Biomark Diagnostics Inc.

Consolidated Financial Statements

For the year ended March 31, 2022 and 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, 2022 and 2021, and its financial performance and its cash flows for the years 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 statements of financial position as at March 31, 2022 and 2021;
- the consolidated statements of net loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in deficiency for the years then ended;
- the consolidated statements of cash flows for the years 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 statements* 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.

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.

/s/PricewaterhouseCoopers LLP[1]

Québec, Quebec
July 8, 2022

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

Biomark Diagnostics Inc.
Consolidated Statement of Financial Position
(Stated in Canadian Dollars)

March 31	Note	2022	2021
Assets			
Current			
Cash and cash equivalents		**$ 382,711**	$ 877,678
Amount receivable		**82,130**	27,166
Prepaid expenses		**34,155**	18,165
		498,996	923,009
Long-term investments	5	**3,200**	3,200
Property and equipment	6	**53,054**	-
Right-of-use asset	7	**916,370**	26,730
		$ 1,471,620	$ 952,939
Liabilities and Shareholders' Deficiency			
Current			
Accounts payable and accrued liabilities		**$ 128,339**	$ 27,124
Client deposit		**12,352**	-
Current portion of lease liability	7	**299,316**	9,708
Due to related parties	4	**917,224**	885,585
Short-term loan	8	**144,050**	-
		1,501,281	922,417
Lease liability	7	**509,728**	18,009
Government loans	9	**96,303**	91,607
		2,107,312	1,032,033
Shareholders' Deficiency			
Share capital	10	**7,121,490**	6,876,090
Shares to be issued	10	**662,305**	3,000
Contributed surplus		**1,698,442**	1,632,429
Deficit		**(10,117,929)**	(8,590,613)
		(635,692)	(79,094)
		$ 1,471,620	$ 952,939

Nature and Operations and Going Concern (Note 1)
Commitments (Note 14)
Subsequent events (Note 15)

On behalf of the Board

"Rashid Ahmed" — Rashid Ahmed, Director

"Bram Ramjiawan" — Dr. Bram Ramjiawan, Director

The accompanying notes are an integral part of these consolidated financial statements.

Biomark Diagnostics Inc.
Consolidated Statement of Net loss and Comprehensive Loss
(Stated in Canadian Dollars)

For the years ended March 31	Note	2022	2021
Revenue		**$ 43,933**	$ -
Expenses			
Consulting fees	4	**340,200**	385,000
Depreciation of right-of-use asset	7	**173,475**	11,256
Depreciation of property and equipment	6	**6,147**	2,430
Research and development		**497,773**	118,432
Professional fees		**224,308**	88,046
Office and miscellaneous		**80,986**	19,500
Interest and bank charges		**49,683**	4,138
Filing and transfer agent fees		**213,379**	66,052
Travel		**4,986**	7,397
Share-based compensation	10	**-**	395,481
Total operating expenses		**1,590,937**	1,097,732
Other expenses (income)			
Foreign exchange loss		**1,114**	10,082
Gain on settlement of debt		**-**	(2,615)
Government grants		**(94,215)**	(10,949)
Interest income		**-**	(60)
Total other expenses (income)		**(93,101)**	(3,542)
Net loss and Comprehensive loss		**$ (1,453,903)**	$ (1,094,190)
Basic and diluted loss per share		**$ (0.02)**	$ (0.02)
Weighted average number of common shares outstanding		**72,313,729**	73,304,906

The accompanying notes are an integral part of these consolidated financial statements.

Biomark Diagnostics Inc.
Consolidated Statement of Cash Flows
(Stated in Canadian Dollars)

For the years ended March 31	2022	2021
Cash flows used in operating activities		
Net loss	**$ (1,453,903)**	$ (1,094,190)
Items not affecting cash		
Shares-based compensation	**-**	395,481
Accretion on long-term government loans	**4,696**	2,556
Financing fees on short-term loan	**(5,950)**	-
Interest on lease liability	**28,994**	-
Depreciation of property and equipment	**6,147**	2,430
Depreciation of right-of-use of asset	**173,475**	11,256
Gain on debt settlement	**-**	(2,615)
Gain of fair value discount of government loan	**-**	(10,949)
	(1,246,541)	(696,031)
Changes in non-cash working capital items related to operations:		
Amounts receivable	**(54,964)**	(11,049)
Prepaid expenses	**(15,990)**	(18,165)
Accounts payable and accrued liabilities and client deposit	**113,567**	(82,055)
Cash used in operating activities	**(1,203,928)**	(807,300)
Cash flows used in investing activities		
Purchase of investments	**-**	(3,200)
Purchase of property and equipment	**(59,201)**	-
	(59,201)	(3,200)
Cash flows from financing activities		
Advances from related parties	**357,210**	351,749
Repayment of due to related parties	**(325,571)**	(422,128)
Repayment of lease liability	**(310,782)**	(11,988)
Exercise of options	**-**	582,499
Exercise of warrants	**235,000**	328,575
Share subscriptions received	**662,305**	147,668
Proceeds from long-term government loans	**-**	100,000
Proceeds from short-term loan	**150,000**	-
	768,162	1,076,375
(Decrease) increase in cash	**(494,967)**	265,875
Cash and cash equivalents, beginning of year	**877,678**	611,803
Cash and cash equivalents, end of year	**$ 382,711**	$ 877,678
Supplemental information:		
Interests paid	**$ 28,994**	$ 785

The accompanying notes are an integral part of these consolidated financial statements.

Biomark Diagnostics Inc.
Consolidated Statement of Changes in Deficiency
(Stated in Canadian Dollars)

March 31, 2022

	Number of Shares	Share Capital	Shares to be Issued	Contributed Surplus	Deficit	Total
Balance, March 31, 2021	72,313,729	$ 5,433,171	$ (144,668)	$ 1,768,793	$ (7,496,423)	$ (439,127)
Share subscriptions 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	-	-	-	-	(1,094,190)	(1,094,190)
Balance, March 31, 2021	76,784,229	6,876,090	3,000	1,632,429	(8,590,613)	(79,094)
Share subscription received	-	-	662,305	-	-	662,305
Exercise of warrants	1,190,000	245,400	(3,000)	(7,400)	-	235,000
Warrants extended	-	-	-	73,413	(73,413)	-
Comprehensive loss	-	-	-	-	(1,453,903)	(1,453,903)
Balance, March 31, 2022	77,974,229	$ 7,121,490	$ 662,305	$ 1,698,442	$ (10,117,929)	$ (635,692)

The accompanying notes are an integral part of these consolidated financial statements.

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 early-stage cancer diagnostic technology platform. BioMark Diagnostics' cancer diagnostics technology platform leverages "Omics" and machine learning with a focus on how to detect and treat cancers. BioMark Diagnostics Inc. is currently focused on bringing its liquid biopsy-based cancer diagnostic tests and detection solution to commercialization. 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 the next twelve months. During the year ended March 31, 2022, the Company incurred a net loss of $1,453,903 (2021 - net loss of $1,094,190) and as at March 31, 2022, the Company had accumulated deficit of $10,117,929 (2021 - deficit of $8,590,613) and a working capital deficit of $1,002,285 (2021 - surplus of $592). Management is of the opinion that sufficient external financing will be obtained in the future 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 the next twelve months.

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

2. Basis of Preparation

Statement of Compliance

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, 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 8, 2022.

Basis of Measurement and Consolidation

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 warrants extension and share-based compensation

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.

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").

3. Summary of Significant Accounting Policies (Continued)

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 tangible and Intangible Assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. 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.

3. Summary of Significant Accounting Policies (Continued)

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

	IFRS 9 Classification
Financial assets	
Cash	Amortized cost
Financial liabilities	
Accounts payable	Amortized cost
Client deposit	Amortized cost
Due to related parties	Amortized cost
Lease liabilities	Amortized cost
Short-term loan	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.

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

When the Company is an intermediate lessor, it determines at lease inception date whether each sub-lease is a finance lease or an operating lease based on whether the contract transfers substantially all of the risks and rewards incidental to ownership of the underlying right-of-use asset. If this is the case, then the sub-lease is a financial lease; if not, then it is an operational lease.

3. Summary of Significant Accounting Policies (Continued)

During the year, BioMark Diagnostics Inc. wholly owned subsidiary BioMark Diagnostic Solutions Inc. ("BDS") entered into research and collaboration agreements with certain biotech companies. The purpose of entering into these agreements is for BDS to make some revenue and generate cash to finance the research activities of the company. As part, of three agreements signed during the year, BDS agreed to give laboratory and bioanalytical services as well as provide biotech companies with an access to designated spaces within the premises BDS's leased. Management elected to present lease payments received under operating leases as Revenue.

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 an agreement to receive the grant will be entered, and the group will comply with all attached conditions.

The Company's Quebec-based subsidiary, "BDS" entered into an agreement to receive advisory services and funding of up to $169,550 from the National Research Council of Canada Industrial Research Assistance Program (NRC IRAP) to support research and development of its liquid biopsy assay for the early detection and screening of lung cancer. Under this program, NRC IRAP will reimburse up to 80% of eligible project salaries and 50% of eligible contractor costs. The Company qualified to receive $87,000 for the year ended March 31, 2022 in funding under the terms of this contribution agreement. The Company recognized $86,715 for the year ended March 31, 2022.

During the year, the Company received $7,500 in fundings from the the Launch Online Grant Program. The grant, received from the Province of British Columbia, is to support businesses and 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 was managed by Alacrity Canada.

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.

3. Summary of Significant Accounting Policies (Continued)

Income Taxes

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

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

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

A deferred tax 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.

3. Summary of Significant Accounting Policies (Continued)

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 using the straight-line method. 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 and 15% for its equipment. 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.

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.

Property and Equipment

(i) Recognition and measurement

Items of property and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items of property or equipment.

3. Summary of Significant Accounting Policies (Continued)

(ii) Depreciation

Depreciation is recognized in profit or loss over the estimated useful lives of each part of an item of property and equipment in a manner which most closely reflects the pattern of consumption of the future economic benefits embodied in the asset. Internally constructed assets are depreciated from the time an asset is available for use. The estimated useful lives for the current and comparative periods is as follows:

Asset	Basis	Rates
Computers	Straight-line	3 years
Equipments	Straight-line	5 years

New Standards and Interpretations Not Yet Adopted

In January 2020, the IASB issued amendments to IAS 1 "Presentation of financial statements" to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments to IAS 1 are effective for annual reporting periods beginning on or after January 1, 2023. The Company is currently evaluating the impact of this amendment on its consolidated financial statements.

The IASB issued amendments to IAS 12, "Income Taxes", on May 7 2021. The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Company has assessed the impact of amendments to IAS 12 and there will be no impact on the consolidated financial statements of the Company as a result of the adoption of this standard.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that are expected to have a material impact on the consolidated financial statements of the Company.

(Stated in Canadian Dollars)

4. Related Parties Transactions and Balances

As at March 31, 2022, the Company has the following balances owed to BTI:

	2022	2021
Owing to BTI	**$ 91,548**	$ 108,120

BTI holds approximately 52.59% of the common shares of the Company as at March 31, 2022 (2021 - 53.40%). 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:

	2022	2021
Transactions		
Consulting fees:		
CEO and company controlled by CEO	**$ 240,000**	$ 240,000
Interim CFO	**100,200**	95,000
	$ 340,200	$ 335,000

As at March 31, 2022, the Company has $784,446 (2021 - $732,946) due to the CEO and $41,230 (2021 - $44,520) 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 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 CEO 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.

(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 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. As of March 31, 2022, the Company held 22.44% of Bio-Stream's issued and outstanding common shares, and the Company's CEO has been appointed as one of the four directors.This investment is recorded at cost.

6. Property and Equipment

	Computers	Equipments	Total
Cost			
Balance, as at March 31, 2021	$ -	$ -	$ -
Additions	3,405	55,796	59,201
Balance, as at March 31, 2022	$ 3,405	$ 55,796	$ 59,201

	Computers	Equipments	Total
Accumulated amortization			
Balance, as at March 31, 2021	$ -	$ -	$ -
Depreciation for the year	567	5,580	6,147
Balance, as at March 31, 2022	$ 567	$ 5,580	$ 6,147

	Computers	Equipments	Total
Net book value			
March 31, 2021	$ -	$ -	$ -
March 31, 2022	$ 2,838	$ 50,216	$ 53,054

(Stated in Canadian Dollars)

7. Right-of-use Asset and Lease Liability

	Equipment	Office Lease	Total
Cost			
At March 31, 2020	$ -	$ 18,851	$ 18,851
Additions during the year	-	31,041	31,041
Disposals during the year	-	(18,851)	(18,851)
At March 31, 2021	-	31,041	31,041
Additions during the year	674,765	388,350	1,063,115
At March 31, 2022	674,765	$ 419,391	$ 1,094,156
Accumulated Depreciation			
At March 31, 2020	$ -	$ 11,906	$ 11,906
Depreciation for the year	-	11,256	11,256
Disposals during the year	-	(18,851)	(18,851)
At March 31, 2021	-	4,311	4,311
Depreciation of the year	98,403	75,072	173,475
At March 31, 2022	$ 98,403	$ 79,383	$ 177,786
Net Book Value			
At March 31, 2021	$ -	$ 26,730	$ 26,730
At March 31, 2022	$ 576,362	$ 340,008	$ 916,370

Lease Liability

	Equipment	Office Lease	Total
At March 31, 2020	$ -	$ 8,664	$ 8,664
Additions during the year	-	31,041	31,041
Lease payments made	-	(12,773)	(12,773)
Interest on lease liability	-	785	785
At March 31, 2021	-	27,717	27,717
Additions during the year	674,765	388,350	1,063,115
Lease payment made	(244,244)	(66,538)	(310,782)
Interest on lease liability	24,201	4,793	28,994
At March 31, 2022	$ 454,722	$ 354,322	$ 809,044
Short-term portion of lease liability at March 31, 2022	$ 109,669	$ 189,647	$ 299,316
Long-term portion of lease liability at March 31, 2022	$ 345,053	$ 164,675	$ 509,728

(Stated in Canadian Dollars)

7. Right-of-use Asset and Lease Liability (Continued)

Lease repayments for the next years are as follows :

2023	$	299,316
2024		292,313
2025		148,550
2026		68,865
	$	809,044

8. Short-term Loan

On February 8, 2022, the Company's Quebec-based subsidiary, "BDS" entered a term loan agreement with R & D Capital Inc, (the "Lender") a corporation duly incorporated under the Business Corporations Act (Québec) The Lender grants BDS a term loan, at a fixed rate, in a principal amount not to exceed $235,000 (the "Loan"), for the financing of the tax credits i) scientific research and experimental development and ii) investment and innovation (C3i); for said Fiscal Year (hereinafter the "Tax Credits ").

The first disbursement of $150,000 out of the proceeds of the Loan, minus the financing fees of $5,950, was obtained. The Loan bears interest at a monthly rate of 1.40%, corresponding to a yearly rate of 16.80%, for a term of 12 months calculated as of the date of the first disbursement.

(Stated in Canadian Dollars)

9. Long-term Loans

As of March 31, 2022	**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)
Interest accretion	1,376	1,180	2,556
Fair value of proceeds from loans at inception - March 31, 2021	54,964	36,643	91,607
Interest accretion	2,818	1,878	4,696
Balance at March 31, 2022	$ 57,782	$ 38,521	$ 96,303

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, 2023. If the Company repays 75% of the advance by December 31, 2023, 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, 2023, the balance owing will become due in 24 monthly payments commencing January 31, 2024 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, 2023, 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, 2023. If the Company repays 75% of the aggregate amount advanced on or before December 31, 2023, the remaining 25% will be forgiven. Any amounts owing subsequent to December 31, 2023, 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, 2022.

Both loans 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, 2022:

2024	$ 100,000

10. Share Capital

a) Authorized

Unlimited common shares, without par value.

b) Issued

Common shares issued and outstanding - see consolidated statements of changes in deficiency.

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.

On April 15, 2021, the Company issued 1,190,000 common shares from the exercise of share purchase warrants for gross proceeds of $238,000, of which $235,000 was received the quarter ended June 30, 2020 and $3,000 was received in cash in advance of year ended March 31, 2021.

During the year ended March 31, 2022, $662,305 was received in cash for shares to be issued.

c) Stock Options:

The Company's current stock option plan (the "New Stock Option Plan") was last approved by the shareholders on December 20, 2019. Pursuant to the Existing Plan, the maximum number of common shares of the Company which may be authorized for reservation for the grant of options from time to time shall be 10% of the Company's then issued and outstanding common shares. The plan provides for the granting of options to directors, employees and consultants. The Board of Directors determines the features of the awards, including the exercise price, the term and vesting provisions, provided no stock options will have a term exceeding five years.

On 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. These options vested on the day of grant.

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. These options vested on the day of grant.

(Stated in Canadian Dollars)

10. Share Capital (Continued)

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

	March 2, 2021	June 9, 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%**	116%
Expected dividend	**Nil**	Nil
Expected forfeiture rate	**Nil**	Nil

The weighted average fair value of each option granted was $0.18 (2021 - $0.18).

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, 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
Expired	December 31, 2021	(60,000)	$ 0.30
Balance, March 31, 2022		4,135,000	$ 0.29

The number of options exercisable as at March 31, 2022 was 4,135,000 (2021 - 4,195,000 options). The weighted average life remaining for these options was 2.53 years.

(Stated in Canadian Dollars)

10. Share Capital (Continued)

d) Warrants:

On November 25, 2021, 1,115,579 warrants due to expire on December 13, 2021, were extended to December 13, 2022. The estimated fair value of the warrant extension is $73,413 which has been recorded as an increase to contributed surplus with the offsetting entry recorded to deficit.

This fair value was estimated using the Black-Scholes model that calculated for the difference between the extended period and the remaining period when the decision was undertaken to extend the warrants. The assumptions used were as follows for the two periods respectively: no expected dividend yield, 100% and 112% expected volatility, 0.80% and 0.11% risk-free interest rate and 1.05 and 0.05 years warrant expected life.

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, 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
Exercised	April 19, 2021	(1,190,000)	(1,190,000)	$	0.20
Expired	December 13, 2021	(32,000)	(32,000)	$	0.45
Balance, March 31, 2022		1,115,579	1,115,579	$	0.45

The number of warrants exercisable as at March 31, 2022 was 1,115,579 (2021 - 2,337,579 warrants). The weighted average life remaining for these warrants was 0.70 years.

11. 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 2022 and 2021.

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.

(Stated in Canadian Dollars)

12. 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.

13. 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:

	2022	2021
Combined statutory tax rate	**27%**	27%
Expected income tax recovery at statutory rate	**$ 392,554**	$ 295,431
Share-based compensation	**-**	(106,780)
Net change in deferred tax assets not recognized	**(392,554)**	(188,651)
Income tax expense	**$ -**	$ -

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

	2022	2021
Non-capital loss carry forward	**$ 1,895,125**	$ 1,485,405
Share issuance costs	**-**	1,418
Right-of-use asset	**(17,163)**	(1,415)
	1,877,962	1,485,408
Deferred tax assets not recognized	**1,877,962**	1,485,408
Net deferred income tax assets	**$ -**	$ -

(Stated in Canadian Dollars)

13. Income Taxes (Continued)

As at March 31, 2022, the Company has non-capital losses carried forward of approximately $7,018,981 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
2042	1,517,481
	$ 7,018,981

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.

14. Commitments

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

15. Subsequent Events

On May 4, 2022, the Company closed a non-brokered private placement of 5,062,000 units at a price of $0.25 per unit for a total gross proceed of $1,265,500. The securities issued under the private placement will be subject to a hold period of four months and one day. Each unit consists of one common share and one share purchase warrant. One share purchase warrant will entitle the holder thereof to purchase one common share of the Company at $0.45 per share for a period of two years from the closing date of the private placement, subject to an acceleration clause. Of the 5,062,000 units, 1,040,000 were issued to settle outstanding debt to related party of $260,000. No Finders' fees were payable on the private placement.