

**Biomark Diagnostics Inc.**  
**Condensed Consolidated Interim**  
**Financial Statements**

For the nine-month period ended  
December 31, 2022 and 2021

(Stated in Canadian Dollars)

(Unaudited - Prepared by Management)

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## **NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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Under National Instrument 51-102, if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor. The accompanying unaudited condensed consolidated interim financial statements have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for review of condensed consolidated interim financial statements by an entity's auditor.

**Biomark Diagnostics Inc.**  
**Condensed Consolidated Interim Statement of Financial Position**  
**(Stated in Canadian Dollars)**  
**(Unaudited - Prepared by Management)**

	Note	December 31, 2022	March 31, 2022
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents		\$ 133,900	\$ 382,711
Amount receivable		22,073	82,130
Prepaid expenses		34,155	34,155
		190,128	498,996
<b>Long-term investments</b>	4	3,200	3,200
<b>Property and equipment</b>	5	48,438	53,054
<b>Right-of-use asset</b>	6	642,831	916,370
		\$ 884,597	\$ 1,471,620
<b>Liabilities and Shareholders' Deficiency</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		\$ 67,448	\$ 128,339
Client deposit		9,018	12,352
Current portion of lease liability	6	332,962	299,316
Due to related parties	3	770,132	917,224
Short-term loan	7	229,050	144,050
		1,408,610	1,501,281
<b>Lease liability</b>	6	251,163	509,728
<b>Government loans</b>	8	95,123	96,303
		1,754,896	2,107,312
<b>Shareholders' Deficiency</b>			
Share capital	9	8,238,812	7,121,490
Shares to be issued	9	141,998	662,305
Contributed surplus		2,225,653	1,698,442
Deficit		(11,476,762)	(10,117,929)
		(870,299)	(635,692)
		\$ 884,597	\$ 1,471,620

**Nature of Operations and Going Concern (Note 1)**  
**Commitments (Note 12)**

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 condensed consolidated interim financial statements.

**Biomark Diagnostics Inc.**  
**Condensed Consolidated Interim Statement of Net Loss**  
**and Comprehensive Loss**  
**(Stated in Canadian Dollars)**  
**(Unaudited - Prepared by Management)**

	Note	For the three-month period ended December 31		For the nine-month period ended December 31	
		2022	2021	2022	2021
<b>Revenue</b>		<b>\$ 36,889</b>	<b>\$ 19,818</b>	<b>\$ 113,746</b>	<b>\$ 19,818</b>
<b>Expenses</b>					
Consulting fees	3	85,050	85,050	281,650	255,150
Depreciation of right-of-use asset	6	86,933	41,069	273,539	46,242
Depreciation of property and equipment	5	3,313	3,074	9,914	3,074
Research and development		59,876	66,119	280,794	131,576
Professional fees		43,167	28,869	164,400	70,915
Office and miscellaneous		22,390	18,033	73,361	46,015
Interest and bank charges		22,283	9,652	80,543	13,349
Filing and transfer agent fees		24,462	32,229	70,466	189,542
Travel		5,011	997	26,561	3,970
Share-based compensation	9	122,709	-	323,422	-
<b>Total operating expenses</b>		<b>475,194</b>	<b>285,092</b>	<b>1,584,650</b>	<b>759,833</b>
<b>Other expenses (income)</b>					
Foreign exchange loss		-	668	-	579
Government grants		(44,607)	(9,063)	(130,182)	(16,563)
<b>Total other expenses (income)</b>		<b>(44,607)</b>	<b>(8,395)</b>	<b>(130,182)</b>	<b>(15,984)</b>
<b>Net loss and comprehensive loss</b>		<b>\$ (393,698)</b>	<b>\$ (256,879)</b>	<b>\$ (1,340,722)</b>	<b>\$ (724,031)</b>
<b>Basic and diluted loss per share</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ (0.02)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding</b>		<b>82,777,884</b>	<b>72,313,729</b>	<b>82,777,884</b>	<b>72,313,729</b>

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

**Biomark Diagnostics Inc.**  
**Condensed Consolidated Interim Statement of Cash Flows**  
**(Stated in Canadian Dollars)**  
**(Unaudited - Prepared by Management)**

<b>For the nine-month period ended December 31</b>	<b>2022</b>	<b>2021</b>
<b>Cash flows used in operating activities</b>		
Net loss and comprehensive loss	\$ (1,340,722)	\$ (724,031)
Items not affecting cash:		
Share-based compensation	323,422	-
Accretion on long-term government loans	(1,180)	3,517
Depreciation of property and equipment	9,914	3,074
Depreciation of right-of-use asset	273,539	46,242
Interest on right-of-use asset	-	8,682
	<u>(735,027)</u>	<u>(662,516)</u>
Changes in non-cash working capital items related to operations:		
Amounts receivable	60,057	(4,604)
Prepaid expenses	-	(58,907)
Accounts payable and accrued liabilities	(60,891)	2,996
Client deposit	(3,334)	-
	<u>(739,195)</u>	<u>(723,031)</u>
<b>Cash flows used in investing activity</b>		
Purchase of property and equipment	<u>(5,298)</u>	<u>(59,201)</u>
<b>Cash flows from financing activities</b>		
Advances from related parties	267,908	267,908
Repayment of due to related parties	(415,000)	(291,572)
Repayment of lease liability	(224,919)	(224,813)
Proceeds from common shares	603,195	-
Exercise of warrants	-	235,000
Exercise of options	37,500	-
Share subscriptions received	141,998	97,330
Proceeds from loans	85,000	-
	<u>495,682</u>	<u>83,853</u>
<b>Decrease in cash</b>	<b>(248,811)</b>	<b>(698,379)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>382,711</b>	<b>877,678</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 133,900</b>	<b>\$ 179,299</b>

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

**Biomark Diagnostics Inc.**  
**Condensed Consolidated Interim Statement of Changes in Deficiency**  
**(Stated in Canadian Dollars)**  
**(Unaudited - Prepared by Management)**

	Number of Shares	Share Capital	Shares to be Issued	Contributed Surplus	Deficit	Total
Balance, March 31, 2021	76,784,229	\$ 6,876,090	\$ 3,000	\$ 1,632,429	\$ (8,590,613)	\$ (79,094)
Share subscriptions received	-	-	9,830	-	-	9,830
Exercise of options	1,190,000	245,400	(3,000)	(7,400)	-	235,000
Exercise of warrants	-	-	-	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)
Share subscriptions received	-	-	(520,307)	-	-	(520,307)
Shares issued for cash	5,062,000	1,063,020	-	202,480	-	1,265,500
Exercise of options	250,000	54,302	-	(16,802)	-	37,500
Warrants extended	-	-	-	18,111	(18,111)	-
Share-based compensation	-	-	-	323,422	-	323,422
Comprehensive loss	-	-	-	-	(1,340,722)	(1,340,722)
Balance, December 31, 2022	83,286,229	\$ 8,238,812	\$ 141,998	\$ 2,225,653	\$ (11,476,762)	\$ (870,299)

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

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**Biomark Diagnostics Inc.**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**(Stated in Canadian Dollars)**  
**(Unaudited - Prepared by Management)**

**December 31, 2022**

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**1. Nature of Operations and Going Concern**

Biomark Diagnostics Inc. ("BioMark Diagnostics" or the "Company") was incorporated on June 19, 2014, under the *Business Corporations 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 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 condensed consolidated interim 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 period ended December 31, 2022, the Company incurred a net loss of \$1,340,722 (2021 - net loss of \$724,031) and as at December 31, 2022, the Company had an accumulated deficit of \$11,476,762 (2021 - deficit of \$9,314,644). 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 condensed consolidated interim 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 condensed consolidated interim 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.

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

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**Biomark Diagnostics Inc.**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**(Stated in Canadian Dollars)**  
**(Unaudited - Prepared by Management)**

**December 31, 2022**

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**2. Basis of Preparation**

**Statement of Compliance**

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. These condensed consolidated interim financial statements should be read in conjunction with the Company's condensed consolidated interim financial statements for the year ended March 31, 2022.

These condensed consolidated interim financial statements are based on the accounting policies consistent with those disclosed in Note 3 to the 2022 annual condensed consolidated interim financial statements.

**Basis of Measurement and Consolidation**

The condensed consolidated interim 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 condensed consolidated interim 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 Corporations Act of British Columbia*. BioMark Diagnostic Solutions was incorporated on August 17, 2020, under the *Business Corporations 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 condensed consolidated interim financial statements are presented in Canadian dollars, unless otherwise noted, which is also the functional currency for the Company and its wholly-owned subsidiaries.

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**Biomark Diagnostics Inc.**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**(Stated in Canadian Dollars)**  
**(Unaudited - Prepared by Management)**

**December 31, 2022**

**3. Related Parties Transactions and Balances**

During the period ended December 31, 2022, the Company has the following transactions with and balances owed to BTI:

	<b>December 31, 2022</b>	December 31, 2021
Owing to BTI	<b>\$ 91,548</b>	\$ 91,548

BTI holds approximately 49.23% of the common shares of the Company as at December 31, 2022 (2021 - 52.59%). 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:

	<b>For the three-month period ended December 31</b>		<b>For the nine-month period ended December 31</b>	
	<b>2022</b>	2021	<b>2022</b>	2021

**Transactions**

Consulting fees:

CEO and a company controlled by the CEO	<b>\$ 60,000</b>	\$ 60,000	<b>\$ 180,000</b>	\$ 180,000
Interim CFO	<b>25,050</b>	25,050	<b>75,150</b>	75,150
	<b>\$ 85,050</b>	\$ 85,050	<b>\$ 255,150</b>	\$ 255,150

As at December 31, 2022, the Company has \$637,446 (2021 - \$741,946) due to the CEO and \$41,138 (2021 - \$28,428) due to the Interim Chief Financial Officer ("CFO"). The balances due to related parties are unsecured, non-interest bearing and without fixed repayment terms.

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**Biomark Diagnostics Inc.**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**(Stated in Canadian Dollars)**  
**(Unaudited - Prepared by Management)**

**December 31, 2022**

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**3. Related Parties Transactions and Balances (Continued)**

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 developing and directing the corporate strategy, resource allocation, review acquisitions or partnerships, driving or generating revenue growth, hiring and retaining staff as necessary, support in capital raise rounds, management of past relationships and building business and collaborations. The Company has not compensated the CEO with a cash bonus based on these trading price calculations.

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**4. Long-term Investments**

On June 3, 2020, the Company entered into a license agreement with Bio-Stream Diagnostics Inc. ("Bio-Stream") to provide Bio-Stream with the right to use one of its patents registered to the Company for a one-time cash fee of \$10. Bio-Stream was incorporated in the province of Alberta on June 1, 2020, by the Company, Stream - ML Technologies Inc., Merogenomics Inc., and Gamble Technologies Limited. The Company obtained 45% of Bio-Stream's issued and outstanding common shares upon incorporation, and the Company's CEO has been appointed as one of the four directors. In July 2021, Bio-Stream acquired a new technology based on bio-senior platform which will reduce the Company's ownership percentage in Bio-Stream to less than 23%. Bio-Stream was formed to focus on developing and providing a low-cost COVID-19 detection solution in less than 30 seconds.

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**Biomark Diagnostics Inc.**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**(Stated in Canadian Dollars)**  
**(Unaudited - Prepared by Management)**

**December 31, 2022**

**5. Property and Equipment**

	<b>Computers</b>	<b>Equipment</b>	<b>Total</b>
<b>Cost</b>			
Balance, as at March 31, 2021	\$ -	\$ -	\$ -
Additions	3,405	55,796	59,201
Disposals	-	-	-
Balance, as at March 31, 2022	3,405	55,796	59,201
Additions	-	5,298	5,298
Balance, as at December 31, 2022	\$ 3,405	\$ 61,094	\$ 64,499
<b>Accumulated amortization</b>			
Balance, as at March 31, 2021	\$ -	\$ -	\$ -
Amortization for the period	567	5,580	6,147
Balance, as at March 31, 2022	567	5,580	6,147
Depreciation for the period	852	9,062	9,914
Balance, as at December 31, 2022	\$ 1,419	\$ 14,642	\$ 16,061
<b>Net book value</b>			
March 31, 2021	\$ -	\$ -	\$ -
March 31, 2022	\$ 2,838	\$ 50,216	\$ 53,054
December 31, 2022	\$ 1,986	\$ 46,452	\$ 48,438

**Biomark Diagnostics Inc.**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**(Stated in Canadian Dollars)**  
**(Unaudited - Prepared by Management)**

**December 31, 2022**

**6. Right-of-use Asset and Lease Liability**

	Equipment	Office Lease	Total
<b>Cost</b>			
Balance, as at March 31, 2021	\$ -	\$ 31,041	\$ 31,041
Additions	674,765	388,350	1,063,115
Disposals	-	-	-
Balance, as at March 31, 2022	674,765	419,391	1,094,156
Additions	-	-	-
Balance, as at December 31, 2022	\$ 674,765	\$ 419,391	\$ 1,094,156
<b>Accumulated depreciation</b>			
Balance, as at March 31, 2021	\$ -	\$ 4,311	\$ 4,311
Depreciation for the period	98,403	75,072	173,475
Disposals	-	-	-
Balance, as at March 31, 2022	98,403	79,383	177,786
Depreciation of the period	122,149	151,390	273,539
Balance, as at December 31, 2022	\$ 220,552	\$ 230,773	\$ 451,325
<b>Net book value</b>			
March 31, 2021	\$ -	\$ 26,730	\$ 26,730
March 31, 2022	\$ 576,362	\$ 340,008	\$ 916,370
December 31, 2022	\$ 454,213	\$ 188,618	\$ 642,831

**Biomark Diagnostics Inc.**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**(Stated in Canadian Dollars)**  
**(Unaudited - Prepared by Management)**

**December 31, 2022**

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

**Lease Liability**

	<b>Equipment</b>	<b>Office Lease</b>	<b>Total</b>
Balance, as at March 31, 2021	\$ -	\$ 27,717	\$ 27,717
Additions	674,765	388,350	1,063,115
Lease payments made	(244,244)	(66,538)	(310,782)
Interest on lease liability	24,201	4,793	28,994
	<hr/>	<hr/>	<hr/>
Balance, as at March 31, 2022	454,722	354,322	809,044
Additions	-	-	-
Lease payment made	(128,727)	(154,595)	(283,322)
Interest on lease liability	48,055	10,348	58,403
	<hr/>	<hr/>	<hr/>
Balance, as at December 31, 2022	374,050	210,075	584,125
Short-term portion of lease liability as at December 31, 2022	<hr/>	<hr/>	<hr/>
	122,887	210,075	332,962
	<hr/>	<hr/>	<hr/>
Long-term portion of lease liability as at December 31, 2022	\$ 251,163	\$ -	\$ 251,163

Lease repayments for the next years are as follows:

2023	\$ 332,962
2024	143,022
2025	108,141
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	\$ 584,125

**Biomark Diagnostics Inc.**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**(Stated in Canadian Dollars)**  
**(Unaudited - Prepared by Management)**

**December 31, 2022**

**7. Short-term Loan**

On February 8, 2022, the Company's Quebec-based subsidiary ("BDS") entered into 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 during the year ended March 2022. 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. The second disbursement of \$85,000 out of the proceeds of the Loan was obtained during the period ended September 2022 with the same conditions.

**8. Long-term Loans**

**As of December 31, 2022**

	<b>CEBA COVID-19 Relief Line of Credit</b>	<b>RRRF</b>	<b>Total</b>
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, as at March 31, 2022	57,782	38,521	96,303
Interest accretion	(708)	(472)	(1,180)
Balance, as at December 31, 2022	\$ 57,074	\$ 38,049	\$ 95,123

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**Biomark Diagnostics Inc.**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**(Stated in Canadian Dollars)**  
**(Unaudited - Prepared by Management)**

**December 31, 2022**

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**8. Long-term Loans (Continued)**

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, 2021.

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 December 31, 2022:

2024	\$	100,000
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**Biomark Diagnostics Inc.**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**(Stated in Canadian Dollars)**  
**(Unaudited - Prepared by Management)**

**December 31, 2022**

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**9. Share Capital**

**a) Authorized**

Unlimited common shares, without par value.

**b) Issued**

Common shares issued and outstanding - see condensed consolidated interim statement 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.

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 a total consideration of \$1,265,500 of which \$202,480 has been allocated to the share purchase warrants using the residual value method. 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.

On June 14, 2022, 250,000 shares have been issued upon the exercise of the options at a price of \$0.15 per share for gross proceeds of \$37,500.

During the quarter ended December 31, 2022, \$141,998 was received in cash for shares to be issued.

**c) Stock Options**

The Company's current stock option plan (the "Stock Option Plan (2022)") was last approved by the shareholders on December 20, 2022. 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 15% 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.



**Biomark Diagnostics Inc.**  
**Notes to Condensed Consolidated Interim Financial Statements**  
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**December 31, 2022**

**9. Share Capital (Continued)**

On July 14, 2022, the Company granted 2,410,000 stock options to consultants. These options can be exercised at \$0.40 per share until July 14, 2025. The fair value of the stock options is \$452,617.

On August 3, 2022, the Company granted 212,000 stock options to consultants. These options can be exercised at \$0.40 per share until August 3, 2025. The fair value of the stock options is \$40,794.

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

	<b>August 3, 2022</b>	<b>July 14, 2022</b>	March 2, 2021
<b>Assumptions:</b>			
Weighted average share price	<b>\$0.40</b>	<b>\$0.40</b>	\$0.24
Weighted average risk-free interest rate (%)	<b>2.99%</b>	<b>3.16%</b>	0.25%
Expected life (years)	<b>3.01 years</b>	<b>3.01 years</b>	2.00 years
Weighted average expected volatility (%)	<b>126%</b>	<b>129%</b>	154%
Expected dividend	<b>Nil</b>	<b>Nil</b>	Nil
Expected forfeiture rate	<b>Nil</b>	<b>Nil</b>	Nil

The weighted average fair value of each option granted was \$0.40 (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, as at March 31, 2021		4,195,000	\$ 0.30
Expired	December 31, 2021	(60,000)	\$ 0.30
Balance, as at March 31, 2022		4,135,000	\$ 0.29
Expired	June 9, 2022	(50,000)	\$ 0.30
Exercised	June 15, 2022	(250,000)	\$ 0.15
Granted	July 14, 2022	2,410,000	\$ 0.40
Granted	August 3, 2022	212,000	\$ 0.40
Balance, as at December 31, 2022		6,457,000	\$ 0.34

The number of options exercisable as at December 31, 2022 was 6,457,000 (2021 - 4,135,000 options).

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**9. 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.

On November 28, 2022, 1,115,579 warrants due to expire on December 13, 2022, were extended to December 13, 2023. The estimated fair value of the warrant extension is \$18,111 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, 81% and 70% expected volatility, 4.53% and 4.06% risk-free interest rate and 1.04 and 0.04 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, as at 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, as at March 31, 2022		1,115,579	1,115,579	\$ 0.45
Issued	May 4, 2024	5,062,000	5,062,000	\$ 0.45
Balance, as at December 31, 2022		6,177,579	6,177,579	\$ 0.45

The number of warrants exercisable as at December 31, 2022 was 6,177,579 (2021 - 1,115,579 warrants). The weighted average life remaining for these warrants was 1.27 years.

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**10. 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).

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**11. 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.

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**12. Commitments**

The Company is committed to an Independent Contractor Agreement with the CEO as described in Note 3.

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