BIOMARK DIAGNOSTICS INC.

Form 51-102F1
Management's Discussion & Analysis
Quarterly Report
For the Quarter Ended June 30, 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" refer to BioMark Diagnostics Inc. and the subsidiaries through which it conducts its business, unless otherwise indicted or the context requires otherwise.

This management's discussion and analysis ("MD&A") should be read together with the unaudited consolidated interim financial statements for the three months ended June 30, 2023, and our 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, clinical research and commercialization activities. As disclosed in the financial statements, these factors indicate the existence of material uncertainty that may raise significant doubt about the Company's ability to continue as a going concern.

Cautionary Statement About Forward-Looking Statements

This MD&A includes forward-looking statements within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature are forward-looking, and the words such as "anticipate", "believe", "plan", "estimate", "expect", "may", "project", "predict", "potential", "could", "might", "should", "leading", "intend", "contemplate", "shall" and other similar expressions are generally intended to identify forward-looking statements. Forward-looking statements in this MD&A include, but are not limited to, statements with respect to:

- our expected future loss and accumulated deficit levels
- our projected financial position and estimated cash burn rate
- our expectations about the timing of achieving milestones and the cost of our development programs
- our requirements for, and the ability to obtain, future funding on favorable terms or at all
- our projections for the development of the technology platform and progress of each of technologies, particularly with respect to the timely and successful completion of studies and trials and availability of results from such studies and trials

- our expectations regarding the progress, and the successful and timely completion, of the various stages of the regulatory approval process
- our ability to secure strategic partnerships with larger pharmaceutical and biotechnology companies
- our expectations regarding the acceptance of our technologies by the market
- our inability to accelerate developments due to external shocks such as pandemics or supply chain limitations
- our ability to retain and access appropriate staff, management, and expert advisers
- our expectations with respect to existing and future corporate alliances and licensing transactions with third parties, and the receipt and timing of any payments to be made by us or to us in respect of such arrangements; and
- our strategy with respect to the protection of our intellectual property.

All forward-looking statements reflect our beliefs and assumptions based on information available at the time the assumption was made. These forward-looking statements are not based on historical facts but rather on management's expectations regarding future activities, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities.

By its nature, forward-looking information involves numerous assumptions, inherent risks, and uncertainties, both general and specific, known and unknown, that contribute to the possibility that the predictions, forecasts, projections or other forward-looking statements will not occur. In evaluating forward-looking statements, readers should specifically consider various factors, including the risks outlined under the heading "Risk Factors" in this MD&A. Some of these risks and assumptions include, among others:

- substantial fluctuation of losses from quarter to quarter and year to year due to numerous external risk factors, and anticipation that we will continue to incur significant losses in the future
- uncertainty as to our ability to raise additional funding to support operations
- our ability to commercialize our technologies without additional funding
- the risks associated with the development of technologies which are at clinical trial and at pre-clinical study stage
- reliance on the third parties to plan, conduct and monitor our clinical trials and pre-clinical studies
- our technologies may fail to demonstrate efficacy to the satisfaction of regulatory authorities or may not otherwise produce positive results
- risks related to filing applications to commence clinical trials and to continue clinical trials, if approved
- the risks of delays and inability to complete clinical trials due to difficulties enrolling patients
- risks related to obtain approval from regulatory authority to commercialization of technologies
- competitions from other biotechnology and pharmaceutical companies
- our reliance on the capabilities and experience of our key executives and scientists and the resulting loss of any those individuals

- our ability to adequately protect our intellectual property and trade secrets
- our ability to source and maintain licenses from third-party owners; and
- the risk of patent-related litigation,
- all as more fully described under the heading “Risk Factors” in this MD&A

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guaranteeing of future performance and actual results, or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Any forward-looking statements represent our estimates only as of the date of this MD&A and should not be relied upon as representing our estimates as of any subsequent date. We undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or reflect the occurrence of unanticipated events, except as may be required by securities legislation.

1.1 Date of Report: August 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 quarter:

- Businesses are still facing strong inflationary headwinds, supply chain bottlenecks and labour shortages especially in bioinformatics and laboratory technician. Management is taking measures to counteract any negative impact of these factors by instituting agile strategies with resilient operational and financial systems/processes.

- BioMark received an official Notice from the International Bureau of the World Intellectual Property Organization (WIPO) confirming that our GBM PCT related to International PCT Patent Application N° PCT/CA2022/051521 filed on October 14, 2022, was made public on April 20, 2023.

- BioMark signed an NDA with a Brazilian based laboratory on May 16, 2023. This set the stage to explore further collaboration and commercialization options related to its early lung cancer molecular diagnostic for the domestic Brazilian and other South American markets which the party has a leading market presence. The Canadian Trade Commissioner in Brazil continues to provide important country specific information to facilitate a deeper market understanding of the Brazilian market and key health imperatives under the newly elected government. More updates to follow as advancements are made.

- BioMark and AstraZeneca team were invited to present data at the Lord/SynergiQc scientific offsite retreat meeting in Quebec held from May 9-10th, 2023 by IUCPQ. The group discussed progress on the current 4000 lung cancer trial along with other developments.

- BioMark's Quebec based subsidiary, BioMark Diagnostic Solutions Inc ("BDS"), submitted the IP Commercialisation Grant application to the City of Quebec. The grant is to advance commercialisation of patented technologies owned by BioMark. The grant is up to amount of $250,000.00, and it will be split between 2023 and 2024 budget. The city committee will be evaluating the proposal and outcome will be announced accordingly.

- BioMark along with its clinical collaborator at Icahn School of Medicine at Mt. Sinai involving Rolfo applied for the $600,000 Early Detection Award competition that was offered under Lungevity Foundation. Decision is expected later in September 2023.

- On May 31st, 2023, BioMark announced that the U.S. Patent and Trademark Office (USPTO) issued U.S. Patent No. 11,656,229, which was filed as a provisional on June 26, 2015, and titled Method of Detecting Lung Cancer. The issued patent belongs to a larger family of patents on the Company's biomarker panel for detecting lung cancer, and complements similar patents already approved in Japan and Canada and pending in Europe, and China.

- On June 5th, 2023, BioMark announced that its latest leading-edge research was presented during the 2023 American Society of Clinical Oncology (ASCO) Annual Meeting took place in Chicago, Illinois. The poster entitled "Large retrospective validation study of metabolomic biomarkers for resectable lung cancer detection and risk assessment", was

presented by senior author, Dr Andrew Maksymiuk, during the Developmental Therapeutics—Molecularly Targeted Agents and Tumor Biology session on June 3, 2023, from 8:00 – 11:00 a.m. CT at the McCormick Place in Chicago. The objectives of the study were to validate whether BioMark's panel of metabolomic biomarkers improved early lung cancer detection in over 800 plasma samples from patients that underwent lung cancer resection, and to better understand the potential role and intersection between lung cancer and other lung diseases as it relates to screening for at risk population.

- Dr. Don Miller and BioMark applied for grants under Research Manitoba's Innovation Proof-of-Concept program to support further research related to silencing of spermidine/spermine acetyl transferase-1 (SAT1) expression in tumor and enhanced radiation and chemotherapy response for glioblastoma (gbm). Decision is expected in September 2023

- BioMark and its IP attorney are working to secure issuance of additional patents to bolster its patent portfolio. Announcements will be made as necessary.n.

- BioMark is working to collaborate with a US based academic institution that has exceptional capabilities in AI and ML domains to optimize its algorithms for its robust diagnostic assays starting with breast and lung cancers

- 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, 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 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 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. Interest rates and inflationary pressures continue to impact operating costs across the board.

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, applying for lines of credit through financial institutions at attractive terms, tapping into government grants/support programs. In addition, management is in communication with its board on liquidity plans and operational plans to accelerate commercialization and research - initiatives. BioMark ensures that all relevant risks will be disclosed and tailored to the Company's specific situation.

1.3 Selected Quarter Information

The following information is a summary of the three months ended June 30, 2023, as compared to the three months ended June 30, 2022.

The information is presented on the same basis as the consolidated financial statements and should be read in conjunction with the statements and accompanying notes.

	Note	Three months ended June 30, 2023	Three months ended June 30, 2022
		$	$
Revenue		$39,746	$35,900
Expenses:			
Consulting fees	3	85,050	97,550
Depreciation on right-of-use asset	6	99,188	93,303
Depreciation of property and equipment	5	3,313	3,301
Research and development		159,654	149,241
Professional fees		40,734	49,880
Office and miscellaneous		16,386	26,234
Interest and bank charge		25,306	28,252
Filing and transfer agent fees		21,403	20,786
Travel		12,616	12,077
Share-based compensation	9	35,766	-
Total operating expenses		499,416	480,642
Other (income) loss:			
Foreign exchange (gain) loss		-	-
Government grants		(40,815)	(25,583)
Total Other (income) loss		(40,815)	(25,583)
Net loss and comprehensive loss		(418,855)	(419,141)

For discussion of information refer to sections 1.4 and 1.6.

1.4 Discussion of Operations

Three months ended June 30, 2023, compared to three months ended June 30, 2022

The Company generated revenue of $39,746 for the quarter ended June 30, 2023, compared to $35,900 for the same period of the last year, and the net loss remains at the same level from $419,141 (June 30, 2022) to $418,855 (June 30, 2023). BioMark Diagnostics Inc. wholly owned subsidiary BioMark Diagnostic Solutions Inc. ("BDS") entered into research

and collaboration agreements with certain biotech companies. The purpose of entering into these agreements is for BDS to make some revenue and generate cash to finance the research activities of the company. As part of the four agreements signed during the year, BDS provided biotech companies with 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.

	Note	Three months ended June 30, 2023	Three months ended June 30, 2022
		$	$
Expenses:			
Consulting fees	3	85,050	97,550
Depreciation on right-of-use asset	6	99,188	93,303
Depreciation of property and equipment	5	3,313	3,301
Research and development		159,654	149,241
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Interest and bank charge		25,306	28,252
Filing and transfer agent fees		21,403	20,786
Travel		12,616	12,077
Share-based compensation	9	35,766	-
Total operating expenses		499,416	480,642

The total operating expense increased by $18,774 from $480,642 (June 30, 2022) to $499,416 (June 30, 2023), which involved increased share-based compensation and the reduction of consulting fee and professional fees.

Consulting service fees decreased by $12,500 compared to the same period last year, due to a decrease in consulting service rendered from the third party for business development. There has been no significant change to the compensation for its key management. The Company engaged required services on a consulting basis.

The Deprecation of right-of-use assets slightly increased by $5,885 and the depreciation of property and equipment remains at the same level. The Company signed a two-year lease to accommodate its lab space in Quebec City expiring on November 30, 2023, 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 development increased by $10,413 from $149,241 for the quarter ended June 30, 2022, to $159,654 for the quarter ended June 30, 2023. With resumption of research projects and facility expansion in Quebec, the Company hired and trained highly qualified lab staff members. As normality begins and postponed research projects and clinical trials resume, 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. The major expenses will be related to the 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 quarter ended June 30, 2023, were $40,734 compared to $49,880 for the quarter ended June 30, 2022, a decrease of $28,701, due to the timing of the required professional services related to the legal counsel for patent application and filings. The Company anticipates spending a higher amount in the coming quarter 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 decreased by $13,028 from $26,234 for the quarter ended June 30, 2022, to $16,386 for the quarter ended June 30, 2023, mainly due to the reduction of the operating costs for the lab facility in Quebec City and the cost related to participating in international conference.

The interest and bank charge slightly decreased by $2,946 from $28,252 for the quarter ended June 30, 2022, to $25,306 for the quarter ended June 30, 2023, due to the interest accretion on lease liability, short term loan and long-term government loan. 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 6, Note 7 and Note 8 in the Interim Financial Statement.

Filing and transfer agent fees and travel expenses slightly increased by $617 and $539 respectively. With the resumption of research and business development related activities, the Company anticipates spending a higher amount in the coming quarters on travel expenses for business development and collaborative research.

The share-based compensation of $35,766 was reported for the quarter ended June 30, 2023, which increase by $35,766 from $nil (June 30, 2022) to $35,766 on June 30, 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 quarter ended June 30, 2023, the Company recorded a total share-based compensation expenses of $35,766. 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.

The Company had its other income of $40,815 for the quarter ended June 30, 2023, compared to the total other income of $25,583 for the quarter ended June 30, 2022, an increase of $15,232, mainly due to the increase from the government grants.

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 from new strategic investors and institutional funds. Develop 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.

- Select key 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. Add clinical technologist 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.

- Continue to develop deeper partnership / relationships with large biopharma for early lung cancer screening program, Triple Negative breast cancer and glioblastoma in both 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.

	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
	$	$	$	$
Total Revenue	39,746	39,746	36,889	40,957
Expenses	499,416	611,395	475,194	628,833
Net Loss	(418,855)	(501,506)	(393,698)	(527,884)
Loss per Share	(0.00)	(0.00)	(0.00)	(0.00)

	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
	$	$	$	$
Total Revenue	35,900	24,115	19,818	-
Expenses	480,624	831,104	285,092	179,799
Net Loss	(419,141)	(729,872)	(276,697)	(178,394)
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

ASSETS

	June 30, 2023	March 31, 2023
	$	$
Current		
Cash and cash equivalents	175,237	72,037
Amounts receivable	24,461	34,373
Prepaid expenses	19,852	19,852
	219,550	126,262
Pre-paid expense	14,303	14,303
Lont-term investment	3,200	3,200
Property and equipment	41,787	45,100
Right-of-use asset	443,969	543,427
	722,809	732,292

LIABILITIES

	June 30, 2023	March 31, 2023
	$	$
Current		
Accounts payable and accrued liabilities	226,741	220,195
Client Deposit	9,018	10,367
Current portion of lease liability	228,720	281,434
Due to related parties	890,236	827,434
Short – term debt	229,050	229,050
Government loans	97,511	96,303
	1,681,276	1,664,452
Lease liability	182,364	217,415
	1,863,640	1,881,867

The Company has total assets of $722,809 as of June 30, 2023, compared to $732,292 reported on March 31, 2023, and has a negative working capital of $1,461,726. The decrease in assets is the combination of the increased cash and the reduction of amount receivable and right-of-use assets.

On June 30, 2023, the Company had cash and cash equivalents of $175,237 (March 31, 2022 – $72,037) and working capital deficit decreased by $76,464 from $1,538,190 on March 31, 2022, mainly due to the increased current liability on due to related parties. Working capital is defined as current assets less current liabilities. Total liabilities decreased by $18,227 from $1,881,867 as of March 31, 2023, to $ 1,863,640 as of June 30, 2023, mainly due to the decrease of the lease liabilities. The accounts payable and accrued liabilities slightly increased by $6,546 from $220,195 (March 31, 2023) to $226,741 (June 30, 2023). Due to the related parties increased by $62,802 from $827,434 (March 31, 2023) to $890,236 (June 30, 2023) mainly occurred by the unpaid compensations for key management personnel. The current portion of lease liability decreased by $52,383 and lease liability decreased by $35,051 respectively from March 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 5 and Note 6 in the unaudited consolidated interim financial statements for the three months ended June 30, 2023.

The Company entered into two agreements to fund operations and project costs of the business with the Government of Canada under the Regional Relief and Recovery Fund (RRRF) and the Canada Emergency Business Account (CEBA). Both government loans 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 8 in the Interim Financial Statement.

On February 8, 2022, 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); the fiscal years ending March 31, 2022, and March 31, 2023. (Hereinafter the "Tax Credits"). The Agreement was automatically renewed for another 12 months.

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, minus the financing fees of $2,041, was obtained on September 7th, 2022, with the same conditions. During the year ended March 31, 2023, the Company has recorded interest expenses of $33,530 (2022 - $2,100) in interest and bank charges on the condensed consolidated interim statements of loss and comprehensive loss. As of June 30, 2023, the interest payable was $Nil (2022 - $Nil), and the outstanding balance of loan principal is $235,000 (2022 - $150,000).

SHAREHOLDERS' DEFICIENCY

	June 30, 2023	March 31, 2023
	$	$
Share capital	8,238,812	8,238,812
Share subscriptions received	749,959	358,126
Contributed surplus	2,267,522	2,231,756
Deficit	(12,397,124)	(11,978,269)
	(1,140,831)	(1,149,575)

On June 30, 2023, share capital was $8,238,812 comprising 83,286,229 issued and outstanding common shares (March 31, 2023, it was $8,238,812 comprising 83,286,229 issued and outstanding common shares). Contributed Surplus on June 30, 2023, is $2,231,756 (March 31, 2023 - $2,231,756), the increase is mainly due to the share-based compensation that was recognized for a total of $35,766 during the quarter ended June 30, 2023. As a result of the net loss for the three months ended June 30, 2023, of $418,855 and the deficit on June 30, 2023, increased to $12,397,124 compared to $11,978,269 on March 31, 2023.

At present, the Company's operations do not generate cash inflow from the commercialization of its assays. Revenue consists primarily of income generated on the lab research and development services rendered to the third parties, and its financial success after June 30, 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 and lab certification.

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

1.9 Transactions Between Related Parties

During the quarter ended June 30, 2023, the Company entered into the following transactions with related parties:

a) For the quarter ended June 30, 2023, directors and officers of the company provided consulting services to the company of $85,050. These charges are included in consulting fees. Consulting fees from the CEO was $60,000 and the Interim CFO who also performed duties as Project Director was $25,050 for the quarter ended June 30, 2023. As of June 30, 2023, the Company has $722,446 due to CEO (2022 - $554,446). The balance owing to the interim CFO as of June 30, 2023, is $76,243 (2022 - $12,533). The balances due to related parties are unsecured, non-interest bearing and without fixed repayment terms.

b) For the quarter ended June 30, 2023, the Company recognized $23,404 (2022 - $nil) of share-based compensation for stock options held by director and officers.

c) For the quarter ended June 30, 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 of June 30, 2023 (2022 – 49.23%). The CEO owns more than 10% interest in the Company.

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

achieving a market capitalization of at least $75 million USD over a period of 30 trading days. According to the Agreement, the Company engaged CEO service to provide important services that include develop and direct the corporate strategy, resource allocation, review acquisitions or partnerships, drive or generate revenue growth, hire, and retain staff as necessary, support in capital raise rounds, manage past relationships and build business and collaborations. The Company has not compensated the CEO with a cash bonus based on these trading price calculations.

1.10 Fourth Quarter

N/A

1.11 Proposed Transactions

N/A

1.12 Critical Accounting Estimates

The preparation of these consolidated financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The more significant areas are as follows:

- the estimates and assumptions used in the 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 June 30, 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 of June 30, 2023, the Company had 83,286,229 common shares issued and outstanding.

c. Share Purchase Warrants

As of June 30, 2023, the Company had 6,177,579 shareholder warrants issued and outstanding of which 1,115,579 warrant will entitle the holders to acquire one share at a price of $0.45 per share until December 13, 2023, and 5,062,000 warrants will entitle the holders to acquire one share at price of $0.45 per share until May 4, 2024. The weighted average life remaining for these warrants was 1.03 years.

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.

The number of options exercisable as of June 30, 2023, was 5,046,000 (2022 – 3,835,000 options). The weighted average life remaining for these options were 1.65 years and weighted average exercise price was $0.33 per option.

(iii) Section 5.7 – Additional Disclosure for Reporting Issuers with Significant Equity Investees.
Not Applicable.

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

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