BioMark Diagnostics Inc.

Form 51-102F1
Management's Discussion & Analysis
Annual Report
For the Year Ended March 31, 2023

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" refers to BioMark Diagnostics Inc. and the subsidiaries through which it conducts its business, unless otherwise indicated or the context requires otherwise.

This management's discussion and analysis ("MD&A") should be read together with the annual audited consolidated financial statements and accompanying notes for the year ended March 31, 2023, 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, 2023. 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, set up its lab facility, complete planned clinical trials, and pre-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 the 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 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
- competition 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: July 28, 2023

1.2 Overall Performance

BioMark Diagnostics Inc. was incorporated under the Business Corporation Act of British Columbia on June 19, 2014. The head office of the Company is 130 – 3851 Shell Rd, Richmond, British Columbia, V6X 2W2.

BioMark is a Canadian based company that is developing its advanced stage cancer diagnostic business. BioMark’s cancer diagnostics technology platform leverages "Omics" and machine learning with a focus on cancers that are hard to detect and treat. BioMark Diagnostics is currently focused on bringing its blood-based cancer diagnostic solution to commercialization standards starting with its early lung cancer assay. 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 year:

- Many companies have been negatively impacted over the past three years due to the effects COVID-19 has had on the economy, and more specifically the healthcare industry. The pandemic is now entering an endemic stage and businesses are still facing strong inflationary headwinds, supply chain bottlenecks and labour shortages especially in bioinformatics and laboratory technician. The Company remains hopeful but vigilant. Financial, operational and recovery measures instituted by the management team aided in sustaining business viability over the fiscal year and the Company intends to counteract any negative impact of these factors diligently and resiliently. Management has been working on non-dilutive financing arrangements with various government institutions and strategic investors across Canada and United States to accelerate our research and commercialization initiatives.

- On May 4th, 2022, BioMark announced that it has closed a $1.5 million financing round to help accelerate commercialization of its liquid biopsy technology. The financing round included a non-brokered private placement for gross proceeds of $1,265,500 and the Company issued 5,062,000 units at a price of $ 0.25 per unit. 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-full purchase warrant. One whole 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. A debt conversion consisting of 1,040,000 units in settlement of the indebtedness in aggregate amount of $260,000 to pay for Due to the Related Party. No Finders' fees were payable on the private placement. In conjunction with the private round of financing, the Company was also successful in securing a non-dilutive line of credit up to $235,000 through its wholly owned subsidiary BioMark Diagnostic Solutions Inc. in Quebec City. The Company intends to use the $1.5 million to seek lab accreditation, perform an assay validation and verification study, participate in a large-scale lung cancer screening program in Quebec, and perform business development activities in the US.

- On June 7th, 2022, BioMark announced that BioMark and the Icahn School of Medicine at Mount Sinai in New York ("Icahn Mount Sinai") entered into collaborative research agreement to work together on clinical studies related to early lung cancer diagnosis for at risk population using a set of proprietary plasma biomarkers and machine learning algorithms discovered and developed by BioMark. This initiative is part of BioMark's effort to commercialize its liquid-biopsy technology that leverages the latest advances in metabolomics and machine learning algorithms in the U.S. The test developed through this dynamic collaboration would offer the opportunity to screen nearly 16 million individuals eligible for lung cancer screening under current U.S. guidelines could be significantly improved with a widely accessible blood-based cancer screening.

- BioMark and Phytronix presented a poster together at the ASMS held in Minneapolis from June 5-9, 2022. The poster entitle: "Quantification of Beta-Hydroxybutyric acid and Tryptophan in plasma as metabolic biomarkers of cancer using the LDTD-MS/MS technique" attracted interest from many potential companies in the clinical lab space. The data presented highlighted the results of co-development work with Phytronix on the use of this novel integrated technology for cancer screening application.

- On June 13-16, 2022, BioMark attended the BIO International Convention 2022, held in San Diego, CA. The Company presented corporate updates during several one-on-one meetings with potential investors, strategic biopharma and lab collaborators/partners. Quebec government and Mitacs partially sponsored BioMark's participation and provided access to its booth at the Canadian pavilion. The meetings with specific states and institutions across United States were being followed upon as these avenues are critical as BioMark expands its operational footprint into U.S. and other global jurisdictions that have expressed interest in the company's early lung cancer blood-based assay.

- On June 21st, 2022, BioMark announced that it has obtained a novel patent in Japan, No.7038044, further strengthening the Company's intellectual property position worldwide and coverage of its blood-based technology for early lung cancer detection and screening. The Japan Patent Office is the first to issue patent on the Company's biomarker panel for detecting lung cancer, which belongs to a large family of patents that BioMark owns, and complements similar patents currently pending in Canada, China, Europe, and U.S. In addition, BioMark successfully obtained certificate of registration for BioMark trademark use in Canada under Ref.: Canada R#021131-0028. The issued trademark will be used in Canada in association with the wares and/or services described in the registration which is what the company is planning to introduce firstly on its lung cancer screening assay primed for commercialization early next year.

- BioMark Diagnostic Solution signed a Letter of Intent (LOI) with TransDiag of France on June 30th, 2022. TransDiag has been successful in attracting well-known clinical institutions and collaborators to consider clinical trials with BioMark. The intent was to conduct trials leveraging BioMark's blood based liquid biopsy assay that will be useful in assessing, reviewing, and establishing a lung cancer screening platform in Europe, starting in France. The parties are looking to commence the trials on a screening program for early lung cancer based on the existing clinical study design with IUCPQ for lung cancer screening. The two groups were jointly reviewing international research sponsored programs offered by the Federal government from both counties that encourages collaboration and innovation.

- On September 1st, 2022, BioMark Diagnostic Solutions Inc. was selected among the top 10 innovative companies to participate in the 2022 MedTech & Digital Health U.S. Market Access Program for Quebec companies with Medical Alley. The 4-month long program was designed to help the Company accelerate entry into

the U.S. market through Medical Alley's vibrant ecosystem. The program includes support in developing development and reimbursement strategies, identifying partners, and tailoring delivery of lifesaving innovations to patients.

- BioMark presented a poster at the ESMO Congress 2022 that took place on September 9 – 13, 2022 in Paris, France. The abstract entitle: "Metabolomic Profiling for the Early Detection of Lung Cancer" presented clinical data using BioMark's quantitative metabolomic platform to identify early-stage lung cancer in retrospective plasma samples from individual with smoking history, but also suffering from other lung diseases including asthma, COPD, bronchiectasis and COVID. The poster was made accessible on the Company's website after the conference and the abstract was published in Annals of Oncology 33 (2022): S965.

- On September 20th, 2022, BioMark announced that the US Patent Office (USPTO) has granted BioMark patent number US 11,447,168 that covers a novel approach to diagnosing and measuring treatment response for various forms of hard to detect and treat cancer. The technology can also be used as a surveillance tool for recurring cancer. BioMark is currently pursuing two clinical trials using this liquid biopsy platform that can improve identification and assessing response to treatment for patients with late-stage lung cancer and glioblastoma.

- BioMark participated in a commercial trade mission to Maryland - The Bio Innovation Conference 2022 that took place on October 3 – 4, 2022 in Bethesda, Maryland. The conference provided a unique opportunity to hear from and connect with researchers, business leaders, academia, venture capitalists, and other industry professionals in life sciences. BioMark management were able to have productive meetings with many leaders and representatives, including Secretary of Maryland Department of Commerce Mike Gill and National Institutes of Health (NIH) Associate Deputy Director Tara Schwetz. This trade mission was part of the MOU signed in 2020 between Quebec Government and the State of Maryland to strengthen collaboration and promote trade and innovation in the life sciences and public health sectors.

- BioMark's management team were invited to present at Maryland Club's monthly business Pulse luncheon event in Baltimore. Over 50 individuals from investment, academic and business communities attended the presentation. BioMark still maintains communication with select members this group and shares monthly operating updates. The company has been invited to present again on the progress and development over the past 12 months later in 2023.

- On October 26th, 2022, BioMark Diagnostic Solutions Inc. hosted a seminar on new advancements in mass spectrometry technologies together with the Canadian and US teams from SCIEX and Phenomenex. This was an ideal occasion to showcase BioMark's robust metabolomics powered platform that combines the revolutionary sensitivity of the SCIEX 6500+ mass spectrometers with the speed and performance of the LDTD Luxon system from Phytronix. A total of 15 attendees

from diverse industries were present and had the chance to learn more about clinical applications that an integrated metabolomics platform could offer.

- On October 27, 2022, BioMark announced the publication of a preclinical study demonstrating therapeutic capabilities of its SAT1 cancer marker in glioblastoma (GB) cells using an ionizable lipid nanoparticle. The study published as part of the special issue of Cancers "Novel Techniques and Technology for Treatment of Brain Tumors", reports that Spermidine/spermine N1- acetyltransferase 1 (SAT1) inhibition using an ionizable lipid nanoparticle-based siRNA delivery system appears to provide a safe and effective method to sensitizing GB cells to radiation and chemotherapeutic agents. The outcome of the study will dramatically impact therapeutic intervention associated with this lethal cancer. These results thus far illustrate BioMark's continuous efforts to diversify its product portfolio, expand its clinical application toward personalized medicine and patent portfolio with new discoveries that can impact cancer care management.

- BioMark changed its auditors from PricewaterhouseCoopers LLP ("Former Auditor") to MNP LLP ("Successor Auditor"). The Former Auditor resigned as the auditor of the Company effective November 3rd, 2022, 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 November 22nd, 2022, BioMark signed a collaborative research agreement between Delhi Institute of Pharmaceutical Sciences and Research (DPSRU) in New Delhi, India, and St. Boniface Research Centre (SBRC) in Winnipeg, Manitoba for potential early lung cancer detection for the population in India. This would be critical for India as lung cancer cases are projected to increase by five- to seven-fold between 2025 to 2030 due to pollution and climate change.

- BioMark continued its European expansion with the development of a pilot program for early detection of lung cancer in partnership the French group TransDiag and the Hospices Civils de Lyon (HCL). TransDiag has been successful in attracting interest from other well-known clinical institutions and Gustave Roussy (ranked # 3 globally for oncology research and treatment institution) and L'Institut Curie to evaluate partnering with BioMark to conduct similar trials that will be useful in assessing, reviewing, and establishing a lung cancer screening platform in Europe, starting in France and for other hard to diagnose cancers such as neuroendocrine tumours. On Nov 29th. 2022 BioMark signed an NDA with L'Institut Curie. These are all world leading institutions that were impressed by the data the Company presented at ESMO in Paris during Sept 9-13th, 2022.

- BioMark provided financial results and highlights for the second quarter ended September 30, 2022, and operational updates on November 28, 2022. The Company also announced that it amended the term of 1,115,579 non-broker warrants (the "Warrants") issued in relation to a private placement financing that closed on December 13, 2019, and are scheduled to expire on December 13, 2022. The

Warrants extended their term by one year such that the warrants will be exercisable until December 13, 2023, at an exercise price per share of C$0.45. All other terms of the warrants will remain unchanged.

- On December 20, 2022, BioMark Diagnostics Inc. held its Annual General Meeting in Vancouver, BC at 9:00 a.m. (Vancouver Time). All the motions were passed.

- BioMark initiated dialogue with a group from Germany with appropriate CE based clinical and lab accreditations along with an impressive infrastructure for potential collaboration related to introduction of BioMark lung cancer screening assay in Eastern Europe. The German groups has multiple operations across Europe.

- BioMark Diagnostic Solutions Inc. was selected by Quebec's Ministry of Health to present clinical data updates and discuss integration of BioMark's liquid biopsy platform into a national lung cancer screening program. Presentation was held on January 25th, 2023, at LeCAMP in front of 25 representatives responsible for innovation integration into the public health services across the Province of Quebec.

- BioMark management team attended the Biotechgate Digital Partnering event designed to support the business development & licensing between Pharma, Biotech, Medtech and Digital Health companies from February 6th to 10th, 2023. Biotechgate Digital Partnering is focusing on companies developing drugs, diagnostics and medical devices. The main objective of the event is to provide a platform for business development in the field of licensing and collaboration.

- On February 7th, 2023, BioMark announced that its Quebec based subsidiary, BioMark Diagnostic Solutions Inc ("BDS"), received advisory services and nondilutive funding of up to CAD $185,900 from the National Research Council of Canada Industrial Research Assistance Program (NRC IRAP) to support research and development of a quantitative assay to measure drug metabolites for cancer treatment monitoring. The Company recognized $40,357 for the year ended March 31, 2023, and qualified to receive $126,900 for the year ended March 31, 2024. In addition, BioMark received funding of $13, 275 from Global Affairs Canada (GAC) under the CanExport Innovation Program. The Program is administered by the Government of Canada's Trade Commissioner Service and delivered collaboratively with NRC to promote and enhance Canada's international innovation efforts by providing direct financial assistance to the most innovative companies to pursue international opportunities.

- First batch of clinical samples from our clinical partner institution Hospices Civils de Lyon (HCL) in France were received in early February 2023. These samples will be analysed in BioMark's lab facilities based in Quebec City once technology platform validation and verification are completed. Additional samples will be shipped in two different allotments. The data will be shared with the oncologist investigators at HCL.

- BioMark's IP Assist Program was approved by the National Research Council of Canada Industrial Research Assistance Program (NRC IRAP) to support the development of its intellectual property strategy. Under the term of this Agreement, BioMark is entitled to receive a financial contribution of up to $35,900 in February 2023 to cover expenses from advisor and lawyer who will work with BioMark in the development of an IP strategy.

- On March 16th, 2023, BioMark announced that novel liquid biopsy data was presented at the 112th Annual Meeting of the United States and Canadian Academy of Pathology (USCAP) in New Orleans, LA. The poster entitled "Metabolomic Profiling for Pulmonary Neuroendocrine Tumors (NETs)" shows that NETs are capable of reprogramming their metabolism as reflected by the presence of a panel of distinct metabolic biomarkers. The research team were able to detect neuroendocrine tumors from plasma samples using BioMark innovative liquid biopsy technology. The study included a total of 120 plasma samples from patients with biopsy-confirmed NET and 227 control patients and is one of the largest ever reported. Our research team were able to discover a panel of robust metabolic biomarkers that is capable to diagnose NETs with strong performance, but more importantly distinguish NET subtypes from each other and from NSCLC. The results suggest that this metabolic panel could allow the implementation of a routine screening test for NETs and aid in monitoring clinical evolution of neuroendocrine carcinomas. Moreover, due to the non-specificity of the symptoms of NET patients at early stage, we believe that this test may support early diagnosis. This resulted in strong exposure and interest within the pathologist and scientific communities. The study further demonstrated the versatility and robustness of BioMark's technology platform to diagnose hard to detect and treat cancers at early stages where outcomes are better for patients.

- As part of it previously announced retrospective study, BioMark continued collaboration with TMIC to complete analysis of about >800 plasma samples, which also includes other lung diseases, covid cases and other cancers. Meetings were held with collaborators at TMIC and IUCPQ to prepare abstracts submission to upcoming pathology and oncology related events in June 2023.

- BioMark's clinical collaborator at Mt. Sinai Dr. Rolfo was invited to present at the European Lung Cancer Conference (ELCC) on March 30th, 2023, in Copenhagen. His presentation included posters and publications related to BioMark's scientific and clinical research over the past four years.

- BioMark received the Notice of Allowance issued by USPTO for the patent application of Method of Detecting Lung Cancer in USA in March 2023. The patent is being finally reviewed by the Examiner and final news release related to the granting of the patent will be officially released.

- BioMark continued to entertain discussions with various financial institutions, individuals, and government agencies to secure non-dilutive funding, favourable loans, and equity investments to accelerate the commercialization of its early lung cancer liquid biopsy franchise and to advance its expansion strategy in USA and internationally as well as for general corporate purposes.

Risk Factors and Uncertainty

The Company is highly focused on introducing its advanced tests led by its early lung cancer assay in Quebec and then in other jurisdictions. It has cultivated strong clinical partners that understand the regulatory landscape, lab infrastructure requirements and challenges required to conduct proof of concept studies and accelerate commercialization. This will reduce the associated market development risk and limit capital deployment.

The failure to generate planned future revenue stream sales from the Company's main services and products could have a significant and adverse affect on the Company. The delays in commercialization could impact the timing of revenue generation.

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 no assurance that BioMark will be able to continue to attract and retain all personnel necessary for the development and operation of its business.

Management is continuing efforts to attract additional equity and capital investors, seek non-dilutive financing and implementing cost control measures to maintain adequate levels of working capital. Nevertheless, there can be no assurances 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.

Activity Rebound post COVID-19

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 had both operational and commercial impact for BioMark for the last three years. With resumption of research projects, there is marked progress in clinical trial recruitment related to early lung cancer trials at IUCPQ and also on measuring response to treatment for advanced stage lung cancer patients following systemic treatment. Shipment of lab supplies to run assays are now more readily available thereby expediting faster analysis. In addition, there are many more scientific and industry specific symposiums that is enabling more meetings and presentation opportunities. Due to covid many screening programs were cancelled or delayed. It is estimated that over 9.5 million patients missed their annual cancer screening. Most programs are back and there is backlog in the system to support the required screening. Strong price pressures in costs of lab equipment, lab supplies and HR.

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 management 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 Annual Information

The following information is a summary of the Company's financial data for the three most recently completed financial years.

	March 31, 2023	March 31, 2022	March 31, 2021
	$	$	$
Total Expenses	2,196,046	1,590,937	1,097,732
Net Loss	1,842,229	1,453,903	1,094,190
Loss Per share	0.02	0.02	0.02
Total Assets	732,292	1,471,620	952,939
Distribution or Cash Dividends	None	None	None

For discussion of annual information refer to sections 1.4 and 1.5.

1.4 Discussion of Operations

	2023	2022
	$	$
Revenue	153,492	43,933

The Company generated its revenues of $153,492 for the year ended March 31, 2023, and recorded a net loss of $1,842,229 for the year ended March 31, 2023.

Revenues increased by $109,559 from $ 43,933 for the year ended March 31, 2022, to $153,492. During the year ended March 31, 2022, 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 generate revenue and cashflow to finance research activities of the company. As part, of the four agreements signed during the year, BDS provided biotech companies with an access to designated spaces within the premises BDS's leased as well agreed to offer laboratory and bioanalytical basic service as requested. Management elected to present lease payments received under operating leases as Revenue.

The net loss increased by $388,326 from $1,453,903 (March 31, 2022) to $1,842,229, for the year ended March 31, 2022, which was largely due to the increased share-based compensation and the operating expenses related to the lab operation in Quebec City, higher research development costs in technologies validation and participation in additional clinical trials.

	2023	2022
	$	$
Expenses:		
Consulting fees	373,242	340,200
Depreciation of right-of-use asset	372,943	173,475
Depreciation of property and equipment	13,253	6,147
Research and development	545,841	497,773
Professional fees	256,192	224,308
Office and miscellaneous	72,814	80,986
Interest and bank charges	110,232	49,683
Filing and transfer agent fees	92,033	213,379
Travel	29,971	4,986
Share-based compensation	329,525	-
Total operating expenses	2,196,046	1,590,937

The total operating expense increased by $605,109 from $1,590,937 (March 31, 2022) to $2,196,046 (March 31, 2023), mainly due to the increased operating expense related to share-based compensation, depreciation of right-of-use asset, lab operation costs in Quebec City, and higher interest and bank charges.

Consulting service fees increased by $33,042 compared to the prior year, mainly due to the increased use of third-party consulting services. There has been no significant change to the compensation for key management. The Company engaged in required services on a consulting basis.

The Deprecation of right-of-use assets and property and equipment increased by $199,468 and $7,106 respectively - due to the full year lease as compared to four-month in the fiscal year of 2022. The Company is also committed to an office lease for its office in Richmond, British Columbia for a three - year term expiring on October 31, 2023. The details of accounting standard and the calculation of depreciation on asset, Right-of-use Asset and Lease Liability are discussed respectively on Note 3, Note 6 and Note 7 in the Audited Consolidated Annual Financial Statement. Under Note 6, computers are recorded at cost and amortized over three years; laboratory equipment is recorded at cost and amortized over five years. Under Note 7, the equipment is related to the newly acquired instruments via the third-party leasing company and is amortized over five years. The office lease includes both the office spaces in Richmond BC and the lab facility in Quebec.

Research and other expenses increased by $48,068 from $497,773 for the year ended March 31, 2022, to $545,841 for the year ended March 31, 2023. Resumption of research projects post covid and facility expansion in Quebec, the Company hired and trained two highly qualified lab staff members who are both currently in the reported payroll system. With the postponed research projects and clinical trials resuming, the Company expects higher research and other related expenses in the coming fiscal year. The management team will actively seek additional government non-dilutive funding to support the projected increase in research expenses. Major expenses will be related to recruitment of more highly qualified personnel, assay verification and validation, lab supplies, lab certification, sample acquisition and analysis, publication costs and other research/business development related activities especially in USA.

Professional fees for the year ended March 31, 2023, were $256,192 compared to $224,308 for the year ended March 31, 2022, remaining at about the same level. The Company anticipates spending a higher amount of professional fees related to legal counsel for the patent application and ongoing filing costs in the next fiscal year due to the timing and stage of the patent applications and 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.

Office and miscellaneous slightly decreased by $8,172 from $80,986 for the year ended March 31, 2022, to $72,814 for the year ended March 31, 2023, mainly due to the prudent operational spending.

The interest and bank charge increased by $60,549 from $49,683 for the year ended March 31, 2022, to $110,232 for the year ended March 31, 2023. This is due to the fact that the lease in Quebec was entered in December 2021 while the short-term loan with R&D Capital arrangement was in February 2022 which both closed in to year end. The details of accounting standard and the calculation of interest on Right-of-use Asset and Lease Liability, short-term loan and long-term loans are discussed respectively on Note 7, Note 8 and Note 9 in the Audited Consolidated Annual Financial Statement.

Filing and transfer agent fees reduced by $121,346 from $213,379 for the year ended March 31, 2022, to $92,033 for the year ended March 31, 2023, mainly due to the limited fees related to marketing campaign program. Currently, the Company engaged in a monthly market-making program with Venture Liquidity Providers Inc. and the transfer agency service with Computershare along with its counterparts, the Depository Trust Company ("DTC"), in USA to allow the Company's common shares for electric clearing and settlement through.

Travel expenses increased by $24,985 compared to the previous year. With the resumption of research and business development related activities, the Company anticipates spending a higher amount in the next fiscal year on business development and collaborative research.

The share-based compensation of $329,525 was reported for the year ended March 31, 2023, which increase by $329,525 from $nil (March 31, 2022) to $329,525 March 31, 2023. On July 14, 2022, the Company granted 2,410,000 common share purchase options exercisable at $0.40 per share expiring in three years to directors, management, employees, and consultant of the Company. 25% of the options will vest immediately and 25% every six months. During the year ended March 31, 2023, the Company recorded a total share-based compensation expenses of $310,154. On August 3rd, 2022, the Company granted 212,000 common share purchase options exercisable at $0.40 per share expiring in three years to consultants of the Company. 25% of the options will vest immediately and 25% every six months. During the year ended March 31, 2023, the Company recorded a total share-based compensation expenses of $19,371.

The share-based compensation is designed to help the Company to obtain the required consulting service from domain experts and preserve the cash for operating purposes.

	2023	2022
	$	$
Other expenses (income)		
Foreign exchange loss	-	1,114
Government grants	(200,246)	(94,215)
Interest income	(79)	(-)
Total other (income) loss	(200,325)	(93,101)

In addition, the Company had its other income of $200,325 for the year ended March 31, 2023, compared to the total other income of $93,101 for the year ended March 31, 2022, which is mainly due to the increase of government grants.

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, and $82,550 for the year ended March 31, 2023, in funding under the terms of this contribution agreement. The Company recognized $86,715 for the year ended March 31, 2022, and $80,733 for the year ended March 31, 2023.

On December 21, 2022, BDS entered into an agreement to receive advisory service and funding up to $185,900 from NRC IRAP to support research and development of a quantitative assay to measure drug metabolites for cancer treatment monitoring. 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 $59,000 for the year ended March 31, 2023, and $126,900 for the year ended March 31, 2024, in funding under the terms of the contribution agreement. The Company recognized $40,357 for the year ended March 31, 2023.

During the year ended March 31, 2023, the Company received funding of $13,275 from Global Affairs Canada (GAC) under the CanExport Innovation Program subject to the terms of program. The Program is administered by the Government of Canada's Trade Commissioner Service and delivered collaboratively with NRC to promote and enhance Canada's international innovation efforts by providing direct financial assistance to the most innovative companies to pursue international opportunities.

During the year end March 31, 2023, BDS received funding of $35,900 from the NRC IRAP to support the development of its intellectual property strategy subject to the terms of the program.

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 additional resources towards expediting the commercialization and revenue generation of its most advanced stage early lung cancer blood based liquid assay.

- Continue to seek and actively raise capital especially within existing shareholders but also new strategic investors and institutional funds. Continue to build a better US story where valuations can be more compelling and in line with other companies in our space given the achievements of critical milestones

over the past 12 months. Maintain discussions with strategic investors, family funds and institutional investors given the heightened interest in diagnostics and the Company's new therapeutic target for GBM. The Company will also explore to engage with IR firms specialized in biotech arena in US who can help increase the exposure of BioMark to select investment community and have access to institutional desk.

- Complete trials at IUCPQ following the approval from Health Canada for its late-stage lung cancer response to treatment application related to SSAT1 assay. The response to treatment will also include immunotherapy. Most of the response to immunotherapy trials is being conducted at IUCPQ under Dr. Joubert through a Fondation support grant. Results is expected in Q4 at the earliest.

- Looking to receiving the full set of plasma samples from its collaborating partner - University of Brescia in Italy led by Dr. Paolo Bossi as principal investigator for the study titled "IDENTIFICATION OF CIRCULATING MARKERS TO CUSTOMIZE THE FOLLOW-UP OF HEAD AND NECK CANCER PATIENTS FOR EARLY IDENTIFICATION OF RECURRENCES/SECOND TUMORS". Analysis will be performed at The Metabolomics Innovation Centre using a special mega panel for this important discovery and validation phase of the study. First readout is expected by end of Q4 2023.

- Apply for additional non-dilutive funding from Mitacs, NRC, NSERC, Alberta Cancer Early Prevention and Detection Program, Research Manitoba BSP scale up program, Genome BC Gensolve and GAPP programs, Alliance grants, CIHR Society, Can Export, Eureka Canada, CIIP and other federal and or provincial funding grants.

- Continue to submit clinical results in peer review publications and expand patent portfolio – Target to publish at least 4-6 peer reviewed manuscripts especially following results of the larger lung cancer trial in Quebec, respond to treatment for late-stage lung cancer, early breast cancer on 280 samples from US patient cohort, glioblastoma research clinical work being conducted at University of Manitoba. 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 and expand the company's patent estate.

- Advance the discovery study in breast cancer and further refine the metabolites selection using the latest advancement in machine learning algorithm. In addition, the company will be submitting an abstract for presentation at a large breast cancer event in late 2023.

- Build stronger base and infrastructure in both US and Quebec – Expand physical presence, clinical partnerships, and research support at existing partner

sites. Seek two or more additional institutions to partner with BioMark especially in the USA. Apply for state, provincial or department of defence (DoD) grants and seek foundation support where applicable.

- Increase market awareness programs and coverage to help improve corporate visibility, attract capital and address valuation gap versus existing peer group.

- Increase staff size in Quebec to help in lab operation, secure lab accreditation, accelerate commercialization, expand expertise in machine learning/analytics and business development. In addition, add clinical research support in Quebec to expedite the retrospective study for early lung cancer detection that was funded under the Medteq program, and the 4000-patient trial funded under CqDM SynergiQ program.

- 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 intends to participate in several high-profile conferences such as ASCO, USCAP, AACR, ASMS, IASLC and San Antonio Breast Cancer Symposium.

- Continue the glioblastoma (GBM) study at CancerCare Manitoba and potentially expand to 2 additional institutions in USA. 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 and collaboration 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. The Company intends to conduct in vivo studies by late in 2023 to demonstrate the efficacy of its new therapeutic target related to Glioblastoma treatment if it secures funding. The company is reaching out to 2 prominent US institutions that have strong capabilities in neuro oncology that can expedite development of our GBM asset.

- Understand and formulate a US reimbursement strategy with experts in private payors as the company introduces its early lung cancer assay in select markets.

- Continue to entertain discussions with related parties in Brazil that had expressed strong interest for potential collaboration related to BioMark's blood based early lung cancer screening assay. NDAs were being finalized with all parties. In addition, Canadian Trade Commissioner in Brazil provided important country specific information to facilitate a deeper market understanding of the dynamic Brazilian market and key health imperatives under the newly elected government. More updates to follow as advancements are made.

- Seek academic institutions that have relationships with community hospitals across US to help leverage the value of the company's early lung cancer assay versatility – accessibility, accuracy, and affordability.

- Recruit high powered board members and advisors who can help the company expand its commercial footprint and accessing financing in the US and internationally.

Bio-Stream Diagnostics Inc.

Bio-Stream Diagnostics is developing the sensors and readers for its OCET platform. The product line is working well, which includes the traxReader, traxBiosensors and traxInsight software. Based on the success of C-Reactive Protein tests, the company expanded its traxPlaform testing to chemistry (biotin and streptavidin and to diabetes (Cystatin-C and Glycated Albumin etc.) The company is looking to engage with multiple companies who have expressed interest in Bio-Streams platform.

Based on its current progress the company is applying for non-dilutive 'Validation' funding via the Alberta and Federal Gov'ts and currently has application portals open to us with other non-dilutive funding applications in various stages.

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. This information is unaudited.

	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
	$	$	$	$
Total Revenue	39,746	36,889	40,957	35,900
Expenses	611,395	475,194	628,833	480,624
Net Loss	(501,506)	(393,698)	(527,884)	(419,141)
Loss per Share	(0.00)	(0.00)	(0.00)	(0.00)

	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
	$	$	$	$
Total Revenue	24,115	19,818	-	-
Expenses	831,104	285,092	179,799	294,942
Net Loss	(729,872)	(276,697)	(178,394)	(288,758)
Loss per Share	(0.00)	(0.00)	(0.00)	(0.00)

For the detailed discussion refer to sections 1.4 and 1.6.

1.6 Liquidity

	2023	2022
	$	$
ASSETS		
Current		
Cash and cash equivalents	72,037	382,711
Amounts receivable	34,373	82,130
Prepaid expenses	19,852	34,155
	126,262	498,996
Prepaid expenses	14,303	-
Long-term investment	3,200	3,200
Property and equipment	45,100	53,054
Right-of-use asset	543,427	916,370
	732,292	1,471,620

LIABILITIES

	2023	2022
	$	$
Current		
Accounts payable and accrued liabilities	220,195	128,339
Client Deposit	10,367	12,352
Current portion of lease liability	281,103	299,316
Due to related parties	827,434	917,224
Short – term debt	229,050	144,050
Government loans	96,303	-
	1,664,452	1,501,281
Lease liability	217,415	509,728
Government loans	-	96,303
	1,881,867	2,107,312

The Company has total assets of $732,292 as of March 31, 2023, and has a negative working capital of $1,538,190. Total assets decreased by $739,328 compared to $1,002,285 reported on March 31, 2022, mainly due to the reduction of cash and cash equivalents and right-of-use assets. Working capital is defined as current assets less current liabilities. Compared to the negative working capital of $1,112,891 as of March 31, 2022, the negative working capital of $1,538,190 is mainly due to the combination of the increase of the current liabilities related to accounts payable and accrued liabilities, and short-term loan and the decrease of cash and cash equivalents.

On March 31, 2022, the Company had cash and cash equivalents of $72,037 (March 31, 2022 - $382,711), which was a decrease of $310,674 due to the increased cash expense on the resumption of Research and Development projects and the expansion in Quebec City, including the lab operation, new hirings and purchasing of the lab equipment. etc.

Total liabilities decreased by $225,445 from $2,107,312 on March 31, 2022, to $1,881,867 on March 31, 2023, which was the combination of an increased current liabilities related to accounts payable and accrued liabilities and short-term loan and the decrease of long-term lease liability. Current lease liability and long-term lease liability decreased by $18,213 and $292,313 respectively due to the lease payments made during the fiscal year ended March 31, 2023.

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, 2022, up to a maximum of $60,000. There is no repayment schedule inherent in the agreement outside of the above due date and the line of credit is interest free until December 31, 2023. If the Company repays $40,000 on or prior to December 31, 2023, the remaining balance of $20,000 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 of March 31, 2023.

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 9 in the Audited Annual Financial Statement.

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 the fiscal years ending March 31, 2022 and March 31, 2023 (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 on March 1, 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 on September 7th, 2022, with the same conditions. During the year ended March 31, 2023, the Company had made interest payments in the total amount of $33,530. The Agreement was automatically renewed for another 12 months, and the outstanding balance of loan principal is $235,000 as of March 31, 2023. The details of short-term loan are discussed on Note 8 in the Audited Annual Financial Statement.

Cash utilized for operating activities during the year ended March 31, 2023, was $914,421 compared to $1,203,928 at March 31, 2022, mainly due to the upfront payment for the leasing of lab equipment in fiscal year 2022. In addition, the company did not engage in a marketing awareness campaign in 2023 compared to 2022.

SHAREHOLDERS' DEFICIENCY

	2023	2022
	$	$
Share capital	8,238,812	7,121,490
Share subscriptions received	358,126	662,305
Contributed surplus	2,231,756	1,698,442
Deficit	(11,978,269)	(10,117,929)
	(1,149,575)	(635,692)

At March 31, 2023, share capital was $8,238,812 comprising 83,286,229 issued and outstanding common Shares (March 31, 2022 – $7,121,490 comprising 77,974,229 issued and outstanding Common Shares). Most the increase in shares outstanding is related to the raise of capital through the private placement and exercise of options. 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, and of which $662,605 was received in the fiscal year end March 31, 2022. The securities issued under the private placement is 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. Surplus capital at March 31, 2023 is $2,231,756 (March 31, 2022 – $1,698,442). The increase is mainly as a result of share-based compensation that was recognized for a total amount of $ 329,525 and the allocation of the amount of $202,480 related to the share purchase warrants using the residual value method and the fair value of the extension of warrants. As a result of the net loss for the year ending March 31, 2023, of $1,842,229 (March 31, 2022 – $1,453,903) and the deficit at March 31, 2023 increased to $11,978,269 from $ 10,117,929 as at March 31, 2022.

At present, the Company's operations do not generate sufficient cash inflows from commercialization of its early lung cancer detection assay. Revenue consists primarily of income generated on the lab research and development services rendered to the third parties, and its financial success after March 31, 2023, 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.

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 are no off-balance sheet arrangements to which the Company is committed.

1.9 Transactions Between Related Parties

During the year ended March 31, 2023, the Company entered into the following transactions with related parties:

a) For the year ended March 31, 2023, directors and officers of the Company provided consulting services to the Company of $340,200. These charges are included in consulting fees. Consulting fees by CEO was $240,000 and CFO/Project Director was $100,200 for the year ended March 31, 2023. The Company has $677,946 (2022 - $784,446) and $57,940 (2022 – $41,230) due to CEO and CFO respectively. (Refer to Note 4 of the audited financial statements)

b) For the year ended March 31, 2023, the Company has the balance of $91,548 owed to BioMark Technologies Inc. BioMark Technologies Inc. which holds approximately 49.23% of the common shares of the Company as at March 31, 2023 (2022 – 52.59%). The CEO of BioMark Technologies Inc. owns more than 10% interest in the Company.

c) 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

The Corporation incurred a net loss of $501,506 in the fourth quarter ended March 31, 2023, compared to a net loss of $729,872 in the same quarter a year earlier. The decrease in net loss in the fourth quarter ended March 31, 2023, was mainly due to securing additional government grants compared to 2022.

Net loss, quarter over quarter is influenced by various factors including the scope and stage of clinical development and research. Consequently, expenses may vary from quarter to quarter. General and administrative expenses are dependent on the infrastructure required to support the clinical and business development activities of the Company. A material increases in research and development as well as general and administrative costs is anticipated over the short term, as the Company's research and development and regulatory activities increase.

1.11 Subsequent Events

Not Applicable.

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 warrants extension and share-based compensation

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:

- The assessment of the Company's ability to continue as a going concern, which is described in Note 1.

1.13 Changes in Accounting Policies including Initial Adoption

New 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 Corporation has assessed the impact of amendments to ISA 1, and there will be no impact on the consolidated financial statements of the Company as a result of the adoption of this standard.

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.

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 2023 and 2022.

Credit risk

Credit risk is the risk of loss due to the counterparty’s inability to meet its obligations. The Company’s exposure to credit risk is mainly on its cash. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies.

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 March 31, 2023, 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 at March 31, 2023, the Company had 83,286,229 common shares issued and outstanding.

	Number
Balance, March 31, 2023	83,286,229
Balance, July 28, 2023	83,286,229

c. Share Purchase 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.

As of March 31, 2023, the number of warrants exercisable was 6,177,579 (2022 – 1,115,579 warrants). The weighted average life remaining for these warrants was 1.03 years and weighted average exercise price was $0.45 per warrants.

d. 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.

On July 14th, 2022, the Company granted 2,410,000 common share purchase options exercisable at $0.40 per share expiring in three years to directors, management, employees, and consultant of the Company. 25% of the options will vest immediately and 25% every six months. During the year ended March 31, 2023, the Company recorded a total share-based payment amount of $310,154.

On August 3rd, 2022, the Company granted 212,000 common share purchase options exercisable at $0.40 per share expiring in three years to consultants of the Company. 25% of the options will vest immediately and 25% every six months. During the year ended March 31, 2023, the Company recorded a total share-based payment amount of $19,371.

During the fiscal year ended March 31, 2023, 250,000 options were exercised on June 15, 2022, and 100,000 options were expired on March 2nd, 2023. The number of options exercisable as at March 31, 2023 was 5,046,000 (2022 – 4,135,000 options). The weighted average fair value of each option granted was $0.34 (2022 - $0.29).

(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 52-109F1 Certification of Annual Filings is filed on SEDAR.