BIOMARK DIAGNOSTICS INC.

Form 51-102F1
Management's Discussion & Analysis
Quarterly Report
For the Quarter Ended June 30, 2021

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 three months ended June 30, 2020, and our annual audited consolidated financial statements and accompanying notes for the years ended March 31, 2021, 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, 2021. 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: August 30, 2021

1.2 Overall Performance

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”.

For more information, please visit the company’s website at
www.biomarkdiagnostics.com

Announcements and Highlights during the quarter:

- As COVID-19 pandemic resurges albeit with aggressive vaccination programs being implemented there are continues to be doubts on business normalcy. Financial, operational and recovery measures instituted by the management team aided in sustaining business viability over the past 12 months and the company intends to keep a vigilant eye should another wave erupt in the fall. Financial measures include reducing working capital, delaying capital expenditures(equipment), cost cutting initiatives and tapping into new government grants/support programs.

- On April 21, 2021, BioMark announced that its common shares were eligible for electronic clearing and settlement through the Depository Trust Company ("DTC"). DTC is a subsidiary of the Depository Trust & Clearing Corporation, a US company that manages the electronic clearing and settlement of publicly traded companies. Through an electronic method of clearing securities, DTC eligibility simplifies the process of trading and transferring the Company's common shares between brokerages in the United States.

- On April 29, 2021, BioMark was pleased to announce that its wholly owned subsidiary BioMark Diagnostic Solutions Inc. ("BDS") would be operating a diagnostic laboratory in Quebec, Canada, which will primarily serve to advance the clinical validation and verification of its proprietary liquid biopsy platform for early lung cancer detection, monitoring and predicting response to treatment. The company intends to get the lab certified an equipped with the latest analytical and quantification equipment and software

- IUCPQ and BioMark completed a CQDM's SyneriQc Application titled "Development and Evaluation of a Multimodal Approach to Predict Lung Cancer Risk and Determine EGFR Mutation Profile in a Lung Cancer Screening Population". The application is for a total grant of $3.5 million and will involve several leading investigators and a leading biopharma. The decision is expected to be announced later in 2021 around September. The application was submitted on March 18, 2021 and the application was forwarded to external reviewers by CQDM officials as stipulated in the application process.

- BioMark is reviewing quotations from several lab equipment vendors for its new operating lab in Quebec City. Amongst the vendors is Phytronix Technologies Inc the suppliers of the patented Laser Diode Thermal Desorption technology. In addition, BioMark is looking to hire 3 highly qualified personnel to support the lab operations and handle research with Dr. Jourbert and his group at IUCPQ.

- BioMark Diagnostics Solutions Inc. was in discussions and presented to several agencies and express network in Quebec during the month of May 2021. There was strong reception and there are several initiatives that would be targeted for

further local investment support. The goal is to demonstrate the depth of our investment in Quebec and seek non dilutive funding support as necessary.

- On May 31, 2021, BioMark announces that it has changed its auditors from Manning Elliott LLP ("Former Auditor") to PricewaterhouseCoopers LLP ("Successor Auditor"). The Former Auditor resigned as the auditor of the Company effective May 17th, 2021, and the board of directors of the Company appointed the Successor Auditor effective as of the same date, until the next Annual General Meeting of the Company.

- On June 1, 2021, BioMark announced that its wholly owned subsidiary BioMark Diagnostic Solutions Inc. ("BDS") received funding to develop an early-stage lung cancer screening assay using BioMark's proprietary liquid biopsy platform. The total sponsored research grant is for about $825,000 and a major portion of the funding is being provided by the Consortium for Industrial Research and Innovation in Medical Technology (MEDTEQ+) and Spark grant from the Canadian Cancer Society (CCS, grant # 707073), the Canadian Institutes of Health Research – Institute of Cancer Research (CIHR-ICR, grant # 0590008438), and Brain Canada Foundation. This initiative entitled "A Pan Canadian initiative for the development of a liquid biopsy assay for lung cancer screening" being led by Dr. Philippe Joubert and a team of leading clinicians, academic researchers, and data scientists.

- BioMark presented at Biotech Innovation Conference (Bio Conference) that was an online event with over 6000 companies from over 50 countries. The conference was held from June 10th to June 18th, 2021. BioMark was engaged in preliminary discussions with several financial and bio-tech companies. BIO Digital virtually convened over 6,000 participants for several days of programming, networking, and BIO One-on-One Partnering to connect biotech innovators across the globe.

- Breast cancer samples (over 250) were analysed at Dr. Wishart's TMIC located at University of Alberta. Detailed bioinformatics data analysis will be conducted during the months of July and Aug 2021.These samples were predominantly stage 1 and 2 with important clinical parameters

- Launch Online Grant Program was approved on June 14th, 2021. The purpose of this program, which was made possible through funding from the Province of British Columbia, is to support businesses to build an online shop or online booking system, make improvements to existing e-commerce functionality and/or booking systems, and to fund digital customer acquisition activities to respond to changing customer expectations and help gain access to local customers and markets otherwise out of reach. This program will be managed by Alacrity Canada.

- On June 29, 2021, BioMark announced that Health Canada has approved its clinical trial application (CTA) and has granted a Letter of No Objection (NOL) for its application entitled Excretion of Acetylamantadine (AA) by Lung Cancer Patients During a Chemotherapy Regimen with or Without Immunotherapy. Since immunotherapy is now standard of care for lung cancer, BioMark amended the protocol to include study participants receiving immunotherapy and added the Institut Universitaire de Cardiologie et de Pneumologie de Québec (IUCPQ) as an additional site under the supervision of Dr Philippe Joubert. The amended protocol is intended to test the hypothesis that downregulation of SSAT1 activity as reflected by a reduced plasma concentration of acetylamantadine, will occur earlier than can be detected by other diagnostic testing methods used to determine the efficacy of chemotherapy combined or not to immunotherapy in patients with a diagnosis of stage III lung cancer. This amendment approval from Health Canada will facilitate the study and permit achieving the required sample size in a timely manner. Patient recruitment is anticipated to commence later in the 3rd quarter. New funding agencies will be targeted both in Quebec and Manitoba.

- Progressive developments in expansion of BioMark's liquid biopsy assay is underway in several facilities. Additional cancer biopsy samples were shipped from CHTN - Collaborative Human Tissue Network based in USA and funded by NCI in late June to increase the statistical power of the discovery. Patents have been drafted and provisional filed upon further clinical validation activities. Mitacs grants have been secured to further accelerate the scientific activities associated to this research.

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.

About Phytronix Technologies Inc.

Phytronix Technologies Inc. is a privately-owned company based in Québec City, Canada, and was founded in 2000. Phytronix invented and patented the Laser Diode Thermal Desorption (LDTD) technology for mass spectrometry. The company introduced the Luxon Ion Source®, which is the second-generation apparatus based on the patented-LDTD® technology and currently the fastest technology for mass spectrometry. This innovative technology enables ultra-high-speed analysis in less than 4 seconds per sample. The company will provide the optimized internal standards that are necessary for use in clinical settings, along with technical expertise required with high-throughput mass spectrometry.

About CQDM's SynergiQc program

The program is designed to promote university-based industrial research in the biopharmaceutical field that will generate economic benefits for Quebec.
More information is available at https://cqdm.org/en/synergiqc-2/

About PwC

PwC is a global network of firms with more than 275,000 people in 157 countries who are committed to delivering quality in audit, assurance, tax, consulting and deals services. PwC is represented in Canada from coast to coast. From Vancouver to Newfoundland, it has more than 6,700 partners and staff across the country. PwC brings a dedicated team, with the network to adapt and provide value to its clients.

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) have committed a total of $150K for Novel Technology Applications in Cancer Prevention and Early Detection. Spark Grants will support the development of new partnerships and the exploration of highly novel concepts, involving researchers from any research area, and particularly from non-traditional cancer fields, such as engineering, AI, robotics, physics, nanoscience, statistics, informatics, computer and data sciences, behavioural science, and any other discipline poised to seed the next generation of disruptive technologies in cancer control. BioMark would like to thank all the supporting agencies for their support (CCS grant # 707073/CIHR-IRSC grant # 0590008438) will acknowledge them in publications or events related to the use of the funds. Results of the collaborations are due in January 2022.

Risk Factors and Uncertainty

The Company is focused on selected markets for the introduction and development of its product line while instituting cost control of product development. The failure to generate future sales from 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 denials 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's commercialization efforts. The scale and size of new competitors can impact BioMark's ability to introduce its tests.

BioMark's success will largely depend on certain key personnel. The loss 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 the upmost importance. In addition, there is 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, seek non-dilutive financing and implementing 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 was halted due to the impact of COVID-19. The research on GMB (glioblastoma) studies at CancerCare Manitoba were granted ethics approval and clinical trials commenced after strict COVID-19 restrictions were temporarily lifted. Further analysis to assess the response to treatment following radio/chemotherapy in GBM patients is underway at CanacerCare Manitoba on several patients undergoing treatment. Suspensions and delays on research and potential grant application due to COVID-19 can and will impact the timeline of the research and commercialization for BioMark's technology platform. The potential milestone payment from our Chinese partner will be delayed and depend on when the local authority allows / permits the planned clinical trial to commence and be the completed due to the tough COVID-19 restrictions in China.

Realizing the rapidly changing environment, BioMark responded by examining its deep expertise in quantification technology patents and the technical and regulatory expertise to address the COVID-19 pandemic positively. BioMark's Raman Spectrometer was originally developed for work in early cancer diagnostics. It was created to assist in ultra-low detection of a very small exogenous molecule in urine samples. The size of the molecule is much smaller than that of a typical virus and the system was repurposed to assess the possibility of detecting the COVID virus. In June 2020, BioMark partnered with Stream.ML and Merogenomics to form Bio-Stream

Diagnostics Inc. (“Bio-Stream Diagnostics”), a new company, focused on providing low-cost COVID-19 detection in less-than-30 seconds. Leveraging Raman spectroscopy and the power of machine learning, the Bio-Stream platform will provide low-cost, accurate results in coronavirus screening. Bio-Stream acquired and is in the process of clinical validation of the next generation bio-sensor technology for the detection of Covid -19 and other viruses. Bio-Stream Diagnostics platform is to develop an alternative detection tool to polymerase chain reaction (PCR) detection arrays and other detection systems for pathogen detection. Surface-enhanced Raman spectroscopy (SERS) and bio-sensor technologies are 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 an biosensor tests along with a compact spectrometer, software, model execution, scanning instructions, and SERS substrates for disposable sample collection. Collectively, this team has the necessary experience of medical-based product delivery and machine learning distribution from a global commercialization perspective. Each company will be contributing distinct IPs and technical expertise in the venture. Officers from the 3 companies will be directors of the new company. Bio-Stream Diagnostics is still developing the system and is collecting data from samples for validation prior to actual field tests.

BioMark’s management team has instituted financial, operational and recovery measures to ensure that its business remains viable over the next 12 months and beyond. Financial measures include 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 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 three months ended June 30, 2021, as compared to the three and nine months ended June 30, 2020.

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.

	Note	Three months ended June 30, 2021	Three months ended June 30, 2020
		$	$
Revenue		-	-
Expenses:			
Consulting fees	4	85,050	82,500
Depreciation on right-of-use asset	6	2,587	2,976
Research and other		33,272	4,800
Professional fees		21,179	11,289
Office and miscellaneous		13,206	5,459
Interest and bank charge		1,820	-
Insurance		1,742	-
Filing and transfer agent fees		134,309	6,674
Travel		1,777	4,886
Share-based compensation	8	-	12,602
Total operating expenses		294,942	131,186
Other (income) loss:			
Foreign exchange (gain) loss		1,316	
(Gain) loss on settlement of debt		-	(2,615)
Government grants		(7,500)	
Total Other (income) loss		(6,184)	(2,615)
Net loss and comprehensive loss		(288,758)	(128,571)

For discussion of information refer to sections 1.4 and 1.6.

1.4 Discussion of Operations

Three months June 30, 2021, compared to Three months ended June 30, 2020

The Company generated no revenues for the quarter ended June 30, 2021 and has recorded a net loss of $288,758. The net loss increased by $160,187 compared to the same period of the previous year of $128,571. This mainly was due to the combined increase of Research, Professional fees and filing and transfer agent fees.

Research and other increased by $28,472 from $4,800 for the quarter ended June 30, 2020 to $33,272 for the quarter ended June 30, 2021. 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. The Professional fees increased by $9,890 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. Filing and transfer agent fees increased by $127,635 compared to the same period of last year due to the fee related to the engagement with monthly market-making program with Questrade Inc. and three months marketing campaign program related to marketing awareness and communication strategy with the third-party advisory group.

Office and miscellaneous increased by $13,206 from $5,459 for the quarter ended June 30, 2020, to $13,206 for the quarter ended June 30, 2021, mainly due to expense related to office operation, website development and miscellaneous. Consulting fee for the key management personals slightly increased by $2,550 for the same period of last year. The Company currently has no reported payroll and engages on the basis of consulting services needed. The interest and bank charge and insurance increased by $ 1,820 and $1,742 respectively which were $nil for both due to the interest accretion on long term government loan and the insurance for the new lab in Quebec City. Travel expenses reduced by $3,109 compared to the same period of last year. The reduction in expenses is mainly due to the travel bans of COVID-19 and the prudent operational spending adjusted for the impact of COVID-19.

The Deprecation on right-of-use asset remains the similar level of the same period of the last year. 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 three months ended June 30, 2021.

The other income increased by $3,569 from $2,615 as of June 30, 2020, to $6,184 as of June 30, 2021, mainly due to the Launch Online Grant Program of $7,500 approved on June 14th, 2021. The purpose of this program, which was made possible through funding from the Province of British Columbia, is to support businesses to make improvements to existing e-commerce functionality and/or booking systems, and to fund digital customer acquisition activities to respond to changing customer expectations and help gain access to local customers and markets otherwise out of reach. This program will be managed by Alacrity Canada.

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. The company will be devoting resources towards commercialization related to its liquid biopsy assays

Expected Objectives: Revenue Generation, Licensing, Commercialization, Focussed Clinical Application, develop deeper Industry Collaboration, seek sponsored research, hiring technical staff to run lab facility.

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

- Health Canada Submission – Anticipate decision from Health Canada for the SSAT1 amantadine assay by Q3 of 2021.

- Commence the expanded trial and scope at an additional site (IUCPQ) following the approval from Health Canada for lung cancer response to treatment application related to SSAT1 assay

- Apply for non-dilutive funding from Mitacs, NRC, CQDM, NSERC Alliance grants, CIHR Society and other federal and or provincial funding grants. Collectively the funding is for around $4 million, although there are no assurances the funding will be received.

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

- Publications and file patents – Target to publish 4-6 peer reviewed manuscripts especially following results of the larger trial in Quebec, glioblastoma research clinical work being conducted at University of Manitoba and at the University of British Columbia. It is important to keep our science and discovery relevant to the scientific and the biopharma communities. Relevant patents will be filed as needed to protect key discoveries.

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

- Expand staff size in Quebec to support the lab facility. In addition, add research support in Quebec to expedite the 1500 retrospective early lung cancer samples trial along with potentially 200 prospective patients at IUCPQ that was funded under the Medteq program. Develop a Lab Developed test (LDT) test that will be optimized and tested at an accredited reference laboratory. Build appropriate standards and leverage lab infrastructure to beta test the assay. Refine the algorithms using AI.

- Seek and continue to develop deeper partnership / relationships with large biopharma for early lung cancer screening program both in Canada and US. BioMark management team participated in several conferences such as Bio conference held in June 2021 and intends to participate in other high-profile conferences especially as new data is captured.

- Commence a focussed glioblastoma (GBM) study at CancerCare Manitoba and potentially at 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. There is a possibility of filing for a breakthrough designation with FDA using our assay.

- Capital Raise – Build a better US story where valuations can be more in line with other companies in our space. Commence discussions with VC, family funds and institutional investors given the heightened interest in diagnostic company investment. The company will also explore IR firms in US who can increase the exposure of BioMark to this investment community.

- Bench Strength – Hire staff to help in lab operation, accelerate commercialization, expand expertise in machine learning/analytics and completion of clinical trials and business development.

- Engage with the group at the University of Brescia following the ethics approval. BioMark is also considering expanding the trials at partner sites in Maryland.

- Complete and Test ELISA kits that utilizes monoclonal antibodies generated internally at different sites for validation purpose. The kit can be used to perform a quick on-premises test for BioMark's Red Alert amantadine assay and for assessing tumour burden in glioblastoma patients (Trials are on going at CancerCare Manitoba. BioMark has been testing and recording stability and functional efficacy of the kit over the past 8 months with Dr. Bach at UBC.

Bio-Stream Diagnostics Inc - COVID-19 and a broader Pathogen Platform

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

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

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

- Institute QMS and internal scientific measurements that are required by regulatory agencies – Health Canada and FDA

- Seek strategic investment

- Expand the portfolio to include biosensors

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.

	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
	$	$	$	$
Total Revenue	-	-	-	-
Expenses	294,942	584,904	194,189	187,453
Net Loss	(288,758)	(583,977)	(194,189)	(187,453)
Loss per Share	(0.00)	(0.00)	(0.00)	(0.00)

	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019
	$	$	$	$
Total Revenue	-	-	263,283	-
Expenses	131,186	279,672	936,174	135,926
Net Loss	(128,571)	(285,909)	(672,891)	(135,926)
Loss per Share	(0.00)	(0.00)	(0.01)	(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 $758,163 as of June 30, 2021, compared to $533,280 reported on June 30, 2020. The increase of asset is mainly due to the increase of cash and right-of-use asset. On June 30, 2021, the Company had cash equivalents of $681,582 (June 30, 2020 – $505,165) and right-of-use asset of $24,143 (June 30, 2020 – $3,969). The Company has a negative working capital of $52,179. Working capital is defined as current assets less current liabilities.

Working capital deficit decreased by $510,510 from June 30, 2020 ($562,695) due to the large reduction in current liabilities of $303,377 from $1,086,376 as June 30, 2020, to $782,999 as of June 30, 2021, especially for Accounts payable and accrued liabilities and Due to the related parties, which was reduced by $61,200 and $247,007 respectively. Meanwhile the long-term liabilities increased by $108,016 from $0 as of June 30, 2020, due to the long-term government loans and long-term lease liability. 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. 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. The details of long-term loans are discussed on Note 7 in unaudited consolidated interim financial statement for three months ended June 30, 2021. 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 three months ended June 30, 2021.

Cash utilized in operating activities during the quarter ended June 30, 2021, was $307,200 compared to $157,133 at June 30, 2020, due to the increased business activities in Quebec.

On June 30, 2021, share capital was $7,121,490 comprising 77,974,229 issued and outstanding common shares (June 30, 2020 - it was $5,433,171 comprising 72,313,729 issued and outstanding common shares). Contributed Surplus on June 30, 2021 is $1,625,029 (June 30, 2020 - $1,781,395), the decrease is the result of the warrants exercised in April 2021. As a result of the net loss for the three months ended June 30, 2021, of $288,758 (June 30, 2020 – $128,571) the deficit on June 30, 2021, increased to $8,879,371compared to $7,624,994 on June 30, 2020.

At present, the Company's operations do not generate cash inflows from the commercialization and its financial success after June 30, 2021, 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 events for additional information.

1.7 Capital Resources

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

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 June 30, 2021, the Company entered into the following transactions with related parties:

a) For the quarter ended June 30, 2021, directors and officers of the company provided consulting services to the company of $85,050. 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 $25,050 for the quarter ended June 30, 2021. As of June 30, 2021, the Company has $663,946 due to CEO (2020 - $746,446). The balance owing to the interim CFO as of June 30, 2021, is $5,823 (2020 - $125,895). The balances due to related parties are unsecured, non-interest bearing and without fixed repayment terms.

b) For the quarter ended June 30, 2021, the Company recognized $nil of share-based compensation for stock options held by director and officers.

c) For the quarter ended June 30, 2021, the Company has the balance of $94,548 owed to BioMark Technologies Inc. BioMark Technologies Inc. which holds approximately 52.59% of the common shares of the Company as at June 30, 2021 (2020 - 56.7%). The CEO owns more than 10% interest in the Company.

d) Additionally, on April 1, 2021, the Company entered into an Independent Contractor Agreement (the "Agreement") with the CEO of the Company. According to the Agreement, the Company shall pay the CEO $20,000 with applicable tax per calendar month, to be paid monthly or in such other instalments and at such other times as the Consultant and the Company may mutually agree in writing. The Company shall pay all reasonable business and out-of-pocket expenses actually and properly incurred by the CEO from time to time in furtherance of or in connection with the Services including, but not limited to, all reasonable travel and other business expenses. The CEO will be entitled to a cash bonus in the amount of $250,000 upon the Company achieving a market capitalization of at least $75 million USD over a period of 30 trading days. 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.

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

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

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.

1.14 Financial Instruments and Other 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.

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.

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 June 30, 2021 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 June 30, 2021, the Company had 77,974,229 common shares issued and outstanding.

c. Share Purchase Warrants

As at June 30, 2021, the Company had 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. The Company uses the residual value method to allocate proceeds of the unit amongst the common share and the share purchase warrant.

On April 15, 2021, 1,190,000 warrants were exercised at a price of $0.20 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 June 30, 2021, was 4,195,000 (2020 – 5,295,000 options). The weighted average life remaining for these options was 3.49 years and weighted average exercise price was $0.29 per option.

(iii) Section 5.7 – Additional Disclosure for Reporting Issuers with Significant Equity Investees.

Not Applicable.

(c) Disclosure required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* and, as applicable, Form 52-109F1 *Certification of Annual Filings – Full Certificate*, Form 52-109F1R *Certification of Refiled Annual Filings*, or Form 52-109F1 *AIF Certification of Annual Filings in Connection with Voluntarily Filed AIF*.

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