

Biomark Diagnostics Inc.
Condensed Consolidated Interim
Financial Statements

For the nine-month period ended
December 31, 2023 and 2022

(Stated in Canadian Dollars)

(Unaudited - Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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

	Note	December 31, 2023	March 31, 2023
Assets			
Current			
Cash and cash equivalents		\$ 313,032	\$ 72,037
Amount receivable		47,456	34,373
Prepaid expenses		19,852	19,852
		380,340	126,262
Prepaid expenses		14,303	14,303
Long-term investments	4	3,200	3,200
Property and equipment	5	38,161	45,100
Right-of-use asset	6	913,240	543,427
		\$ 1,349,244	\$ 732,292
Liabilities and Shareholders' Deficiency			
Current			
Accounts payable and accrued liabilities		\$ 81,831	\$ 220,195
Client deposit		8,344	10,367
Current portion of lease liability	6	341,103	281,103
Due to related parties	3	735,276	827,434
Short-term loan	7	95,951	229,050
Government loans	8	100,000	96,303
		1,362,505	1,664,452
Lease liability	6	546,510	217,415
		1,909,015	1,881,867
Shareholders' Deficiency			
Share capital	9	10,176,811	8,238,812
Shares to be issued	9	-	358,126
Contributed surplus		2,322,540	2,231,756
Deficit		(13,059,122)	(11,978,269)
		(559,771)	(1,149,575)
		\$ 1,349,244	\$ 732,292

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

On behalf of the Board

Rashid Ahmed

Rashid Ahmed, Director

Bram Ramjiawan

Dr. Bram Ramjiawan, Director

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

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

	Note	For the three-month period ended		For the nine-month period ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Revenue		\$ 41,543	\$ 36,889	\$ 123,415	\$ 113,746
Expenses					
Consulting fees	3	100,050	85,050	295,135	283,255
Depreciation on right-of-use asset	6	95,888	86,933	282,225	273,539
Depreciation of property and equipment	5	3,418	3,313	10,096	9,914
Research and development		185,105	59,876	439,246	280,794
Professional fees		25,015	43,167	152,783	162,795
Office and miscellaneous		22,379	22,390	73,820	73,361
Interest and bank charges		20,071	22,283	67,261	80,543
Filing and transfer agent fees		23,083	24,462	69,432	70,466
Travel		11,620	5,011	26,129	26,561
Share-based compensation	9	15,795	122,709	84,010	323,422
Total operating expenses		502,424	475,194	1,500,137	1,584,650
Other expenses (income)					
Foreign exchange (gain) loss		41	-	(605)	-
Tax credit income		-	-	(193,490)	-
Government grants		(54,161)	(44,607)	(143,010)	(130,182)
Interest income		-	-	(3,538)	-
Total other expenses (income)		(54,120)	(44,607)	(340,643)	(130,182)
Net loss and comprehensive loss		\$ (406,761)	\$ (393,698)	\$ (1,036,079)	\$ (1,340,722)
Basic and diluted loss per share		\$ (0.02)	\$ (0.02)	\$ (0.02)	\$ (0.02)
Weighted average number of common shares outstanding		85,238,142	82,777,884	85,238,142	82,777,884

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

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

For the nine-month period ended December 31	2023	2022
Cash flows from operating activities		
Net loss and comprehensive loss	\$ (1,036,079)	\$ (1,340,722)
Items not affecting cash		
Shares-based compensation	84,010	323,422
Accretion on long-term government loans	3,697	(1,180)
Depreciation of property and equipment	10,096	9,914
Depreciation of right-of-use of asset	282,225	273,539
Interest on lease liability	41,466	-
	<u>(614,585)</u>	<u>(735,027)</u>
Changes in non-cash working capital items related to operations:		
Amounts receivable	(13,083)	60,057
Accounts payable and accrued liabilities	(138,364)	(60,891)
Client deposit	(2,023)	(3,334)
	<u>(768,055)</u>	<u>(739,195)</u>
Cash used in operating activities	<u>(768,055)</u>	<u>(739,195)</u>
Cash flows from investing activity		
Purchase of property and equipment	(3,158)	(5,298)
	<u>(3,158)</u>	<u>(5,298)</u>
Cash flows from financing activities		
Advances from related parties	267,908	267,908
Repayment of due to related parties	(360,065)	(415,000)
Repayment of lease liability	(304,410)	(224,919)
Proceeds from common shares	1,541,874	603,195
Repayment of capital loan	(133,099)	-
Exercise of options	-	37,500
Share subscriptions received	-	141,998
Proceeds from loans	-	85,000
	<u>1,012,208</u>	<u>495,682</u>
Increase (decrease) in cash	240,995	(248,811)
Cash and cash equivalents, beginning of period	72,037	382,711
Cash and cash equivalents, end of period	\$ 313,032	\$ 133,900

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

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

December 31, 2023

	Number of Shares	Share Capital	Shares to be issued	Contributed Surplus	Deficit	Total
Balance, March 31, 2022	77,974,229	\$ 7,121,490	\$ 662,305	\$ 1,698,442	\$ (10,117,929)	\$ (635,692)
Share subscriptions received	-	-	358,126	-	-	358,126
Share issued for cash	5,062,000	1,063,020	(662,305)	202,480	-	603,195
Exercise of options	250,000	54,302	-	(16,802)	-	37,500
Share-based compensation	-	-	-	329,525	-	329,525
Warrants extended	-	-	-	18,111	(18,111)	-
Warrants issued - agents	-	-	-	-	-	-
Comprehensive loss	-	-	-	-	(1,842,229)	(1,842,229)
Balance, March 31, 2023	83,286,229	8,238,812	358,126	2,231,756	(11,978,269)	(1,149,575)
Share subscription received	-	-	1,283,809	-	-	1,283,809
Shares issued for cash	7,600,000	1,938,000	(1,641,935)	(38,000)	-	258,065
Warrants extended	-	-	-	44,774	(44,774)	-
Share-based compensation	-	-	-	84,010	-	84,010
Comprehensive loss	-	-	-	-	(1,036,079)	(1,036,079)
Balance, December 31, 2023	90,886,229	\$ 10,176,812	\$ -	\$ 2,322,540	\$ (13,059,122)	\$ (559,770)

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

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

December 31, 2023

1. Nature and Operations and Going Concern

BioMark Diagnostics Inc. ("BioMark Diagnostics" or the "Company") was incorporated on June 19, 2014, under the *Business Corporation Act of British Columbia*. The head office of the Company is 130 - 3851 Shell Rd, Richmond, British Columbia, V6X 2W2. The ultimate parent of BioMark Diagnostics is BioMark Technologies Inc. ("BTI"), which is located at the same address as the Company.

The Company is developing its early-stage cancer diagnostic technology platform. BioMark Diagnostics' cancer diagnostics technology platform leverages "Omics" and machine learning with a focus on how to detect and treat cancers. BioMark Diagnostics is currently focused on bringing its liquid biopsy-based cancer diagnostic tests and detection solution to commercialization. The Company is currently listed for trading on the Canadian Securities Exchange under the symbol "BUX", OTC Market under the symbol "BMKDF" and Frankfurt Stock Exchange under the symbol "20B".

Going Concern

These condensed consolidated interim financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for the next twelve months. During the period ended December 31, 2023, the Company incurred a net loss of \$1,036,079 (2022 - net loss of \$1,340,722) and as at December 31, 2023, the Company had accumulated deficit of \$13,059,122 (2022 - deficit of \$11,476,762). Management is of the opinion that sufficient external financing will be obtained in the future to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. The Company's ability to continue its operations is uncertain and is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors the next twelve months.

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

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

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

December 31, 2023

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. These condensed consolidated interim financial statements should be read in conjunction with the Company's condensed consolidated financial statements for the year ended March 31, 2023.

These financial statements are based on the accounting policies consistent with those disclosed in Note 3 to the 2023 annual condensed consolidated financial statements.

Basis of Measurement and Consolidation

The condensed consolidated interim financial statements have been prepared on a going concern basis and are based on historical costs, except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below.

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, BioMark Cancer Systems Inc. ("BioMark Cancer"), BioMark Diagnostic Solutions Inc. ("BioMark Diagnostic Solutions") and BioMark Cancer Diagnostics USA Inc. ("BioMark Cancer Diagnostics USA"). BioMark Cancer was incorporated on February 27, 2014, under the *Business Corporation Act of British Columbia*. BioMark Diagnostic Solutions was incorporated on August 17, 2020, under the *Business Corporation Act of Quebec*. BioMark Cancer Diagnostics USA was incorporated on January 2, 2019, in the State of Delaware, United States. All material inter-company balances and transactions have been eliminated upon consolidation.

The condensed consolidated interim financial statements are presented in Canadian dollars, unless otherwise noted, which is also the functional currency for the Company and its wholly owned subsidiaries.

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

December 31, 2023

3. Related Parties Transactions and Balances

During the period ended December 31, 2023, the Company has the following transactions with and balances owed to BTI:

	December 31, 2024	December 31, 2023
Owing to BTI	\$ 91,548	\$ 91,548

BTI holds approximately 45.12% of the common shares of the Company as at December 31, 2023 (2022 - 49.23%). The CEO owns more than 10% interest in the Company.

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

On April 1, 2021, the Company entered into an Independent Contractor Agreement (the "Agreement") with the CEO of the Company. According to the Agreement, the Company shall pay the CEO \$20,000 with applicable tax per calendar month, to be paid monthly or in such other instalments and at such other times as the CEO and the Company may mutually agree in writing. The Company shall pay all reasonable business and out-of-pocket expenses actually and properly incurred by the CEO from time to time in furtherance of or in connection with the services including, but not limited to, all reasonable travel and other business expenses. The CEO will be entitled to a cash bonus in the amount of \$250,000 upon the Company achieving a market capitalization of at least \$75 million USD over a period of 30 trading days. According to the Agreement, the Company engaged CEO service to provide important services that include develop and direct the corporate strategy, resource allocation, review acquisitions or partnerships, drive or generate revenue growth, hire, and retain staff as necessary, support in capital raise rounds, manage past relationships and build business and collaborations. The Company has not compensated the CEO with a cash bonus based on these trading price calculations.

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

December 31, 2023

Short-term key management compensation consists of the following:

	For the three-month period ended		For the nine-month period ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Transactions				
Consulting fees:				
CEO and a company controlled by the CEO	\$ 60,000	\$ 60,000	\$ 180,000	\$ 180,000
Interim CFO	25,050	25,050	75,150	75,150
	\$ 85,050	\$ 85,050	\$ 255,150	\$ 255,150

As at December 31, 2023, the Company has \$542,881 (2022 - \$637,446) due to the CEO and \$100,848 (2022 - \$41,138) due to the Interim Chief Financial Officer ("CFO"). The balances due to related parties are unsecured, non-interest bearing and without fixed repayment terms.

4. Long-term Investments

On June 3, 2020, the Company entered into a license agreement with Bio-Stream Diagnostics Inc. ("Bio-Stream") to provide Bio-Stream with the right to use one of its patents for a one-time cash fee of \$10. Bio-Stream was incorporated in the province of Alberta on June 1, 2020 by the Company, Stream - ML Technologies Inc., Merogenomics Inc., and Gamble Technologies Limited. As of December 31, 2023, the Company held 20.53% (2022 - 22.44%) of Bio-Stream's issued and outstanding common shares, and the Company's CEO has been appointed as one of the four directors. This investment is recorded at cost.

Biomark Diagnostics Inc.
Notes to Condensed Consolidated Interim Financial Statements
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(Unaudited - Prepared by Management)

December 31, 2023

5. Property and Equipment

	Computers	Equipments	Total
Cost			
Balance, as at March 31, 2022	\$ 3,405	\$ 55,796	\$ 59,201
Additions	-	5,299	5,299
Disposals	-	-	-
Balance, as at March 31, 2023	3,405	61,095	64,500
Additions	3,158	-	3,158
Balance, as at December 31, 2023	<u>\$ 6,563</u>	<u>\$ 61,095</u>	<u>\$ 67,658</u>
Accumulated depreciation			
Balance, as at March 31, 2022	\$ 567	\$ 5,580	\$ 6,147
Depreciation for the year	1,135	12,118	13,253
Balance, as at March 31, 2023	1,702	17,698	19,400
Depreciation for the period	958	9,138	10,096
Balance, as at December 31, 2023	<u>\$ 2,660</u>	<u>\$ 26,836</u>	<u>\$ 29,496</u>
Net book value			
March 31, 2022	\$ 2,838	\$ -	\$ 53,054
March 31, 2023	<u>\$ 1,703</u>	<u>\$ 43,397</u>	<u>\$ 45,100</u>
December 31, 2023	<u>\$ 3,903</u>	<u>\$ 34,259</u>	<u>\$ 38,162</u>

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

December 31, 2023

6. Right-of-use Asset and Lease Liability

	Equipment	Office Lease	Total
Cost			
At March 31, 2022	\$ 674,765	\$ 419,391	\$ 1,094,156
Additions during the year	-	-	-
Disposals during the year	-	-	-
At March 31, 2023	674,765	419,391	674,765
Additions during the year	-	652,039	652,039
Disposals during the year	-	(419,391)	(419,391)
At December 31, 2023	<u>\$ 674,765</u>	<u>\$ 652,039</u>	<u>\$ 1,326,804</u>
Accumulated Depreciation			
At March 31, 2022	\$ 98,403	\$ 79,383	\$ 177,786
Depreciation for the year	168,421	204,522	372,943
Disposals during the year	-	-	-
At March 31, 2023	266,824	283,905	131,338
Depreciation of the period	126,518	155,707	282,225
Disposals during the year	-	(419,391)	(419,391)
At December 31, 2023	<u>\$ 393,342</u>	<u>\$ 20,221</u>	<u>\$ 413,563</u>
Net Book Value			
At March 31, 2022	<u>\$ 576,362</u>	<u>\$ 340,008</u>	<u>\$ 916,370</u>
At March 31, 2023	<u>\$ 407,941</u>	<u>\$ 135,486</u>	<u>\$ 543,427</u>
At December 31, 2023	<u>\$ 281,423</u>	<u>\$ 631,818</u>	<u>\$ 913,241</u>

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

December 31, 2023

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

Lease Liability

	Equipment	Office Lease	Total
At March 31, 2022	\$ 454,722	\$ 354,322	\$ 809,044
Additions during the year	-	-	-
Lease payments made	(171,637)	(213,349)	(384,986)
Interest on lease liability	61,968	12,492	74,460
At March 31, 2023	345,053	153,465	498,518
Additions during the year	-	652,039	652,039
Lease payment made	(128,727)	(175,683)	(304,410)
Interest on lease liability	34,836	6,630	41,466
At December 31, 2023	251,162	636,451	887,613
Short-term portion of lease liability at December 31, 2023	143,021	198,082	341,103
Long-term portion of lease liability at December 31, 2023	\$ 108,141	\$ 438,369	\$ 546,510

Lease repayments for the next years are as follows :

2024	341,104
2025	327,354
2026	219,155
	<u>887,613</u>
	<u>\$ 887,613</u>

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

December 31, 2023

7. Short-term Loan

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 at December 31, 2023, the interest payable was \$Nil (2022 - \$Nil), and the outstanding balance of loan principal is \$95,951 (2022 - \$229,050).

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

December 31, 2023

8. Government Loans

As of December 31, 2023	CEBA COVID-19 Relief Line of Credit		RRRF	Total
Fair value of proceeds from loans at inception - March 31, 2022	\$ 57,782	\$ 38,521	\$ 96,303	
Interest accretion	-	-	-	
Balance at March 31, 2023	57,782	38,521	96,303	
Interest accretion	2,218	1,479	3,697	
Balance at December 31, 2023	\$ 60,000	\$ 40,000	\$ 100,000	

On July 27, 2020, the Company entered into an agreement to fund operations and project costs of the business with the Government of Canada under the Regional Relief and Recovery Fund (RRRF). The Company was advanced an interest free contribution of \$40,000. No repayments on the advance are due until March 28, 2024. If the Company repays 75% of the advance by March 28, 2024 the remaining 25% of the advance will be forgiven under the terms of the agreement. Repayments of the Contribution can be made at any time at the discretion of the Company. The deadline for full repayment is being extended to December 31, 2026. The schedule for full repayment is being changed. Full repayment will be scheduled in 33 fixed monthly payments, beginning on April 30, 2024, and ending on December 31, 2026.

On August 18, 2020, the Company entered into a loan with a major Canadian bank by way of a Government sponsored COVID-19 relief line of credit under the Canada Emergency Business Account (CEBA). The revolving line of credit is interest free and due on January 18, 2024, up to a maximum of \$60,000. There is no repayment schedule inherent in the agreement outside of the above due date and the line of credit is interest free until January 18, 2024. If the company repays \$40,000 on or prior to January 18, 2024, the remaining balance of \$20,000 will be forgiven. Any amounts owing subsequent to January 18, 2024, can be extended to December 31, 2026 at an interest rate of 5% per annum. The Company has drawn on the line of credit in full as at December 31, 2023.

Both loans above are interest free and are discounted to their fair value at the inception of the loan. The discounted portion is accounted for as other income in the current year. Interest on the loan is charged using the effective interest rate method and recorded as interest accretion.

Contractual payments of government loan are as follows as at December 31, 2023:

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

December 31, 2023

9. Share Capital

a) Authorized

Unlimited common shares, without par value.

b) Issued

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

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

On May 4, 2022, the Company closed a non-brokered private placement of 5,062,000 units at a price of \$0.25 per unit for a total gross proceed of a total consideration of \$1,265,500 of which \$202,480 has been allocated to the share purchase warrants using the residual value method and of which \$662,305 was received in the fiscal year end March 31, 2022. The securities issued under the private placement will be subject to a hold period of four months and one day. Each unit consists of one common share and one share purchase warrant. One share purchase warrant will entitle the holder thereof to purchase one common share of the Company at \$0.45 per share for a period of two years from the closing date of the private placement, subject to an acceleration clause. Of the 5,062,000 units, 1,040,000 were issued to settle outstanding debt to related party of \$260,000. No Finders' fees were payable on the private placement.

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

On December 29, 2023, the Company closed a non-brokered private placement of 7,600,000 units at a price of \$0.255 per unit for a total gross proceed of a total consideration of \$1,938,000 of which \$38,000 has been allocated to the share purchase warrants using the residual value method and of which \$1,900,000 was received in the fiscal year end March 31, 2023. The securities issued under the private placement will be subject to a hold period of four months and one day. Each unit consists of one common share and one share purchase warrant. One share purchase warrant will entitle the holder thereof to purchase one common share of the Company at \$0.45 per share for a period of two years from the closing date of the private placement, subject to an acceleration clause. Of the 7,600,000 units, 1,032,261 were issued to settle outstanding debt to related party of \$258,065. No Finders' fees were payable on the private placement.

Biomark Diagnostics Inc.
Notes to Condensed Consolidated Interim Financial Statements
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9. Share Capital (Continued)

c) Stock Options:

The Company's current stock option plan (the "Stock Option Plan (2022)") was last approved by the shareholders on December 20, 2022. Pursuant to the Existing Plan, the maximum number of common shares of the Company which may be authorized for reservation for the grant of options from time to time shall be 15% of the Company's then issued and outstanding common shares. The plan provides for the granting of options to directors, employees and consultants. The Board of Directors determines the features of the awards, including the exercise price, the term and vesting provisions.

Information regarding the Company's outstanding share purchase options is summarized below:

	<u>Expiry Date</u>	<u>Number of Options Outstanding</u>	<u>Weighted Average Exercise Price</u>
Balance, March 31, 2021, Outstanding		4,195,000	\$ 0.29
Expired	December 31, 2021	(60,000)	\$ 0.30
Balance, March 31, 2022, Outstanding		4,135,000	\$ 0.29
Expired	June 9, 2022	(50,000)	\$ 0.30
Exercised	June 15, 2022	(250,000)	\$ 0.15
Granted	July 14, 2025	2,410,000	\$ 0.40
Granted	August 3, 2025	212,000	\$ 0.40
Expired	March 2, 2023	(100,000)	\$ 0.25
Balance, December 31, 2023, Outstanding		6,357,000	\$ 0.34
Balance, December 31, 2023, Exercisable		5,701,500	\$ 0.33

The number of options exercisable as at December 31, 2023 was 5,701,500 (2022 - 6,457,000 options). The weighted average life remaining for these options was 1.22 years.

Biomark Diagnostics Inc.
Notes to Condensed Consolidated Interim Financial Statements
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December 31, 2023

9. Share Capital (Continued)

The options outstanding at December 31, 2023 are as follows:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Grant Date	Expiry Date
3,735,000	3,735,000	\$ 0.30	2019-12-31	2024-12-31
2,410,000	1,807,500	\$ 0.40	2022-07-14	2025-07-14
212,000	159,000	\$ 0.40	2022-08-03	2025-08-03

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.

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 nine-month period ended December 31 2023, the Company recorded a total share-based compensation expenses of \$84,010 (2022 - \$323,422).

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

	August 3, 2022	July 14, 2022
Assumptions:		
Risk-free interest rate (%)	2.99%	3.16%
Expected life (years)	3 years	3 years
Expected volatility (%)	126%	129%
Expected dividend	Nil	Nil
Expected forfeiture rate	Nil	Nil

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9. Share Capital (Continued)

d) Warrants:

On November 28, 2022, 1,115,579 warrants due to expire on December 13, 2022, were extended to December 13, 2023. The estimated fair value of the warrant extension is \$18,111 which has been recorded as an increase to contributed surplus with the offsetting entry recorded to deficit.

This fair value was estimated using the Black-Scholes model that calculated for the difference between the extended period and the remaining period when the decision was undertaken to extend the warrants. The assumptions used were as follows for the two periods respectively: no expected dividend yield, 81% and 70% expected volatility, 4.53% and 4.06% risk-free interest rate and 1.04 and 0.04 years warrant expected life.

On November 28, 2023, 1,115,579 warrants due to expire on December 13, 2023, were extended to December 13, 2023. The estimated fair value of the warrant extension is \$44,774 which has been recorded as an increase to contributed surplus with the offsetting entry recorded to deficit.

This fair value was estimated using the Black-Scholes model that calculated for the difference between the extended period and the remaining period when the decision was undertaken to extend the warrants. The assumptions used were as follows for the two periods respectively: no expected dividend yield, 69% and 73% expected volatility, 5.01% and 5.07% risk-free interest rate, and 1.05 and 0.04 years warrant expected life.

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9. Share Capital (Continued)

Information regarding the Company's outstanding warrants is summarized below:

	Expiry Date	Number of Warrants Outstanding	Number of Warrants Exercisable	Weighted Average Exercise Price
Balance, as at March 31, 2021		2,337,579	2,337,579	\$ 0.32
Exercised	April 19, 2021	(1,190,000)	(1,190,000)	\$ 0.20
Expired	December 13, 2021	(32,000)	(32,000)	\$ 0.45
Balance, as at March 31, 2022		1,115,579	1,115,579	\$ 0.45
Issued	May 4, 2024	5,062,000	5,062,000	\$ 0.45
Issued	December 29, 2026	7,600,000	7,600,000	\$ 0.45
Balance, as at December 31, 2023		13,777,579	13,777,579	\$ 0.45

The number of warrants exercisable as at December 31, 2023 was 13,777,579 (2022 - 6,177,579 warrants). The weighted average life remaining for these warrants was 1.86 years.

10. Financial Instruments

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs that are not based on observable market data.

No financial assets were measured at fair value in 2023 and 2022.

Credit risk

The Company is not exposed to credit risk.

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10. Financial Instruments (continued)

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.

11. Capital Risk Management

The Company defines its capital as shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its technologies and to maintain a flexible capital structure for its projects for the benefit of its shareholders. As the Company is in the development stage, its principal source of funds is from the issuance of common shares.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash. The Company is not subject to externally imposed capital requirements.

12. Commitments

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