BIOMARK DIAGNOSTICS INC.

Form 51-102F1
Management's Discussion & Analysis
Quarterly Report
For the Quarter Ended September 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 indicated 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 six months ended September 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: November 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 located at 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 with persistently high interest rates, financial system instability due to evolving risk, the rapid rise in AI and automation, geopolitical tensions, and skilled labour shortages, especially in recruiting bioinformatics and laboratory technicians. Management is taking measures to counteract any negative impact of these factors by instituting agile strategies with resilient operational and financial systems/processes.

- The Company expanded its technical team and hired two additional staff members to support all activities related to securing lab certification and running clinical samples as it prepares the launch of its early lung cancer assay by Q4 2023. Funding to support the hiring of the personnel was provided by NRC-IRAP. The company is looking to expand its workforce in the near term to support the future scale-up of the operation.

- On July 25th, 2023, BioMark issued a statement on recent market activity and provided a brief corporate update. The Company was unaware of any material change in its operation that would account for the recent increase in market activity and higher volume of daily trading. BioMark has been making significant strides in getting ready for clinical laboratory certification of its operations based in Quebec. The management is focused on activities that will propel its commercialization drive and accelerate its revenue generation potential later in Q4 of 2023.

- On July 27th, 2023, BioMark was notified that its paper Titled: Metabolomic Fingerprinting for the Detection of Early-Stage Lung Cancer: From the Genome to the Metabolome" was selected as the Top Downloaded Papers of IJMS in 2022. Link: http://www.mdpi.com/1422-0067/23/3/1215

- In July 2023, the Company conducted and successfully completed the annual audit with the auditor, MNP LLP – Audited Financial Statement and MD&A filed in SEDAR and Canadian Securities Exchange as required by regulators.

- On August 8th, 2023, BioMark announced that the Japan Patent Office (JPO) issued Divisional Patent Application N° 7311659 titled "Methods of detecting lung cancer" using urine biomarkers. The issued patent belongs to a larger family of patents on the Company's biomarker panel for detecting lung cancer.

- The company has completed the recruitment of patients enrolled under the measuring response to immunotherapy for advanced-stage lung cancer trials that are being conducted at IUCPQ under Dr. Joubert. Results are expected by Q4 2023. This is sponsored research funded by Foundation grant. Sample analysis will be conducted at BioMark's lab in Quebec.

- On August 30th, 2023, BioMark announced that Vice Admiral Kevin Cosgriff would be joining BioMark's Advisory team to support its innovation and investment strategy. His experience and connections will be valuable as BioMark makes a committed effort to

hasten commercialization of its early lung cancer assay. Similarly, he will aid BioMark to expand its clinical research collaborations in the U.S. for other vertical indications which it holds in its patent estate."

- On August 30th, 2023, BioMark was featured in the local newspaper LeSoleil in Quebec under the title "Une technologie d'ici pour mieux diagnostiquer le cancer du poumon".

- BioMark submitted the Expression of Interest Form to GENESOLVE program along with Professor Thomas John Velenosi at the University of British Columbia on August 31st, 2023. The project is to utilize SSAT1 liquid biopsy for the detection of BRCA-mutated triple-negative breast cancer and assess Olaparib (drug) treatment effectiveness. Decision from Genome BC is expected in late 2023 for a full application.

- On August 31st, 2023, BioMark received a Conditional Approval Letter notification under HS26096 (B2023:074) from the University of Manitoba Research and Compliance office for its urinary Excretion of Rimantadine Metabolites by Cancer Patients.

- The company has completed the recruitment of patients enrolled under the measuring response to immunotherapy for advanced-stage lung cancer trial that are being conducted at IUCPQ under Dr. P. Joubert. Results are expected by Q4 2023. This sponsored research is funded by a Foundation grant. Sample analysis will be conducted at BioMark's lab in Quebec. A positive outcome of the studies will further demonstrate BioMark's diagnostic assay in differentiating patients who respond vs non-responders faster to immunotherapy treatment which ultimately leads to better quality-of-life treatment selection for patients and overall cost savings. BioMark's assay is intended to monitor response faster and more accurately.

- BioMark collaboration with its US-based academic institution which has exceptional capabilities in AI and ML domains has yielded very promising data on its breast cancer studies that the company will present at an upcoming symposium in the United States. The data analytics and AI team successfully amplified the overall accuracy of the assay on both the sensitivity and specificity measures. The company intends to file for new patents related to this development.

- Decision Letters and Presentation Instructions on BioMark's abstract entitled "Early Detection of Breast Cancer using Targeted Plasma Metabolomic Profiling" will be announced by Mid-October. BioMark submitted an Abstract for a Poster Presentation at the upcoming 2023 San Antonio Breast Cancer Symposium (SABCS) taking place from December 5 to 9, 2023, in San Antonio, Texas. This symposium is a premier global event for breast cancer.

- BioMark's senior management team had a preliminary meeting with a leading reimbursement organization to help understand the opportunities and challenges in securing reimbursement in the United States. This is of vital importance to the company's US market entry strategy initially for its lung cancer diagnostic assays.

- On September 26th, 2023, BioMark participated in "Eureka Investment Readiness Programme - 2023 Online session with Siemens Healthineers". Siemens Healthineers is a global provider of healthcare solutions and services, with activities in numerous countries around the world. It develops, manufactures, and sells a diverse range of innovative diagnostic and therapeutic products and services to healthcare providers worldwide. During this session, Siemens Healthineers presented how they currently work with startups, presented a challenge, and invited companies to apply and present their solutions. Only selected companies would be contacted for further discussions with the senior management group at Siemens Healthlineers.

  BioMark intends to discuss with its collaborating US AI and ML group if we would like to present potential synergetic diagnostic and ML projects that could be well received by Siemens Healthineers group. The deadline for submitting a proposal and a pitch deck is October 13th, 2023.

  About Eureka:

  Eureka is an international network for industrial research and development (R&D) collaboration that includes over 45 economies from Europe, Israel, South Korea, Argentina, Chile, Singapore and Canada. This unique and powerful platform has made it easier for Canadian small and medium-sized enterprises (SMEs) to accelerate their growth through access to global value chains and collaboration with international partners.

  The National Research Council of Canada (NRC) is Canada's National Office for Eureka and provides Canadian companies, researchers and academics with a first point of contact and access to the expansive global network.

- On September 28th, 2023, BioMark's subsidy BioMark Diagnostics Solution hosted an event organized by Quebec International and Québec VITAE on "The resilience of businesses in life sciences" in Quebec City. It was an inspiring event that highlighted the resilience of 3 companies active in different sectors, but still connected by omics (personalized health). Attendees had the chance to meet and visit the laboratories of Biomark Diagnostics Inc, BioTwin and Harvest Genomics, as well as to better understand the growth opportunities offered by adMare BioInnovations.

- 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 on BioMark over the past three years. With the resumption of research projects, there is marked progress in clinical trial recruitment related to early lung cancer trials at IUCPQ and 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 a 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 resiliency 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, and 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 and six months ended September 30, 2023, as compared to the three months and six months ended September 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.

		For the three-month period ended		**For the six-month period ended**	
	Note	**September 30, 2023**	September 30, 2022	**September 30, 2023**	September 30, 2022
Revenue		**$ 42,126**	$ 40,957	**$ 81,872**	$ 76,857
Expenses					
Consulting fees	3	**110,035**	99,050	**195,085**	196,600
Depreciation on right-of-use asset	6	**87,149**	93,303	**186,337**	186,606
Depreciation of property and equipment	5	**3,366**	3,301	**6,679**	6,602
Research and development		**94,487**	71,677	**254,141**	220,918
Professional fees		**87,033**	71,353	**127,768**	121,233
Office and miscellaneous		**35,055**	24,737	**51,440**	50,971
Interest and bank charges		**21,884**	30,008	**47,190**	58,260
Filing and transfer agent fees		**24,946**	25,218	**46,349**	46,004
Travel		**1,893**	9,473	**14,509**	21,550
Share-based compensation	9	**32,449**	200,713	**68,215**	200,713
Total operating expenses		**498,297**	628,833	**997,713**	1,109,457
Other expenses (income)					
Foreign exchange (gain) loss		**(646)**	-	**(646)**	-
Tax Credit income		**(193,490)**		**(193,490)**	-
Government grants		**(48,034)**	(59,992)	**(88,849)**	(85,575)
Total other expenses (income)		**(245,708)**	(59,992)	**(286,523)**	(85,575)
Net loss and comprehensive loss		**$ (210,463)**	$ (527,884)	**$ (629,318)**	$ (947,025)

For discussion of information refer to sections 1.4 and 1.6.

1.4 Discussion of Operations

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

The Company generated revenue of $42,126 for the quarter ended September 30, 2023, compared to $40,957 for the same period of last year. The net loss decreased by $317,421 from $527,884 (September 30, 2022) to $210,463 for the quarter ended September 30, 2023, which was largely due to the increased tax credit income along with the reduced share-based compensation.

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 the research activities of the company. Four agreements were signed during the quarter, 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.

The total operating expense decreased by $449,034 from $628,833 (September 30, 2022) to $498,297 (September 30, 2023), mainly due to the reduction of share-based compensation. Consulting service fees increased by $10,985 compared to the same period of last year, due to the consulting service rendered from the third party for business development and international collaborations. There has been no significant change to the compensation for key management. The Company engaged required services on a consulting basis.

The Depreciation of right-of-use assets and property decreased by $6,154 due to the Company's acquisitions of laboratory and computer equipment and existing lease agreement for the lab space in Quebec City, QC and office in Richmond, BC. The details of accounting standards and the calculation of depreciation on asset, Right-of-use Asset and Lease Liability are discussed respectively on Note 3, Note 5 and Note 6 in the Interim Financial Statement. Under Note 5, computers are recorded at cost and amortized over three years; laboratory equipment is recorded at cost and amortized over five years. Under Note 6, the equipment is related to the newly acquired instruments via the third-party leasing company and is amortized over five years.

Research and development increased by $22,810 from $71,677 for the quarter ended September 30, 2022, to $94,487 for the quarter ended September 30, 2023. With the resumption of research projects and facility expansion in Quebec, the Company expects higher research and other related expenses in the coming quarters. 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 the USA.

Professional fees for the quarter ended September 30, 2023, were $87,033 compared to $71,353 for the quarter ended September 30, 2022, an increase of $15,680, due to the timing of the required professional services related to the annual audit, accounting and the legal counsel for patent application and filings. The Company anticipates spending a higher amount in the next quarter due to the timing and stage of the patent applications and filings. The Company continues to build its patent portfolio applications/filings and advance its patent registration in different geographic jurisdictions. These investments are important intangible assets for a biotechnology company, yet the value has not been reported or captured in the current balance sheet.

Office and miscellaneous increased by $10,318 from $24,737 for the quarter ended September 30, 2022, to $35,055 for the quarter ended September 30, 2023, mainly due to the operating costs and insurance for the lab facility in Quebec City and the cost related to increased business activities.

The interest and bank charge decreased by $8,124 from $30,008 for the quarter ended September 30, 2022, to $21,884 for the quarter that ended September 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.

The share-based compensation of $32,449 was reported for the quarter ended September 30, 2023, which decreased by $168,264 from $200,713 on September 30, 2022. During the quarter ended September 30, 2023, there were an additional 1,807,500 options that became exercisable on July 14, 2023, and 159,000 options became exercisable on August 3, 2023. The Company used the Black-Scholes option pricing model with weighted average assumptions and resulting values for the granted options. The details of the share-based compensation are discussed on Note 9 in the Interim Statement. 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.

Filing and transfer agent fees during the period remained at a similar level to the previous year with a slight increase of $272. Travel expenses decreased by $7,580 compared to the same period of the previous year, which had the costs incurred for attending the international conference. With the resumption of research and business development-related activities, the Company anticipates spending a higher amount in the coming quarters for business development and collaborative research.

The Company had its other income of $245,708 for the quarter ended September 30, 2023, compared to the total other income of $59,992 for the quarter ended September 30, 2022, an increase of $185,716, mainly due to the increase from tax credit income.

The six months ended September 30, 2023, compared to six months ended September 30, 2022

The Company generated revenue of $81,872 for the six months ended September 30, 2023, and has recorded a net loss of $629,318. The net loss decreased by $317,707 compared to the six months ended September 30, 2022, which is the combination of the decreased operating expenses related share-based compensation and increased other incomes from tax credit income.

Research and other increased by $33,223 from $220,918 for the six months ended September 30, 2022, to $254,141 for the six months ended September 30, 2023. The increased expense is mainly due to the occurred costs with resumed research projects and expansion projects in Quebec. A slight increase of $6,535 for professional fees mainly due to the timing and stage of the patent filings and required legal services. Consulting fee, office and miscellaneous and filing and transfer agent fees remain at the same level compared to the six months ended September 30, 2022.

The share-based compensation decreased by $132,498 compared to $200,713 as reported for the six months ended September 30, 2022, due to the issued options in July and August for services rendered by scientific advisors and consultants as consulting services to support scientific and research development activities over the past few years, which keeps the Company operated in a limited funding resource. Travel expenses slightly decreased by $7,041 compared to the six months ended September 30, 2022, due to the time of attending the international conference.

The other income increased by $200,948 from $ 85,575 as of September 30, 2022, to $286,523 as of September 30, 2023, mainly due to the increased tax credit income under the Company's Quebec-based subsidiary, BDS. The grants 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 remains at the same level.

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 engaging 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 are being conducted at IUCPQ under Dr. Joubert through a Fondation support grant. Results are expected in Q4 at the earliest.

- Looking to receive the full set of plasma samples from its collaborating partner - the 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". The analysis will be performed at The Metabolomics Innovation Centre using a special mega panel for this important discovery and validation phase of the study. Later BioMark's lab in Quebec will revalidate the assay.The first readout is expected by the end of Q2 2024.

- 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 peer-reviewed manuscripts, especially following results of the larger lung cancer trial in Quebec, response to treatment for late-stage lung cancer, early breast cancer on 280 samples from US patient cohort, glioblastoma research clinical work being conducted at the University of Manitoba. It is important to keep science and discovery relevant to the scientific and 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.

- 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 a 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 the 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 the 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 Q4 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 the development of its 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.

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

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

<u>Bio-Stream Diagnostics Inc.</u>

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 Government 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.

	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
	$	$	$	$
Total Revenue	42,126	39,746	39,746	36,889
Expenses	498,297	499,416	611,395	475,194
Net Loss	(210,463)	(418,855)	(501,506)	(393,698)
Loss per Share	(0.00)	(0.00)	(0.00)	(0.00)

	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
	$	$	$	$
Total Revenue	40,957	35,900	24,115	19,818
Expenses	628,833	480,624	831,104	285,092
Net Loss	(527,884)	(419,141)	(729,872)	(276,697)
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

	September 30, 2023	March 31, 2023
	$	$
Current		
Cash and cash equivalents	168,445	72,037
Amounts receivable	30,239	34,373
Prepaid expenses	19,852	19,852
	218,536	126,262
Pre-paid expense	14,303	14,303
Long-term investment	3,200	3,200
Property and equipment	39,379	45,100
Right-of-use asset	356,820	543,427
	632,238	732,292

LIABILITIES

	September 30, 2023	March 31, 2023
	$	$
Current		
Accounts payable and accrued liabilities	294,613	220,195
Client Deposit	9,018	10,367
Current portion of lease liability	175,782	281,434
Due to related parties	964,039	827,434
Short–term loan	95,951	229,050
Government loans	98,748	96,303
	1,638,151	1,664,452
Lease liability	145,956	217,415
	1,784,107	1,881,867

The Company has total assets of $632,238 as of September 30, 2023, compared to $1,007,907 reported on September 30, 2022, and has a negative working capital of $1,419,615. The increase in assets is mainly due to the increase of property and equipment and right-of-use asset.

On September 30, 2023, the Company had cash and cash equivalents of $168,445 (September 30, 2022 – $161,207). The working capital deficit increased by $314,832 from September 30, 2022 ($1,104,783) mainly due to the increase of accounts payable and accrued liabilities and the accumulated amount due to related parties. Working capital is defined as current assets less current liabilities. Total liabilities increased by $34,891 from $1,749,216 as of September 30, 2022, to $1,784,107 as of September 30, 2023, which is mainly due to the increase of accounts payable and accrued liabilities and the accumulated amount due to related parties. The accounts payable and accrued liabilities increased by $250,490 from $44,123 (September 30, 2022) to $294,613 (September 30, 2023). Due to the related parties increased by $259,210 from $704,829 (September 30, 2022) to $964,039 (September 30, 2023) mainly occurred by the unpaid compensations for key management personnel. The reduction long-term Lease liability of $175,807 from $321,763 for the same period of the previous year. 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 six months ended September 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 September 30, 2023, the interest payable was $Nil (2022 - $Nil), and the outstanding balance of loan principal is $101,900 (2022 - $235,000).

SHAREHOLDERS' DEFICIENCY

	September 30, 2023	March 31, 2023
	$	$
Share capital	8,238,812	8,238,812
Share subscriptions received	916,935	358,126
Contributed surplus	2,299,971	2,231,756
Deficit	(12,607,587)	(11,978,269)
	(1,151,869)	(1,149,575)

On September 30, 2022, share capital was $8,238,812 comprising 83,286,229 issued and outstanding common shares (September 30, 2022, it was $8,238,812 comprising 83,286,229 issued and outstanding common shares). Contributed Surplus on September 30, 2022, is $2,299,971 (September 30, 2022 - $2,084,833), the increase is the result of the combination of options exercised in June 2022 and the contributed surplus that has been allocated to the options became exercisable in the quarter ended September 30, 2023, by using the Black Scholes option pricing model with weighted average assumptions and resulting values for grants. As a result of the net loss for the six months ended September 30, 2022, of $629,318 (September 30, 2022 – $947,025) the deficit on September 30,2023 increased to $12,607,587 compared to $11,064,954 on September 30, 2022.

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 September 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 September 30, 2023, the Company entered into the following transactions with related parties:

a) For the quarter ended September 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 September 30, 2023. As of September 30, 2023, the Company has $772,946 due to CEO (2022 -

$589,446). The balance owing to the interim CFO as of September 30, 2023, is $99,545 (2022 - $23,835). The balances due to related parties are unsecured, non-interest bearing, and without fixed repayment terms.

b) For the quarter ended September 30, 2023, the Company recognized $11,611 (2022 - $88,084) of share-based compensation for stock options held by director and officers.

c) For the quarter ended September 30, 2023, the Company has a 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 September 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 installments 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.sedarplus.ca

(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 September 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 September 30, 2023, the Company had 83,286,229 common shares issued and outstanding.

c. Share Purchase Warrants

As of September 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 0.54 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 September 30, 2023, was 5,701,500 (2022 – 6,457,000 options). The weighted average life remaining for these options were 1.44 years and weighted average exercise price was $0.34 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.