BIOMARK DIAGNOSTICS INC.

Form 51-102F1
Management's Discussion & Analysis
Quarterly Report
For the Quarter Ended September 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: November 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 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:

- Rapid adoption of systemic AI and automation, geopolitical tensions, and skilled labor shortages, especially in recruiting bioinformatics and laboratory technicians continue to impact businesses. 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 new regulations are anticipated.

- Market recap from HC Wainright - The presumed pro-business / pro-market policies of the incoming Republican administration are driving equity outperformance; nonetheless, volatility remains given ongoing economic and geopolitical risks. Equity markets (and the Fed) will remain highly data sensitive as the probability of an economic soft landing increases. Biotech / biopharma equity and equity-linked deal flow has been robust across offering types in 2024, with 253 deals priced raising $45.8 billion. Specialist healthcare investor appetite persists for data-driven stories (and deals), although opportunistic deals have dominated 2024 equity issuance. Generalist investor participation in the sector remains limited in 2024. As the macro-economic climate improves (i.e., interest rate cuts), generalist investor allocations to life sciences are expected to resume.

- Management is taking measures to counteract any negative impact of external 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.

- On July 15th, 2024, BioMark announced that long-time collaborators at the University of Manitoba Therapeutics presented compelling new research findings on glioblastoma at the 2024 Globalization of Pharmaceutics Education Network (GPEN) Conference in Copenhagen from July 14-17, 2024, titled "Evaluation of Hydrogel Formulations for Local, Sustained Delivery of Spermidine/Spermine N1-acetyltransferase Small Interfering RNA Loaded Lipid Nanoparticles to Glioblastoma Tumor Cells" and "Examination and Identification of Potential Drug Biomarker Candidates for Glioblastoma".

- In July 2024, 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 July 31st, 2024, BioMark announced the issuance of U.S. Patent No. 17/895.69 by the U.S. Patent and Trademark Office (USPTO). This patent protects the company's Spermidine/spermine N (1)-acetyltransferase 1 (SAT1) legacy assay platform for assessing tumor velocity and treatment response, particularly in glioblastoma patients (GBM) and triple-negative breast cancer (TNBC) patients with specific genetic mutations.

- Preliminary meetings were held with Dr. Corey Casper, CEO of American Advanced Health Institute, in August to discuss BioMark's early cancer detection platform and the potential of our liposomal nanoparticle (LNP) delivery system for cancer vaccines. A technical follow-up meeting was held with Dr. Miller. The group plans to visit the institute in 2025.

- The versatility of our LNP platform has generated interest in companies developing mRNA or siRNA for specific applications. BioMark is engaged in discussions with several entities to explore potential collaborations and demonstrate the practical utility of our LNP technology in vivo.

  About Liposomal Nanoparticles (LNPs):

  LNPs are innovative delivery systems that encapsulate nucleic acids, such as siRNA and mRNA. This technology has revolutionized therapeutics by enabling the targeted delivery of genetic material for various diseases.

- On September 5 - 6, 2024, BioMark team was invited to present its technology platform and data on early lung cancer detection and GBM response to treatment assay to oncologists and pathologists at the University of Maryland School of Medicine and discuss joint applications for potential research opportunities and commercialization collaboration initiatives.

- On September 10th, 2024, BioMark announced the successful completion of a significant clinical trial in collaboration with the Institut Universitaire de Cardiologie et de Pneumologie de Québec (IUCPQ). Over 5,400 patient samples were analyzed using BioMark's innovative lung cancer assay, demonstrating its potential for early detection and improved patient outcomes. The company is partnering with a leading data analytics group to leverage advanced artificial intelligence and machine learning techniques to analyze the vast amount of data generated from the trial. Final results will be presented at a forthcoming medical conference and submitted for publication in a peer-reviewed journal.

- BioMark’s management team actively participated in the H.C. Wainwright 26th Annual Global Investment Conference from Sep 9-11, 2024, showcasing the company's pipeline of promising liquid biopsy tests for various cancer types, including lung cancer, breast cancer, and glioblastoma. The conference brings together leading companies, industry professionals, and investors from various sectors, including life sciences, technology, and cleantech. The conference provided a valuable platform to connect with investors and industry professionals.

- On September 24, 2024, BioMark announced that its research on metabolic profiling of pulmonary neuroendocrine neoplasms (NENs) was published in the prestigious journal Cancers journal titled "Metabolic Profiling of Pulmonary Neuroendocrine Neoplasms." The research sheds light on the unique metabolic alterations associated with NENs, paving the way for the development of novel biomarkers for early diagnosis and disease monitoring. Earlier in March 2023, an interim analysis of this study was presented during a poster session at the United States and Canadian Academy of Pathology (USCAP) held in New Orleans.

- On September 24, 2024, BioMark received the confirmation that its abstract had been accepted for a poster presentation at the 2024 San Antonio Breast Cancer Symposium®, to be held from December 10 to 13, 2024. This prestigious conference will provide an opportunity to share the company's latest research findings with the broader scientific, medical, and bio-pharma community.

- 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 2 breast cancer papers on the use of AI/ML and metabolomics and is still awaiting response from the journals.

- 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 six months ended September 30, 2024, as compared to the three months and six months ended September 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	For the three-month period ended		For the six-month period ended	
		September 30, 2024	September 30, 2023	**September 30, 2024**	September 30, 2023
Revenue		**$ 38,348**	$ 42,126	**$ 76,661**	$ 81,872
Expenses					
Consulting fees	3	**87,051**	110,035	**188,017**	195,085
Depreciation on right-of-use asset	6	**54,337**	87,149	**108,673**	186,337
Depreciation of property and equipment	5	**3,830**	3,366	**7,248**	6,679
Research and development		**238,719**	94,487	**420,874**	254,141
Professional fees		**86,094**	87,033	**122,981**	127,768
Office and miscellaneous		**20,019**	35,055	**38,550**	51,440
Interest and bank charges		**16,567**	21,884	**35,544**	47,190
Filing and transfer agent fees		**19,219**	24,946	**42,989**	46,349
Travel		**7,518**	1,893	**20,679**	14,509
Share-based compensation	7	**111,537**	32,449	**320,923**	68,215
Total operating expenses		**644,891**	498,297	**1,306,478**	997,713
Other expenses (income)					
Tax Credit income		**(59,145)**	(193,490)	**(59,145)**	(193,490)
Interest earned		(**92)**	(3,538)	**(92)**	(3,538)
Government grants		**-**	(48,034)	**-**	(88,849)
Foreign exchange (gain) loss		**-**	(646)	-	(646)
Total other expenses (income)		**(59,237)**	(245,708)	**(59,237)**	(286,523)
Net loss and comprehensive loss		**$ (547,306)**	$ (210,463)	**$ (1,170,580)**	$ (629,318)

For discussion of information refer to sections 1.4 and 1.6.

1.4 Discussion of Operations

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

The Company generated revenue of $38,348 for the quarter ended September 30, 2024, compared to $42,126 for the same period of last year. The net loss increased by $336,843 from $210,463 (September 30, 2023) to $547,306 for the quarter ended September 30, 2024, which was largely due to the combination of the increased expenses for research and development and share-based compensation along with the reduction of the tax credit and government grants.

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 basic bioanalytical lab service as requested. Management elected to present lease payments received under operating leases as Revenue.

The total operating expense increased by $146,594 from $498,297 (September 30, 2023) to $644,891 (September 30, 2024), mainly due to the increased expenses on research and development and share-based compensation. Consulting service fees decreased by $22,984 compared to the same period last year, due to the reduced third-party rendered consulting service relating to 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 $32,812 due to the Company's renewed lease agreements for the office in Richmond BC and the lab space in Quebec City, QC. 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 acquired instruments via the third-party leasing company and is amortized over five years.

Research and development increased by $144,232 from $94,487 for the quarter ended September 30, 2023, to $238,719 for the quarter ended September 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 September 30, 2024, were $86,094 compared to $87,033 for the quarter ended September 30, 2023, which remains at the similar level. 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 decreased by $15,036 from $35,055 for the quarter ended September 30, 2023, to $20,019 for the quarter that ended September 30, 2024, mainly due to the reduced costs on the lab operation, however, the costs depend on the timing of the required services needed in the lab and could fluctuate with the different period. The company maintains a prudent operational spending policy regardless of the expanded operating activities at its lab facility in Quebec City.

The interest and bank charge decreased by $5,317 from $21,884 for the quarter ended September 30, 2023, to $16,567 for the quarter that ended September 30, 2024, due to the full repayments on the interest payable and the outstanding balance of the short-term loan and government loans when matured. The details of the accounting standard and the calculation of interest on Right-of-use Asset and Lease Liability are discussed respectively in Note 6 in the Interim Financial Statement.

The share-based compensation of $111,537 was reported for the quarter ended September 30, 2024, which increased by $79,088 from $32,449 on September 30, 2023. During the quarter ended September 30, 2024, there were no additional options that became exercisable or issued. 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 to obtain the required consulting service from domain experts and preserve the cash for operating purposes.

Filing and transfer agent fees during the period were slightly reduced by $5,727 compared to the previous year. Travel expenses increased by $5,625 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 $59,992 for the quarter ended September 30, 2024, compared to the total other income of $245,708 for the quarter ended September 30, 2023, a reduction of $185,716, mainly due to less income tax credit and 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). This program supports the research and development of its liquid biopsy assay for the early detection and screening of lung cancer.

The six months ended September 30, 2024, compared to six months ended September 30, 2023

The Company generated revenue of $76,661 for the six months ended September 30, 2024, and recorded a net loss of $1,170,580. The net loss increased by $541,262 compared to the six months ended September 30, 2023, which is the combination of increased operating expenses related share-based compensation and decreases in both other incomes from tax credit income and government grants.

Research and development costs increased by $166,733 from $251,141 for the six months ended September 30, 2023, to $420,874 for the six months ended September 30, 2024. The increased expense is mainly due to the costs associated with costs related to the resumption of research projects, ongoing clinical trials and expansion of projects in Quebec. There was a slight decrease of $4,787 and $7,068 respectively for professional fees and consulting

fees mainly due to the timing and stage of the patent filings and required legal services. Office and miscellaneous and filing and transfer agent fees reduced by $12,890 and $3,360 respectively compared to the six months ended September 30, 2023.

The share-based compensation increased by $252,708 compared to $68,215 as reported for the six months ended September 30, 2023, due to options issued on April 18, 2024. These options were issued for consulting services rendered by scientific advisors and consultants to support scientific and research development activities over the past few years due to limited funding resources. Travel expenses increased slightly by $6,170 compared to the six months ended September 30, 2023, due to the increased business travel and to present posters at the international conferences.

The other income decreased by $227,286 from $ 286,523 as of September 30, 2023, to $59,237 as of September 30, 2024, mainly due to the reduction of tax credit income and government grants 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 the research and development of its liquid biopsy assay for the early detection and screening of lung cancer was completed by March 31, 2024.

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 or early 2025.

- 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 Q4 or early 2025

- 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 partnerships/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, 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.

	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
	$	$	$	$
Total Revenue	38,348	38,313	39,805	41,543
Expenses	644,891	661,590	584,956	502,424
Net Loss	(547,306)	(623,277)	(391,306)	(406,761)
Loss per Share	(0.00)	(0.00)	(0.00)	(0.00)

	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)

For the detailed discussion refer to sections 1.4 and 1.6.

1.6 Liquidity

ASSETS

	September 30, 2024	March 31, 2024
	$	$
Current		
Cash and cash equivalents	34,645	156,749
Amounts receivable	67,462	43,027
	102,107	199,776
Pre-paid expense	34,155	34,155
Long-term investment	3,200	3,200
Property and equipment	31,054	35,795
Right-of-use asset	707,321	815,994
	877,837	1,088,920

LIABILITIES

	September 30, 2024	March 31, 2024
	$	$
Current		
Accounts payable and accrued liabilities	415,795	144,422
Client Deposit	8,344	8,344
Current portion of lease liability	181,485	351,775
Due to related parties	852,434	739,829
	1,458,058	1,244,370
Lease liability	454,157	454,156
	1,912,215	1,698,526

As of September 30, 2024, The Company has total assets of $877,837 compared to $632,238 as reported on September 30, 2023, resulting in a negative working capital of $1,355,951. The reduction in assets is mainly due to the decrease in cash and cash equivalents and right-of-use assets.

On September 30, 2024, the Company had cash and cash equivalents of $34,645 compared to $168,445 on September 30, 2023. Working capital is defined as current assets less current liabilities. The working capital deficit decreased by $63,664 from September 30, 2023 ($1,419,615) mainly due to the increase in accounts payable and accrued liabilities, and combined decrease in cash and cash equivalents, short-term and government loans. Total liabilities increased by $128,108 from $1,784,107 as of September 30, 2023, to $1,912,215 as of September 30, 2024, mainly due to an increase in accounts payable and long-term lease liability. The accounts payable and accrued liabilities increased by $121,182 from $294,613 (September 30, 2023) to $415,795 (September 30, 2023). Due to the related parties decreased by $111,605 from $964,039 (September 30, 2023) to $852,434 (September 30, 2024) mainly due to the debt settlement during the private placement for

the related party. The increased long-term Lease liability of $308,201 from $145,956 for the same period of the previous year mainly due to the renewed lease agreements for the office space in BC and lab space in Quebec. 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, 2024.

The loans with the Government of Canada under the Regional Relief and Recovery Fund (RRRF) and the Canada Emergency Business Account (CEBA) were fully paid off, which decreased from $ 98,748 (September 30, 2023) to $nil (September 30, 2024). In addition, both the interest payable and the outstanding balance of the short-term loan that BDS entered with R&D Capital Inc. (the "Lender"), were fully repaid, reduced from $95,951 (September 30, 2023) to $nil (September 30, 2024).

SHAREHOLDERS' DEFICIENCY

	September 30, 2024	March 31, 2024
	$	$
Share capital	10,138,812	10,138,812
Share subscriptions received	774,885	350,000
Contributed surplus	3,068,312	2,352,010
Deficit	(15,016,387)	(13,450,428)
	(1,034,378)	(609,606)

On September 30, 2024, the share capital was $10,138,812 comprising 90,886,229 issued and outstanding common shares (September 30, 2023, it was $8,238,812 comprising 83,286,229 issued and outstanding common shares). Contributed Surplus on September 30, 2024, is $3,068,312 (September 30, 2023 - $2,299,971), 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, 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, 2024, of $1,170,580 (September 30, 2023 – $629,318) the deficit on September 30, 2024, increased to $15,016,387 compared to $12,607,587 on September 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 September 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.

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 September 30, 2024, the Company entered into the following transactions with related parties:

a) For the quarter ended September 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 September 30, 2024. As of September 30, 2024, the Company has $666,381 due to CEO (2023 - $772,946). The balance owing to the interim CFO as of September 30, 2024, is $136,225 (2023 - $99,545). The balances due to related parties are unsecured, non-interest bearing, and without fixed repayment terms.

b) For the quarter ended September 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 September 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 September 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 September 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 September 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 1.84 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 six-month period ended September 30, 2024, the Company recorded a total share-based compensation expense of $320,923 (2023 - $68,215).

The number of options exercisable as of September 30, 2024, was 7,513,250 (2023 – 5,701,500 options). The weighted average life remaining for these options was 0.79 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.