	-	-	-	(1,100,027)	(1,104,336)
Balance, March 31, 2021	76,784,229	6,876,090	3,000	1,632,429	(8,596,450)	(84,930)

1. Nature of Operations and Going Concern

BioMark Diagnostics Inc. (“BioMark Diagnostics” or the “Company”) was incorporated on June 19, 2014, under the Business Corporation Act of British Columbia. The head office of the Company is 130 – 3851 Shell Rd, Richmond, British Columbia, V6X 2W2. The ultimate parent of BioMark Diagnostics is BioMark Technologies Inc. (“BTI”), which is located at the same address as the Company.

The Company is developing its advanced stage cancer diagnostic business. BioMark Diagnostics’ cancer diagnostics technology platform leverages "Omics" and machine learning which allows for early cancer detection. BioMark Diagnostics is currently focused on bringing its cancer diagnostic kits and detection solution to commercialization standards. 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”.

Going Concern

These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period of time. During the year ended March 31, 2021, the Company incurred a net loss of $1,094,190 (2020: net loss of $1,215,282) and as at March 31, 2021, the Company had accumulated deficit of $8,590,613 (2020: deficit of $7,496,423) and a working capital surplus of $592 (2020: deficit of $448,502). Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. The Company’s ability to continue its operations is uncertain and is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors and generating profitable operations in the future.

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

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This has impacted the Company in terms of delays in clinical trials, the conduct of additional research, business development, and delays in establishing potential partnerships. It is not possible for the Company to predict the duration or magnitude of the results of the outbreak and its effects on the Company’s business or ability to raise funds. Management continues to monitor the situation.

2. Basis of Preparation

Statement of Compliance
These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

The consolidated financial statements were authorized for issue by the Board of Directors on July 14, 2021.

2. Basis of Preparation (continued)

Basis of Measurement and Consolidation
The consolidated financial statements have been prepared on a going concern basis and are based on historical costs, except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below.

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, BioMark Cancer Systems Inc. (“BioMark Cancer”), BioMark Diagnostic Solutions Inc. (“BioMark Diagnostic Solutions”) and BioMark Cancer Diagnostics USA Inc. (“BioMark Cancer Diagnostics USA”). BioMark Cancer was incorporated on February 27, 2014, under the Business Corporation Act of British Columbia. BioMark Diagnostic Solutions was incorporated on August 17, 2020, under the Business Corporation Act of Quebec. BioMark Cancer Diagnostics USA was incorporated on January 2, 2019, in the State of Delaware, United States. All material inter-company balances and transactions have been eliminated upon consolidation.

The consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is also the functional currency for the Company and its wholly owned subsidiaries.

3. Summary of Significant Accounting Policies

Significant Estimates and Assumptions
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

Significant Judgements
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.

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

3. Summary of Significant Accounting Policies (continued)

Comprehensive loss

Comprehensive loss is the change in the Company's shareholders' equity that results from transactions and other events from other than the Company's shareholders. Other comprehensive income/loss includes items that would not normally be included in comprehensive loss but excluded from net loss, such as unrealized gains and losses on investments measured as fair value through other comprehensive income ("FVOCI").

Loss per share

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

Share issue costs

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

Research and development

Research costs are expensed as incurred. Development costs are expensed as incurred unless they meet certain criteria for deferral and amortization. The Company assesses whether it has met the relevant criteria for deferral and amortization at each reporting date.

Share-based compensation

Stock options granted to employees, consultants or directors are measured at fair value at the grant date and expensed over the vesting period with a corresponding increase to contributed surplus. Upon the exercise of the stock options, consideration paid together with the amount previously recognized in contributed surplus is recorded as an increase to share capital.

Warrants issued in equity financing transactions

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

3. Summary of Significant Accounting Policies (continued)

Impairment of non-financial assets
At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. In addition, intangible assets with an indefinite life are tested for impairment annually. The recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

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

Financial assets are subsequently measured at either:

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

Financial liabilities are initially measured at fair value less, in the case of financial liabilities not at FVTPL, directly attributable transaction costs. Financial liabilities are subsequently measured at amortized cost.

The following table summarizes the classification of the Company's financial instruments IFRS 9:

	IFRS 9 Classification
Financial assets	
Cash and cash equivalents	Amortized cost
Financial liabilities	
Accounts payable	Amortized cost
Due to related parties	Amortized cost
Lease liabilities	Amortized cost
Long-term government loans	Amortized cost

IFRS 9 uses an expected credit loss impairment model. The impairment model is applicable to financial assets measured at amortized cost where any expected future credit losses are provided for, irrespective of whether a loss event has occurred as at the reporting date.

3. Summary of Significant Accounting Policies (continued)

Impairment

Financial assets

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

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

Revenue recognition

The Company earns revenue from the licensing of its intellectual property to other parties.

Licences for the Company's intellectual property provide the customer with a right to use the intellectual property as they exist when made available to the customer. Revenue from licenses is recognized upfront at the point in time when the intellectual property is made available to the customer and upon the achievement of subsequent milestones as set out in the contract. At present, the Company does not have any licensing agreements where updates or services are provided for no additional charge.

Government Grants

Grants from the government are initially recognised at their fair value and accounted using the income approach. Accordingly, grants are recorded in other income in the period in which income is earned provided where there is a reasonable assurance that the grant will be received, and the group will comply with all attached conditions.

Provisions

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

Income taxes

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

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

3. Summary of Significant Accounting Policies (continued)

Income taxes (continued)

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

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

Leases
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. The Company uses a rate of 5% as the incremental borrowing rate for its office lease. 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.

3. Summary of Significant Accounting Policies (continued)

Leases (continued)
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.

Adoption of new pronouncements

A number of amendments to standards and interpretations applicable to the Company are not yet effective for the year ended March 31, 2021 and have not been applied in preparing these consolidated financial statements nor does the Company expect these amendments to have a significant effect on its consolidated financial statements.

Classification of Liabilities as Current or Non-current – Amendments to IAS 1
(Effective January 1, 2022 [possibly deferred to January 1, 2023])

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the ‘settlement’ of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management’s intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to January 1, 2023.

The following improvements were finalized in May 2020:
• IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.

• IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

(Stated in Canadian Dollars)

4. Related Parties Transactions and Balances

During the year ended March 31, 2021, the Company has the following balances owed to BTI:

	2021	2020
	$	$
Owing to BTI	108,120	144,748

BTI holds approximately 53.40% of the common shares of the Company as at March 31, 2021 (2020 - 56.7%). The CEO owns more than 10% interest in the Company.

Key Management Compensation

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

	2021	2020
	$	$
Transactions		
Consulting fees:		
CEO and a company controlled by the CEO	240,000	240,000
Interim CFO	95,000	90,000
	335,000	330,000
Share-based compensation:		
CEO	-	340,200
Interim CFO	-	170,100
Directors	-	90,720
	-	601,020

As at March 31, 2021, the Company has $732,946 (2020 - $698,946) due to the CEO and $44,520 (2020 - $112,270) due to the Interim Chief Financial Officer ("CFO"). The balances due to related parties are unsecured, non-interest bearing and without fixed repayment terms.

Additionally, on May 14, 2014, the Company entered into an Independent Contractor Agreement (the "Agreement") with the CEO of the Company. According to the Agreement, the CEO will provide consulting services to the Company for one year with a compensation of $240,000 per year plus benefits. In addition, the CEO will be paid a cash bonus equivalent to 30% of the annual salary at the end of each year if the trading price of the Company shares increased by more than 30% from the trading price at the beginning of the year. For the purpose of this calculation, the starting trading price is $0.25 per share. The CEO will also be granted stock options for 1,000,000 shares at a price of $0.25 per share (granted). Finally, if the Company's market capitalization exceeds $200 million USD, the CEO will be paid an additional cash bonus of $500,000. The terms of the CEO agreement are on year-to-year basis unless terminated accordance to the terms and conditions set forth in the agreement. According to the Agreement, the Company engaged CEO service to provide important services that include develop and direct the corporate strategy, resource allocation, review acquisitions or partnerships, drive or generate revenue growth, hire, and retain staff as necessary, support in capital raise rounds, manage past relationships and build business and collaborations. The Company has not compensated the CEO with a cash bonus based on these trading price calculations.

(Stated in Canadian Dollars)

5. Long-Term Investments

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 of its patents 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 - ML 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 four directors. Bio-Stream was formed to focus on developing and providing a low-cost COVID-19 detection solution in less-than-30 seconds.

6. Right-of-use Asset and Lease Liability

Right-of-use Asset

	Office Lease
Cost:	$
At March 31, 2020	18,851
Additions during the year	31,041
Disposals during the year	(18,851)
At March 31, 2021	31,041
Accumulated Depreciation:	$
At March 31, 2020	11,906
Depreciation for the year	11,256
Disposals during the year	(18,851)
At March 31, 2021	4,311
Net book value:	$
At March 31, 2020	6,945
At March 31, 2021	26,730

Depreciation of the right-of-use asset is calculated using the straight-line method over the remaining lease term.

Lease liability

	Office Lease
	$
Lease liability recognized as at April 1, 2019	22,610
Lease payments made	(15,150)
Interest on lease liability	1,204
At March 31, 2020	8,664
Additions during the year	31,041
Lease payments made	(12,773)
Interest on lease liability	785
At March 31, 2021	27,717
Short-term portion of lease liability at March 31, 2021	9,708
Long-term portion of lease liability at March 31, 2021	18,009

(Stated in Canadian Dollars)

7. Long-Term Loans

	CEBA COVID-19 Relief Line of Credit	**RRRF**	**Total**
Balance at March 31, 2020	$-	$-	$-
Proceeds from loans	60,000	40,000	100,000
Fair value measurement adjustment – classified as government grants	(6,412)	(4,537)	(10,949)
Fair value of proceeds from loans at inception	53,588	35,463	89,051
Interest accretion	1,376	1,180	2,556
Balance at March 31, 2021	**54,964**	**36,643**	**91,607**

On July 27, 2020, the Company entered into an agreement to fund operations and project costs of the business with the Government of Canada under the Regional Relief and Recovery Fund (RRRF). The Company was advanced an interest free contribution of $40,000. No repayments on the advance are due until December 31, 2022. If the Company repays 75% of the advance by December 31, 2022, the remaining 25% of the advance will be forgiven under the terms of the agreement. Repayments of the Contribution can be made at any time at the discretion of the Company. Shall the contribution not be repaid by December 31, 2022, the balance owing will become due in 36 monthly payments commencing January 31, 2023 and ending December 31, 2025. Any amounts owing at December 31, 2025 will become immediately due bearing interest at the average bank rate plus 3%.

On August 18, 2020, the Company entered into a loan with a major Canadian bank by way of a Government sponsored COVID-19 relief line of credit under the Canada Emergency Business Account (CEBA). The revolving line of credit is interest free and due on December 31, 2022, up to a maximum of $60,000. There is no repayment schedule inherent in the agreement outside of the above due date and the line of credit is interest free until December 31, 2022. If the Company repays 75% of the aggregate amount advanced on or before December 31, 2022, the remaining 25% will be forgiven. Any amounts owing subsequent to December 31, 2022, can be extended to December 31, 2025 at an interest rate of 5% per annum. The Company has drawn on the line of credit in full as at March 31, 2021.

Both advances noted above are interest free and are discounted to their fair value at the inception of the loan. The discounted portion is accounted for as other income in the current year. Interest on the loan is charged using the effective interest rate method and recorded as interest accretion.

Contractual payments of long-term debt payable are as follows as at March 31, 2021:

	$
2022	-
2023	100,000
2024	-
2025	-
2026	-
2027 and thereafter	-
Total	100,000

8. Share Capital

a) Authorized
Unlimited common shares, without par value.

b) Issued

Common shares issued and outstanding – see consolidated Statements of Changes in Deficiency

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. Of the 2,000,000 units, 370,000 units were issued to settle outstanding debt with the CEO of $37,000.

On June 17, 2019, the Company issued 1,000,000 common shares at $0.165 per share to settle outstanding debt with the CEO and interim CFO of $150,000, a loss on settlement of debt in the amount of $15,000 has been recognized.

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.

During the year ended March 31, 2020, the Company issued 19,998 common shares at a price per share of $0.30 for a total amount of $5,999 to consultants for services.

During the year ended March 31, 2020, the Company issued 2,047,455 common shares from the exercise of share purchase warrants for gross proceeds of $307,119, of which $120,000 was receivable at year-end.

During the year ended March 31, 2021, the Company issued 2,550,000 common shares from the exercise of share options for gross proceeds of $582,500.

During the year ended March 31, 2021, the Company issued 1,920,500 common shares from the exercise of share purchase warrants for gross proceeds of $328,575.

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.

(Stated in Canadian Dollars)

8. Share Capital (continued)

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. The fair value of the stock options is $847,282.

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 fair value of the stock options is $8,613.

c) Stock Options (continued):

On June 9, 2020, the Company granted 150,000 stock options to consultants. These options can be exercised at $0.30 per share until June 9, 2022. The fair value of the stock options is $12,602.

On March 2, 2021, the Company granted 2,100,000 stock options to consultants. These options can be exercised at $0.25 per share until March 2, 2023. The fair value of the stock options is $382,879.

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

	Year ended March 31, 2021	Year ended March 31, 2020
Assumptions:		
Weighted average share price	$0.24	$0.30
Weighted average risk-free interest rate *(%)*	0.25%	1.69%
Expected life *(years)*	2.00 years	4.96 years
Weighted average expected volatility *(%)*	154%	222%
Expected dividend	Nil	Nil
Expected forfeiture rate	Nil	Nil

The weighted average fair value of each option granted was $0.18 (2020 - $0.23).

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

	Expiry date	Number of options outstanding	Weighted Average Exercise price
Balance, March 31, 2019		4,675,000	$0.22
Granted	December 31, 2021	60,000	$0.30
Granted	December 31, 2024	3,735,000	$0.30
Expired	October 31, 2019	(3,325,000)	$0.25
Balance, March 31, 2020		5,145,000	$0.26
Granted	June 9, 2022	150,000	$0.30
Granted	March 2, 2023	2,100,000	$0.25
Exercised	September 15, 2020	(550,000)	$0.15
Exercised	March 2, 2023	(2,000,000)	$0.25
Expired	September 15, 2020	(550,000)	$0.15
Cancelled	June 9, 2022	(100,000)	$0.30
Balance, March 31, 2021		4,195,000	$0.29

(Stated in Canadian Dollars)

8. Share Capital (continued)

The number of options exercisable as at March 31, 2021 was 4,195,000 (2020 – 5,145,000 options). The weighted average life remaining for these options was 3.49 years and weighted average exercise price was $0.29 per option.

d) Warrants:

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

	Expiry date	Number of warrants outstanding	Number of warrants exercisable	Weighted Average Exercise price
Balance, March 31, 2019		5,461,955	5,461,955	$0.15
Expired	June 29, 2019	(2,304,000)	(2,304,000)	$0.15
Exercised	June 29, 2019	(1,110,955)	(1,110,955)	$0.15
Exercised	September 20, 2019	(936,500)	(936,500)	$0.15
Issued	April 19, 2021	2,000,000	2,000,000	$0.20
Issued	December 14, 2021	1,147,579	1,147,579	$0.45
Balance, March 31, 2020		4,258,079	4,258,079	$0.25
Exercised	October 4, 2020	(1,110,500)	(1,110,500)	$0.15
Exercised	April 19, 2021	(810,000)	(810,000)	$0.20
Balance, March 31, 2021		2,337,579	2,337,579	$0.32

The number of warrants exercisable as at March 31, 2021 was 2,337,579 (2020 – 4,258,079 warrants). The weighted average life remaining for these warrants was 0.37 years and weighted average exercise price was $0.32 per warrants.

9. Financial Instruments

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

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – Inputs that are not based on observable market data.

No financial assets were measured at fair value in 2021 and 2020.

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.

(Stated in Canadian Dollars)

9. Financial Instruments (continued)

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, the issuance of shares for debt, loans and related party loans. See Note 1.

10. Capital Risk Management

The Company defines its capital as shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its technologies and to maintain a flexible capital structure for its projects for the benefit of its shareholders. As the Company is in the development stage, its principal source of funds is from the issuance of common shares.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash. The Company is not subject to externally imposed capital requirements.

11. Income taxes

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2021	2020
Combined statutory tax rate	27%	27%
	$	$
Expected income tax recovery at statutory rate	295,431	328,126
Share-based compensation	(106,780)	(231,278)
Net change in deferred tax assets not recognized	(188,651)	(96,848)
Income tax expense	-	-

Significant components of the Company's deferred income tax assets and liabilities are shown below:

	2021	2020
	$	$
Non-capital loss carry forward	1,485,405	1,294,004
Share issuance costs	1,418	4,628
Right-of-use asset	(1,415)	(1,875)
	1,485,408	1,296,757
Deferred tax assets not recognized	(1,485,408)	(1,296,757)
Net deferred income tax assets	-	-

(Stated in Canadian Dollars)

11. Income taxes (continued)

As at March 31, 2021, the Company has non-capital losses carried forward of approximately $5,501,500 which are available to offset future years' taxable income. These losses expire as follows:

	$
2034	15,000
2035	1,171,000
2036	1,317,000
2037	717,000
2038	653,000
2039	557,000
2040	361,000
2041	710,500
	5,501,500

In assessing the likelihood of realization of deferred tax assets, management considers whether it is probable that some portion of all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of the deferred tax asset considered realizable could change materially in the near term based on future taxable income the carry forward period.

12. Commitments

The Company is committed to an Independent Contractor Agreement with the CEO and the Interim CFO as described in Note 4.

13. Subsequent events

On April 15, 2021, 1,190,000 shares have been issued upon the exercise of the warrants by the warrant holder at a price of $0.20 per share for gross proceeds of $238,000.