BIOMARK DIAGNOSTICS INC.

Form 51-102F1
Management's Discussion & Analysis
Quarterly Report
For the Quarter Ended June 30, 2024

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 three months ended June 30, 2024, and our annual audited consolidated financial statements and accompanying notes for the year ended March 31, 2024, 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, 2024. 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 29, 2024

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 were still facing strong inflationary headwinds with stiff and sticky high interest rates, rapid adoption of systemic AI and automation, geopolitical tensions, and skilled labor shortages, especially in recruiting bioinformatics. Investors continue to be cautious and take longer to perform due diligence, and deal timelines continue to be extended under the current macroeconomic conditions, especially for small-cap companies. Companies that delay fundraising are returning to a challenging fundraising environment. Non-dilutive financing continues to be a sought-after option by companies. Artificial intelligence (AI) continues to be a focus and upcoming regulations on the use of AI are anticipated.

- Management is taking measures to counteract any negative impact of these factors by instituting agile strategies with resilient operational and financial systems/processes while also seeking to capitalize on an improved financing environment. The company is building a strong AI infrastructure through strategic collaboration to leverage the computing power of advanced analytics in cancer diagnostics. Most of its assay results will be enriched using AI and ML capabilities. The company will be publishing the results of various studies that demonstrate the impact of AI and ML in peer-reviewed journals in the next several quarters

- On April 9, 2024, BioMark announced the Company has received non-dilutive research funding from a competitive grant to advance the development of a cancer treatment for Glioblastoma. Led by Dr. Donald Miller of the University of Manitoba, Faculty of Health Sciences, the project titled "Examination of lipid nanoparticle loaded hydrogels for localized silencing of spermidine/spermine acetyl transferase-1 (SAT1) expression in tumor and enhanced radiation and chemotherapy response" has secured over $290,000 in funding over two years, including support from Research Manitoba IPoC Grant and Mitacs Accelerate research programs.

- On April 18, 2024, BioMark announced that the Company amended the terms of 5,062,000 non-broker warrants (the "Warrants") issued to a private placement financing that closed on May 4th, 2022. The warrants will be extended its term by two years such that the warrants will be exercisable until May 4th, 2026, at the same exercise price per share of C$0.45. All other terms of the warrants will remain unchanged. In addition, the Company granted 4,625,000 stock options to key employees, the management team, scientific advisors, and consultants. Each Option grants the holder the right to purchase one Common Share at a purchase price of $0.45 per Common Share for three years from the date of issuance. All terms and conditions of these options will be in accordance with the terms of the Company's Stock Option Plan (2022).

- BioMark Diagnostic Solutions Inc. based in Quebec has retained LOK North America to conduct an internal audit of its Quality Management System for its lab certification under ISO 15189:2022 international standards. There was no major non-conformance issues that were identified, and the final accreditation audit will take place within the second half of 2024.

- BioMark management and AstraZeneca's North American early cancer detection team met on May 1st, 2024, in Toronto to update the group on its progress related to the early lung cancer clinical trials and further discussed potential collaboration initiatives specifically focused on North America (US and Canada) with a key emphasis on lung cancer and respiratory disease.

- BioMark attended and presented at the Lord/SynergiQc scientific offsite retreat meeting in Quebec City held from May 7th to 9th, 2024 by IUCPQ. AstraZeneca Global and its Canadian Group attended the meeting. The collaboration parties discussed the progress and highlights of completing the >5000-patient multimodal early lung cancer clinical trial.

- On May 22, 2024, BioMark and Siemens Healthineers submitted an application called "BREATHE" to the Innovative Health Initiative (IHI) initiative under the Europe Horizon program for an early lung cancer screening validation program involving 45 key institutions and companies across Europe. The consortium consists of a selection of 10 leading European institutions and other SMEs. Program highlights and results of the application will be shared when an official announcement is made later in fall 2024 or early 2025.

- Dr. Don Miller, the principal investigator on the GBM project with BioMark, completed a survey, subject to "Glioblastoma Research Program Fiscal Year 2024 Stakeholder Request for Information", held by The Congressionally Directed Medical Research Programs (CDMRP) in the USA. CDMRP requests information on the identification of knowledge gaps, targeted outcomes, and therapeutic needs that can advance the state of the science and improve patient care for individuals diagnosed with glioblastoma.

- The recruitment of participants to a large multimodal study for early detection of lung cancer conducted at IUCPQ under Dr. Joubert has been concluded in May 2024. All samples have been received and analyzed at BioMark's Quebec-based laboratory. Full data readout will be presented at an upcoming scientific venue where all strategic partners will meet in the second half of 2024.

- BioMark Diagnostic Solutions Inc. based in Quebec City is finalizing its lab infrastructure following recommendations made by the positive internal audit of its Quality Management System for its lab certification under ISO 15189:2022 international standards. The final accreditation audit will take place within the second half of 2024. The commercialization/revenue generation is expected following lab accreditation. Additional investments in the infrastructure will enhance the capacity of integrating other OMIC services and capabilities in the lab.

- BioMark's latest studies in breast and lung cancers are being further refined using advanced statistical analytics and machine learning at Harrisburg University. The team has already submitted a breast cancer paper on the use of AI/ML and metabolomics and is awaiting a response from the journal. The team is also finalizing new papers on lung and breast cancer and expects to submit them for publication later in Q3 of 2024.

- In June 2024, Drs. Miller, Lakowski, and their group from the University of Manitoba have been invited to present two posters at the 14th biennial Globalisation of Pharmaceutics Education Network (GPEN) to be held at the University of Copenhagen taking place from the 14th-17th of July 2024. The abstracts are titled: a). Evaluation of Hydrogel Formulations for Local, Sustained Delivery of Spermidine/spermine N1-acetyltransferase Small Interfering RNA Loaded Lipid Nanoparticles to Glioblastoma Tumor Cells and b). Examination and identification of potential drug biomarker candidates for glioblastoma.

- On June 11, 2024, BioMark team had the follow-up meeting with AstraZeneca's North American early cancer detection team after the initial meeting in Toronto and the Lord/SynergiQc scientific offsite retreat meeting in Quebec City. The meeting intended to take a deeper dive into understanding BioMark's technology platform and data. The process and dialogue are ongoing, and the outcome of any progress will be duly reported as progress is made.

- On June 13, 2024, BioMark was invited to register for the H.C. Wainwright 26th Annual Global Investment Conference, which is currently scheduled for September 9-11, 2024, in New York City at the Lotte New York Palace Hotel. Participation in the event is on invitation only and is a major global investment conference focused on the life sciences sector where public companies can present their latest research, developments, and business strategies to potential investors. The company will have a chance to engage in private 1-on-1 meetings between investors and company executives to raise capital, attract partnerships, and increase investor awareness.

- On June 18, 2024, BioMark's scientific advisor, Dr. Daniel Sitar, BScPharm, MSc, PhD, FGSA, FCP, was offered a fellowship by the Canadian Society of Clinical Pharmacology and Therapeutics to recognize his outstanding research contribution, his role in advisory panels and serving on several editorial boards of scientific journals. The ceremony was held in Ottawa at the Annual Scientific Meeting.

- On June 21, 2024, BioMark's patent agent, ROBIC, confirmed that the international PCT patent application No. PCT/CA2022/051521, GLIOBLASTOMA TUMOR GROWTH INHIBITON BY SAT1 KNOCKDOWN, has entered the national phase in multiple countries/territories including Australia, Europe, Canada, China, and the United States.

- On June 25, 2024, the BioMark team was invited to present its technology platform and data on early lung cancer detection to a team of oncologists interested at the University of Maryland on September 5th, 2024.

- The management team has engaged with a new financing group based in Europe to support the company's future capital requirements. The group has access to European Private Equity funds and family offices. The goal is to establish a broader shareholder base, especially with strategic investors.

- BioMark continued to entertain discussions with various financial institutions, individuals, and government agencies to secure non-dilutive funding, favorable loans, and equity investments to accelerate the commercialization of its early lung cancer liquid biopsy franchise, to advance its expansion strategy in the 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 related to conducting proof of concept studies that provide clinical validation evidence and accelerate commercialization. These are designed to reduce associated market development risk, accelerate clinical adoption, and strategically limit capital deployment.

Failure to generate future sales revenue streams from the Company's main services and products could have a significant and potentially adverse effect on the Company. Prolonged delays in commercialization could impact the timing of revenue generation.

The Company is engaged in conducting clinical research related to technology positioning and regulatory submissions. Negative results from clinical trials along with regulatory denials or delays could adversely affect sales, and product commercialization plans which could have a major impact on the Company. Additionally, industry evolution and existing or new market entrants with strong balance sheets 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 effect on the Company. The contributions of these individuals to the immediate operations of BioMark are of the utmost 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 its efforts to attract additional equity and capital investors, seek non-dilutive financing, and implement 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.

1.3 Selected Quarter Information

The following information is a summary of the three months and nine months ended June 30, 2024, as compared to the three months and nine months ended June 30, 2023.

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, 2024	Three months ended June 30, 2023
		$	$
Revenue		$38,313	$39,746
Expenses:			
Consulting fees	3	100,966	85,050
Depreciation on right-of-use asset	6	54,336	93,188
Depreciation of property and equipment	5	3,418	3,301
Research and development		182,155	159,654
Professional fees		36,887	40,734
Office and miscellaneous		18,534	16,386
Interest and bank charge		18,977	25,306
Filing and transfer agent fees		23,770	21,403
Travel		13,161	12,616
Share-based compensation	7	209,386	35,766
Total operating expenses		661,590	499,416
Other (income) loss:			
Government grants		-	(40,815)
Total Other (income) loss		-	(40,815)
Net loss and comprehensive loss		(623,277)	(418,855)

For discussion of information refer to sections 1.4 and 1.6.

1.4 Discussion of Operations

Three months ended June 30, 2024, compared to three months ended June 30, 2023

The Company generated revenue of $38,313 for the quarter ended June 30, 2024, compared to $39,746 for the same period of last year. Net loss increased by $13,063 from $418,855 (June 30, 2023) to $623,277 for the quarter ended June 30, 2024, largely due to increased expenses for the 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 cash flow 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 leased as well as 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 increased by $162,174 from $499,416 (June 30, 2023) to $661,590 (June 30, 2024), mainly due to the increase in expenses in share-based compensation. Consulting service fees increased by $15,915 compared to the same period of last year, due to service rendered by a third party for business development and international collaborations. There has been no significant change to the compensation for key management. The Company engaged in required services on a consulting basis.

The Depreciation of right-of-use assets decreased by $44,852 due to the Company's renewed lease agreements for the office in Richmond BC and the lab space in Quebec City, QC. The Depreciation of property and equipment remained at a similar level to the previous year. The details of accounting standards and the calculation of depreciation on assets, 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 $22,501 from $159,654 for the quarter ended June 30, 2023, to $182,155 for the quarter ended June 30, 2024. 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 June 30, 2024, were $36,887 compared to $40,734 for the quarter ended June 30, 2023, a decrease of $3,847, 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 and filing and transfer agent fees slightly increased by $ 2,148 and $2,367 respectively compared to the same period of the previous year. Interest and bank charges decreased by $6,329 from $25,306 (June 30, 2023) to $18,534 (June 30, 2024) mainly due to the full repayments on the interest payable and the outstanding balance of the short-term loan and government loans when matured. Travel expenses remained at a similar level to the same period of the previous year. With the upcoming international conferences and research and business development-related activities, the Company anticipates spending a higher amount in the coming quarters on business development and collaborative research.

The share-based compensation of $209,386 was reported for the quarter ended June 30, 2024, which increased by $173,620 from $35,766 on June 30, 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 7 in the Interim Statement. The share-based compensation is designed to help the Company obtain the required consulting service from domain experts and preserve the cash for operating purposes.

The Company had its other income of $nil for the quarter ended June 30, 2024, compared to the total other income of $40,815 for the quarter ended June 30, 2023, a decrease of $40,815, due to the completion of government grants by March 31, 2024 under the Company's Quebec-based subsidiary, "BDS" from the National Research Council of Canada Industrial Research Assistance Program (NRC IRAP) which supports research and development of its liquid biopsy assay for the early detection and screening of lung cancer.

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.

- The company will continue to seek and actively raise capital, especially within existing shareholders but also engage with new strategic investors and institutional funds. Management will continue to build a better US story where valuations can be more compelling and in line with other companies in our space given the achievements of critical milestones over the past 12 months. Management maintains 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 the biotech arena in the US who can help increase the exposure of BioMark to select investment communities and have access to institutional desks.

- Complete plasma analysis on the large-scale early lung cancer multimodal study (>5000 patients) across 7 hospitals based in Quebec which recently completed enrollment of patients. Preliminary results are expected in the second half of 2024.

- Preparation for lab certification and accreditation to meet initially international ISO 15189:2012 standard for the Canadian operation and later secure CLIA and CAP accreditation to provide lab services in the U.S. Certification is expected later in Q3/Q4.

- Accelerating commercialization efforts of its lab-developed test (LDT) for early lung cancer detection following promising interim retrospective data presented at various oncology conferences across N. America and Europe throughout 2024 - 2025.

- Seek deeper collaborations with several high-profile USA medical institutions and introduce the company to insurance companies (payers), regulatory experts, and biopharma partners as its early lung cancer LDT commercialization efforts gather momentum. The US market is strategic due to its large addressable lung cancer screening market for at-risk populations (estimated at over 16 million annually). The market remains mostly untapped as there's only a 5-6% penetration of image-based screening for the population at risk of developing lung cancer. In addition, the federal government is encouraging expanded accessibility for lung cancer screening initiatives and accessibility across different states, especially for rural communities that have limited resources.

- Advance the discovery study in breast cancer and further refine metabolites panel selection using the latest advancements in machine learning algorithms. In addition, the company will be submitting an abstract for presentation at a large breast cancer symposium slated for late 2024.

- Continue to submit clinical results in peer-reviewed publications and expand the patent portfolio. The company intends to publish at least 4-6 peer-reviewed manuscripts, especially following results of the larger lung cancer trial in Quebec, responding to treatment for late-stage lung cancer, early breast cancer samples from US patients, glioblastoma research clinical work being conducted at the University of Manitoba. It is important to keep our 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.

- Seek and continue to develop deeper partnership/relationships with large biopharma for early lung cancer screening programs both in Canada and the US. Build a stronger base and infrastructure, expand physical presence, clinical partnerships, and research support at existing partner sites in both the US and Canada.
- BioMark management team intends to participate in several high-profile conferences such as ASCO, USCAP, AACR, ASMS, ISLB, and San Antonio Breast Cancer Symposium.

- 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 versatility – accessibility, accuracy, and affordability.

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

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

- Continue to seek additional funding including non-dilutive resources for its lab operations, certification of its clinical lab, U.S. expansion, business development, and clinical studies from both Canadian, European, and US agencies and foundations to develop the platform for other cancers and assess response to treatment.

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 has engaged with multiple companies that have expressed interest in using Bio-Stream's platform to develop their assays based on specific biomarkers.

The project Pipeline is rapidly growing, data generated is impressive. Thus far over 10 projects globally have been funded generating cash flow for the company. In addition, the company got approved for a $290,000 grant for allergy tests by Alberta Innovates.

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, 2024	March 31, 2024	December 31, 2023	September 30, 2023
	$	$	$	$
Total Revenue	38,313	39,805	41,543	42,126
Expenses	661,590	584,956	502,424	498,297
Net Loss	(623,277)	(391,306)	(406,761)	(210,463)
Loss per Share	(0.00)	(0.00)	(0.00)	(0.00)

	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)

For the detailed discussion refer to sections 1.4 and 1.6.

1.6 Liquidity

ASSETS

	June 30, 2024	March 31, 2024
	$	$
Current		
Cash and cash equivalents	141,358	156,749
Amounts receivable	31,014	43,027
	172,372	199,776
Pre-paid expense	34,155	34,155
Long-term investment	3,200	3,200
Property and equipment	34,884	35,795
Right-of-use asset	761,658	815,994
	1,006,269	1,088,920

LIABILITIES

	June 30, 2024	March 31, 2024
	$	$
Current		
Accounts payable and accrued liabilities	148,948	144,422
Client Deposit	8,344	8,344
Current portion of lease liability	321,967	351,775
Due to related parties	776,633	739,829
	1,255,892	1,244,370
Lease liability	399,989	454,156
	1,655,881	1,698,526

The Company has total assets of $1,006,269 as of June 30, 2024, compared to $722,809 reported on June 30, 2023, and has a negative working capital of $1,083,520. The increase in assets is mainly due to the increase in right-of-use assets.

On June 30, 2024, the Company had cash and cash equivalents of $141,358 (June 30, 2023 – $175,237). The working capital deficit decreased by $378,206 from June 30, 2024 ($1,461,726) mainly due to reduced short-term and government loans. Working capital is defined as current assets less current liabilities. Total liabilities decreased by $207,759 from $1,863,640 as of June 30, 2023, to $1,655,681 as of June 30, 2024, which is the combination of the reduction of the short-term loan, government loan, and due to the related parties and the increase of the long-term lease liability related to the renewed office lease in Richmond BC, and the renewed lab space lease in Quebec. The accounts payable and accrued liabilities decreased by $77,793 from $226,741 (June 30, 2023) to $148,948 (June 30, 2024). Due to the related parties decreased by $113,603 from $890,236 (June 30, 2023) to $776,633 (June 30, 2024) mainly due to the debt settlement during the private placement for the related party. The long-term Lease liability increased by $ 217,625 for the same period of the previous year due to the renewed lease agreements for the office space in BC and lab space in Quebec. The details of accounting standards 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, 2024.

SHAREHOLDERS' DEFICIENCY

	June 30, 2024	March 31, 2024
	$	$
Share capital	10,138,812	10,138,812
Share subscriptions received	723,885	350,000
Contributed surplus	2,956,775	2,352,010
Deficit	(14,469,084)	(13,450,428)
	(649,612)	(609,606)

On June 30, 2024, the share capital was $10,138,812 comprising 90,886,229 issued and outstanding common shares (June 30, 2023, it was $8,238,812 comprising 83,286,229 issued and outstanding common shares). Contributed Surplus on June 30, 2024, is $2,956,775 (June 30, 2023 - $2,267,522), the increase is the result of the combination of the warrants extension and the contributed surplus that has been allocated to the options issued on April 18, 2024, 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 three months ended June 30, 2024, of $623,277 (June 30, 2023 – $418,855) the deficit on June 30, 2024, increased to $13,059,122 compared to $12,397,124 on June 30, 2023.

At present, the Company's operations do not generate sufficient cash inflows from the commercialization of its early lung cancer detection assay. Revenue consists primarily of income generated on the lab research and development services rendered to the third parties, and its financial success after June 30, 2024, is dependent on management's ability to continue to obtain sufficient funding to sustain operations through the development stage and successfully bring the Company's technologies to the point that they may be out-licensed so that the Company achieves profitable operations. The research and development process can take many years and is subject to factors that are beyond the Company's control. Valuable patents have been granted and filed that came from research activities conducted by the Company. Some of these patents could be licensed based on the application. Several of the Company's diagnostic assays are near commercialization pending regulatory approval.

In order to finance the Company's future research and development and to cover administrative and overhead expenses in the coming years, the Company may raise money through equity sales. Many factors influence the Company's ability to raise funds, including the Company's record of accomplishment, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to various factors, including the progress of research activities. Management believes it will be able to raise equity capital as required in the long term but recognizes there will be risks involved that may be beyond its 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 issuance 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, 2024, the Company entered into the following transactions with related parties:

a) For the quarter ended June 30, 2024, 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, 2024. As of June 30, 2024, the Company has $613,880 due to CEO (2023 - $722,446). The balance owing to the interim CFO as of June 30, 2024, is $112,952 (2023 - $76,243). The balances due to related parties are unsecured, non-interest bearing, and without fixed repayment terms.

b) For the quarter ended June 30, 2024, the Company has a balance of $49,798 (2023 - $91,548) owed to BioMark Technologies Inc. BioMark Technologies Inc. which holds approximately 45.12% of the common shares of the Company as of June 30, 2024, (2023 – 49.23%). The CEO owns more than 10% interest in the Company.

c) 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, which is described in Note 7.

• To determine the value of the initial recognition and subsequent re-measurement of RoU assets and lease obligations, management is required to exercise judgment in several areas. Management has reviewed its lease agreements to estimate the lease term by evaluating the probability of exercising its option to extend or renew its lease contracts. Further judgment is required to determine the discount on lease payments by assessing its incremental borrowing rate at each of the Company's locations, which is described in Note 6.

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 adopted in the Current Year

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 Company has assessed the impact of amendments to ISA 1, "Presentation of Financial Statements", and adopted the amendments. The amendment replaces the requirement to disclose "significant" accounting policies with a requirement to disclose "material" accounting policies. An accounting policy is determined to be material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that primary users of general-purpose financial statements make on the basis of those financial statements.

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 2024 and 2023.

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. The risk associated with cash is managed by using 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 that 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, and 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 June 30, 2024, 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:

On December 29, 2023, the Company closed a non-brokered private placement of 7,600,000 units at a price of $0.25 per unit for a total proceed of a total consideration of $1,900,000. 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 a related party of $258,065. No Finders' fees were payable on the private placement.

As of June 30, 2024, the Company had 90,886,229 common shares issued and outstanding.

c. Share Purchase Warrants

On November 28, 2023, 1,115,579 warrants due to expire on December 13, 2023, were extended to December 13, 2024. 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.

On April 18, 2024, 5,062,000 warrants due to expire on May 4, 2024, were extended to May 4, 2026. The estimated fair value of the warrant extension is $395,355 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 period: no expected dividend yield, 68% and 57% expected volatility, 4.20% and 4,87% risk-free interest rate, and 2.05 and 0.05 years warrant expected life.

As of June 30, 2024, the Company had 13,777,579 shareholder warrants issued and outstanding of which 1,115,579 warrants will entitle the holders to acquire one share at a price of $0.45 per share until December 13, 2024; 5,062,000 warrants will entitle the holders to acquire one share at price of $0.45 per share until May 4, 2026; and 7,600,000 warrants will entitle the holders to acquire one share at price of $0.45 per share until December 29, 2026. The weighted average life remaining for these warrants was 2.07 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 that may be authorized for reservation for the grant of options from time to time shall be 15% of the Company's issued and outstanding common shares. The plan provides for the granting of options to directors, employees, and consultants. The Board of Directors determines the features of the awards, including the exercise price, the term, and vesting provisions.

On April 18, 2024, the Company granted 4,625,000 common share purchase options exercisable at $0.45 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, 2024, the Company recorded a total share-based compensation expense of $209,386 (2023 $35,766).

The number of options exercisable as of June 30, 2024, was 7,513,250 (2023 – 5,046,000 options). The weighted average life remaining for these options was 1.05 years and the weighted average exercise price was $0.36 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.