ASEP MEDICAL HOLDINGS INC.

Suite 2380 – 1055 West Hastings Street
Vancouver, BC V6E 2E9

Form 2A

Listing Statement

Date: November MH, 2021

(except as otherwise stated)

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SCHEDULE A

FINAL LONG FORM PROSPECTUS DATED NOVEMBER 9, 2021

[*See attached*]

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus does not constitute a public offering of securities.

The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and except pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws, may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person (as that term is defined in Regulation S under the U.S. Securities Act). This Prospectus (as defined herein) does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account of benefit of, any U.S. Persons.

FINAL LONG FORM PROSPECTUS

NEW ISSUE PROSPECTUS **November 9, 2021**

ASEP MEDICAL HOLDINGS INC.

(formerly "Trenchant Life Sciences Investment Corp.")
Suite 2380 – 1055 West Hastings Street
Vancouver, BC, V6E 2E9

11,731,500 Common Shares issuable on deemed exercise of 11,731,500 Special Warrants

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No securities are being offering pursuant to this Prospectus.

This long form prospectus (the "**Prospectus**") is being filed with the securities regulatory authorities in each of British Columbia, Alberta, Ontario, New Brunswick and Saskatchewan (collectively, the "**Qualifying Jurisdictions**") to enable ASEP Medical Holdings Inc. (formerly Trenchant Life Sciences Investment Corp.) ("**ASEP Holdings**" or the "**Company**") to become a reporting issuer under the applicable securities legislation in each of the Qualifying Jurisdictions.

This Prospectus seeks to qualify the distribution of 11,731,500 common shares in the capital of the Company (each, a "**Common Share**") issuable upon the deemed exercise of 11,731,500 issued and outstanding special warrants (each, a "**Special Warrant**") of the Company. The Special Warrants were issued pursuant to a non-brokered private placement which closed in multiple tranches on August 25, 2021, September 9, 2021, October 22, 2021 and October 26, 2021. The Special Warrants were issued at a price of $0.50 per Special Warrant to purchasers resident in the Qualifying Jurisdictions in accordance with certain prospectus exemptions under applicable securities legislation. Subject to the Penalty Provision (as defined herein), each Special Warrant entitles the holder thereof to acquire, without payment of any consideration in addition to that paid for the Special Warrant and without any action by the holder, one (1) Common Share on the earlier of: (i) the day on which the Company has been issued the Final Receipt (as defined herein) (the "**Qualification Condition**"), or (ii) the 180th day following the date of issuance of the Special Warrants (the "**Qualification Deadline**"). Notwithstanding the foregoing, in the event that the Qualification Condition has not been met prior to the Qualification Deadline, each unexercised Special Warrant will thereafter entitle the holder to receive upon the exercise or deemed exercise thereof, for no additional consideration, 1.10 Common Shares in lieu of one (1) Common Share (the "**Penalty Provision**").

The Special Warrants are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the distribution of the Common Shares upon the deemed exercise of the Special Warrants.

This Prospectus is also being filed in connection with the acquisition by the Company, through its wholly-owned subsidiary ASEP Medical Inc., of a 50.1% fully-diluted equity interest in each of ABT Innovations Inc. and Sepset Biosciences Inc. in accordance with the terms and conditions of the ABT Option Agreement (as defined herein) and the Sepset Option Agreement (as defined herein). The Company, through ASEP, intends to exercise the ABT Option (as defined herein) and Sepset Option (as defined herein) using a portion of the proceeds from the sale of the Special Warrants following satisfaction of the Qualification Condition and deemed exercise of the Special Warrants as more particularly described in this Prospectus.

There is no market through which the securities of the Company may be sold and holders of the Company's securities may not be able to resell any such securities. This may affect the pricing of the Company's securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "*Risk Factors*".

Upon issuance of the final receipt for this Prospectus (the "**Final Receipt**") by the BCSC, the Company will become a reporting issuer in each of the Qualifying Jurisdictions.

The Canadian Securities Exchange ("**CSE**") has conditionally accepted the listing of the Common Shares (the "**Listing**"). The Listing will be subject to the Company fulfilling all of the listing requirements of the CSE, including exercise of the ABT Option and the Sepset Option. There is no guarantee that the CSE will provide final approval for the listing of the Common Shares.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

No underwriters or selling agents have been involved in the preparation of this Prospectus or performed any review or independent due diligence of its contents.

Rudy Mazzocchi, CEO and a director of the Company, resides outside of Canada, and has appointed Clark Wilson LLP, 900 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1 as their agent for service of process in Canada. Investors are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

An investment in Common Shares of the Company is highly speculative due to various factors, including the nature and stage of development of the business of the Company. An investment in these securities should only be made by persons who can afford the total loss of their investment. See "*Risk Factors*".

Investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding, or disposing of Common Shares, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires Common Shares.

Prospective investors should rely only on the information contained in this Prospectus. The Company has not authorized anyone to provide readers with different information. Readers should assume that the information appearing in this Prospectus is accurate only as of its date, regardless of its time of delivery. The Company's business, financial condition, results of operations and prospects may have changed since that date.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities. Unless otherwise noted all currency amounts in this Prospectus are stated in Canadian dollars.

The Company's head office is located at Suite 2380 – 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9. The Company's registered and records office is located at Suite 800 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1.

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GLOSSARY OF TERMS

The following is a glossary of certain defined terms used throughout this Prospectus. This is not an exhaustive list of defined terms used in this Prospectus and additional terms are defined throughout. Terms and abbreviations used in the financial statements of the Company are defined. Words importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

"ABT"	means ABT Innovations Inc., a corporation existing under the BCBCA.
"ABT Additional Option"	means the options to acquire the remaining 49.9% fully-diluted equity interest in ABT from the shareholders of ABT (other than ASEP) following the exercise of the ABT Option granted by the shareholders of ABT to ASEP pursuant to the terms of the ABT Option Agreement and UBC Option Agreement, as applicable, and for greater certainty includes the UBC Option.
"ABT Financial Statements"	means, collectively, the audited annual financial statements of ABT for the fiscal years ended December 31, 2020 and December 31, 2019 and the auditor reviewed interim financial statements of ABT for the six months ended June 30, 2021, which are attached as Schedule E to this Prospectus.
"ABT First UBC Collaborative Research Agreement"	means the collaborative research agreement dated April 24, 2017 between ABT and UBC.
"ABT Notes"	has the meaning ascribed to such term in "*Corporate Structure – The Transaction – The Option Agreements – ABT Option Agreement*".
"ABT Note Subscription Date"	has the meaning ascribed to such term in "*Corporate Structure – The Transaction – The Option Agreements – ABT Option Agreement*".
"ABT Option"	means the option to acquire a 50.1% fully-diluted equity interest in ABT granted by ABT to ASEP pursuant to the terms of the ABT Option Agreement.
"ABT Option Agreement"	means the option agreement among ASEP, ABT and all of the shareholders of ABT other than UBC dated May 14, 2021, as amended from time to time, pursuant to which ABT granted ASEP the ABT Option and the terms of which were the result of arm's length negotiations among the parties thereto.
"ABT Option Exercise Price"	means $2,500,000 in the aggregate.
"ABT Second UBC Collaborative Research Agreement"	means the collaborative research agreement dated June 2, 2021 between ABT and UBC.
"**ABT Second UBC Collaborative Research Agreement Option**"	has the meaning ascribed to such term in "*Description of the Business – Intangible Properties – ABT Innovations Inc. – ABT Second UBC Collaborative Research Agreement*".
"ABT Shares"	means Class A Common Voting shares in the authorized capital of ABT.
"Additional Options"	means, together, the ABT Additional Option and the Sepset Additional Option.
"Additional Option Exercise Price"	means, with respect to each of the ABT Additional Option and the Sepset Additional Option, the aggregate exercise price of $20,000,000 which shall be

	payable in the Cash Portion and in ASEP Shares or Common Shares, as to the balance of the remaining after deduction of the Cash Portion or if the ASEP Shares are not listed on a recognized stock exchange, it shall be payable in cash by ASEP to ABT or Sepset in cash.
"Amalgamation"	means the three-cornered amalgamation among the Company, ASEP and NewCo under the provisions of the BCBCA pursuant to the Amalgamation Agreement which was completed on November 9, 2021.
"Amalgamation Agreement"	means the amalgamation agreement dated June 3, 2021 among the Company, ASEP and NewCo, as amended from time to time, the terms of which were the result of arm's length negotiations among the parties thereto.
"AmalCo"	means the entity resulting from the amalgamation of ASEP and NewCo.
"AmalCo Shares"	means common shares in the authorized capital of AmalCo.
"Amalgamation Effective Date"	means the effective date of the Amalgamation as set forth in the Certificate of Amalgamation issued to AmalCo.
"ASEP"	means ASEP Medical Inc., a corporation existing under the BCBCA.
"ASEP A Shares"	means the Class A Common Voting shares in the authorized capital of ASEP.
"ASEP B Shares"	means the Class B Common Voting shares in the authorized capital of ASEP.
"ASEP Board"	means the board of directors of ASEP.
"ASEP C Shares"	means the Class C Common Non-Voting shares in the authorized capital of ASEP.
"ASEP Conversion"	means the conversion of all of the principal outstanding under the ASEP Debentures into ASEP Shares at the ASEP Conversion Price, with any accrued but unpaid interest payable in cash.
"ASEP Conversion Price"	means $0.269074886904462 per ASEP A Share, which conversion price is calculated by dividing (A) by (B), where (A) is $8,000,000, and where (B) is the sum obtained by adding (x) the number of ASEP Shares that are issued and outstanding as of the date of the ASEP Conversion on a fully-diluted basis assuming conversion of all outstanding convertible securities of ASEP other than the ASEP Debentures, with (y) the number of Common Shares issuable by the Company in connection with the Special Warrant Financing.
"ASEP Debentures"	means 8% secured but unregistered interest-bearing convertible debentures, as amended, of ASEP in the aggregate principal amount of $2,029,000.
"ASEP Financial Statements"	means, together, the audited financial statements of the ASEP from incorporation on August 12, 2020 to December 31, 2020 and the auditor reviewed interim financial statements of ASEP for the six months ended June 30, 2021, which are attached as Schedule C to this Prospectus.
"ASEP Holdings" or the "**Company"**	means ASEP Medical Holdings Inc. (formerly Trenchant Life Sciences Investment Corp.), a corporation existing under the BCBCA

"ASEP Holdings Debentures"	means 8% unsecured interest-bearing convertible debentures, as amended, of ASEP Holdings with an aggregate principal amount of $500,000, convertible into Common Shares at the ASEP Conversion Price, with any accrued but unpaid interest payable in cash.
"ASEP Shareholders"	means the holders of ASEP Shares prior to completion of the Amalgamation.
"ASEP Shares"	means, collectively, the ASEP A Shares, the ASEP B Shares and the ASEP C Shares.
"Audit Committee"	means the Audit Committee of the Resulting Issuer.
"BCBCA"	means the *Business Corporations Act* (British Columbia) and the regulations promulgated thereunder, in each case, as amended from time to time.
"BCSC"	means the British Columbia Securities Commission.
"Board"	means the board of directors of the Company.
"Board Reconstitution"	means the reconstitution of the Board which occurred in connection with closing of the Transaction, as further described under the headings "*Prospectus Summary – The Transaction – The Resulting Issuer - Management, Directors & Officers*" and "*Directors and Executive Officers*".
"**Broker Warrant**"	has the meaning ascribed to such term in "*General Development of the Business – ASEP Medical Holdings Inc.*"
"**Broker Warrant Share**"	has the meaning ascribed to such term in "*General Development of the Business – ASEP Medical Holdings Inc.*"
"Burton"	has the meaning ascribed to such term in "*General Development of the Business – Sepset Biosciences Inc.*"
"Burton Engagement Letter"	means an engagement letter between Sepset and Burton Financial Inc. dated January 18, 2021, the terms of which were the result of arm's length negotiations among the parties thereto.
"Business Day"	means a day other than Saturday, Sunday, statutory holiday in the Province of British Columbia or a day on which banks are generally closed for business in the city of Vancouver.
"Cash Portion"	means in cash, as to an aggregate minimum of $5,000,000.
"CDRD"	means CDRD Ventures Inc., a corporation existing under the BCBCA.
"CDRD Loan"	means the secured loan in the principal amount of $250,000 from CDRD to Sepset, pursuant to the terms and conditions of the CDRD Loan Agreement.
"CDRD Loan Agreement"	means the loan agreement dated March 1, 2017, as amended on February 28, 2019, June 30, 2019, and February 17, 2021 between Sepset and CDRD documenting the CDRD Loan.

"CDRD Loan GSA"	has the meaning ascribed to such term in "*General Development of the Business – Sepset Biosciences Inc.*"
"CEO"	means Chief Executive Officer.
"Certificate of Amalgamation"	means the certificate of amalgamation dated November 9, 2021 issued by the Registrar in respect of the Amalgamation in accordance with Subsection 281 of the BCBCA.
"CFO"	means Chief Financial Officer.
"Closing of the Transaction"	means the closing of the Transaction as contemplated by the Amalgamation Agreement.
"Common Shares"	means the common shares in the authorized capital of the Company.
"company"	means, unless specifically indicated otherwise, a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
"Company Financial Statements"	means the audited financial statements of the Company for the period from incorporation on January 20, 2021 to June 30, 2021, which are attached as Schedule A to this Prospectus.
"Conversion Calculation"	has the meaning ascribed to such term in "*General Development of the Business – ASEP Medical Holdings Inc*."
"COO"	means Chief Operating Officer.
"CRO"	means contract research organization, a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis.
"CRS"	means chronic rhinosinusitis, an inflammatory condition of the paranasal sinuses.
"CSE"	means the Canadian Securities Exchange.
"CSO"	means Chief Science Officer.
"CTA"	means a Clinical Trial Application, with respect to Health Canada.
"DRS"	means Direct Registration System for uncertificated shares held in book-entry form.
"EPC"	means the *European Patent Convention*.
"Escrow Agreement"	has the meaning ascribed to such term in "*Escrowed Securities*".
"Escrowed Securities"	has the meaning ascribed to such term in "*Escrowed Securities*".
"FDA"	means the U.S. Food and Drug Administration.

"FDCA"	means the U.S. *Food, Drug, and Cosmetic Act,* as amended from time to time.
"Final Prospectus"	means the final non-offering Prospectus of the Company, to be prepared in accordance with NI 41-101.
"Final Receipt"	means the receipt for the Final Prospectus issued by the BCSC, as principal regulator, on its own behalf, on behalf of each of the other relevant securities regulators, and evidencing that a receipt has been issued by the OSC.
"Form 51-102F6V"	means Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers.*
"GLP"	means Good Laboratory Practice.
"Hancock License Agreement"	means the license agreement dated March 13, 2017 between Sepset and Dr. Robert E.W. Hancock, as amended from time to time.
"HPFB"	means the Health Products and Food Branch of Health Canada.
"IAS"	means International Accounting Standards.
"IDR"	means innate defense regulator, a name for a peptide that affects the innate immune response.
"IFRS"	means International Financial Reporting Standards.
"IND"	means Investigational New Drug application, a term describing a phase of the application for a new drug's approval for use in the United States.
"Listing"	means the date that the Common Shares are first listed for trading on the CSE.
"Listing Date"	means the date of Listing.
"Locked-up Securityholders"	means the securityholders who are subject to lock-up restrictions pursuant to the Lock-up Agreements.
"Lock-Up Agreements"	means the lock-up agreements dated August 19, 2021, August 20, 2021, and November 4, 2021 executed by the Locked-up Securityholders.
"MDA"	means Medical Device Amendments, legislation with respect to the US FDA, including a three-class system for medical devices.
"MD&A"	means Management's Discussion and Analysis.
"MDSAP"	means Medical Device Single Audit Program.
"Michael Smith Foundation Commitment Letter"	has the meaning ascribed to such term in "*General Development of the Business – ABT Innovations Inc*."
"Name Change"	means the change in the corporate name of the Company from "Trenchant Life Sciences Investment Corp." to "ASEP Medical Holdings Inc." which became effective in connection with closing of the Amalgamation.

"NDA"	means a New Drug Application, with respect to a new drug being submitted for review to the FDA.
"NDS"	means a New Drug Submission, an application filed with the TPD.
"NEO"	has the meaning ascribed to such term in NI 51-102 Form 51-102F6.
"NewCo"	means 1295277 B.C. Ltd., a corporation existing under the BCBCA, and wholly-owned subsidiary of the Company incorporated for the purposes of effecting the Amalgamation.
"NewCo Shares"	means common shares in the authorized capital of NewCo.
"Notes"	has the meaning ascribed to it in "Prospectus Summary – The Option Agreements".
"NI 41-101"	means National Instrument 41-101 – *General Prospectus Requirements*, of the Canadian Securities Administrators, as amended from time to time.
"NI 51-102"	means National Instrument 51-102 – *Continuous Disclosure Obligations*, of the Canadian Securities Administrator, as amended from time to time.
"NI 52-110"	means National Instrument 52-110 – *Audit Committees*, of the Canadian Securities Administrator, as amended from time to time.
"NI 58-101"	means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, of the Canadian Securities Administrator, as amended from time to time.
"NP 46-201"	means National Policy 46-201 – *Escrow for Initial Public Offerings*, of the Canadian Securities Administrator, as amended from time to time.
"NP 58-201"	means National Policy 58-201 – *Corporate Governance Guidelines*, of the Canadian Securities Administrator, as amended from time to time.
"Options"	means, together, the ABT Option and the Sepset Option.
"Option Agreements"	means, collectively, the ABT Option Agreement, the Sepset Option Agreement and the UBC Option Agreement.
"OSC"	means the Ontario Securities Commission.
"PCR"	means Polymerase Chain Reaction. PCR is a laboratory technique used to amplify nucleic acid (RNA or DNA) sequences for diagnostic purposes.
"PCT"	means the *Patent Cooperation Treaty*, an international patent law treaty which provides a unified procedure for filing patent applications to protect inventions in each of its contracting states. A patent application filed under the PCT is called an "international application" or "PCT application".
"PDUFA"	means the U.S. *Prescription Drug User Fee Act*.

"Penalty Provision"	means, with respect to the conversion of the Special Warrants, in the event that the Qualification Condition has not been met prior to the Qualification Deadline, each unexercised Special Warrant will thereafter entitle the holder to receive upon the exercise or deemed exercise thereof, for no additional consideration, 1.10 Common Shares in lieu of 1 Common Share.
"Peptide"	means a short chain made up of two or more (up to 50) amino acids. The amino acids are linked by a chemical bond called a peptide bond. When organized in complex structures (typically consisting of more than 50 amino acids), peptides then become proteins. Peptides have several functions in the body.
"Peptide Technology"	has the meaning ascribed to such term in *"General Development of the Business – The Resulting Issuer – ABT Innovations Inc."*.
"Person"	means a company or individual.
"Pharmacodynamics"	sometimes described as what a drug does in the body, is the study of the biochemical, physiologic, and molecular effects of drugs on the body and involves receptor binding (including receptor sensitivity), postreceptor effects, and chemical interactions.
"Pharmacokinetics" or "PK"	describes a drugs' passage through the human body. The four steps involved are assessment of: (i) *Absorption*, which describes how the drug moves from the site of administration to the site of action; (ii) *Distribution*, which describes the journey of the drug through the bloodstream to various tissues of the body; (iii) *Metabolism*, the process that breaks down the drug, and (iv) *Excretion*, namely the removal of the drug from the body. For each of these processes there are well defined methods for assessment which is usually based on analyzing amounts of the drug in various parts of the body (and may involve marking of the drug with an isotype label). For its studies to date, ABT has relied on both unlabeled drug (assessed using mass spectrometry), and labeled drug containing a radioisotope label.
"Preferred Shares"	means preferred shares in the authorized capital of the Company.
"Principal Amount"	has the meaning ascribed to such term in "*General Development of the Business – Trenchant Life Sciences Investment Corp.*"
"Pro Forma Financial Statements"	means the unaudited pro forma financial statements of the Resulting Issuer as at August 31, 2021, to give effect to the Amalgamation as if it had taken place as of August 31, 2021, which are attached as Schedule I to this Prospectus.
"Qualification Condition"	means the day on which the Company has been issued the Final Receipt for the filing of the Final Prospectus or deemed receipt therefor from the securities regulatory authorities in each of the Qualifying Jurisdictions.

"Qualification Deadline"	means 5:00 p.m. (Vancouver time) on the date which is 180 days following the date of issuance of the Special Warrants.
"Qualifying Jurisdictions"	means, collectively, British Columbia, Alberta, Ontario, New Brunswick and Saskatchewan.
"Qualified Securities"	means the Common Shares issuable upon the deemed exercise of the previously issued Special Warrants in accordance with terms and conditions set forth in the certificates representing such Special Warrants.
"R&D"	means research and development.
"Researchers"	means Dr. Robert E.W. Hancock and/or Olga M. Pena Serrato, David G. Hancock and John Boyd.
"Resulting Issuer"	means the Company following the closing of the Transaction.
"Resulting Issuer Board"	means the board of directors of the Resulting Issuer.
"Resulting Issuer Shares"	means the Common Shares following closing of the Transaction.
"RT-PCR"	means reversed-transcription PCR.
"SEDAR"	means the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators.
"Sepset"	means Sepset Biosciences Inc., a corporation existing under the BCBCA.
"Sepset Additional Option"	means the option to acquire the remaining 49.9% fully-diluted equity interest in Sepset from the shareholders of Sepset (other than ASEP) following the exercise of the Sepset Option granted by the shareholders of Sepset to ASEP pursuant to the terms of the Sepset Option Agreement.
"Sepset Financial Statements"	means, collectively, the audited annual financial statements of Sepset for the fiscal years ended December 31, 2020 and December 31, 2019 the auditor reviewed interim financial statements of Sepset for the six months ended June 30, 2021, which are attached as Schedule G to this Prospectus.
"Sepset Notes"	has the meaning ascribed to such term in "*Corporate Structure – The Transaction – The Option Agreements – Sepset Option Agreement*".
"Sepset Note Subscription Date"	has the meaning ascribed to such term in "*Corporate Structure – The Transaction – The Option Agreements – Sepset Option Agreement*".
"Sepset Option"	means the option to acquire a 50.1% fully-diluted equity interest in Sepset granted by Sepset to ASEP pursuant to the terms of the Sepset Option Agreement.
"Sepset Option Agreement"	means the option agreement among ASEP, Sepset and the shareholders of Sepset dated May 14, 2021 pursuant to which Sepset granted ASEP the Sepset Option and the terms of which were the result of arm's length negotiations among the parties thereto.

"Sepset Option Exercise Price"	means $2,500,000 in the aggregate.
"Sepset Shares"	means common shares in the authorized capital of Sepset.
"Sepset Technology"	means patents PCT/CA2015/000160 and US15/124,333, including any refilings thereof (see table in *Description of the Business – Intangible Properties – Sepset Biosciences Inc.*), and all knowledge, know-how and/or technique(s) invented, developed or acquired by the Researchers as well as any improvements, variations, updates, modifications or enhancements by either Sepset, Dr. Robert E.W. Hancock or the Researchers.
"Sepset UBC Collaborative Research Agreement"	means the collaborative research agreement between UBC and Sepset dated August 6, 2021.
"Sepset UBC Collaborative Research Agreement Option"	has the meaning ascribed to such term in "*Description of the Business – Intangible Properties – Sepset Biosciences Inc. – Sepset Collaborative Agreement*".
"Sepsis"	is a syndrome typified by life-threatening organ failure in a host due to a dysfunctional and dysregulated host response to infection.
"Shareholders"	means holders of Common Shares from time to time.
"Special Warrants"	means non-transferable special Common Share purchase warrants of the Company, each of which is convertible into Common Shares, subject to the Penalty Provision and the terms and conditions set forth in the certificates representing such Special Warrants.
"Special Warrant Certificates"	means the certificates representing Special Warrants.
"Special Warrant Exercise Date"	means the date the Special Warrants are deemed to have been exercised into Common Shares, which is the earlier of: (i) the Qualification Condition, and (ii) the Qualification Deadline.
"Special Warrant Financing"	means the non-brokered private placement of the Company of 11,731,500 Special Warrants which closed in four tranches on August 25, 2021, September 9, 2021, October 22, 2021 and October 26, 2021 for gross aggregate proceeds of $5,865,750, which will result in the deemed exercise of Special Warrants for, subject to the Penalty Provision, 11,731,500 Common Shares on the Special Warrant Exercise Date.
"Special Warrant holder"	means holders of Special Warrants from time to time.
"Stock Options"	means stock options to acquire Common Shares.
"Stock Option Plan"	means the stock option plan adopted by the Board on July 21, 2021, as amended from time to time.
"Tax Act"	means the *Income Tax Act* (Canada), and the regulations promulgated thereunder, as amended from time to time.

"**Termination Fee**"	has the meaning ascribed to such term in "*General Development of the Business – Sepset Biosciences Inc.*"
"TPD"	means Therapeutic Products Directorate, Canada's regulator of prescription drugs for human use.
"Transaction"	means, collectively, the transactions contemplated by the Amalgamation Agreement including the Special Warrant Financing, the Amalgamation, the completion of the Name Change, the conversion of the Special Warrants, and the exercise of the ABT Option and the Sepset Option.
"TSXV"	means the TSX Venture Exchange.
"UBC"	means the University of British Columbia.
"UBC Commitment Letter"	has the meaning ascribed to such term in "*General Development of the Business – ABT Innovations Inc*."
"UBC Intellectual Property"	has the meaning ascribed to such term in "*Description of Business – Intangible Properties – ABT Innovations Inc.*"
"UBC License Agreement"	has the meaning ascribed to such term in "*General Development of the Business – ABT Innovations Inc.*"
"UBC Option"	means the option to acquire all the UBC Shares pursuant to the terms of the UBC Option Agreement.
"UBC Option Agreement"	means the share purchase option agreement among ASEP, ABT and UBC dated May 14, 2021 pursuant to which UBC granted ASEP the UBC Option and the terms of which were the result of arm's length negotiations among the parties thereto.
"UBC's Pro Rata Percentage"	means, as of the date ASEP exercises the UBC Option pursuant to the terms and conditions of the UBC Option Agreement, a percentage equal to the quotient of: (i) the number of UBC Shares divided by (ii) (a) the total number of issued and outstanding Class A Shares, less (b) any ABT Shares then held by ASEP.
"UBC Purchase Price"	means $20,000,000 multiplied by UBC's Pro Rata Percentage.
"UBC Shares"	means, collectively, 143,388 ABT Shares and/or any other equity interest in ABT that UBC may acquire for any reason following the date of the UBC Option Agreement.
"U.S.", "USA" or "United States"	means the United States of America
"VWAP"	means volume weighted average price.

GENERAL MATTERS

Unless otherwise noted or the context indicates otherwise "we", "us", "our" or the "Company" refer to ASEP Medical Holdings Inc. and its direct subsidiaries. Certain capitalized terms and phrases used in this Prospectus are defined in the "*Glossary of Terms*".

Readers should rely only on the information contained in this Prospectus. We have not authorized any other person to provide readers with additional or different information. If anyone provides readers with additional or different or inconsistent information, including information or statements in media articles about the Company, readers should not rely on it. The Company is not making an offer to sell or seeking offers to buy Common Shares or other securities of the Company. The information appearing in this Prospectus is accurate only as of the date of this Prospectus, regardless of its time of delivery. The Company's business, financial conditions, results of operations and prospects may have changed since the date of this Prospectus.

The Company presents its financial statements in Canadian dollars. Amounts in this Prospectus are stated in Canadian dollars unless otherwise indicated.

FINANCIAL STATEMENT PRESENTATION IN THIS PROSPECTUS

The following financial statements of the Company, ASEP, ABT, Sepset and the Resulting Issuer have been prepared in accordance with IFRS and are included in this Prospectus as follows:

1. the Company Financial Statements attached hereto as Schedule A;

2. the ASEP Financial Statements attached hereto as Schedule C;

3. the ABT Financial Statements attached hereto as Schedule E;

4. the Sepset Financial Statements attached hereto as Schedule G; and

5. the Pro Forma Financial Statements attached hereto as Schedule I.

FORWARD-LOOKING STATEMENTS

Certain statements and information contained in this Prospectus constitute forward-looking statements or forward-looking information (collectively "**forward-looking statements**") within the meaning of applicable securities laws. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective", "outlook" or similar words suggesting future outcomes or language suggesting an outlook.

All estimates, projections and other forward-looking statements have been prepared by the Company on assumptions that management considers reasonable, but these estimates, projections, and statements involve a high degree of risk and may not prove accurate. No representation is made as to the accuracy of such estimates, statements, or projections or their attainability, and nothing in this Prospectus shall be relied upon as a promise or representation as to the Company's future performance. The Company and its existing and proposed activities are subject to various risks and uncertainties, including, but not limited to, those described in the section titled "*Risk Factors*" in this Prospectus.

In particular, this Prospectus contains forward-looking statements with respect to:

- the intention of the Company to complete the Transaction pursuant to the terms and conditions of the Amalgamation Agreement and all transactions related thereto;
- the intention of the Company to complete the Listing on the CSE;
- the conversion of the Special Warrants;
- the Resulting Issuer's proposed business model;
- the Resulting Issuer's expectations regarding its expenses and operations and future revenue;
- the Resulting Issuer's anticipated cash needs and its needs for additional financing;
- the Resulting Issuer's intention to grow the business and its operations;
- the Resulting Issuer's competitive position and the regulatory environment in which the Resulting Issuer shall operate;
- the Resulting Issuer's expected business objectives for the next twelve months;
- the Resulting Issuer's ability to obtain additional funds through the sale of equity or debt commitments; and
- the exercise of the Additional Options.

Such statements and estimates reflect various assumptions by the Company concerning anticipated results, which assumptions may or may not prove to be correct.

Forward-looking statements in this Prospectus are based on the current beliefs of management of the Company, ASEP, ABT and Sepset as well as assumptions made by, and information currently available to, the Company, ASEP, ABT and Sepset, as applicable, regarding, among other things:

- the completion of the Transaction and related matters;
- the listing of the Common Shares on the facilities of the CSE;
- the Resulting Issuer's proposed business model;
- the success of the operations of the Resulting Issuer;
- the ability of the Company, ASEP, ABT, Sepset and the Resulting Issuer to obtain all required approvals in connection with the Transaction, as applicable;
- the impact of competition and the competitive response to the Resulting Issuer's business strategy;
- the timing and amount of capital and other expenditures;
- the conditions in financial markets and the economy generally; and
- the ability of the Resulting Issuer to obtain additional financing on satisfactory terms or at all.

No representations are made as to the accuracy of such statements and estimates, as well as the exercise of a substantial degree of judgment by management as to the scope and presentation of such information. Actual results achieved during projection periods may differ substantially from those projected. The forward-looking statements speak only as of the date hereof, and the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events unless otherwise required by law.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. **Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update or revise any forward-looking statements that are included herein, except in accordance with applicable securities laws.** See the risks, uncertainties and assumptions set out under the heading *"Risk Factors*" for more information.

An investment in the Company's securities should be considered highly speculative. There is no guarantee that an investment in the Company will earn any positive return in the short or long term. An investment in the Company is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

All of the forward-looking statements contained in this Prospectus are expressly qualified by the foregoing cautionary statements. Investors should read this entire Prospectus and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment.

MARKET AND INDUSTRY DATA

Unless otherwise indicated, the market and industry data contained in this Prospectus has been obtained from third-party sources, including independent industry and other publications and the knowledge of and experience of the Company's management in the markets in which the Company operates. While the Company believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. The Company has not independently verified any of the data from third-party sources referred to in this Prospectus or ascertained the underlying assumptions relied upon by such sources.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this Prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Certain capitalized terms and phrases used in this Prospectus are defined in the "*Glossary of Terms*" beginning on page 1.

Special Warrant Financing

The Company is filing this Prospectus to become a reporting issuer in each of the Qualifying Jurisdictions and to qualify the distribution of 11,731,500 Common Shares subject to the Penalty Provision on the deemed exercise of its previously issued Special Warrants. The Company has raised gross proceeds of $5,865,750 pursuant to the Special Warrant Financing through the issuance of 11,731,500 Special Warrants at an issue price of $0.50 per Special Warrant. See "*General Development of the Business – ASEP Medical Holdings Inc.*" and "*Prior Sales*". The Company seeks to list the Resulting Issuer Shares on the CSE, and has received conditional approval for listing.

The Resulting Issuer

Corporate Structure, Amalgamation and Option Agreements

The Company was incorporated on January 20, 2021 pursuant to the provisions of the BCBCA under the name "Trenchant Life Sciences Investment Corp." On November 9, 2021, the Company and its wholly-owned subsidiary NewCo completed an arm's length three-cornered amalgamation with ASEP on the terms and conditions of the Amalgamation Agreement, whereby the ASEP Shareholders received Common Shares in exchange for their ASEP Shares and ASEP became a wholly-owned subsidiary of the Company. ASEP was incorporated on August 12, 2020 under the provisions of the BCBCA. On closing of the Amalgamation, the Company changed its name to "ASEP Medical Holdings Inc." See "*Corporate Structure*". The Resulting Issuer's head office is located at Suite 2380 – 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9 and its registered and records office is located at Suite 800 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1.

Through ASEP, the Company intends to acquire a 50.1% fully-diluted equity interest in two biotechnology companies, namely ABT Innovations Inc. and Sepset Biosciences Inc. by exercising, respectively, the ABT Option and Sepset Option in accordance with the terms and conditions of the Option Agreements between ASEP and each of ABT and Sepset. The Company intends to use a portion of the proceeds of the Special Warrant Financing to exercise the Options following issuance of the Final Receipt for this Prospectus and prior to the Resulting Issuer Shares becoming listed for trading on the CSE.

Description of Business

The principal business of the Resulting Issuer, following exercise of the Options and completion of the Transaction, will be pursuing the commercialization of broad spectrum Peptide Technology by ABT for treatment of a broad range of infectious diseases and a diagnostic kit for predicting the onset of severe Sepsis and organ failure through Sepset. Prior to completion of the Transaction, the primary business of the Company and ASEP was raising capital for the purposes of completing the Transaction, becoming a reporting issuer and effecting the Listing. Pursuant to the Option Agreements, ASEP also has the Additional Options, being the right to acquire the remaining 49.9% fully-diluted equity interest in each of ABT and Sepset from the minority shareholders for a period of three years from the exercise of the ABT Option and the Sepset Option.

See *"Corporate Structure", "General Development of the Business",* "*Description of the Business*" and *"Use of Proceeds"*.

ABT Innovations Inc.

ABT was incorporated on July 3, 2015 pursuant to the provisions of the BCBCA under the name "ABT Innovations Inc." for the purpose of pursuing the commercialization of the broad Peptide Technology, particularly the UBC Intellectual Property, developed by its founder, Dr. Robert E.W. Hancock. ABT is pursuing research on its broad array of Peptides and developing them as new therapies either alone or through contractual arrangements with other companies. As of the date of this Prospectus, ABT has no other operating segments.

ABT's technology is developing covers a broad range of therapeutic applications including bacterial biofilm infections (medical device infections, chronic infections, lung, bladder, wound, dental, skin, ear-nose and throat, sinusitis, orthopedic, etc.), representing two-thirds of all infections, as well as other activities that give the technology exceptionally broad application, including anti-inflammatory activity as potent in one model,[1,2,3] as non-steroidal anti-inflammatories like indomethacin, anti-infective immune-modulation that by itself can treat a broad range of infectious diseases (bacterial, viral, fungal) and activities as adjuvants for vaccines (collectively, the "**Peptide Technology**"). The Peptide Technology includes small potent broad-spectrum anti-biofilm and anti-inflammatory Peptides, that have been documented through filed patents, patent applications and published scientific papers to be highly active (at ≥1 to 4 μg/ml) against all major clinically-relevant antibiotic resistant bacteria growing as biofilms[4,5] as well as complex oral biofilms[6], work synergistically with antibiotics[7,8], are effective in animal models of biofilm infections, including sinusitis and abscesses[2,9], and to have anti-inflammatory activity as potent as indomethacin[10]. The mechanisms of these Peptides depend on the actual application but have been substantially defined. For example, against biofilm infections these Peptides demonstrate multiple mechanisms including inhibiting a bacterial signaling molecule required for biofilm formation; their multi-target mechanism of action reduces the chances of resistance development. Moreover, ABT's unique set of Peptides is effective against all multiple antibiotic resistant bacteria in various animal infection models. ABT is also developing analogous Peptides as immune modulators[6,11] suppressing potentially harmful inflammation in relevant animal models while boosting protective innate immunity[6] and Peptides that combine these activities with anti-biofilm activity.[3]

The Peptide Technology is covered by the filed and issued patents in three broad families covering several thousand unique molecules, as further detailed in "*Description of the Business – Intangible Properties – ABT Innovations Inc.*".

UBC owns the UBC Intellectual Property, and has granted ABT a worldwide, exclusive license to use and sublicense the UBC Intellectual Property and to manufacture, have made, distribute and sell products made from or based upon the UBC Intellectual Property on the terms and conditions of the UBC License Agreement.

ABT has operated to date as a private, virtual R&D company, with no physical head office location, as further described in "*Description of the Business – Business Overview – ABT Innovations Inc.*". ABT's registered and records office is located at 1750 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 3P3. This has allowed ABT to minimize expenses while still advancing the Peptide Technology by leveraging collaborative research arrangements with academic institutions such as UBC and other third parties.

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[1] Overhage J R.E.W. Hancock et al. (2008) Infect. Immun. 76: 4176-4182.

[2] Reffuveille, F., C. de la Fuente-Núñez, S. Mansour and R.E.W. Hancock. (2014) Antimicrob. Agents Chemother. 58: 5363-5371.

[3] de la Fuente-Núñez, C., F. Reffuveille, S.C. Mansour, S.L. Reckseidler-Zenteno, D. Hernández, G. Brackman, T. Coenye and R.E.W. Hancock. (2015) Chem. Biol. 22: 196-205

[4] de la Fuente-Núñez, C, REW Hancock et al. 2014. PLoS Pathogens 10(5): e1004152.

[5] *Supra* note 3.

[6] Pletzer, D., S.C. Mansour, and R.E.W. Hancock. 2018. PLoS Pathogens 14(6): e1007084.

[7] *Supra* note 2.

[8] Wang D, Y Shen, REW Hancock, J Ma, and M Haapasalo. 2018. Journal of Endodontics 44:1709-1713.

[9] Mansour S, C de la Fuente-Núñez and REW Hancock. 2015. J. Pept. Res. 21:323-329.; Alford, MA, REW Hancock et al. 2021. Frontiers Cell. Infect. Microbiol. 11:621081.; Wu BC, REW Hancock et al. 2021. NPJ Biofilms and Microbiomes 7:8.

[10] Haney EF, REW Hancock et al. 2015. Peptides 71:276–285.

[11] Wu BC, AH Lee, & REW Hancock. 2017. Journal of Immunology 199:3592-3603.

ABT entered into the ABT First UBC Collaborative Research Agreement on April 24, 2017 with the aim of selecting an innate defense regulator ("**IDR**") peptide to be further used as a therapeutic tool for treating infections in veterinary medicine. Three major medical indications were selected as considered especially favorable for such a treatment approach: cow mastitis, canine otitis, and canine atopic dermatitis. ABT entered into the ABT Second UBC Collaborative Research Agreement on June 2, 2021 which aims to conduct necessary experiments to identify the most promising molecules for development of ABT's Peptide Technology and move ABT towards the regulatory approval stages and an IND application. ABT expects that a third collaborative research agreement will be entered into with UBC in the first half of 2022. These collaborative research agreements are favorable for ABT because they allow ABT to outsource their R&D to an academic institution such as UBC for a fee, while being able to leverage the licenses, regulatory approvals, labs, facilities and grant funding that UBC has and receives for the benefit and advancement of the UBC Intellectual Property which is licensed to ABT. This collaborative research approach helps the company minimize its cash outlays and capital expenditures and keep R&D costs lower under the virtual company model compared to a traditional in-house R&D model.

To date, ABT has funded the pursuit of its research agenda through non-dilutive sources of funding such as shareholder loans which have since been repaid and financial assistance provided by UBC through R&D grants obtained by UBC and partnerships with other companies and entities. ABT intends to use the funds advanced to it pursuant to the ABT Option Agreement to fund additional R&D, and to further ABT's business objectives and milestones as more particularly described under "*Use of Proceeds*".

Sepset Biosciences Inc.

Sepset was incorporated on April 23, 2015 pursuant to the provisions of the BCBCA under the name "Sepset Biosciences Inc." for the purpose of commercializing of a diagnostic kit for predicting the onset of severe Sepsis and organ failure that was developed by its founder Dr. Robert E.W. Hancock. Sepset intends to develop its diagnostic tests either alone, with technology partners, or through contractual arrangements with technology and/or marketing companies. As of the date of this Prospectus, Sepset has no other operating segments.

Sepsis is the body's dysfunctional response to an infection. It is a common life-threatening medical emergency that happens when the body responds in the wrong way to an infection triggering the body to fight against itself. It was responsible for 19.7% of all deaths on the planet in 2017.[12] The World Health Assembly and the World Health Organization made Sepsis a global health priority, by adopting a resolution to improve, prevent, diagnose, and manage Sepsis[13b]. Evidence suggests that most COVID-19 deaths are caused by Sepsis[14]. Initial evaluation of patients with suspected Sepsis includes basic laboratory tests, cultures, imaging studies as indicated, and Sepsis biomarkers such as procalcitonin and lactate levels[15]; such tests are generally applied or resolved after about 24-72 hours after hospitalization. Key procedures for recognizing Sepsis in the emergency room are missing and not completed in a substantial proportion of patients admitted to the emergency department with Sepsis[16]. There is a 7.6% increase in mortality for every hour's delay in diagnosis and application of appropriate therapy[17], meaning early diagnosis is critical. Similarly, diagnosing that a patient does not have Sepsis is also critical since it can prevent the needless application of broad spectrum, potent and expensive antibiotics, which is very important in preventing the rise of antimicrobial resistant (AMR) organisms that are steadily eroding the effectiveness of antibiotics that themselves represent the most effective human medicines. Patients admitted to Intensive Care Units (ICU's) with severe Sepsis have a 23-30% risk of death[18]. There is therefore a need for systematic improvement in the initial management of patients admitted to emergency departments with Sepsis.

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[12] *Supra* note 10.

[13] a. Rudd KE, *et al*. 2020. Lancet 395:200–211.; b. WHA & WHO Resolution on Sepsis, May 26 2017; https://www.global-sepsis-alliance.org/news/2017/5/26/wha-adopts-resolution-on-sepsis.

[14] Zhou F et al. 2020. Lancet 395:1054-1062.

[15] Gauer A et al. 2020. American Family Physician. 101(7):409-418.

[16] Husabø G et al. 2021. PLOS ONE 16(3): e0248879.

[17] Kumar A et al. 2006. Critical Care Medicine 34:1589–1596; b. Pena OM.

[18] Pena OM, REW Hancock et al. 2014. eBiomedicine 1:64–71.

Sepset's diagnostic technology is able to capture a unique gene expression profile that is present very early in the course of Sepsis, and linked to Sepsis pathogenesis and the risk of developing organ dysfunction. Sepset's diagnostic technology differs from current diagnostic tests in that it enables diagnosis of severe Sepsis within 1-2 hours after first clinical presentation (i.e., in the emergency room), while other diagnostics, based on lab tests and cell cultures as mentioned above, provide diagnoses after 24-48 hours, which is too late for physicians to make critical early decisions, thereby increasing the risk of death for patients. Sepset believes that its technology will reduce mortality and morbidity and save potent antibiotics so they will only be used in patients who need them. Sepset's technology has been affirmed by acceptance into an important medical journal,[19] and by the award of patents in Europe, China and Hong Kong; prosecution of the patent is proceeding in other countries.

The Sepset Technology is covered by the filed and issued patents described at "*Description of Business – Intangible Properties – Sepset Biosciences Inc.*" The Sepset Technology is owned by Dr. Robert E.W. Hancock, and Sepset was granted an exclusive and worldwide license for the use and sublicense of the Sepset Technology as well as any improvements, variations, updates, modifications, and enhancements made and/or acquired thereon, and to manufacture, have made, distribute and sell products made from or based upon the Sepset Technology, on the terms and conditions of the Hancock License Agreement.

Sepset has operated to date as a private, virtual R&D company, with no physical head office location, as further described in "*Description of the Business – Business Overview – ABT Innovations Inc.*". Sepset's registered and records office is located at 1750 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 3P3. This has allowed Sepset to minimize expenses while still advancing the Sepset Technology by leveraging collaborative research arrangements with academic institutions such as UBC and other third parties.

To date, Sepset has funded the pursuit of its research agenda through non-dilutive sources of funding such as shareholder loans and the CDRD Loan, both of which have since been repaid, and other financial assistance provided by UBC through R&D grants obtained by UBC and partnerships with other companies and entities. Sepset intends to use the funds advanced to it pursuant to the Sepset Option Agreement to fund additional R&D, and to further Sepset's business objectives and milestones as more particularly described under "*Use of Proceeds*".

Sepset entered into the Sepset UBC Collaborative Research Agreement on August 6, 2021 with the aim of testing Polymerase Chain Reaction ("**PCR**") methods for Sepsis diagnostics. This collaborative research agreement is favorable for Sepset because it allows Sepset to outsource their R&D to an academic institution such as UBC for a fee, while being able to leverage the licenses, regulatory approvals, labs, facilities and grant funding that UBC has and receives for the benefit and advancement of the Sepset Technology which is licensed to Sepset. This collaborative research approach helps the company minimize its cash outlays and capital expenditures and keep R&D costs lower under the virtual company model compared to a traditional in-house R&D model.

Directors and Officers

The directors and officers of the Company are as follows:

Name	Position(s)
Rudy Mazzocchi	Executive Chairman, CEO and Director
Dr. Robert E.W. Hancock	COO and Director
Jennifer Gretchen	CFO and Corporate Secretary
Dr. Fadia Saad	Chief Business Development Officer
Dr. Evan Haney	CSO
Derrold Norgaard	Independent Director
Timothy Murphy	Independent Director

[19] *Ibid*.

See "*Directors and Executive Officers*" for more information on each individual mentioned above.

No Proceeds Raised

No securities are being offered pursuant to this Prospectus. This Prospectus is being filed with the securities commissions of the Qualifying Jurisdictions for the purpose of allowing the Company to become a reporting issuer in such jurisdictions and to enable the Company to develop an organized market for its Common Shares. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Company.

Use of Proceeds

This is a non-offering prospectus. The Company is not raising any funds in conjunction with this Prospectus and, accordingly, there are no proceeds to be raised by the Company pursuant to this Prospectus. The gross proceeds paid to the Company from the sale of the Special Warrants pursuant to the Special Warrant Financing are $5,865,750. The Company will not receive any additional proceeds from the Special Warrant Financing upon the deemed exercise of the Special Warrants.

As at October 31, 2021, the Resulting Issuer had a combined working capital position (on an unaudited basis) of approximately $424,446 based on the estimated working capital of the Company of $145,588, estimated working capital deficit of ASEP of ($832,682), estimated working capital of ABT of $594,749, estimated working capital of Sepset of $516,791, and excludes the current liabilities related to the ASEP Debentures and ASEP Holdings Debenture, which were converted into ASEP Shares and Common Shares, respectively, in connection with completion of the Amalgamation.

Based on this working capital position and the inclusion of the $5,865,750 in proceeds raised under the Special Warrant Financing, the estimated funds available to the Resulting Issuer are intended to be used as follows:

Resulting Issuer Sources of Available Funds	**Estimated Amount**
Estimated consolidated working capital of the Resulting Issuer as at October 31, 2021[(1)]	$424,446
Anticipated gross proceeds raised pursuant to the Special Warrant Financing[(2)]	$5,865,750
Financing costs related to Special Warrant Financing	($93,600)
Total Available Funds	**$6,196,596**
Resulting Issuer Principal Purposes for Use of the Available Funds	**Estimated Amount**
Remaining Transaction and Prospectus related costs	$280,000
R&D Salaries[(3)]	$206,640
Remaining ABT Option Purchase Price[(4)]	$2,000,000
Remaining Sepset Option Purchase Price[(5)]	$2,000,000
General and Administrative Salaries	$192,405
General and Administrative[(6)]	$408,050
Non-accrued interest portion of the ASEP Debentures and ASEP Holdings Debenture	$13,527
Loan to ABT to cover operational costs over and above the remaining ABT Option proceeds	$118,033
Unallocated working capital of the Resulting Issuer	$977,941
Total Funds to be Used:	**$6,196,596**

(1) Consolidated working capital excludes the current liabilities related to the ASEP Debentures and ASEP Holdings Debentures, which shall be converted into ASEP Shares and Common Shares, respectively, prior to completion of the Transaction.

(2) Pursuant to the Special Warrant Financing, which closed in four tranches on August 25, 2021, September 9, 2021, October 22, 2021, and October 26, 2021, the Company issued an aggregate of 11,731,500 Special Warrants at a price of $0.50 per Special Warrant for gross aggregate proceeds of $5,865,750.

(3) The Company expects to incur total salaries of $1,163,710 for the 12 month period. Certain positions will be shared by ASEP, ABT and Sepset. Management has reviewed the positions and allocated to department (general and administrative and/or R&D) and to company (ASEP, ABT, and/or Sepset).

				Company and Department Allocation					
				Asep		ABT		Sepset	
Name	Position	Director/Officer	Salary*	G&A	R&D	G&A	R&D	G&A	R&D
Rudy Mazzocchi	CEO	Director & Officer	242,400	90,900	30,300	45,450	15,150	45,450	15,150
Fadia Saad	CBDO	Officer	202,000	-	101,000	-	50,500	-	50,500
Jen Gretchen	CFO	Officer	151,500	75,750	-	37,875	-	37,875	-
Evan Haney	CSO	Officer	70,700	-	14,140	-	28,280	-	28,280
Other**	Various**	No	497,110	25,755	61,200	12,878	182,100	12,878	202,300
		Total Salaries	**1,163,710**	**192,405**	**206,640**	**96,203**	**276,030**	**96,203**	**296,230**

* Salary for certain individuals includes a 2% increase at 1 year anniversary of start date.
** Other includes six positions which are not management positions and are not related parties. Of the six positions, one position is currently filled and five are expected hires within the next 12 months.

(4) The first ABT Note in the amount of $500,000 was advanced by ASEP to ABT upon entry into the ABT Option Agreement. On exercise of the ABT Option, the principal amount of this ABT Note will be applied towards the ABT Option Exercise Price, with the remaining balance of the ABT Option Exercise Price in the amount of $2,000,000 being paid in cash by ASEP on completion of the Transaction.

(5) The first Sepset Note in the amount of $500,000 was advanced by ASEP to Sepset upon entry into the Sepset Option Agreement. On exercise of the Sepset Option, the principal amount of this Sepset Note will be applied towards the Sepset Option Exercise Price, with the remaining balance of the Sepset Option Exercise Price in the amount of $2,000,000 being paid in cash by ASEP on completion of the Transaction.

(6) Includes directors and officers insurance of $210,000; office rental costs of $60,000; business development costs of $27,000; professional fees of $64,000; and other general and administrative costs of $47,050.

ABT and Sepset intend to use the remaining ABT Option Exercise Price and the remaining Sepset Option Exercise Price, respectively, to fund the pursuit of their business objectives as stated below:

ABT Principal Purpose for Use of Remaining ABT Option Exercise Price	**Estimated Amount**
R&D related costs(1)	$550,000
R&D salaries	$276,030
Non-clinical toxicology and Pre-IND and IND filing related costs(2)	$1,160,000
General and Administrative costs(3)	$30,800
General and Administrative salaries	$96,203
Remaining Transaction and Prospectus related costs	$5,000
Loan from Resulting Issuer to cover operational costs in excess of $2M	(118,033)
Total:	**$2,000,000**
Sepset Principal Purpose for Use of Remaining Sepset Option Exercise Price	**Estimated Amount**
R&D related costs(4)	$396,000
R&D Salaries	$296,230
Clinical Development related costs(5)	$1,000,000
General and Administrative costs(6)	$30,800
General and Administrative salaries	$96,203
Remaining Transaction and Prospectus related costs	$5,000
Unallocated funds from $2M Option Purchase Price payment	$175,767
Total:	**$2,000,000**

(1) Includes collaborative research costs of $375,000; patent costs of $105,000; and laboratory costs of $75,000. As disclosed in the ABT Financial Statements, UBC related costs include the ABT First UBC Collaborative Research Agreement (ABT paid $13,594 to UBC in

2020 relating to completion of Phase II under the ABT First UBC Collaborative Research Agreement dated April 24, 2017. Per the agreement, Phase II is *in vitro* confirmation of peptide activities. Phase II was nearing completion in Q2, 2020 and was fully completed by Q3, 2020). The ABT First Collaborative Research Agreement ended upon completion of Phase II in Q3, 2020. The ABT Second UBC Collaborative Research Agreement was entered into on June 2, 2021 with a commitment of $250,000 to be paid to UBC. The first payment of $125,000 was paid on July 15, 2021. The second payment of $125,000 was due October 2, 2021 and is included in the use of proceeds related to Non-clinical toxicology and Pre-IND and IND filing related costs; it will be paid upon ABT's receipt of the remaining $2,000,000 option payment. The ABT Second UBC Collaborative Research Agreement had a start date of June 2, 2021 with a contract period of 8 months, resulting in a contract end date of February 2, 2022. The ABT Second UBC Collaborative Research Agreement is currently active with R&D work currently underway. An additional $250,000 is included in the use of proceeds under Non-clinical toxicology and Pre-IND and IND filing related costs, as ABT expects to start a third UBC collaborative research agreement around March of 2022, after the currently active collaborative research agreement expires. $250,000 represents the full commitment expected for the future collaborative research agreement with UBC. The future collaborative research agreement is expected to have an 8 month contract term, consistent with the terms of the ABT Second UBC Collaborative Research Agreement. The work to be completed under the future collaborative research agreement will be defined once the currently active ABT Second UBC Collaborative Research Agreement is completed and the results of its research program are known.

(2) Includes costs related to formulation studies of $500,000; *in vitro* formulations of $35,000; in organoid formulation testing of $30,000; *in vivo* formulation testing of $150,000; non-clinical toxicology of $155,000; manufacture of Peptides of $85,000; pre-IND filing preparation of $205,000. See also "*Business Objectives and Milestones*" below for more details.

(3) Includes professional fees of $21,000; and other general and administrative costs of $9,800. The salaries have been allocated to ABT and Sepset based on a review of specific members duties and expected time spent on each company. Although ABT and Sepset are different in nature and stage, the companies' management team expects to contribute equal amounts of G&A resources to each in order to move the companies into their next stages.

(4) Includes CRO and UBC research costs of $250,000; and patent costs of $146,000.

(5) Includes costs related to clinical and laboratory studies of $600,000; additional test kit development of $150,000; bioinformatics of $70,000; patient recruitment of $70,000; and consulting and filing costs for Health Canada license application and FDA 510(k) filing of $110,000. See also "*Business Objectives and Milestones*" below for more details.

(6) Includes professional fees of $21,000; and other general and administrative costs of $9,800. The salaries have been allocated to ABT and Sepset based on a review of specific members duties and expected time spent on each company. Although the ABT and Sepset are different in nature and stage, the companies' management team expects to contribute equal amounts of G&A resources to each in order to move the companies into their next stages.

Where possible, the Resulting Issuer intends to seek research grants, awards or other forms of non-dilutive funding in order to decrease or off-set the above referenced estimated R&D and clinical development expenditures. There is no guarantee that the Resulting Issuer, ASEP, ABT or Sepset will be successful in obtaining such funding. See "*Use of Proceeds*" for more information.

The current global uncertainty with respect to COVID-19, the consistently evolving nature of the pandemic and local and international developments related thereto and its effect on the broader global economy and capital markets may have a negative effect on the Resulting Issuer, ASEP, ABT and Sepset and the advancement of the business of the Resulting Issuer.

The actual amount that the Resulting Issuer spends in connection with each intended use of funds may vary significantly from the amounts specified above and will depend on a number of factors including those listed under the heading "*Risk Factors*".

The Listing

The CSE conditionally accepted the listing of the Resulting Issuer Shares on November 5, 2021. The Listing is subject to the Company fulfilling all of the listing requirements of the CSE, including, without limitation, the Company meeting the CSE's initial listing requirements and the exercise of the ABT Option and the Sepset Option. There is no guarantee that the CSE will provide final approval for the listing of the Resulting Issuer Shares.

Risk Factors

An investment in the Company is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider and evaluate all risks and uncertainties involved in an investment in the Company and the Resulting Issuer.

The risks, uncertainties and other factors, many of which are beyond the control of the Company, that could influence actual results include, but are not limited to: insufficient capital; no established market; limited operating history; evolving competitive conditions, other regulatory requirements, and political regulatory risks; lack of operating cash flow; resale of shares; price volatility of publicly traded securities; market for securities; uninsurable risks; additional funding requirements; dilution; regulatory requirements; risks associated with acquisitions of ASEP, ABT and Sepset, as applicable; executive employee recruitment and retention; adverse general economic conditions; claims and legal proceedings; competition; conflicts of interest; dividends; litigation; reporting issuer status; tax issues; and operating hazards, risks and insurance. There is also no guarantee that the Company will be able to meet its obligations under the Option Agreements. See the section entitled "*Risk Factors*" for details of these and other risks relating to the Company's business. **An investment in the securities of the Company is suitable for only those investors who are willing to risk a loss of their entire investment and who can afford to lose their entire investment. Prospective investors should consult their own professional advisors to assess the income tax, legal and other aspects of an investment in the Company and the Resulting Issuer.**

Selected Pro Forma Consolidated Financial Information

The following table summarizes selected pro-forma consolidated financial information for the Resulting Issuer as at August 31, 2021. The information in the following table has been derived from, as applicable, the Company Financial Statements and related notes thereto attached to this Prospectus as Schedule A, the ASEP Financial Statements and related notes thereto attached to this Prospectus as Schedule C, the ABT Financial Statements and related notes thereto attached to this Prospectus as Schedule E, the Sepset Financial Statements and related notes thereto attached to this Prospectus as Schedule G, and the Pro Forma Financial Statements attached to this Prospectus as Schedule I.

	ASEP Holdings for the period from incorporation on January 20, 2021 to August 31, 2021 (Audited) ($)	**ASEP for the interim period ended June 30, 2021 (Unaudited) ($)**	**ABT for the interim period ended June 30, 2021 (Unaudited) ($)**	**Sepset for the interim period ended June 30, 2021 (Unaudited) ($)**	**Resulting Issuer Pro Forma as at August 31, 2021 (Unaudited) ($)**
Total Revenues	Nil	Nil	Nil	Nil	Nil
Total Expenses	416,355	1,014,483	45,591	39,012	2,628,906
Net Income (Loss)	(416,355)	(747,224)	(45,591)	(39,012)	(2,387,108)
Current Assets	3,848,304	600,693	310,832	183,422	7,348,337
Total Assets	3,848,304	1,614,325	310,832	183,422	19,140,283
Current Liabilities	841,210	2,097,402	10,373	6,353	282,863
Total Liabilities	841,210	2,097,402	510,373	506,353	282,863
Total Shareholders' Equity (Deficit)	3,007,094	(483,007)	(322,931)	(199,541)	18,857,407

See "*Selected Financial Information*", "*Management's Discussion and Analysis*" and "*Risk Factors*" for more information.

CORPORATE STRUCTURE

Name and Incorporation of ASEP Medical Holdings Inc.

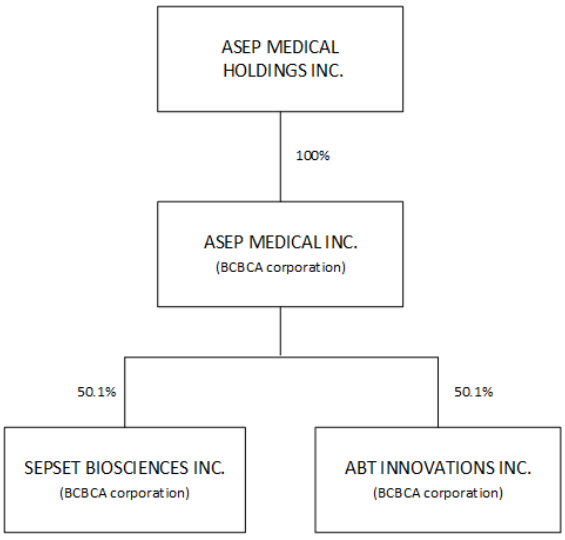
The Company was incorporated on January 20, 2021 pursuant to the provisions of the BCBCA under the name "Trenchant Life Sciences Investment Corp.". The Company's head office is located at Suite 2380 – 1055 West Hastings Street Vancouver, British Columbia, V6E 2E9 and its registered and records office is located at Suite 800 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1. On November 9, the Company and its wholly-owned subsidiary Newco completed a three-cornered amalgamation with ASEP pursuant to the terms of the Amalgamation Agreement, and ASEP became a wholly-owned subsidiary of the Company as a result of the Transaction. The Company also changed its name to "ASEP Medical Holdings Inc." on November 9, 2021.

Intercorporate Relationships

Before the completion of the Amalgamation, the Company had one wholly-owned subsidiary, NewCo. NewCo was incorporated on March 18, 2021 pursuant to the provisions of the BCBCA under the name "1295277 B.C. Ltd.". NewCo's head office was located at Suite 1790 – 1066 West Hastings Street, Vancouver, British Columbia, Canada, V6E 3X1 and its registered and records office was located at Suite 800 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1. On November 9, 2021, Newco amalgamated with ASEP and kept the name "ASEP Medical Inc." pursuant to the terms of the Amalgamation Agreement. Following completion of the Amalgamation, the Resulting Issuer has one wholly-owned subsidiary ASEP.

Before completion of the Amalgamation, ASEP did not have any inter-corporate relationships. ASEP was incorporated on August 12, 2020 pursuant to the provisions of the BCBCA under the name "1261038 B.C. Ltd.". On April 20, 2021, ASEP filed a notice of alteration changing its name from "1261038 B.C. Ltd" to "ASEP Medical Inc." ASEP's head office is located at Suite 420 – 730 View Street, Victoria, British Columbia, Canada, V8W 3Y7 and its registered and records office is located at Suite 200 – 931 Fort Street, Victoria, British Columbia, Canada, V8V 3K3.

Following exercise of the ABT Option and Sepset Option, the corporate structure of the Resulting Issuer will be as follows:



ABT was incorporated on July 3, 2015 pursuant to the provisions of the BCBCA under the name "ABT Innovations Inc." ABT's registered and records office is located at 1750 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 3P3.

Sepset was incorporated on April 23, 2015 pursuant to the provisions of the BCBCA under the name "Sepset Biosciences Inc." Sepset's registered and records office is located at 1750 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 3P3.

For more details on the Amalgamation, the Amalgamation Agreement, the Option Agreements and the results thereof, see "*Corporate Structure – The Transaction*".

The Transaction

The Amalgamation Agreement

On June 3, 2021, the Company entered into the Amalgamation Agreement with ASEP and NewCo, the terms of which were the result of arm's length negotiations among the parties thereto. Pursuant to the terms of the Amalgamation Agreement, the Company, ASEP and NewCo agreed to combine their respective businesses by way of a three-concerned amalgamation under the provisions of the BCBCA. Upon completion of the Amalgamation, AmalCo, the resulting entity of the Amalgamation, became a wholly-owned subsidiary of the Company and ASEP Holdings will carry on the business of ASEP.

Pursuant to the terms of the Amalgamation Agreement, at the effective time of the Amalgamation:

(a) each ASEP Holdings Debenture then outstanding automatically converted into Common Shares, without payment of any consideration in addition to that paid for such ASEP Holdings Debenture, in accordance with the terms and conditions set form in the certificates representing such ASEP Holdings Debentures;

(b) each ASEP Shareholder received one Common Share in exchange for each ASEP Share held by such holder immediately prior to the Amalgamation Effective Date at a deemed price of $0.40 per Common Share issued and the ASEP Shares were cancelled;

(c) the NewCo Shares were cancelled and replaced by AmalCo Shares on the basis of one AmalCo Share for each NewCo Share;

(d) the Company added to the stated capital account maintained in respect of the Common Shares an amount equal to the paid-up capital for purposes of the Tax Act of the ASEP Shares immediately before the Amalgamation Effective Date;

(e) the aggregate stated capital maintained in respect of the AmalCo Shares issued pursuant to the Amalgamation was the aggregate of the paid-up capital for the purposes of the Tax Act of the NewCo Shares and the ASEP Shares immediately before the Amalgamation Effective Date;

(f) in consideration for the Company's issuance of Common Shares referenced above, AmalCo issued to ASEP Holdings one AmalCo Share for each Common Share issued by the Company to ASEP Shareholders;

(g) subject to the Penalty Provision, each Special Warrant will automatically convert into one additional Common Share, without payment of any consideration in addition to that paid for such Special Warrant; and

(h) the Company changed its name to "ASEP Medical Holdings Inc.".

Following the completion of the Transaction, it is expected that the Resulting Issuer will be engaged in the businesses of ABT and Sepset, namely the R&D of a broad Peptide Technology in addition to the commercialization of a diagnostic kit for predicting the onset of severe Sepsis and organ failure. The Company will also seek to complete the Listing and have its Resulting Issuer Shares listed for trading on the CSE under the symbol "ASEP". See "*Corporate Structure – Closing of the Transaction*" below for more information on the conditions to the closing of the Transaction and of the Resulting Issuer.

Options to Acquire Majority Interests in ABT and Sepset

In connection with the Transaction, and prior to the entry of the Amalgamation Agreement, ASEP entered into each of the Option Agreements on May 14, 2021.

ABT Option Agreement

According to the terms and conditions of the ABT Option Agreement, ABT granted ASEP the ABT Option to purchase a 50.1% fully-diluted equity interest in ABT, in consideration for the ABT Option Exercise Price. In connection with the ABT Option, ASEP shall advance to ABT certain funds up to a maximum aggregate amount equal to the ABT Option Exercise Price in up to five equal tranches by way of non-interest bearing, unsecured, convertible promissory notes (collectively, the "**ABT Notes**") issuable on each of the dates set forth below (each, an "**ABT Note Subscription Date**"):

(a) $500,000 on the date of entry of the ABT Option Agreement (paid in cash);

(b) $500,000 on the four-month anniversary of the ABT Option Agreement (paid by way of promissory note);

(c) $500,000 on the eight-month anniversary of the ABT Option Agreement;

(d) $500,000 on the twelve-month anniversary of the ABT Option Agreement; and

(e) $500,000 on the last Business Day prior to the sixteen-month anniversary of the ABT Option Agreement.

The ABT Notes shall convert into ABT Shares in connection with the exercise of the ABT Option. Any ABT Notes outstanding on the exercise date shall be terminated and the then total aggregate principal amount in funds advanced by ASEP to ABT pursuant to such ABT Notes shall be automatically applied towards satisfaction of the ASEP's payment of the ABT Option Exercise Price to the extent of the value of the funds advanced, and the difference between such amount and the ABT Option Exercise Price shall be payable by or on behalf of ASEP to ABT in cash in order to exercise the ABT Option.

If ASEP does not pay the applicable ABT Note subscription price to ABT on any of the ABT Note Subscription Dates in accordance with terms and conditions of the ABT Option Agreement, then the ABT Option will be deemed to have terminated effective as of the breach date, and all outstanding ABT Notes on such breach date will, as of the breach date, convert automatically into ABT Shares in accordance with the ABT Option Agreement.

Notwithstanding the foregoing, if all the conditions to the completion of the Transaction have been satisfied by the Company and ASEP prior to the September 14, 2022, then ASEP must forthwith, and in any event prior to the completion of the Amalgamation contemplated by the Amalgamation Agreement, exercise the ABT Option and pay the ABT Option Exercise Price to ABT. See "*General Development of the Business*" for more information.

At the time of entry of the ABT Option Agreement, Michael Graw was the sole officer and director of ASEP and a director of ABT. Mr. Graw, as a director of ASEP, disclosed his interest as a director of ABT to the board of directors of ASEP in accordance with the requirements set forth in the BCBCA.

Dr. Robert E.W. Hancock, the COO and a director of the Company, is also a director of ABT.

Sepset Option Agreement

According to the terms and conditions of the Sepset Option Agreement, Sepset granted ASEP the Sepset Option to purchase a 50.1% fully-diluted equity interest in Sepset, in consideration for the Sepset Option Exercise Price. In connection with the Sepset Option, ASEP shall advance to Sepset certain funds up to a maximum aggregate amount equal to the Sepset Option Exercise Price in up to five equal tranches by way of non-interest, unsecured, bearing convertible

promissory notes (collectively, the "**Sepset Notes**") issuable on each of the dates set forth below (each, an "**Sepset Note Subscription Date**"):

(a) $500,000 on the date of entry of the Sepset Option Agreement (paid);

(b) $500,000 on the four-month anniversary of the Sepset Option Agreement (paid by way of promissory note);

(c) $500,000 on the eight-month anniversary of the Sepset Option Agreement;

(d) $500,000 on the twelve-month anniversary of the Sepset Option Agreement; and

(e) $500,000 on the last Business Day prior to the sixteen-month anniversary of the Sepset Option Agreement.

The Sepset Notes shall convert into Sepset Shares in connection with the exercise of the Sepset Option. Any Sepset Notes outstanding on the exercise date shall be terminated and the then total aggregate principal amount in funds advanced by ASEP to Sepset pursuant to such Sepset Notes shall be automatically applied towards satisfaction of the ASEP's payment of the Sepset Option Exercise Price to the extent of the value of the funds advanced, and the difference between such amount and the Sepset Option Exercise Price shall be payable by or on behalf of ASEP to Sepset in cash in order to exercise the Sepset Option.

If ASEP does not pay the applicable Sepset Note subscription price to Sepset on any of the Sepset Note Subscription Dates in accordance with terms and conditions of the Sepset Option Agreement, then the Sepset Option will be deemed to have terminated effective as of the breach date, and all outstanding Sepset Notes on such breach date will, as of the breach date, convert automatically into Sepset Shares in accordance with the Sepset Option Agreement.

Notwithstanding the foregoing, if all the conditions to the completion of the Transaction have been satisfied by the Company and ASEP prior to the September 14, 2022, then ASEP must forthwith, and in any event prior to the completion of the Amalgamation contemplated by the Amalgamation Agreement, exercise the Sepset Option and pay the Sepset Option Exercise Price to Sepset. See "*General Development of the Business*" for more information.

Upon exercise of the ABT Option and Sepset Option, as applicable, by ASEP, each of ABT and Sepset's board of directors shall be reconstituted such that, (a) the size of the board of directors of each entity shall be increased from two (2) directors to three (3) directors, comprised of two (2) representatives of ASEP and one (1) representative of the shareholders of such entity, who will be Dr. Robert E.W. Hancock, and (b) Dr. Robert E.W. Hancock will be appointed the CEO of such entity and the CFO of such entity will be nominated by ASEP.

Dr. Robert E.W. Hancock, the COO and a director of the Company, is also a director of Sepset.

Additional Options to Acquire Remaining Interests in ABT and Sepset

The Option Agreements

In accordance with the Option Agreements, ASEP was granted the option to purchase all of the remaining issued and outstanding shares owned by the shareholders of each of ABT and Sepset, such that following the exercises of the ABT Additional Option, the UBC Option and the Sepset Additional Option, ASEP or AmalCo, as applicable, would hold a 100% fully-diluted interest in each of ABT and Sepset. The Additional Options are exercisable for a period of three years following the exercise of the respective ABT Option or the Sepset Option, as applicable, and each have a purchase price equal to the Additional Option Exercise Price.

The Additional Option Exercise Price is payable by ASEP to the shareholders of ABT or Sepset (except UBC), as applicable, on a pro rata basis as follows:

(a) if the ASEP Shares (or its assigns including without limitation the Company on completion of the Transaction contemplated by the Amalgamation Agreement) are listed on a recognized stock exchange:

(i) in cash, as to an aggregate minimum of $5,000,000, and

(ii) in ASEP Shares or Common Shares, as the case may be, as to the balance of the Additional Option Exercise Price remaining after deduction of the Cash Portion, such shares to be issued based on the 20-day VWAP of such shares ending on the trading day preceding the date on which ASEP provides notice to ABT or Sepset, as applicable, in writing of its intention to exercise such Additional Option; or

(b) if the ASEP Shares (including the Common Shares) are not listed on a recognized stock exchange, the Additional Option Exercise Price shall be payable in cash by ASEP to ABT or Sepset, as the case may be, in cash.

In accordance with the terms and conditions of the Amalgamation Agreement, ASEP Holdings shall, subject to and conditional upon the closing of the Amalgamation and as the sole shareholder of AmalCo, upon the due exercise by AmalCo of the ABT Additional Option, the UBC Option and Sepset Additional Option, as applicable, in accordance with the terms and conditions of the ABT Option Agreement, the Sepset Option Agreement and the UBC Option Agreement, as applicable, seek to issue such number of Common Shares up to the Additional Option Exercise Price in order for AmalCo to exercise the ABT Additional Option, the UBC Option or the Sepset Additional Option, as applicable, if and when deemed desirable.

Dr. Robert E.W. Hancock, the COO and a director of the Company, is also a director of each of ABT and Sepset.

UBC Option Agreement

UBC is one of the minority shareholders of ABT. According to the terms and conditions of the UBC Option Agreement, UBC granted ASEP the UBC Option pursuant to which ASEP has the right to acquire the UBC Shares in consideration for:

(a) if the ASEP Shares (or its assigns including without limitation the Company on completion of the Transaction contemplated by the Amalgamation Agreement) are listed on a recognized stock exchange, the UBC Purchase Price shall be payable by ASEP to UBC as follows:

(i) a cash amount equal to UBC's Pro Rata Percentage of an aggregate minimum of $5,000,000, and

(ii) in ASEP Shares or Common Shares, as the case may be, as to the balance of the UBC Purchase Price remaining after deduction of the cash portion advanced, issued at a deemed price equal to the 20-day VWAP trading price of such shares ending on the trading day preceding the date on which ASEP provides notice in writing to UBC of its intention to exercise the UBC Option; and

(b) if the ASEP Shares (including the Common Shares) are not listed on a recognized stock exchange, the UBC Purchase Price shall be payable by ASEP to UBC in cash.

The UBC Option expires at 5:00 p.m. (PST) on the third anniversary of the date upon which ASEP has exercised the ABT Option.

Dr. Robert E.W. Hancock, the COO and a director of the Company, is also a director of ABT.

Closing of the Transaction

As a result of the Amalgamation, ASEP and NewCo amalgamated to form AmalCo (named "ASEP Medical Inc.") which will become a wholly owned subsidiary of the Company. In connection with closing, the Company filed a notice of alteration to effect the Name Change.

In connection therewith, and following the release of the funds raised in connection with the Special Warrant Financing in accordance with the terms and conditions of the certificates representing the Special Warrants, it is expected that AmalCo will exercise each of the ABT Option and the Sepset Option. It is expected that the shareholders of the Company, including the holders Common Shares issuable upon the exercise of the Special Warrants and the conversion of the ASEP Holdings Debentures, will own an aggregate of 30,589,718 Common Shares representing approximately 54.50% of the issued and outstanding Common Shares of the Resulting Issuer and the businesses of the Resulting issuer will be that of ABT and Sepset; namely the R&D of a broad Peptide Technology in addition to the commercialization of a diagnostic kit for predicting the onset of severe Sepsis and organ failure. The Resulting Issuer will also seek to complete the Listing and have its Common Shares listed for trading on the facilities of the CSE under the symbol "ASEP".

The Company will account for the Transaction as a business combination using the acquisition method in accordance with IFRS 3, as control of ASEP will transfer to the Company and ASEP, ABT and Sepset each meet the definition of a business under IFRS 3. This determination was made in consultation with the auditors of the Company and ASEP based on assessment of the criteria at IFRS 3, paragraphs B15 and B16 which determined the Company as the acquirer based on relative voting rights in the combined entity after the business combination, the existence of a large minority voting interest in the combined entity, and the relative size is significantly greater in the Resulting Issuer.

The Resulting Issuer's head office will be located at Suite 2380 – 1055 West Hastings Street Vancouver, British Columbia, V6E 2E9 and its registered and records office is located at Suite 800 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1.

GENERAL DEVELOPMENT OF THE BUSINESS

ASEP Medical Holdings Inc.

The Company was incorporated on January 20, 2021 pursuant to the provisions of the BCBCA under the name "Trenchant Life Sciences Investment Corp." On November 9, 2021, the Company and its wholly-owned subsidiary NewCo completed an arm's length three-cornered amalgamation with ASEP on the terms and conditions of the Amalgamation Agreement, whereby the ASEP Shareholders received Common Shares in exchange for their ASEP Shares and ASEP became a wholly-owned subsidiary of the Company. ASEP was incorporated on August 12, 2020 under the provisions of the BCBCA. On closing of the Amalgamation, the Company changed its name to "ASEP Medical Holdings Inc." See "*Corporate Structure*".

Through ASEP, the Company intends to acquire a 50.1% interest in two biotechnology companies, namely ABT and Sepset by exercising the ABT Option and Sepset Option in accordance with the terms and conditions of the Option Agreements between ASEP and each of ABT and Sepset. The Company intends to use a portion of the proceeds of the Special Warrant Financing to exercise the Options following issuance of the Final Receipt for this Prospectus and prior to the Resulting Issuer Shares becoming listed on the CSE.

The principal business of the Resulting Issuer, following exercise of the Options and completion of the Transaction, will be pursuing the commercialization of broad Peptide Technology and a diagnostic kit for predicting the onset of severe Sepsis and organ failure through ABT and Sepset, respectively. Pursuant to the Option Agreements, ASEP also has the Additional Options, being the right to acquire the remaining 49.9% equity interest in each of ABT and Sepset from the minority shareholders for a period of three years from the exercise of the initial ABT Option and Sepset Option.

Prior to completion of the Transaction, the primary business of the Company and ASEP was raising capital for the purposes of completing the Transaction, becoming a reporting issuer and effecting the Listing. As of the date of this Prospectus, the

Company has raised an aggregate of $640,500 through various private placements and **$5,865,750** in connection with the Special Warrant Financing.

On January 20, 2021, the Company issued 2,500,000 Common Shares at a price of $0.001 per Common Share in connection with its incorporation for gross aggregate proceeds of $2,500. On April 14, 2021, the Company issued 8,000,000 Common Shares at a price of $0.001 per Common Share for gross aggregate proceeds of $8,000. On April 16, 2021, the Company issued 6,500,000 Common Shares at a price of $0.02 per Common Share for gross aggregate proceeds of $130,000.

On May 25, 2021, the Company issued the ASEP Holdings Debentures with an aggregate face value of $500,000 for aggregate proceeds of $500,000. Pursuant to the terms of the ASEP Holdings Debentures, the holder thereof may convert all or any part of the principal amount outstanding under the ASEP Holdings Debentures (the "**Principal Amount**") into Common Shares at a conversion price of $0.269074886904462 per Common Share, which conversion price is calculated by dividing (A) by (B), where (A) is $8,000,000, and where (B) is the sum obtained by adding (x) the number of ASEP Shares that are issued and outstanding as of the date of the ASEP Conversion on a fully-diluted basis assuming conversion of all outstanding convertible securities of ASEP other than the ASEP Debentures, with (y) the number of Common Shares issuable by the Company in connection with the Special Warrant Financing (the "**Conversion Calculation**"). Upon the occurrence of: (i) an initial public offering and public listing on the of the Common Shares following the acquisition of ASEP on the facilities of the CSE or other Canadian securities exchange or quotation service or (ii) any single common share financing by either of the Company or ASEP for gross proceeds of no less than $5,000,000, the outstanding Principal Amount shall automatically convert into Common Shares based on the Conversion Calculation.

On June 3, 2021, the Company entered into the Amalgamation Agreement with ASEP and NewCo, pursuant to which the Company, ASEP and NewCo agreed to combine their respective businesses by way of a three-concerned amalgamation under the provisions of the BCBCA. For more details on the Amalgamation Agreement and the terms and conditions thereto, please see "*Corporate Structure – The Transaction – The Amalgamation Agreement*".

On August 25, 2021, the Company issued a total of 6,571,500 Special Warrants at a price of $0.50 per Special Warrant pursuant to the closing of the initial tranche of the Special Warrant Financing for aggregate proceeds of $3,285,750. On September 9, 2021, the Company issued a total of 2,600,000 Special Warrants at a price of $0.50 per Special Warrant pursuant to the closing of the second tranche of the Special Warrant Financing for aggregate proceeds of $1,300,000. On October 22, 2021, the Company issued a total of 1,920,000 Special Warrants at a price of $0.50 per Special Warrant pursuant to the closing of the third tranche of the Special Warrant Financing for aggregate proceeds of $960,000. On October 26, 2021, the Company issued a total of 640,000 Special Warrants at a price of $0.50 per Special Warrant pursuant to the closing of the fourth and final tranche of the Special Warrant Financing for aggregate proceeds of $320,000. Collectively, the Company, under the three tranches of the Special Warrant Financing, issued an aggregate of 11,731,500 Special Warrants for aggregate proceeds of $5,865,750. Pursuant to the terms of the certificates representing the Special Warrants, each Special Warrant entitles the holder thereof to acquire, without payment of any consideration in addition to that paid for the Special Warrant and without any action by the holder one (1) Common Share on the earlier of: (i) the Qualification Condition, and (ii) the Qualification Deadline, subject to the Penalty Provision whereby in the event that the Qualification Condition has not been met prior to the Qualification Deadline, each unexercised Special Warrant will thereafter entitle the holder to receive upon the exercise or deemed exercise thereof, for no additional consideration, 1.10 Common Shares in lieu of one (1) Common Share. In connection with the closing of the initial tranche of the Special Warrant Financing, the Company paid cash finder's fees of $4,000 and issued 8,000 broker's warrants (each, a "**Broker Warrant**"). Each Broker Warrant entitles the holder thereof to purchase one Common Share (each, a "**Broker Warrant Share**") at a price of $0.50 per Broker Warrant Share for a period of 12 months, subject to an acceleration provision whereby if, for at least twenty (20) consecutive trading days, the volume weighted average price at which the Common Shares trade on the CSE (or such other recognized Canadian stock exchange on which the Common Shares are listed for trading at the relevant time) each day is or exceeds $1.00 per Share, the Company may issue a notice via news release to the holders of such Broker Warrants and, in such case, the Broker Warrants will expire on the 30th day after the news release was disseminated by the Company.

On November 9, 2021, the Company completed the Amalgamation, Name Change and Board Reconstitution. In connection therewith, the Company issued an aggregate of 9,398,844 Common Shares upon the due conversion of the ASEP Debentures and ASEP Holdings Debentures in accordance with their respective terms.

ASEP Medical Inc.

ASEP was incorporated on August 12, 2020 pursuant to the provisions of the BCBCA under the name "1261038 B.C. Ltd.". On April 20, 2021, ASEP filed a notice of alteration changing its name from "1261038 B.C. Ltd" to "ASEP Medical Inc." On November 9, 2021, ASEP amalgamated with NewCo pursuant to the Amalgamation Agreement. ASEP's head office is located at Suite 420 – 730 View Street, Victoria, British Columbia, Canada, V8W 3Y7 and its registered and records office is located at Suite 200 – 931 Fort Street, Victoria, British Columbia, Canada, V8V 3K3.

The principal business of ASEP is to acquire equity interests in ABT and Sepset by exercising the Options and Additional Options. Prior to completion of the Amalgamation, ASEP's primary business was raising capital in order to facilitate the entry into and eventual exercise of the ABT Option, the Sepset Option, and the Additional Options, and, in connection therewith, completing the Transaction.

On August 12, 2020, ASEP issued one (1) ASEP A Share at a price of $1.00 per ASEP A Share in connection with its incorporation.

On October 31, 2020, ASEP issued an aggregate of 3,000,000 share purchase warrants entitling the holders of such share purchase warrants to acquire an aggregate of 3,000,000 ASEP A Shares for a purchase price of $0.001 per share purchase warrant.

On November 20, 2020, ASEP issued an aggregate of 15,000,000 share purchase warrants entitling the holders of such share purchase warrants to acquire an aggregate of 15,000,000 ASEP A Shares for a purchase price of $0.02 per share purchase warrant.

On May 14, 2021, all of the holders of the share purchase warrants of ASEP duly exercised such share purchase warrants and ASEP issued an aggregate of 18,000,000 ASEP A Shares for gross aggregate proceeds of $303,000. In addition, ASEP repurchased the one (1) ASEP A Share that was issued in connection with its incorporation for a purchase price of $1.00.

On various dates in December 2020, January 2021, February 2021, June 2021 and July 2021, ASEP issued ASEP Debentures with an aggregate face value of $2,029,000 for aggregate proceeds of $2,029,000. The ASEP Debentures have various maturity dates and are convertible into ASEP Shares on the date of the ASEP Conversion at the ASEP Conversion Price.

On December 1, 2020, ASEP entered into finder's fee agreements with various parties in connection with ASEP's issuances of ASEP Debentures, whereby such parties were paid a fee equal to 6% of the gross proceeds raised by ASEP from parties introduced by such finders.

On March 1, 2021, ASEP entered into employment, consultancy and contractor agreements with Dr. Fadia Saad, RAM Advisors, Inc. and Jennifer Gretchen, respectively, for certain management, financial and business operational services provided to ASEP. On April 1, 2021, ASEP entered into consultancy agreements with each of Michael Graw and Burton for certain management, financial and business operational services provided to ASEP. See heading "*Material Contracts*" for more information.

On May 14, 2021, in connection with the Transaction, ASEP entered into each of the Option Agreements pursuant to which ASEP was granted each of the ABT Option, the Sepset Option and the UBC Option together with the Additional Options. For more details on the Option Agreements and the respective terms and conditions thereto, please see "*Corporate Structure – The Transaction – The Option Agreements*".

On June 3, 2021, ASEP entered into the Amalgamation Agreement with the Company and NewCo, pursuant to which ASEP, the Company and NewCo agreed to combine their respective businesses by way of a three-concerned amalgamation

under the provisions of the BCBCA. For more details on the Amalgamation Agreement and the terms and conditions thereto, please see "*Corporate Structure – The Transaction – The Amalgamation Agreement*".

ABT Innovations Inc.

ABT was incorporated on July 3, 2015 pursuant to the provisions of the BCBCA under the name "ABT Innovations Inc." for the purpose of ensuring the commercialization of the broad Peptide Technology developed by its founder Dr. Robert E.W. Hancock. ABT has no physical head office location and its registered and records office is located at 1750 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 3P3.

On July 3, 2015, ABT issued one (1) ABT Share at a price of $0.001 per ABT Share in connection with its incorporation. This ABT Share was subsequently cancelled on the same date and, in following the cancellation, ABT issued 10,000 ABT Shares at a price of $0.001 per ABT Share for gross aggregate proceeds of $10.

Effective as of April 24, 2017, ABT entered into a license agreement with UBC, pursuant to which UBC granted ABT with an exclusive worldwide license to use and sublicense the UBC Intellectual Property (the "**UBC License Agreement**") and entered into the ABT First UBC Collaborative Research Agreement with the aim of selecting an IDR peptide to be further used as a therapeutic tool for treating infections in veterinary medicine. In connection with the UBC License Agreement, on April 24, 2017, ABT issued 1,990,000 ABT Shares at a deemed price of $0.0001 per ABT Share for deemed aggregate proceeds of $199.00. See "*General Development of the Business – ABT Innovations Inc.*" for more information on the ABT First UBC Collaborative Research Agreement.

On June 6, 2019, ABT signed a commitment letter to the UBC Department of Microbiology and Immunology (the "**UBC Commitment Letter**") pursuant to which ABT committed to prosecuting and maintaining the UBC-owned patents over the period of the proposal, at a value of $30,000 per year of in-kind. In addition, ABT also agreed to provide the UBC Department of Microbiology and Immunology $45,000 per year in research support through the existing contracts with UBC to the UBC lab to enable work on certain formulations for uses in veterinary products.

On April 29, 2020, ABT signed a commitment letter to the Michael Smith Foundation for Health Research (the "**Michael Smith Foundation Commitment Letter**") pursuant to which ABT committed to providing not less than $50,000 for year 2 of this renewal grant (for 2021), comprising $30,000 of direct support for purchasing peptide for necessary year 2 activities and $20,000 in kind support for IND planning.

On May 14, 2021, in connection with the Transaction, ABT entered into the ABT Option Agreement and the UBC Option Agreement pursuant to which ABT and its shareholders (other than UBC) granted ASEP, an arm's length entity, the ABT Option together with the ABT Additional Option, and UBC granted ASEP the UBC Option, respectively. For more details on the ABT Option Agreement and the UBC Option Agreement and the respective terms and conditions thereto, please see "*Corporate Structure – The Transaction – The Option Agreements*".

On May 14, 2021, in connection with the Transaction, the ABT Option Agreement and the UBC Option Agreement, ABT issued an additional 24,746 ABT Shares pursuant to certain anti-dilution obligations as set out in the UBC License Agreement.

On June 2, 2021, ABT entered into the ABT Second UBC Collaborative Research Agreement which aims to conduct necessary experiments to identify the most promising molecules for development of ABT's Peptide Technology and move ABT towards the regulatory approval stages and an IND application. See "*General Development of the Business – ABT Innovations Inc.*" for more information on the ABT Second UBC Collaborative Research Agreement.

Sepset Biosciences Inc.

Sepset was incorporated on April 23, 2015 pursuant to the provisions of the BCBCA under the name "Sepset Biosciences Inc." for the purpose of ensuring the commercialization of a diagnostic kit for predicting the onset of severe Sepsis and organ failure that was developed by its founder Dr. Robert E.W. Hancock.

On April 23, 2015, Sepset issued one (1) Sepset Share at a price of $1.00 per Sepset Share in connection with its incorporation. This Sepset Share was subsequently cancelled on the same date and, following the cancellation, Sepset issued 10,000,000 Sepset Shares at a price of $0.00001 per Sepset Share for gross aggregate proceeds of $100.

On March 1, 2017, as amended on February 28, 2019, June 30, 2019 and February 17, 2021, Sepset entered in the CDRD Loan Agreement with CDRD, pursuant to which CDRD agreed provide Sepset the CDRD Loan in the principal amount of $250,000. The CDRD Loan was secured by a general security agreement entered into by Sepset and CDRD dated March 1, 2017 (the "**CDRD Loan GSA**"). In connection with the Transaction and under the terms and conditions of the Sepset Option Agreement, the CDRD Loan was settled on May 14, 2021 for an aggregate amount of $282,015.14 and, in connection therewith, the CDRD Loan GSA was terminated, and the underlying security was discharged.

On January 18, 2021, Sepset entered into the Burton Engagement Letter with Burton Financial Inc. ("**Burton**"), the terms of which were the result of arm's length negotiations among the parties thereto, whereby Burton agreed to act, as exclusive transaction advisor to Sepset in consideration for a success fee equal to a 10% equity interest in Sepset, calculated prior to the closing of a potential acquisition, merger, sale, divestiture, or similar transaction(s) involving all or a material part of Sepset or its assets. The Burton Engagement Letter has no term, however either party may terminate the Burton Engagement Letter upon 30 days' written notice to the other party. If, during term of the Burton Engagement Letter, Sepset enters into or publicly announces a transaction but is not completed and Sepset receives a break-up fee, lock-up option, topping fee or other termination fee of any kind (collectively, a "**Termination Fee**"), Sepset is required pay Burton a fee equal to 20% of such Termination Fee at such time as such Termination Fee is received by Sepset. The Burton Engagement Letter also provides that Sepset will indemnify and hold harmless Burton from any and all claims, actions, suits or otherwise arising out of or are based upon, directly or indirectly, the engagement of Burton by the Company in connection with the Burton Engagement Letter.

On May 14, 2021, in connection with the Transaction, Sepset entered into the Sepset Option Agreement pursuant to which Sepset and its shareholders granted ASEP, an arm's length entity, the Sepset Option together with the Sepset Additional Option. For more details on the Sepset Agreement and the respective terms and conditions thereto, please see "*Corporate Structure – The Transaction – The Option Agreements*".

DESCRIPTION OF THE BUSINESS

Business Overview

The Resulting Issuer

Following the completion of the Transaction, it is expected that the Resulting Issuer will be engaged in the businesses of ABT and Sepset, namely the R&D of a broad peptide technology in addition to the commercialization of a diagnostic kit for predicting the onset of severe Sepsis and organ failure.

ABT Innovations Inc.

ABT was incorporated on July 3, 2015 pursuant to the provisions of the BCBCA under the name "ABT Innovations Inc." for the purpose of pursuing the commercialization of the broad Peptide Technology developed by its founder Dr. Robert E.W. Hancock. To date, ABT has been able to operate using only a core group of employees or consultants by collaborating, or partnering, with other third parties, such as UBC, to provide core competencies, skills and resources. Due to ABT's partnerships and contracts with such third parties, as disclosed in its financial statements, ABT itself has only spent a nominal amount for R&D over the past two years.

ABT's Peptide Technology covers a broad range of therapeutic applications including bacterial biofilm infections (medical device infections, chronic infections, lung, bladder, wound, dental, skin, ear-nose and throat, sinusitis, orthopedic, etc.), which represent two-thirds of all infections, anti-inflammatories, anti-infective immune-modulators and vaccine adjuvants. ABT is focused on the development of the Peptide Technology in chronic rhinosinusitis ("**CRS**") and over the past two years, ABT has pursued this Peptide Technology as a sinusitis therapy.

Inflammation of the nasal sinuses, termed Sinusitis/Rhinosinusitis, is one of the most common medical complaints in North America, affecting 12.5-16% of the population.[20] It is associated with around 24,000,000 physician visits/year with an estimated aggregated cost of more than $8,000,000,000 annually in the United States alone.[21] Patients with CRS that lasts longer than 3 months demonstrate quality-of-life scores that are even poorer than individuals suffering from chronic obstructive pulmonary disease, congestive heart failure, back pain, or angina. Unfortunately, despite its substantial societal impact and economic burden, the pathophysiology of CRS is understood relatively poorly and the immunopathogenesis of CRS is extremely complex, but involves chronic inflammation. Sinusitis is triggered by viral infections and subsequently bacterial infections occur. Chronic disease is largely associated with infections by bacterial biofilms. Current treatments for CRS include antibiotics, surgery, saline and manuka honey irrigations, and anti-inflammatory corticosteroids. The recently approved biologics cost approximately $30,000 per year and should be used consistently since CRS is a chronic disease.

As described above, ABT Peptide Technology consists of small potent broad-spectrum anti-biofilm and anti-inflammatory Peptides, that are highly active (at ≥1 to 4 μg/ml) against all major clinically-relevant bacteria and complex oral biofilms, work synergistically with antibiotics and are effective in animal models of biofilm infections and abscesses.

To date, ABT has:

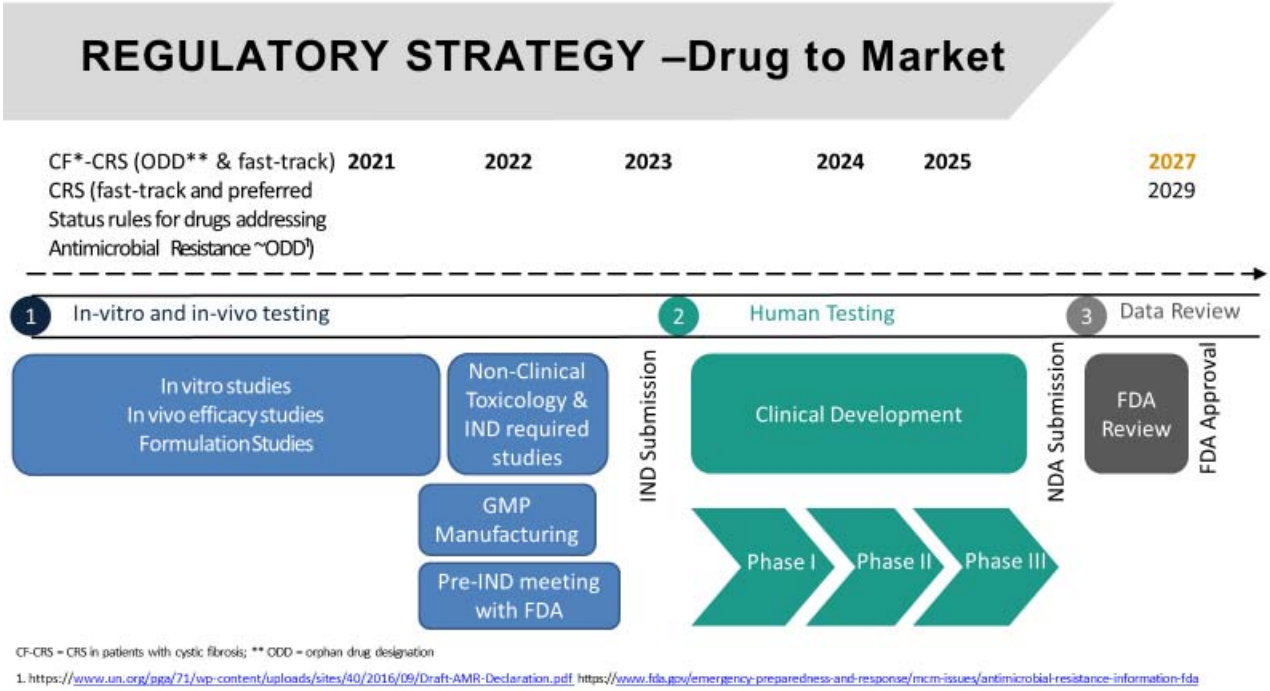
- characterized the organisms associated with sinusitis patients in Vancouver (completed July 2018);
- defined the susceptibility of these and other common sinusitis pathogens to peptide treatment when present as biofilms (completed October 2019);
- defined *in vitro* toxicity or lack thereof of the Peptides (completed October 2019);
- screened its large library of Peptides for those with optimal activities against such biofilms (December 2019);
- defined the anti-inflammatory activity of Peptides *in vitro* (completed January 2020);
- created two sinusitis mouse models and used these to demonstrate activity of the Peptides versus major sinusitis organisms *in vivo* (completed January 2021);
- created human skin and respiratory air-liquid interface organoids (including a damaged tissue model) and used these to demonstrate the Peptides' anti-biofilm and anti-inflammatory activities *ex vivo* (completed March 2021); and
- developed new formulations, initiated pharmacokinetic studies, and investigated toxicity *in vivo* (completed September 2021).

There are substantial implications for use of the Peptide Technology in patients with major wounds, especially those that are exposed to unsanitary conditions. ABT has hit all of its R&D targets, demonstrating efficacy against the relevant organisms in human skin organoids, and mouse and pig models. Financial assistance provided by UBC through R&D grants obtained by UBC has allowed ABT to develop its adjuvants for use with vaccines against two major cattle diseases: Johne's disease and bovine tuberculosis. Work on mastitis (an biofilm infectious disease condition resulting in an inflammatory reaction in the mammary gland of the cow and consequent restriction of milk production) and ear infections of dogs, has previously been fully supported by a contract with one of the largest veterinary companies in the world, who cannot be identified due to confidentiality obligations.

[20] Meltzer EO, and DL Hamilos. 2011. Rhinosinusitis diagnosis and management for the clinician: a synopsis of recent consensus guidelines. Mayo Clin Proc. 86: 427–443.

[21] Schleimer RP. 2017. Immunopathogenesis of Chronic Rhinosinusitis and Nasal Polyposis. Annu Rev Pathol. 12: 331–357.

The next steps in developing the broad Peptide Technology consist of selecting a Contract Research Organization ("**CRO**") to produce the formulated product for pre-clinical and then clinical studies, and carrying out these studies. ABT plans to run clinical studies in the United States first and its regulatory strategy is illustrated below:



Funding to pursue ABT's research agenda has been obtained through non-dilutive sources (e.g. shareholder loans, which have since been repaid, other financial assistance provided by UBC through R&D grants obtained by UBC, and partnerships with other entities). ABT is pursuing its broad array of peptide molecules by developing them as new therapies either alone or through contractual arrangements with other companies, and, as of the date of this Prospectus, ABT has no other operating segments.

Further non-dilutive funding is being sought by ABT. There is no guarantee that funding will be received by ABT. Following exercise of the ABT Option, ABT will have access to the ABT Option Exercise Price to advance its business plan.

Sepset Biosciences Inc.

Sepset was incorporated on April 23, 2015 pursuant to the provisions of the BCBCA under the name "Sepset Biosciences Inc." for the purpose of pursing the development and commercialization of a diagnostic kit for predicting the onset of severe Sepsis and organ failure that was developed by its founder Dr. Robert E.W. Hancock. To date, Sepset has operated as a private R&D company, under the same "virtual company" business model discussed in "*Description of the Business – Business Overview – ABT Innovations Inc.*". Due to Sepset's partnerships and contracts with third parties who provide core competencies, skills and resources, as disclosed in its financial statements, Sepset itself has only spent a nominal amount for R&D over the past two years.

Sepset's molecular diagnostic technology involves a gene expression signature consisting of a particular group of genes, whereby their expression, using the well-established method of PCR, correlates with Sepsis diagnosis. Sepset's diagnostic kit is a blood test enabling hospitals to identify septic patients in the emergency room and predict those who will have high risk for organ failure. The diagnostic gene expression signature developed by Sepset, as shown in the company's analysis, predicts severe Sepsis and organ failure at the time that the patient first enters the emergency room and the physician suspects possible Sepsis, and works with blood taken within 1-2 hours of emergency room entry (requiring 20-60 minutes to perform the assay). This is the ideal time for prognostication for severe Sepsis since, for every hour's delay,

there is a 7.6% increased risk of death.[22] It is compatible with existing PCR platforms and in company analyses demonstrates excellent accuracy. Testing for the underlying cause of Sepsis and use of blood cultures may not yield results for 24 to 72 hours after emergency room entry. As such, Sepset's diagnostic technology will provide a reliable diagnosis for physicians to initiate, in a timely fashion, the most appropriate treatments to improve survival. Sepset seeks to further validate the foregoing data through clinical testing.

The gene expression signature has been tested and confirmed by Sepset in nearly 400 patients with suspected Sepsis, and proven in another 1,173 patients based on historical data regarding gene expression. It has also been validated by Sepset in more than 400 patients with severe COVID-19 infections, many of whom acquired Sepsis, a major cause of death in such patients. The test kit design is complete and Sepset is confirming the value of each gene in the signature. Sepset anticipates starting to gather documents for 510(k) submission by June of 2022.

Sepset conducted a large predictive clinical genomics study of early Sepsis on four continents involving more than 500 patients in a multi-center clinical study to confirm initial findings and refine the clinical-related signature(s).[23] The study further validated the gene expression signature, and its results enable extrapolation to additional patient populations (such as COVID-19, pediatrics, cancers, and pancreatitis).

Sepset is seeking a strategic partnership with a key person or entity in the molecular diagnostic space to achieve commercialization of Sepset's diagnostic kit no later than mid-2022. All costs associated with the search by Sepset of this strategic partner will borne by Sepset via internal management, employee or contractor salaries.

Funding to pursue Sepset's business objectives has been obtained prior to its relationship with ASEP through non-dilutive sources (e.g., shareholder loans and the CDRD Loan, both of which have been since been repaid, other financial assistance provided by UBC through R&D grants obtained by UBC and partnerships with other companies and entities). Sepset intends to develop its diagnostic tests either alone or through contractual arrangements with technology and/or marketing companies.

Sepset is planning to seek approval for its molecular diagnostic first in the U.S. and Canada (in parallel). To date, Sepset has achieved (1) clinical validation of the value of the signature in predicting severity of Sepsis,[24] (2) obtaining the accuracy, specificity and sensitivity of the signature,[25] (3) establishing relationships with physicians and hospitals in six countries on four continents,[26] (4) developing experience in obtaining relevant human ethics approvals,[27] and (5) extrapolating the use of this signature to other patient populations who suffer from Sepsis, including selected pancreatitis and cancer patients, neonates and COVID-19 hospitalized individuals.[28]

As of the date of this Prospectus, Sepset has no other operating segments.

Principal Products and Services

ABT and Sepset are early-stage medical diagnostic and research companies. With increased funding in the payments from the Resulting Issuer following the exercises of the ABT Option and the Sepset Option, ABT and Sepset intend to accelerate their progress towards formal clinical trials of their diagnostic tests and peptide pharmaceuticals, respectively. The Company expects that formulation and clinical studies will be developed for proprietary business purposes that may

[22] Kumar, A et al. 2006. Critical Care Medicine 34:1589-1596.

[23] U.S. National Library of Medicine, ClinicalTrials.Gov ID: NCT04118179 (last verified October 2021), retrievable online: https://clinicaltrials.gov/ct2/show/NCT04118179?cond=NCT04118179&draw=2&rank=1.

[24] *Supra* note 17.

[25] *Supra* note 21.

[26] *Ibid.*

[27] *Supra* notes 17 and 21.

[28] Unpublished studies conducted at the R.E.W. Hancock Laboratory at UBC. Research papers on these subjects are currently being peer reviewed for publication.

include eventual commercializing by way of product sales, intellectual property sales, licensing, royalty streaming, or other means.

Specialized Skill and Knowledge

Each of ABT's and Sepset's businesses require specialized knowledge and technical skills concerning the development of therapeutics as well as the development of molecular diagnostics, with all the appropriate scientific, regulatory, intellectual property, financial, and business skills. The required skill and knowledge to succeed in these efforts is available to each of ABT and Sepset and, following the closing of the Transaction, the Resulting Issuer through certain members of ABT's and Sepset's management, directors, officers, consultants, and strategic research arrangements.

Competitive Conditions

Each of ABT's and Sepset's competitors include multinational pharmaceutical companies and specialized biotechnology companies, universities, and other research institutions. For Sepset, these competitors are conducting research into the recognition and therapeutic treatment of severe Sepsis and organ failure. For ABT, their competitors are focusing on utilization of anti-infective agents for the therapeutic treatment of bacterial biofilm infections (medical device infections, chronic infections, lung, bladder, wound, dental, skin, ear-nose and throat, sinusitis, orthopedic, etc.), and of anti-inflammatories, anti-infective immune-modulators and vaccine adjuvants.

More established companies may have a competitive advantage over ABT, Sepset or the Resulting Issuer due to their greater size, capital resources, cash flows, and institutional experience. Compared to ABT or Sepset, many of these competitors may have significantly greater financial, technical, and human resources at their disposal. Due to these factors, competitors may have an advantage in obtaining regulatory approval of their product candidates and, following such approval, marketing their approved products, and may do so before ABT or Sepset, which may adversely affect ABT, Sepset or the Resulting Issuer's ability to develop or commercialize their product candidates. ABT and Sepset leverage the "virtual company" model, their collaborative research agreements and relationships with third parties to mitigate, in part, these competitive conditions and the possible adverse impact on ABT and Sepset. Competitors may also develop diagnostic technologies that are more effective, more widely used, and less expensive, and may also be more successful in manufacturing and marketing their products. These advantages could materially impact ABT, Sepset or the Resulting Issuer's ability to develop and commercialize their broad peptide technology and diagnostic kit for predicting the onset of severe Sepsis and organ failure.

Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of ABT, Sepset or the Resulting Issuer's competitors. Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established entities. These third parties also compete with ABT and Sepset in recruiting and retaining qualified scientists, management, and commercial personnel, establishing clinical trial sites and subject registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, ABT or Sepset's programs or initiatives.

Specific competitors of ABT and Sepset are as follows:

ABT AND ITS COMPETITORS				
Brand	**Stock Symbol**	**Clinical Indications**	**Differentiation from ABT**	**Phase of Development**
ABT	N/A	Chronic Rhinosinusitis	N/A	Pre-Clinical

ABT AND ITS COMPETITORS				
Brand	**Stock Symbol**	**Clinical Indications**	**Differentiation from ABT**	**Phase of Development**
Omnix Medical (Israel)	-	Hospital-acquired or Ventilator-acquired bacterial pneumoniae	Developing antimicrobial Peptides. Preclinical. No evidence Peptides work against biofilms or have anti-inflammatory activity, at least not mentioned on the company website	Pre-Clinical
Peptilogics (USA)	-	Prosthetic joint infections	Has an Engineered, Cationic Antibiotic Peptide in Phase I/II. No evidence Peptides work against biofilms or have anti-inflammatory activity, at least not mentioned on the company website.	Phase II
PolyPhor (Switzerland)	AG (POLN: SWX)	Pseudomonas aeruginosa infections in CF	Developing multiple antibiotic and cancer targeted drugs, including a peptide-like antimicrobial drug and an outer membrane targeting anti-bacterial drug both of which are pre-clinical. Does not target biofilms or inflammation.	Pre-Clinical
ContraFect (USA)	CAPISTAN (CFRX: NASDAQ)	1) Bacteremia, including endocarditis 2) Prosthetic joint infections 3) MRSA bacteremia in COVID-19 patients 4) Hospital-acquired or ventilator-acquired bacterial pneumonia, cystic fibrosis-associated infections, complicated urinary tract infections, blood stream infections	Developing protein-based lysins that dissolve cell walls of bacteria, largely for topical treatment. Uses different technology to ABT but targeting similar infections, though not biofilms or inflammation.	1) Phase III 2) Phase I 3) Phase I 4) Lead Optimization

SEPSET AND ITS COMPETITORS				
Brand	**Stock Symbol**	**Clinical Indications**	**Differentiation from Sepset**	**Phase of Development**
Sepset	N/A	Sepsis	N/A	Starting to prepare 510(k) documentation for FDA approval
ImmunExpress/ Septicyte® (USA)	-	Distinguish between Sepsis and non-infections systemic inflammation	Uses a different patented gene expression biomarker set. No published evidence it is directed towards emergency room patients. In Sepset studies these biomarkers do not perform as well as the Sepset biomarkers	Approved (Septicyte)

SEPSET AND ITS COMPETITORS				
Brand	**Stock Symbol**	**Clinical Indications**	**Differentiation from Sepset**	**Phase of Development**
Molzym (Germany)	-	Detection and identification of a broad range of Gram-positive bacteria, Gram-negative bacteria and fungi within a working day	Uses 16S and 18S ribosomal RNA sequencing to define underlying pathogens causing Sepsis. Not all patients with Sepsis have an identifiable pathogen associated with Sepsis development and this test takes a day so is significantly slower than Sepset's test	Approved in EU (SeptiTest)
Abbott Laboratories (USA)	(ABT: NYSE)	Identify infection-causing pathogens directly from a patient's sample, without the need for culture	Uses mass tag PCR to identify underlying pathogens causing Sepsis. Not all patients with Sepsis have an identifiable pathogen associated with Sepsis development and this test takes at least 6 hours so is significantly slower than Sepset's test.	Approved (IRIDICA)
Roche Holding AG	(RO: SWX) (RHHBY: OTC)	Detection of 25 common blood pathogens considerably faster than conventional blood culture	Uses multiplex PCR to identify 25 of the more common underlying pathogens causing Sepsis. Not all patients with Sepsis have an identifiable pathogen associated with Sepsis development and many do not have the pathogens revealed by this test.	Approved (SeptiFast)
Seegene Inc. (South Korea)	(096530: KOSDAQ)	Detection and identification of more than 90 Sepsis-causing pathogens	Uses multiplex PCR to identify 25 of the more common underlying pathogens causing Sepsis. Not all patients with Sepsis have an identifiable pathogen associated with Sepsis development and many do not have the pathogens revealed by this test.	Approved in EU (MagicPlex Sepsis)
Biomerieux (France)	(BMXMF: OTC)	Tests for a variety of pathogens that cause viral respiratory, pneumonia, bloodstream, and gastrointestinal infections and meningitis-encephalitis as well as antimicrobial resistance genes	Uses a culture methodology. Not all patients with Sepsis have an identifiable pathogen associated with Sepsis development and this test takes at least 24 hours so is significantly slower than Sepset's test.	Approved

Government Regulation

ABT and Sepset's planned technologies are contingent upon receipt of various regulatory approvals. Such receipt may be obtained directly by ABT and Sepset, or through contract partners who may perform specific tasks on behalf of ABT or Sepset, that are required for those regulatory approvals. ABT and Sepset plan to conduct their trials and studies first in

the United States and Canada. As such, ABT and Sepset (or their applicable contractual partners) require approvals under FDA and Health Canada regulations in the near-term. As of the date of this Prospectus, the table below contains a list of government and regulatory approvals required by ABT and Sepset to conduct various activities in the United States and Canada.

Sepset and ABT plan to seek approval for the Molecular Diagnostic and Peptide Technology therapeutic for CRS respectively in the U.S. first. Once that approval is secured and ABT and Sepset start to generate revenues, approvals will be sought in Canada.

Government and Regulatory Approvals Required by ABT				
Study technology/ trial for which approval is required	**Jurisdiction**	**Type of Approval**	**Cost of Obtaining Approval**	**Timeline**
R&D	Canada	Biosafety Environmental Animal Safety and Health	Included in contracting out costs. Borne by the specific agency to which services are contracted	Usually days to weeks
Preclinical research	Location of the CRO	As for R&D	Included in contracting out costs. Borne by the specific agency to which services are contracted	Blanket approval usually in place
Clinical Trials	USA	IND	$200,000 including fees and costs for preparing IND submission	3 months (see below graphic)
Regulatory approval for sales of products	USA	NDA	$120,000	10 months

Government and Regulatory Approvals Required by Sepset				
Study technology/ trial for which approval is required **[if applicable]**	**Jurisdiction**	**Type of Approval**	**Cost of Obtaining Approval**	**Timeline**
R&D	Canada and other countries	Human Ethics Environmental Biosafety	Included in contracting out costs. Borne by the specific agency to which services are contracted. Ethics approvals already obtained	Completed
Validation research	Canada	As for R&D	Included in contracting out costs. Borne by the specific agency (University or Hospital) to which services are contracted	Blanket approval usually in place
Regulatory approval for sales of products	USA	510(k) (anyone who wants to sell a device in the U.S. is required to make a 510(k) submission at least 90 days prior to offering the device for sale (FDA)	$12,745 (FDA 510(k) costs)	Final decision is within 90 days (FDA decisions)

FDA Regulation

After a new drug is formulated, the regulatory strategy adopted, and the clinical trial designs defined, a pre-IND meeting is scheduled with the FDA to discuss planned studies. The pre-IND process will commonly take one month and once the application is submitted to the FDA, an additional 3-12 months. A properly filed IND application is rarely rejected. Delays usually relate to insufficient information, which can be corrected usually with the assistance of the regulatory agency, or concerning toxicity or efficacy data. The latter consideration is usually prevented by performing the appropriate preclinical studies, and either more detailed studies or altering the formulation, which may delay award of the IND by approximately 3 months. An established manufacturing process is also required for the drug but ABT and Sepset do not anticipate any issues since peptide drugs are well-established and all are produced by the same basic methods.

As part of the clinical trials process, it is required that all prospective medicines, such as ABT's Peptides, be tested first in pre-clinical studies to determine safety/toxicity in two animal species, efficacy in relevant animal models, consistency of manufacture of the product under Good Laboratory Practice ("**GLP**") rules and analytical testing methods to ensure this. GLP covers the organizational process and the conditions under which non-clinical laboratory studies are planned, conducted, monitored, recorded and reported. It is intended to promote the quality and validity of test data and improve the international acceptance of data generated in adherence to its principles. Analytical testing is a term used to describe various techniques that are used to identify the chemical makeup or characteristics of a particular sample. In the case of pharmaceuticals, analytical testing is used to detect and identify contaminants. Pharmacokinetics, the time course of drug absorption, distribution, metabolism, and excretion, also needs to be established to enable appropriate choices of dosing regimens. This information is then bundled with the results of the pre-IND meeting into an IND application that is submitted to the FDA. When an IND application is granted, a company may start human clinical trials that generally fall into 3 phases: Phase I, which involves testing safety using small numbers of uninfected individuals (or healthy volunteers); Phase II to establish appropriate dosing; and Phase III to test efficacy in the condition that the medicine is intended to treat. This process can be amended under rare drug legislation to enable efficacy to be established in Phase II and companies often design Phase I or II trials to gain preliminary evidence of efficacy. Numbers of patients and costs increase as these clinical trials progress and the process is monitored by the FDA which has the ability to require trials to be terminated if major issues of safety arise. The costs to an applicant to complete each of the three phases varies greatly, up to a total of approximately USD$$100,000,000. The financial costs of Phase I, II, and III clinical trials conducted in the United States are in the range of USD$1,400,000- USD$6,600,000, USD$7,000,000- USD$19,600,000, and USD$11,500,000- USD$52,900,000 respectively.[29]

At the end of this three-phase application the data is analyzed and forms the basis of a New Drug Application (NDA). Approval of the NDA by the FDA, based on non-equivalence with existing treatments, is required before any drug may be sold.

The FDA application process differs greatly for diagnostics and will depend on the classification of the device. The FDA classifies devices in Class I, II, or III, depending upon the degree of regulation necessary to provide reasonable assurance of their safety and effectiveness. The class into which a device is placed determines the requirements that a medical device manufacturer must meet prior to distributing a device in interstate commerce. According to section 513(a)(1) of the FDCA, the three device classes are defined as follows:

- Class I: Devices are subject to a comprehensive set of regulatory authorities called general controls that are applicable to all classes of devices.

- Class II: Devices for which general controls, by themselves, are insufficient to provide reasonable assurance of the safety and effectiveness of the device, and for which there is sufficient information to establish special controls to provide such assurance.

[29] Sertkaya, A et al, "*Key cost drivers of pharmaceutical clinical trials in the United States*" (April 2016), Clin Trials. 2016 Apr;13(2):117-26. doi: 10.1177/1740774515625964. Epub 2016 Feb 8. PMID: 26908540.

- Class III: Devices for which general controls, by themselves, are insufficient and for which there is insufficient information to establish special controls to provide reasonable assurance of the safety and effectiveness of the device. Class III devices typically require premarket approval.

510(k) Application

Section 510(k) of the FDCA requires device manufacturers to register to notify the FDA of their intent to market a medical device at least 90 days in advance. This is known as Premarket Notification - also called PMN or 510(k). A 510(k) enables the FDA to determine that the new device to be marketed is "substantially equivalent" to a legally marketed device that has already been placed into one of the three classes described above. The term "substantially equivalent" or "substantial equivalence" means, with respect to a device being compared to a predicate device, that the device has the same intended use as the predicate device. Sepset is planning on using SeptiCyte LAB (Immunexpress Inc.) as predicate and submit a 510(k) application.

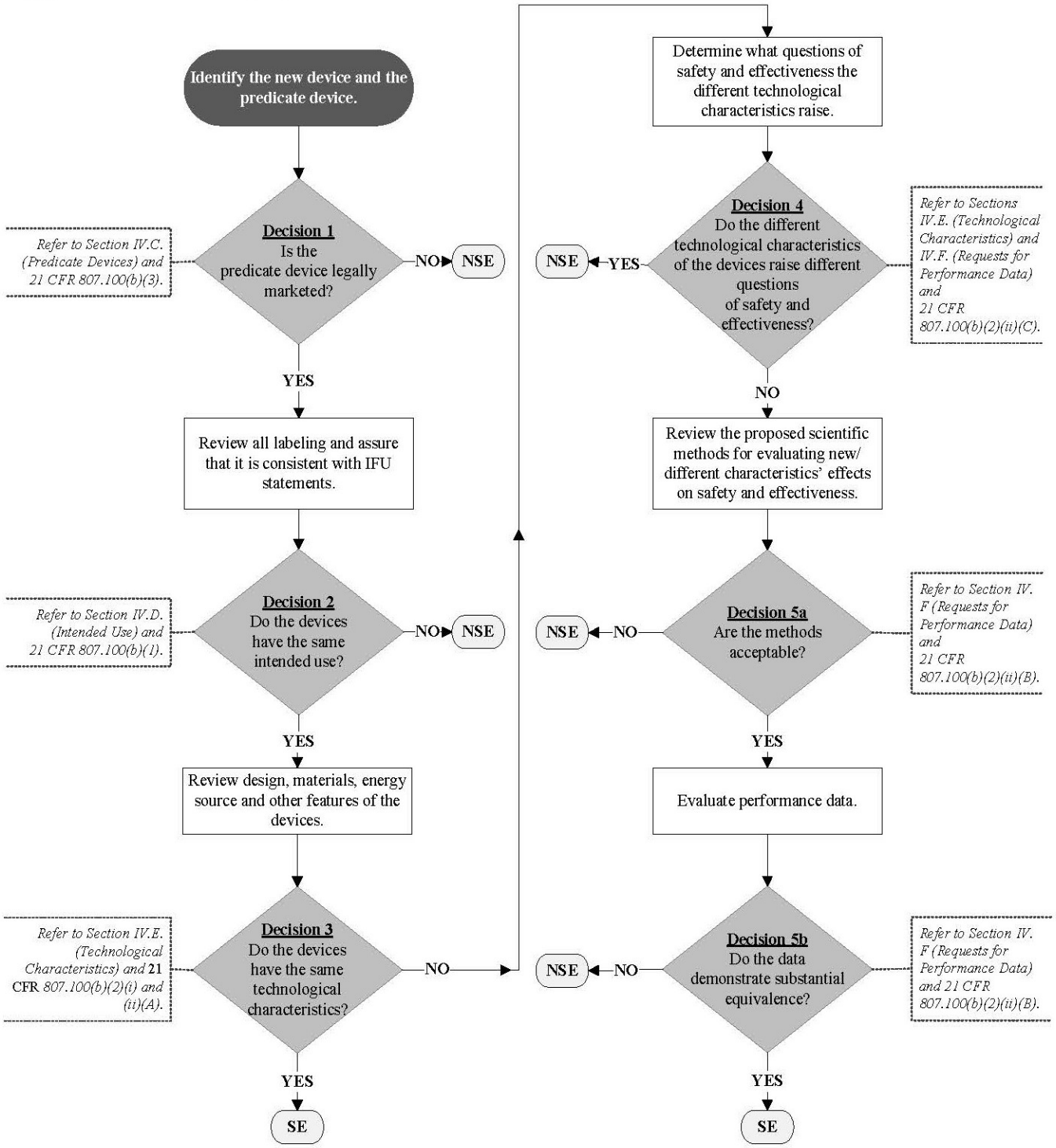
Through this process, "new" devices that have not been classified can be properly identified. Specifically, medical device manufacturers are required to submit a premarket notification if they intend to introduce a device into commercial distribution for the first time or reintroduce a device that will be significantly changed or modified to the extent that its safety or effectiveness could be affected. Such change or modification could relate to the design, material, chemical composition, energy source, manufacturing process, or intended use. It is this latter category that is relevant to the Sepset test. Using a device that has already been approved by the FDA for one type of diagnostic makes it much easier to obtain approval for the new use. Sepset is not required to complete a pre-clinical study as that is not part of a 510(k) application for a molecular diagnostic.

The FDA receives a great many requests for 501(k) device approvals each year. It takes between 1 week and 8 months for a 501(k) approval to be granted, average time being 5 months. With data demonstrating validation of pre-clinicals, ABT is are quite confident that the 501(k) will be granted. If, however, it is not granted (e.g. due to lack of validation of its effectiveness as a diagnostic for severe Sepsis, and/or equivalence to or improvement on an existing device) there would be a serious risk to ABT, which would have to rely on submissions to other countries, or reformatting of the test (e.g. using some of the other 25 genes patented and found useful in diagnosis). For ASEP this could also mean shifting the core of its business to therapeutics.

Analytical testing, which is also referred to as materials testing, is a broad term used to describe various techniques that are used to identify the chemical makeup or characteristics of a particular sample (e.g. a drug such as a peptide). Manufacturers in industries such as the pharmaceuticals, food, electronics and plastics often use analytical testing for identifying contaminants in a drug.

The 510(k) decision-making flowchart can be found below:

Appendix A. 510(k) Decision-Making Flowchart



SE = "Substantially Equivalent"
NSE = "Not Substantially Equivalent"
IFU = "Indications For Use"

This Flowchart is not intended to be used as a 'stand-alone' document and should only be considered in conjunction with the accompanying text in this guidance.

Source: Appendix A in US Food and Drug Administration 510(k) Decision-Making Flowchart (US FDA, 2014).

Health Canada Regulation

Prior to the commencement of a clinical trial in Canada, drugs must be tested on selected species of animals (*in vivo*) or cells (*in vitro*) to determine toxicity at the doses required to have an effect. If preclinical test results are promising, and further tests show acceptable safety levels and clear or potential efficacy, a Clinical Trial Application ("**CTA**") can be submitted for authorization to allow for human participation in a Canadian clinical trial. Health Canada's Therapeutic Products Directorate ("**TPD**"):

- reviews CTAs for prescription drugs to ensure that the studies are well-designed and that participants will not be exposed to undue risk;
- reviews scientific information to assess the safety, efficacy, and quality of a prescription drug; and
- assesses the potential benefits and risks of a prescription drug.

Once a CTA is approved and granted, a clinical trial may be undertaken with informed and consenting human participants in a controlled environment where drug administration procedures and results are closely tracked, monitored and analyzed.

Clinical trials are often done in 4 phases:

- Phase 1 involves testing on a small group of human participants for the first time for safety and dosage range.
- Phase 2 involves testing on a larger group of human participants for effectiveness and best dosage.
- Phase 3 involves testing on an even larger group of human participants to confirm efficacy, monitor side effects and to compare against commonly used treatments.
- Phase 4 testing is conducted after the drug is approved and on the market.

The Director General's Office of the TPD approves the sale of prescription drugs, makes regulatory decisions and oversees clinical trials.

The length and cost of each phase of the Health Canada application is comparable to that of the United States' FDA application process discussed above.

If clinical trial studies prove that the drug has potential therapeutic value that outweighs the risks associated with its use (e.g. adverse effects, toxicity), a New Drug Submission ("**NDS**") may be filed with TPD. The NDS can be submitted whether the clinical trials were done in Canada or in other countries (for example in the USA, such that the same trials can be used for approval in both countries). The NDS must include the results of pre-clinical and clinical studies, whether done in Canada or elsewhere, details regarding the production of the drug, packaging and labelling details, and information regarding therapeutic claims and side effects.

The drug's efficacy and safety data are evaluated and a Risk/Benefit analysis is performed, before reaching a decision. If, at the completion of the review, the conclusion is that the benefits outweigh the risks and that the risks can be mitigated, the drug is issued a Notice of Compliance, as well as a Drug Identification Number to market the drug in Canada and indicates the drug's official approval in Canada.

The process for approval of diagnostics kits, such as Sepset's blood test, is different. ASEP will meet with Health Canada's TPD to introduce the novel Sepsis diagnostic and confirm the classification of the test as a device. Sepset believes the test

is likely to be classified as a Class II product. Class II products require review and clearance of a class II license application by Health Canada prior to commercialization. The key components of the license application include:

- The manufacturer must have a quality management system that complies with the Health Canada's Medical Device Single Audit Program ("**MDSAP**"). Sepset could contract the manufacturing to a MDSAP certified facility to meet this requirement.

- The distributor of the product in Canada (which could also be the contract manufacturer) must have a Medical Device Establishment License.

- Completed prospective clinical studies demonstrating test sensitivity and specificity for the intended use. As with drugs, studies in support of a license application requires an approved CTA prior to conducting the study.

- Completed laboratory studies demonstrating test stability (shelf life and storage conditions), specificity, interfering substances, precision/reproducibility, analytical sensitivity and other items specific to the assay format.

Much of the clinical and laboratory study information required by the FDA for a 510(k) submission can be reformatted and repurposed in support of Health Canada submissions.

As each company continues to conduct its R&D activities, additional approvals may be required if ABT and/or Sepset conduct any other activities or if any of the regulatory requirements are amended, supplemented, repealed, revised, or similar, following the date of this Prospectus.

Expedited Review and Approval Programs

The FDA has various programs, including Fast Track Designation, accelerated approval, priority review, and breakthrough therapy designation, which are intended to expedite or simplify the process for the development and FDA review of drugs that are intended for the treatment of serious or life-threatening diseases or conditions and demonstrate the potential to address unmet medical needs. The purpose of these programs is to provide important new drugs to patients earlier than under standard FDA review procedures.

To be eligible for a Fast Track Designation, the FDA must determine, based on the request of a sponsor, that a product is intended to treat a serious or life-threatening disease or condition and demonstrates the potential to address an unmet medical need. The FDA will determine that a product will fill an unmet medical need if it will provide a therapy where none exists or provide a therapy that may be potentially superior to existing therapy based on efficacy or safety factors. The FDA may review sections of the NDA for a fast track product on a rolling basis before the complete application is submitted if the sponsor provides a schedule for the submission of the sections of the NDA, the FDA agrees to accept sections of the NDA and determines that the schedule is acceptable, and the sponsor pays any required user fees upon submission of the first section of the NDA.

The FDA may give a priority review designation to drugs that offer major advances in treatment, or provide a treatment where no adequate therapy exists. A priority review means that the goal for the FDA to review an application is six months, rather than the standard review of ten months under current PDUFA guidelines. Under the new PDUFA agreement, these six and ten month review periods are measured from the "filing" date rather than the receipt date for NDAs for new molecular entities, which typically adds approximately two months to the timeline for review and decision from the date of submission. Most products that are eligible for Fast Track Designation are also likely to be considered appropriate to receive a priority review.

In addition, products studied for their safety and effectiveness in treating serious or life-threatening illnesses and that provide meaningful therapeutic benefit over existing treatments may be eligible for accelerated approval and may be approved on the basis of adequate and well-controlled clinical trials establishing that the drug product has an effect on a

surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. As a condition of approval, the FDA may require a sponsor of a drug receiving accelerated approval to perform post-marketing studies to verify and describe the predicted effect on irreversible morbidity or mortality or other clinical endpoint, and the drug may be subject to accelerated withdrawal procedures.

Moreover, under the provisions of the United States *Food and Drug Administration Safety and Innovation Act*, a sponsor can request designation of a product candidate as a "breakthrough therapy." A breakthrough therapy is defined as a drug that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. Drugs designated as breakthrough therapies are also eligible for accelerated approval. The FDA must take certain actions, such as holding timely meetings and providing advice, intended to expedite the development and review of an application for approval of a breakthrough therapy.

Even if a product qualifies for one or more of these programs, the FDA may later decide that the product no longer meets the conditions for qualification or decide that the time period for FDA review or approval will not be shortened. ABT may explore some of these opportunities for its product candidates as appropriate.

With CRS having such high unmet needs (as discussed in *Description of the Business*), ABT believes it may qualify for the fast-track and preferred status rules for drugs addressing Anti-Microbial Resistance, which are equivalent to an orphan drug designation.

Intangible Properties

In accordance with industry practice, each of ABT and Sepset protect their proprietary rights through a combination of patent, copyright, trademark, trade secret laws and contractual provisions.

ABT Innovations Inc.

The following table discloses certain intellectual property owned by UBC and licensed to ABT pursuant to the terms and conditions of the UBC License Agreement (collectively, the "**UBC Intellectual Property**"). The term of the UBC License Agreement ends on the later of April 24, 2037 and the expiry of the last patent licensed under the UBC License Agreement:

Title	Serial Number	Patent Number	Country	File Date	Issue Date	Expiry Date	Status
Cationic Peptides with Immunomodulatory and/or Anti-biofilm activities	19743997.9		European[(1)]	1-25-2019			Filed
Cationic Peptides with Immunomodulatory and/or Anti-biofilm activities	16/964,566		United States	1-25-2019			Filed
Cationic Peptides with Immunomodulatory and/or Anti-biofilm activities	3,089,485		Canada	1-25-2019			Filed
Cationic Peptides with Immunomodulatory and/or Anti-biofilm activities	PCT/IB2019/050643		PCT	1-25-2019			National Phase Entered

Title	Serial Number	Patent Number	Country	File Date	Issue Date	Expiry Date	Status
Cationic Peptides with Immunomodulatory and/or Anti-biofilm activities	62/622,687		United States	1-26-2018			Expired
Cationic Peptides with Immunomodulatory, Anti-biofilm Activity	62/448,016		United States	1-19-2017			Expired
Small Cationic Anti-Biofilm and IDR Peptides	16/393,783		United States	4-24-2019			Abandoned
Small Cationic Anti-Biofilm and IDR Peptides	2018264120		Australia	8-27-2014			Abandoned
Small Cationic Anti-Biofilm and IDR Peptides	718132		New Zealand	8-27-2014			Abandoned
Small Cationic Anti-Biofilm and IDR Peptides	14844765.9		European(1)	8-27-2014			Abandoned
Small Cationic Anti-Biofilm and IDR Peptides	2014318167		Australia	8-27-2014			Abandoned
Small Cationic Anti-Biofilm and IDR Peptides	14/915,193		United States	2-26-2016			Abandoned
Small Cationic Antimicrobial Peptides	07800481.9	2061886	Denmark	8-21-2007			Abandoned
Small Cationic Antimicrobial Peptides	07800481.9	206186	Poland	8-21-2007			Abandoned
Small Cationic Antimicrobial Peptides	07800481.9	206186	Netherlands	8-21-2007			Abandoned
Small Cationic Antimicrobial Peptides	597391		New Zealand	12-23-2011			Abandoned
Small Cationic Antimicrobial Peptides	574758	14386	New Zealand	8-21-2007	7-9-2012	7-9-2032	Abandoned
Small Cationic Antimicrobial Peptides	01495/ CHENP/ 2009		India	8-21-2007			Abandoned
Small Cationic Antimicrobial Peptides	60/839,253		United States	8-21-2006			Expired
Small Cationic Antimicrobial Peptides	14/684,136	9,707,282	United States	4-10-2015	7-18-2017	7-18-2037	Issued
Small Cationic Antimicrobial Peptides	07800481.9	206186	Spain	8-21-2007			Issued
Small Cationic Antimicrobial Peptides	07800481.9	206186	Italy	8-21-2007			Issued
Small Cationic Antimicrobial Peptides	07800481.9	2061886	France	8-21-2007			Issued
Small Cationic Antimicrobial Peptides	07800481.9	206186	Germany	8-21-2007			Issued

Title	Serial Number	Patent Number	Country	File Date	Issue Date	Expiry Date	Status
Small Cationic Antimicrobial Peptides	13/725,327	9,017,656	United States	12-21-2012	4-28-2015	4-28-2035	Issued
Small Cationic Antimicrobial Peptides	07800481.9	2061886	European[(1)]	8-21-2007	5-7-2014	5-7-2034	Issued
Small Cationic Antimicrobial Peptides	2007288080	2007288080	Australia	8-21-2007	10-17-2013	10-17-2033	Issued
Small Cationic Antimicrobial Peptides	2,660,668	2,660,668	Canada	8-21-2007			Issued
Small Cationic Antimicrobial Peptides	12/438,055	8,343,475	United States	2-19-2009	1-1-2013	1-1-2033	Issued
Small Cationic Antimicrobial Peptides	PCT/ CA2007/ 001453		PCT	8-21-2007			National Phase Entered

(1) The European Patent Convention ("**EPC**") is a multilateral treaty instituting the European Patent Organisation and providing an autonomous legal system according to which European patents are granted. The term "European" patent is used to refer to patents granted under the EPC. A European patent is not a unitary right, but a group of essentially independent nationally enforceable, nationally revocable patents. The EPC provides a legal framework for the granting of European patents, via a single, harmonized procedure before the European Patent Office.

All patents licensed to ABT as noted above are governed by the UBC License Agreement. All issued patents are subject to annual maintenance fees and an expiry date that is twenty (20) years following the date of first issuance. None of the expired or abandoned patents noted above are material to ABT and these patents were abandoned to save on patent maintenance fees. At this time there is no intention to renew or refile these expired or abandoned patents.

ABT First UBC Collaborative Research Agreement

On April 24, 2017, ABT entered into the ABT First UBC Collaborative Research Agreement with UBC. The ABT First UBC Collaborative Research Agreement is a two phase collaborative research program which aims at selecting an IDR peptide to be further used as a therapeutic tool for treating infections in veterinary medicine. Three major medical indications have been selected as considered *especially favourable* for such a treatment approach: cow mastitis, canine otitis, and canine atopic dermatitis. However, results obtained during the collaboration may evidence specific properties of the selected Peptides that would better translate into therapies for other veterinary medical conditions than the three ones initially considered. In addition, the project may evolve over the course of the program which could require adjustments to the initial plans; additional veterinary indications which could come up with a higher priority are for example respiratory tract infections, skin infections, urinary infections. The ABT First Collaborative Research Agreement ended upon the completion of ABT's Phase II is *in vitro* confirmation of peptide activities in Q3 of 2020. The ABT First UBC Collaborative Research Agreement included a license of certain patents and technologies owned by UBC and governed by the terms and conditions of the UBC License Agreement. For more details on the terms and conditions of the UBC License Agreement, see "*UBC License Agreement*" below.

UBC License Agreement

Concurrent with the entry of the ABT First UBC Collaborative Research Agreement, ABT entered into the UBC License Agreement with UBC, pursuant to which UBC granted to ABT a worldwide, exclusive license to use and sublicense the UBC Intellectual Property and to manufacture, have made, distribute and sell products made from or based upon the UBC Intellectual Property, but explicitly excluding any use, improvement, variation, update, modification or enhancement of the 1002 peptide and the HH2 peptide in the adjuvant field of use. The term of the UBC License Agreement is either 20 years from April 24, 2017 or the expiry of the last patent licensed under the UBC License Agreement.

Under the confidential terms of the UBC License Agreement, ABT agreed to pay UBC a royalty on all revenues and monies, directly or indirectly collected or received from the sale of products utilizing the UBC Intellectual Property, and a percentage of all such revenue generated via sublicensing by ABT. ABT also agreed to pay UBC an annual license fee during the term of the UBC License Agreement the terms of which are also confidential.

The UBC License Agreement automatically and immediately terminates without notice if any proceeding under the *Bankruptcy and Insolvency Act* (Canada), or any other statute of similar purpose, is started by or against ABT. In addition, UBC may, at its option, immediately terminate the UBC License Agreement by giving notice to ABT one or more of the following occurs: (i) ABT becomes insolvent; (ii) any execution or other process of any court becomes enforceable against ABT, or if any similar process is levied on the rights under the UBC License Agreement or on any money due to UBC and is not released or satisfied by ABT within 30 days from the process becoming enforceable or being levied; (iii) ABT or any of its directors or officers have breached or otherwise failed to comply with any applicable securities laws, regulations or requirements which UBC deems in its sole discretion to be material; (iv) any resolution is passed or order made or other steps taken for the winding up, liquidation or other termination of the existence of ABT; (v) the UBC Intellectual Property or any Improvements becomes subject to any security interest, lien, charge or encumbrance in favour of any third party claiming through ABT; (vii) if any sublicensee is in breach of its sublicense with ABT and ABT does not cause the sublicensee to cure the breach within 30 days of receipt of notice from UBC; or (viii) if ABT, or any affiliated company is in breach of any other agreement between ABT or such affiliated company and UBC and the breach has not been cured within the time provided for the curing of the breach under the terms of the other agreement. Either party may terminate the UBC License Agreement for any breach which is not remedied after providing notice to the party in breach: (i) upon 30 days' notice in the case of any breach which can reasonably be remedied within 30 days of the delivery of such notice; or (ii) if the breach cannot be remedied within 30 days and the breach is not remedied within such further period as may be reasonably necessary, or within 90 days after receipt of notice, whichever is sooner.

ABT Second UBC Collaborative Research Agreement

On June 2, 2021, ABT entered into the ABT Second UBC Collaborative Research Agreement with UBC. The ABT Second UBC Collaborative Research Agreement is a collaborative research program which aims to conduct necessary experiments to identify the most promising molecules for development of ABT's Peptide Technology and move ABT towards the regulatory approval stages and an IND application.

The ABT Second UBC Collaborative Research Agreement also includes an option (the "**ABT Second UBC Collaborative Research Agreement Option**") whereby ABT may acquire a royalty-bearing license to use and exploit certain intellectual property developed by UBC during the term of the ABT Second UBC Collaborative Research Agreement for a period of 6 months following the disclosure by UBC of such intellectual property in writing to ABT. If ABT wishes to exercise the ABT Second UBC Collaborative Research Agreement Option, the parties will negotiate in good faith the specific terms and conditions on which a license will be granted by UBC. The ABT Second UBC Collaborative Research Agreement also includes a license of certain patents and technologies owned by UBC and governed by the terms and conditions of the UBC License Agreement. The ABT Second UBC Collaborative Research Agreement had a start date of June 2, 2021 with a contract period of 8 months, resulting in a contract end date of February 2, 2022.

Either ABT or UBC may terminate the ABT Second UBC Collaborative Research Agreement upon 30 calendar days prior written notice to the other. If either party commits any breach or default of any terms or conditions of the ABT Second UBC Collaborative Research Agreement and also fails to remedy such breach or default within 30 calendar days after receipt of a written notice of such breach or default from the other party, the party giving notice may terminate the ABT Second UBC Collaborative Research Agreement by sending a notice of termination in writing to the party in breach. UBC also has the right to terminate the ABT Second UBC Collaborative Research Agreement if ABT is in breach of any other agreement between ABT and UBC, which breach has not been cured within the time provided for the curing of such breach under the terms of such other agreement.

The ABT Second UBC Collaborative Research Agreement Option does not include any improvements certain patents and technologies owned by UBC and governed by the terms and conditions of the UBC License Agreement. For more details on the terms and conditions of the UBC License Agreement, see "*UBC License Agreement*" below.

Sepset Biosciences Inc.

The following table discloses certain patents, as well as any improvements, variations, updates, modifications and enhancements made thereto by Dr. Robert E.W. Hancock, are owned by Dr. Robert E.W. Hancock and licensed to the Sepset on an exclusive and worldwide basis pursuant to the terms and conditions of the Hancock License Agreement. The term of the Hancock License Agreement ends on the later of March 13, 2037 and the expiry of the patents relating to the below intellectual property:

Country	Application Number	Continuity	Application Publication or Patent No.	Status*
US	61/953,458	Priority application	N/A	Converted into PCT/CA2015/000160
PCT	PCT/CA2015/000160	Priority from US61/953,458	WO 2015/135071 A1	Converted into National phase filings
Australia	2015230632	National phase of PCT/CA2015/000160	AU 2015230632	Refiled as 2020201564
Australia	2020201564	Divisional of AU2015230632	AU 2020201564 A1	PENDING
Canada	2942577	National phase of PCT/CA2015/000160	CA 2942577 A1	PENDING
China	201580020498.0	National phase of PCT/CA2015/000160	CN 106661765 B	GRANTED
European[(1)]	15761149.2	Regional phase of PCT/CA2015/000160	EP3117030 A1	PENDING
Hong Kong	17111280.7	Via CN201580020498.0	HK1237382	GRANTED
Japan	2016-557954	National phase of PCT/CA2015/000160	JP 2017-514459A	Refiled as 2020-101999
Japan	2020-101999	Divisional of JP2016-557954	JP 2020-162615A	PENDING
United States	15/124,333	National phase of PCT/CA2015/000160	US 2017/0073734 A1	Refiled as 16/279,788
United States	16/279,788	Continuation of US15/124,333	US 2020/0032321 A1	PENDING

* *Status indicated only for pending applications, allowed applications and granted patents. Remaining patent explained where they were converted. All patents except for US61/953,458 have exactly the same body of the patent.*

(1) The EPC is a multilateral treaty instituting the European Patent Organisation and providing an autonomous legal system according to which European patents are granted. The term "European" patent is used to refer to patents granted under the EPC. A European patent is not a unitary right, but a group of essentially independent nationally enforceable, nationally revocable patents. The EPC provides a legal framework for the granting of European patents, via a single, harmonized procedure before the European Patent Office.

All patents licensed to Sepset as noted above are governed by the Hancock License Agreement. All issued patents are subject to annual maintenance fees and an expiry date that is twenty (20) years following the date of first issuance.

Hancock License Agreement

On March 13, 2017, Sepset entered into the Hancock License Agreement with Dr. Robert E.W. Hancock, pursuant to which Dr. Robert E.W. Hancock granted Sepset an exclusive worldwide license for the research, development, use and sublicensing of the Sepset Technology. The term of the Hancock License Agreement ends on the later of February 15, 2037 and the expiry of the last patent licensed under the Hancock License Agreement.

Under the terms of the Hancock License Agreement, certain improvements to the intellectual property will be owned by Dr. Robert E.W. Hancock, and certain improvements will be owned by Sepset, generally in accordance with the party that is responsible for the improvement. The Sepset Technology in the diagnostic kit itself is owned by Dr. Robert E.W. Hancock and the Researches, but will be controlled by Sepset, which has the exclusive worldwide rights for its use.

In consideration of the license, Sepset will pay to Dr. Robert E.W. Hancock and the Researchers a royalty equal to 2% of all gross revenues and monies, directly or indirectly collected or received from the sale of products utilizing the Technology, less direct sales taxes and customs, divided amongst Dr. Robert E.W. Hancock and the Researchers as to 30% to Dr. Robert E.W. Hancock, 30%. To Ms. Serrato, 30% to Mr. David Hancock and 10% to Mr. Boyd. The royalty is due and payable quarterly in each year of the term of the Hancock License Agreement and is calculated in the 3-month prior to the due date.

Dr. Robert E.W. Hancock may, at his option, immediately terminate the Hancock License Agreement by giving notice to Sepset if one or more of the following occur: (i) any proceeding under the *Bankruptcy and Insolvency Act* (Canada), or any other statute of similar purpose, is started by or against Sepset; (ii) Sepset becomes insolvent; (iii) any execution or other process of any court becomes enforceable against Sepset, or if any similar process is levied on the rights under the Hancock License Agreement or on any money due to Dr. Robert E.W. Hancock and is not released or satisfied by Sepset within 30 days from the process becoming enforceable or being levied; or (iv) any resolution is passed or order made or other steps taken for the winding up, liquidation or other termination of the existence of Sepset. Either party may terminate the Hancock License Agreement for any breach which is not remedied after providing notice to the party in breach: (i) upon 30 days' notice in the case of any breach which can reasonably be remedied within 30 days of the delivery of such notice; or (ii) if the breach cannot be remedied within 30 days and the breach is not remedied within such further period as may be reasonably necessary, or within 90 days after receipt of notice, whichever is sooner.

The Hancock License Agreement is a related party transaction under IAS 24 as a result of the fact that Dr. Robert E.W. Hancock is a shareholder of Sepset.

Sepset UBC Collaborative Research Agreement

On August 6, 2021, Sepset entered into the Sepset UBC Collaborative Research Agreement with UBC. The Sepset UBC Collaborative Research Agreement is a collaborative research program which aims at testing the rapid quantitative measurement of a carefully selected set of Sepsis signature markers developed by Hancock and licensed to Sepset. This testing will be done by using quantitative reversed transcription PCR ("**RT-PCR**") to obtain an accurate outcome prediction within an hour or less. Ten already identified housekeeping genes will be first part of the proposed RT-PCR validation to establish an expression baseline. The two best performing genes will be selected using bioinformatic strategies. On the other hand, an accurate quantitative assessment of 12 already identified diagnostic cellular reprogramming signature markers, coupled with expression baseline measured with housekeeping genes, will be carried, as it is critical for reliable prediction for Sepsis status and severity. Once the quantitative assessment of signature markers validated, the process of quantitative measurement can be further improved by employing automated, high-throughout, microfluidic-based technologies, such as Power-Blade, which would allow us to rapidly survey the expression of signature markers.

The Sepset UBC Collaborative Research Agreement also includes an option (the "**Sepset UBC Collaborative Research Agreement Option**") whereby Sepset may acquire a royalty-bearing license to use and exploit certain intellectual property developed by UBC during the term of the Sepset UBC Collaborative Research Agreement for a period of 6 months following the disclosure by UBC of such intellectual property in writing to Sepset. If Sepset wishes to exercise the Sepset UBC Collaborative Research Agreement Option, the parties will negotiate in good faith the specific terms and conditions on which a license will be granted by UBC.

Employees

As of the date of this Prospectus, neither the Company, nor ABT have any employees, while Sepset has one (1) employee and ASEP has two (2) employees. Following the closing of the Transaction, ABT and Sepset each anticipate that they will continue to perform necessary research activities by contracting out services rather than building major in-house

capabilities. There may come a time in the future whereby the Resulting Issuer deems it necessary to hire additional employees to help with its R&D activities.

Seasonality

Neither ABT, Sepset nor the Resulting Issuer anticipates experiencing any seasonal variation with its services or products following formal clinical trials of their diagnostic tests and peptide pharmaceuticals, respectively.

Foreign Operations

As of the date of this Prospectus, neither the Company nor ASEP have any foreign operations. Further, each of ABT and Sepset operate as virtual companies and do not have any foreign operations.

Lending

Neither the Company, ASEP, ABT or Sepset have any lending operations.

Bankruptcy and Similar Procedures

Each of the Company, ASEP, ABT and Sepset have not been involved in any bankruptcy, receivership or similar proceedings or any voluntary bankruptcy, receivership or similar proceedings since incorporation or completed during or proposed for the current financial year.

Social or Environmental Policies

Neither the Company, ASEP, ABT nor Sepset have implemented any social or environmental policies.

USE OF PROCEEDS

Funds Available and Principal Purposes

This is a non-offering Prospectus. The Company is not raising any funds in conjunction with this Prospectus and, accordingly, there are no proceeds to be raised by the Company pursuant to this Prospectus.

The gross proceeds paid to the Company from the sale of the Special Warrants pursuant to the Special Warrant Financing **$5,865,750**. The Company will not receive any additional proceeds from the Special Warrant Financing upon the deemed exercise of the Special Warrants.

As at October 31, 2021, the Resulting Issuer had a combined working capital position (on an unaudited basis) of approximately $424,446 based on the estimated working capital of the Company of $145,588, estimated working capital deficit of ASEP of ($832,682), estimated working capital of ABT of $594,749, estimated working capital of Sepset of $516,791, and excludes the current liabilities related to the ASEP Debentures and ASEP Holdings Debentures, which shall be converted into ASEP Shares and Common Shares, respectively, prior to completion of the Transaction.

Based on this working capital position and the inclusion of the **$5,865,750** in proceeds anticipated to be raised under the Special Warrant Financing, the estimated funds available to the Resulting Issuer are intended to be used as follows:

Resulting Issuer Sources of Available Funds	Estimated Amount
Estimated consolidated working capital of the Resulting Issuer as at October 31, 2021[(1)]	$424,446
Anticipated gross proceeds raised pursuant to the Special Warrant Financing[(2)]	$5,865,750
Financing costs related to Special Warrant Financing	($93,600)

Total Available Funds	**$6,196,596**
Resulting Issuer Principal Purposes for Use of the Available Funds	**Estimated Amount**
Remaining Transaction and Prospectus related costs	$280,000
R&D Salaries[(3)]	$206,640
Remaining ABT Option Purchase Price[(4)]	$2,000,000
Remaining Sepset Option Purchase Price[(5)]	$2,000,000
General and Administrative Salaries	$192,405
General and Administrative[(6)]	$408,050
Non-accrued interest portion of the ASEP Debentures and ASEP Holdings Debenture	$13,527
Loan to ABT to cover operational costs over and above the remaining ABT Option proceeds	$118,033
Unallocated working capital of the Resulting Issuer	$977,941
Total Funds to be Used:	**$6,196,596**

(1) Consolidated working capital excludes the current liabilities related to the ASEP Debentures and ASEP Holdings Debentures, which shall be converted into ASEP Shares and Common Shares, respectively, prior to completion of the Transaction.

(2) Pursuant to the Special Warrant Financing, which closed in four tranches on August 25, 2021, September 9, 2021, October 22, 2021, and October 26, 2021, the Company issued an aggregate of 11,731,500 Special Warrants at a price of $0.50 per Special Warrant for gross aggregate proceeds of $5,865,750.

(3) The Company expects to incur total salaries of $1,163,710 for the 12 month period. Certain positions will be shared by ASEP, ABT and Sepset. Management has reviewed the positions and allocated to department (general and administrative and/or R&D) and to company (ASEP, ABT, and/or Sepset).

				Company and Department Allocation					
				Asep		ABT		Sepset	
Name	Position	Director/Officer	Salary*	G&A	R&D	G&A	R&D	G&A	R&D
Rudy Mazzocchi	CEO	Director & Officer	242,400	90,900	30,300	45,450	15,150	45,450	15,150
Fadia Saad	CBDO	Officer	202,000	-	101,000	-	50,500	-	50,500
Jen Gretchen	CFO	Officer	151,500	75,750	-	37,875	-	37,875	-
Evan Haney	CSO	Officer	70,700	-	14,140	-	28,280	-	28,280
Other**	Various**	No	497,110	25,755	61,200	12,878	182,100	12,878	202,300
		Total Salaries	**1,163,710**	**192,405**	**206,640**	**96,203**	**276,030**	**96,203**	**296,230**

* Salary for certain individuals includes a 2% increase at 1 year anniversary of start date.
** Other includes six positions which are not management positions and are not related parties. Of the six positions, one position is currently filled and five are expected hires within the next 12 months.

(4) The first ABT Note in the amount of $500,000 was advanced by ASEP to ABT upon entry into the ABT Option Agreement. On exercise of the ABT Option, the principal amount of this ABT Note will be applied towards the ABT Option Exercise Price, with the remaining balance of the ABT Option Exercise Price in the amount of $2,000,000 being paid in cash by ASEP on completion of the Transaction.

(5) The first Sepset Note in the amount of $500,000 was advanced by ASEP to Sepset upon entry into the Sepset Option Agreement. On exercise of the Sepset Option, the principal amount of this Sepset Note will be applied towards the Sepset Option Exercise Price, with the remaining balance of the Sepset Option Exercise Price in the amount of $2,000,000 being paid in cash by ASEP on completion of the Transaction.

(6) Includes directors and officers insurance of $210,000; office rental costs of $60,000; business development costs of $27,000; professional fees of $64,000; and other general and administrative costs of $47,050.

ABT and Sepset intend to use the remaining ABT Option Exercise Price and the remaining Sepset Option Exercise Price, respectively, to fund the pursuit of their business objectives as stated below:

ABT Principal Purpose for Use of Remaining ABT Option Exercise Price	**Estimated Amount**
R&D related costs[(1)]	$550,000
R&D salaries	$276,030
Non-clinical toxicology and Pre-IND and IND filing related costs[(2)]	$1,160,000
General and Administrative costs[(3)]	$30,800
General and Administrative salaries	$96,203
Remaining Transaction and Prospectus related costs	$5,000

Loan from Resulting Issuer to cover operational costs in excess of $2M	(118,033)
Total:	**$2,000,000**
Sepset Principal Purpose for Use of Remaining Sepset Option Exercise Price	**Estimated Amount**
R&D related costs[4]	$396,000
R&D Salaries	$296,230
Clinical Development related costs[5]	$1,000,000
General and Administrative costs[6]	$30,800
General and Administrative salaries	$96,203
Remaining Transaction and Prospectus related costs	$5,000
Unallocated funds from $2M Option Purchase Price payment	$175,767
Total:	**$2,000,000**

(1) Includes collaborative research costs of $375,000; patent costs of $105,000; and laboratory costs of $75,000. As disclosed in the ABT Financial Statements, UBC related costs include the ABT First UBC Collaborative Research Agreement (ABT paid $13,594 to UBC in 2020 relating to completion of Phase II under the ABT First UBC Collaborative Research Agreement dated April 24, 2017. Per the agreement, Phase II is *in vitro* confirmation of peptide activities. Phase II was nearing completion in Q2, 2020 and was fully completed by Q3, 2020). The ABT First Collaborative Research Agreement ended upon completion of Phase II in Q3, 2020. The ABT Second UBC Collaborative Research Agreement was entered into on June 2, 2021 with a commitment of $250,000 to be paid to UBC. The first payment of $125,000 was paid on July 15, 2021. The second payment of $125,000 was due October 2, 2021 and is included in the use of proceeds related to Non-clinical toxicology and Pre-IND and IND filing related costs; it will be paid upon ABT's receipt of the remaining $2,000,000 option payment. The ABT Second UBC Collaborative Research Agreement had a start date of June 2, 2021 with a contract period of 8 months, resulting in a contract end date of February 2, 2022. The ABT Second UBC Collaborative Research Agreement is currently active with R&D work currently underway. An additional $250,000 is included in the use of proceeds under Non-clinical toxicology and Pre-IND and IND filing related costs, as ABT expects to start a third UBC collaborative research agreement around March of 2022, after the currently active collaborative research agreement expires. $250,000 represents the full commitment expected for the future collaborative research agreement with UBC. The future collaborative research agreement is expected to have an 8 month contract term, consistent with the terms of the ABT Second UBC Collaborative Research Agreement. The work to be completed under the future collaborative research agreement will be defined once the currently active ABT Second UBC Collaborative Research Agreement is completed and the results of its research program are known.

(2) Includes costs related to formulation studies of $500,000; *in vitro* formulations of $35,000; in organoid formulation testing of $30,000; *in vivo* formulation testing of $150,000; non-clinical toxicology of $155,000; manufacture of Peptides of $85,000; pre-IND filing preparation of $205,000. See also "*Business Objectives and Milestones*" below for more details.

(3) Includes professional fees of $21,000; and other general and administrative costs of $9,800. The salaries have been allocated to ABT and Sepset based on a review of specific members duties and expected time spent on each company. Although ABT and Sepset are different in nature and stage, the companies' management team expects to contribute equal amounts of G&A resources to each in order to move the companies into their next stages.

(4) Includes CRO and UBC research costs of $250,000; and patent costs of $146,000.

(5) Includes costs related to clinical and laboratory studies of $600,000; additional test kit development of $150,000; bioinformatics of $70,000; patient recruitment of $70,000; and consulting and filing costs for Health Canada license application and FDA 510(k) filing of $110,000. See also "*Business Objectives and Milestones*" below for more details.

(6) Includes professional fees of $21,000; and other general and administrative costs of $9,800. The salaries have been allocated to ABT and Sepset based on a review of specific members duties and expected time spent on each company. Although the ABT and Sepset are different in nature and stage, the companies' management team expects to contribute equal amounts of G&A resources to each in order to move the companies into their next stages.

The annual cash flow from operating activities in the companies' most recently completed financial year was in the following amounts: ASEP $51,396; Sepset ($38,092); and ABT ($22,122), with the net combined cash flow from operating activities for the three companies being ($7,818). The Company expects negative cash flows from operating activities in the next 12 months to be $5,539,940. Of this amount, $934,166 will be funded through the consolidated working capital of the resulting issuer and the remaining $4,605,774 from the proceeds of distribution.

The COVID-19 pandemic has not materially affected operations, as ABT and Sepset have always operated virtually, thus experiencing no increased expenses, loss of personnel, or other related impacts as a result of COVID-19.

Where possible, the Resulting Issuer intends to seek research grants, awards or other forms of non-dilutive funding in order to decrease or off-set the above referenced estimated R&D and clinical development expenditures. There is no guarantee that the Resulting Issuer, ASEP, ABT or Sepset will be successful in obtaining such funding.

The current global uncertainty with respect to COVID-19, the consistently evolving nature of the pandemic and local and international developments related thereto and its effect on the broader global economy and capital markets may have a negative effect on the Resulting Issuer, ASEP, ABT and Sepset and the advancement of the business of the Resulting Issuer.

The actual amount that the Resulting Issuer spends in connection with each intended use of funds may vary significantly from the amounts specified above and will depend on a number of factors including those listed under the heading "*Risk Factors*".

Business Objectives and Milestones

The Resulting Issuer's business will be the business of ABT and Sepset. Accordingly, the primary business objectives for ABT and Sepset over the next 12 months are:

Milestone	Timeline	Expected Cost
The Resulting Issuer		
Complete the Listing	The Resulting Issuer intends to complete this milestone within 1-2 months from the closing of the Transaction.	$280,000
ABT		
Formulation studies These will be carried by a CRO with the objective of determining the final form of the drug that will be used in clinical trials. ABT is interviewing potential CROs at this time, and will be requesting proposals from the top 2 or 3 candidates.	ABT intends to complete this milestone within 4-8 months from the closing of the Transaction	$500,000
Characterize formulated peptide *in vitro*	ABT intends to complete this milestone within 4-8 months from the closing of the Transaction	$35,000
Test formulated peptide in organoids	ABT intends to complete this milestone within 4-8 months from the closing of the Transaction	$30,000
Test formulated peptide *in vivo*	ABT intends to complete this milestone within 6-10 months from the closing of the Transaction	$150,000
Non-clinical toxicology	ABT intends to complete this milestone within 10-15 months from the closing of the Transaction	$155,000
GMP manufacture of 25 grams of Peptides	ABT intends to complete this milestone within 10-15 months from the closing of the Transaction	$85,000
Pre-IND filing preparation	ABT intends to complete this milestone within 12-15 months from the closing of the Transaction	$205,000

Milestone	Timeline	Expected Cost
Sepset		
Increase the number of patients analyzed to increase the statistical significance of results. In particular, the following groups of patients will be further analyzed: (i) Covid-19 patients with serious illness; (ii) Cancer patients; and (iii) pediatric and neonatal Sepsis patients.	Sepset intends to complete this milestone within 6-9 months of the closing of the Transaction and will extend the patient population to whom the developed test can be applied, and consequently the market.	$70,000
Using bioinformatics, assess other diseases (largely using published data) to determine to what extent these show positive reactivity with our diagnostic tests.	Sepset intends to complete this milestone within 6-9 months from the closing of the Transaction.	$70,000
Design primers for DNA diagnostic tests that can reveal all mRNA molecules that change gene expression due to Sepsis, and test different platforms for their practicality for the diagnostic test, assessing their direct relevance to diagnosis.	Sepset intends to complete this milestone within 9-12 months from the closing of the Transaction.	$600,000
Complete development of a second test kit that will assess the underlying causes of Sepsis (so-called endotypes) to guide physicians decisions regarding treatment and to enable development of new personalized therapies.	Sepset intends to complete this milestone within 12 months from the closing of the Transaction. This will lead to a new clinical trial.	$150,000
File Health Canada molecular diagnostic license application, including pre-filing preparation and consulting	Sepset intends to complete this milestone within 12-15 months from the closing of the Transaction.	$55,000
File 510(k) with the FDA, including pre-filing preparation and consulting	Sepset intends to complete this milestone within 12-15 months from the closing of the Transaction.	$55,000

ABT has received all regulatory approvals necessary in order to achieve each of its first six above stated milestones prior to the commencement of its Pre-IND filing preparations. Sepset has received all regulatory approvals necessary in order to achieve each of its first four above stated milestones prior to the filing of its Health Canada molecular diagnostic license application and pre-filing preparations and consulting.

The Resulting Issuer intends to spend the funds available to it as stated in this Listing Statement. However, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. In addition, the Resulting Issuer may, for sound business reasons and at the discretion of the Board, change its objectives from what is stated above.

As discussed elsewhere herein, the COVID-19 deaths related to Sepsis are significant. This demonstrates even stronger need for the Company's diagnostic tools. The COVID-19 pandemic has not had a material effect on the Company's operations because ABT and Sepset have always operated virtually, thus incurring none of the expenses other companies have had to incur in order to transition to a virtual workplace.

LISTING APPLICATION

The CSE had conditionally accepted the listing of the Resulting Issuer Shares. The Listing is subject to the Company fulfilling all of the listing requirements of the CSE, including, without limitation, the Company meeting the CSE's initial listing

requirements and the exercise of the ABT Option and the Sepset Option. There is no guarantee that the CSE will provide final approval for the listing of the Resulting Issuer Shares.

DIVIDENDS OR DISTRIBUTIONS

The Company has never declared nor paid any dividend since its incorporation and the Resulting Issuer does not intend to pay any in the foreseeable future. Any future determination to pay dividends will be at the discretion of the Board and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of dividends and any other factors that the Board deems relevant. Under the BCBCA, the Company is prohibited from declaring or paying dividends if there are reasonable grounds for believing that the Company is insolvent or the payment of dividends would render the Company insolvent.

SELECTED FINANCIAL INFORMATION

The following table summarizes selected pro-forma consolidated financial information for the Resulting Issuer as at August 31, 2021. The information in the following table has been derived from, as applicable, the Company Financial Statements and related notes thereto attached to this Prospectus as Schedule A, the ASEP Financial Statements and related notes thereto attached to this Prospectus as Schedule C, the ABT Financial Statements and related notes thereto attached to this Prospectus as Schedule E, the Sepset Financial Statements and related notes thereto attached to this Prospectus as Schedule G, and the Pro Forma Financial Statements attached to this Prospectus as Schedule I.

	ASEP Holdings for the period from incorporation on January 20, 2021 to August 31, 2021 (Audited) ($)	**ASEP for the interim period ended June 30, 2021 (Unaudited) ($)**	**ABT for the interim period ended June 30, 2021 (Unaudited) ($)**	**Sepset for the interim period ended June 30, 2021 (Unaudited) ($)**	**Resulting Issuer Pro Forma as at August 31, 2021 (Unaudited) ($)**
Total Revenues	Nil	Nil	Nil	Nil	Nil
Total Expenses	416,355	1,014,483	45,591	39,012	2,628,906
Net Income (Loss)	(416,355)	(747,224)	(45,591)	(39,012)	(2,387,108)
Current Assets	3,848,304	600,693	310,832	183,422	7,348,337
Total Assets	3,848,304	1,614,325	310,832	183,422	19,140,283
Current Liabilities	841,210	2,097,402	10,373	6,353	282,863
Total Liabilities	841,210	2,097,402	510,373	506,353	282,863
Total Shareholders' Equity (Deficit)	3,007,094	(483,007)	(322,931)	(199,541)	18,857,407

MANAGEMENT'S DISCUSSION AND ANALYSIS

Attached as Schedule B to this Prospectus is the MD&A of the Company. The Company's MD&A provides an analysis of the Company's financial results for the period from incorporation on January 20, 2021 to August 31, 2021, and should be read in conjunction with the Company Financial Statements and the notes related thereto.

Attached as Schedule D to this Prospectus is the MD&A of ASEP. ASEP's MD&A provides an analysis of ASEP's financial results for: (i) the period from incorporation on August 12, 2020 to December 31, 2020, and (ii) the auditor reviewed interim financial statements of ASEP for the six months ended June 30, 2021, and should be read in conjunction with the ASEP Financial Statements and the notes related thereto respectively.

Attached as Schedule F to this Prospectus is the MD&A of ABT. ABT's MD&A provides an analysis of ABT's financial results for: (i) for the fiscal years ended December 31, 2020 and December 31, 2019, and (ii) the interim financial statements of ABT for the six months ended June 30, 2021, and should be read in conjunction with the ABT Financial Statements and the notes related thereto respectively.

Attached as Schedule H to this Prospectus is the MD&As of Sepset. Sepset's MD&A provides an analysis of Sepset's financial results for: (i) for the fiscal years ended December 31, 2020 and December 31, 2019, and (ii) the interim financial statements of Sepset for the six months ended June 30, 2021, and should be read in conjunction with the Sepset Financial Statements and the notes related thereto respectively.

Certain information included in the MD&As referenced above are forward-looking in nature and based upon assumptions and anticipated results that are subject to various uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Forward-Looking Statements*" for further details.

DESCRIPTION OF THE SECURITIES

The following is a summary of the more significant rights, privileges and restrictions attaching to the securities of the Company. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders of the Company. Full details of the rights attaching to Common Shares are set out in the Company's articles. No securities are being offered pursuant to this Prospectus.

Authorized and Issue Share Capital

The Company is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares.

Common Shares

As of the date of this Prospectus, there are 44,398,844 Common Shares issued and outstanding. The Company expects to issue an additional 11,731,500 Common Shares, subject to the Penalty Provision, upon exercise of the Special Warrants pursuant to the terms and conditions of the certificates of the Special Warrants. In connection with the closing of the initial tranche of the Special Warrant Financing on August 25, 2021, the Company issued the Broker Warrants entitling the holders thereof to purchase an aggregate 8,000 Broker Warrant Shares pursuant to the terms and conditions of the certificates representing the Broker Warrants.

The holders of Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each Common Share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the Board of Directors of the Company may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Special Warrants

Subject to the terms and conditions of the certificates representing the Special Warrants, each Special Warrant entitles the holder thereof to acquire, without payment of any consideration in addition to that paid for the Special Warrant and without any action by the holder one (1) Common Share on the earlier of: (i) the Qualification Condition, and (ii) the Qualification Deadline, subject to the Penalty Provision whereby in the event that the Qualification Condition has not been met prior to the Qualification Deadline, each unexercised Special Warrant will thereafter entitle the holder to receive

upon the exercise or deemed exercise thereof, for no additional consideration, 1.10 Common Shares in lieu of one (1) Common Share. There is no market through which the Special Warrants may be sold and none is expected to develop.

The Special Warrants were purchased by subscribers pursuant to private placement exemptions from the prospectus requirements in the Qualifying Jurisdictions in compliance with laws applicable to each such subscriber, respectively. There is no market through which the Special Warrants may be sold and none is expected to develop. Pursuant to the terms and conditions of the Special Warrants, the Special Warrants will be deemed to be exercised on the day on which the Company has been issued the Final Receipt the filing of the Final Prospectus or deemed receipt therefor from the securities regulatory authorities in each of the Qualifying Jurisdictions.

Preferred Shares

The Company is authorized to issue an unlimited number of Preferred Shares, of which no Preferred Shares are issued. The holders of Preferred Shares are neither entitled to attend any general meeting of the Company nor vote at any such meeting. The holders of Preferred Shares are entitled to receive dividends as and when declared by the Board in such amounts and in such form as the Board may determine from time to time.

In the event of liquidation, dissolution or winding-up of the Company, each holder of Preferred Shares will be entitled to be paid, in preference to and in priority over any distribution of assets or payment to holders of Common Shares, an amount per share equal to the amount paid for each Preferred Share held plus all accrued but unpaid dividends.

Resulting Issuer

Upon the closing of the Transaction, the Resulting Issuer is expected to have the same share capital structure as the Company as set out above.

PLAN OF DISTRIBUTION

This Prospectus is being filed in the Qualifying Jurisdictions to qualify the distribution, subject to the Penalty Provision, of 11,731,500 Common Shares upon the deemed exercise of 11,731,500 Special Warrants under the Special Warrant Financing. The 6,571,500 Special Warrants sold to subscribers in connection with the closing of the initial tranche of the Special Warrant Financing were sold to subscribers resident in the Qualifying Jurisdictions at a price of $0.50 per Special Warrant for gross aggregate proceeds of $3,285,750. An additional 2,600,000 Special Warrants were sold to subscribers in the Qualifying Jurisdictions in connection with the closing of the second tranche of the Special Warrant Financing at a price of $0.50 per Special Warrant for gross proceeds of $1,300,000, an additional 1,920,000 Special Warrants were sold to subscribers in the Qualifying Jurisdictions at a price of $0.50 per Special Warrant for gross proceeds of $960,000 in connection with the closing of the third tranche of the Special Warrant Financing, and an additional 640,000 Special Warrants were sold to subscribers in the Qualifying Jurisdictions at a price of $0.50 per Special Warrant for gross proceeds of $320,000 in connection with the closing of the fourth and final tranche of the Special Warrant Financing.

The Company has applied to list its Common Shares on the facilities of the CSE (including those Common Shares issuable upon the due conversion of the deemed exercise of the Special Warrants). The listing of the Common Shares will be subject to the Resulting Issuer fulfilling all of the listing requirements of the CSE, which cannot be guaranteed at this time.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

In accordance with the terms and conditions of the certificates representing the Special Warrants, the Special Warrants will be deemed to be exercised on the date that is the earlier of: (i) the Qualification Condition, and (ii) the Qualification Deadline, subject to the Penalty Provision whereby in the event that the Qualification Condition has not been met prior

to the Qualification Deadline, each unexercised Special Warrant will thereafter entitle the holder to receive upon the exercise or deemed exercise thereof, for no additional consideration, 1.10 Common Shares in lieu of one (1) Common Share.

No additional proceeds will be received by the Company in connection with the issuance of the Common Shares upon deemed exercise of the Special Warrants.

In the event of certain alterations of the outstanding Common Shares, including any subdivision, consolidation or reclassification, an adjustment shall be made to the terms of the Special Warrants such that the holders shall, upon the deemed exercise of the Special Warrants following the occurrence of any of those events, be entitled to receive the same number and kind of securities that they would have been entitled to receive had they exercised their Special Warrants prior to the occurrence of those events. No fractional Common Shares will be issued upon the deemed exercise of the Special Warrants. The holding of Special Warrants does not make the holder thereof a shareholder of the Company or entitle the holder to any right or interest granted to shareholders.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the U.S. or to, or for the account or benefit of, U.S. Persons. The Common Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the U.S. and may not be offered or sold within the U.S. or to, or for the account or benefit of, U.S. Persons, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Special Warrants may not be exercised by or on behalf of a U.S. Person or a person in the U.S. unless an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available. Accordingly, the Common Shares will bear appropriate legends evidencing the restrictions on the offering, sale and transfer of such securities.

CONSOLIDATED CAPITALIZATION

The following table summarizes the Company's consolidated capitalization since incorporation:

Designation of Security	Number of Common Shares Authorized	Outstanding as at August 31, 2021	Outstanding as at the date of this Prospectus	After giving effect to the Transaction
Common Shares	Unlimited	17,000,000	44,398,844	56,130,344[(1)]
Preferred Shares	Unlimited	Nil	Nil	Nil
Convertible Debentures	N/A	2[(2)]	Nil	See Note 2
Special Warrants	N/A	6,571,500	11,731,500	Nil
Broker Warrants	N/A	8,000	8,000	8,000
Stock Options	N/A	Nil	Nil	Nil

(1) Calculated on an undiluted basis assuming 11,731,500 Common Shares upon the exercise of 11,731,500 Special Warrants in accordance with the terms and conditions of the certificates representing the Special Warrants, but excluding the exercise of the 8,000 Broker Warrants.

(2) On May 25, 2021, the Company completed a non-brokered private placement of ASEP Holdings Debenture for gross aggregate proceeds of $500,000. Each ASEP Holdings Debenture is convertible into Common Shares at a conversion price of $0.269074886904462 per Common Share.

OPTIONS TO PURCHASE COMMON SHARES

The Board adopted the Stock Option Plan on July 21, 2021. The purpose of the Stock Option Plan is to attract and retain directors, officers, employees and consultants of the Company and to motivate them to advance the interest of the Company by affording them with the opportunity to acquire an equity interest in the Company through the grant of stock options under the Stock Option Plan. The Stock Option Plan provides that the number of Common Shares available for issuance is subject to the restrictions imposed under applicable securities laws or CSE policies and, in any case, shall not

exceed 10% of the total number of issued Common Shares (calculated on a non-diluted basis) at the time any stock option is granted.

The Stock Option Plan will be administered by the Board, which will have full and final authority with respect to the granting of all options thereunder.

Stock Options may be granted under the Stock Option Plan to such directors, officers, employees, or consultants of the Company and its affiliates, if any, as the Board may from time to time designate. The exercise price of option grants will be determined by the Board, but after listing on the CSE will not be less than the greater of the closing market prices of the underlying Common Shares on (i) the trading day prior to the date of grant of the stock options and (ii) the date of grant of the stock options. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Stock Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) one month from date of termination other than for cause, or as set forth in each particular stock option agreement; (iii) three months from the date of disability; or (iv) twelve months from the date of death. Stock Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

As of the date of this Prospectus, the Company has not granted any options to purchase Common Shares.

Options Granted

Stock Option Plan

As of the date of this Prospectus, the Company has not granted any Stock Options to purchase Common Shares under the Stock Option Plan. See "*Options to Purchase Common Shares*" above for more information.

Outstanding Options

There are no outstanding options to purchase securities from treasury of ASEP, ABT or Sepset as of the date of this Prospectus, other than the ABT Option and the Sepset Option.

PRIOR SALES

ASEP Medical Holdings Inc.

This table sets out particulars of the Common Shares that have been issued or sold within the 12 months prior to the date of this Prospectus.

Date of Issuance	Security Type	Number of Securities	Issue Price
January 20, 2021	Common Shares	2,500,000[(1)]	$0.001
April 14, 2021	Common Shares	8,000,000[(2)]	$0.001
April 16, 2021	Common Shares	6,500,000[(3)]	$0.02
November 9, 2021	Common Shares	1,858,218[(4)]	$0.269074886904462
November 9, 2021	Common Shares	25,540,626[(5)]	$0.40

(1) On January 20, 2021, the Company completed a non-brokered private placement of 2,500,000 Common Shares at a price of $0.001 per Common Share for gross aggregate proceeds of $2,500.

(2) On April 14, 2021, the Company completed a non-brokered private placement of 8,000,000 Common Shares at a price of $0.001 per Common Share for gross aggregate proceeds of $8,000.

(3) On April 16, 2021, the Company completed a non-brokered private placement of 6,500,000 Common Shares at a price of $0.02 per Common Share for gross aggregate proceeds of $130,000.

(4) Issued upon the due conversion of the ASEP Holdings Debentures at a conversion price of $0.269074886904462 per Common Share.

(5) Issued to the former ASEP Shareholders pursuant to the Amalgamation Agreement at a deemed price of $0.40 per Common Share following the conversion of the ASEP Debentures in accordance with their terms.

This table sets out particulars of the securities exercisable or exchangeable into Common Shares that have been issued or sold within the 12 months prior to the date of this Prospectus.

Date of Issuance	Security Type	Number of Securities	Exercise Price
May 25, 2021	Convertible Debentures	2(1)	See Note 1
August 25, 2021	Special Warrants(2)	6,571,500(3)	$0.50
August 25, 2021	Broker Warrants	8,000(4)	$0.50
September 9, 2021	Special Warrants(2)	2,600,000(5)	$0.50
October 22, 2021	Special Warrants(2)	1,920,000(6)	$0.50
October 26, 2021	Special Warrants(2)	640,000(7)	$0.50

(1) On May 25, 2021, the Company completed a non-brokered private placement of ASEP Holdings Debenture for gross aggregate proceeds of $500,000. Each ASEP Holdings Debenture is convertible into Common Shares at a conversion price of $0.269074886904462 per Common Share.

(2) Each Special Warrant entitles the holder thereof to acquire, without payment of any consideration in addition to that paid for the Special Warrant and without any action by the holder one (1) Common Share on the earlier of: (i) the Qualification Condition, and (ii) the Qualification Deadline, subject to the Penalty Provision whereby in the event that the Qualification Condition has not been met prior to the Qualification Deadline, each unexercised Special Warrant will thereafter entitle the holder to receive upon the exercise or deemed exercise thereof, for no additional consideration, 1.10 Common Shares in lieu of one (1) Common Share.

(3) On August 25, 2021, the Company completed the initial tranche of the Special Warrant Financing pursuant to which it issued an aggregate of 6,571,500 Special Warrants at a price of $0.50 per Special Warrant for gross aggregate proceeds of $3,285,750.

(4) On August 25, 2021, in connection with the closing of the initial tranche of the Special Warrant Financing, the Company issued an aggregate of 8,000 Broker Warrants. Each Broker Warrant entitles the holder thereof to purchase one Broker Warrant Share at a price of $0.50 per Broker Warrant Share for a period of two years.

(5) On September 9, 2021, the Company completed the second tranche of the Special Warrant Financing pursuant to which it issued an aggregate of 2,600,000 Special Warrants at a price of $0.50 per Special Warrant for gross aggregate proceeds of $1,300,000.

(6) On October 22, 2021, the Company completed the third and final tranche of the Special Warrant Financing pursuant to which it issued an aggregate of 1,920,000 Special Warrants at a price of $0.50 per Special Warrant for gross aggregate proceeds of $960,000.

(7) On October 26, 2021, the Company completed the third and final tranche of the Special Warrant Financing pursuant to which it issued an aggregate of 640,000 Special Warrants at a price of $0.50 per Special Warrant for gross aggregate proceeds of $320,000.

ASEP Medical Inc.

This table sets out particulars of the ASEP Shares that have been issued or sold within the 12 months prior to the date of this Prospectus.

Date of Issuance	Security Type	Number of Securities	Issue Price
August 12, 2020	ASEP A Share	1(1)	$1.00
May 14, 2021	ASEP A Share	3,000,000(2)	$0.001
May 14, 2021	ASEP A Share	15,000,000(3)	$0.02

(1) On August 12, 2020, the Company issued one (1) ASEP A Share at a price of $1.00 in connection with its incorporation. ASEP repurchased the one (1) ASEP A Share issued in connection with its incorporation on May 14, 2021.

(2) Issuance of ASEP A Shares on exercise of 3,000,000 share purchase warrants entitling the holder to acquire one (1) ASEP A Share at a price of $0.001 for each share purchase warrant held, for aggregate proceeds of $3,000.

(3) Issuance of ASEP A Shares on exercise of 15,000,000 share purchase warrants entitling the holder to acquire one (1) ASEP A Share at a price of $0.02 for each share purchase warrant held, for aggregate proceeds of $300,000. See the table below relating to securities exercisable or exchangeable into ASEP Shares for more information.

This table sets out particulars of the securities exercisable or exchangeable into ASEP Shares that have been issued or sold within the 12 months prior to the date of this Prospectus.

Date of Issuance	Security Type	Number of Securities	Exercise Price
October 31, 2020	Warrants	3,000,000[(1)]	$0.001
November 20, 2020	Warrants	15,000,000[(2)]	$0.02
December 5, 2020	Convertible Debentures	1[(4)]	See Note 3
December 7, 2020	Convertible Debentures	1[(5)]	See Note 3
December 9, 2020	Convertible Debentures	3[(6)]	See Note 3
December 10, 2020	Convertible Debentures	1[(7)]	See Note 3
December 11, 2020	Convertible Debentures	2[(8)]	See Note 3
December 13, 2020	Convertible Debentures	1[(9)]	See Note 3
December 14, 2020	Convertible Debentures	2[(10)]	See Note 3
December 15, 2020	Convertible Debentures	3[(11)]	See Note 3
December 21, 2020	Convertible Debentures	7[(12)]	See Note 3
December 23, 2020	Convertible Debentures	7[(13)]	See Note 3
January 1, 2021	Convertible Debentures	1[(14)]	See Note 3
January 7, 2021	Convertible Debentures	3[(15)]	See Note 3
January 8, 2021	Convertible Debentures	3[(16)]	See Note 3
January 14, 2021	Convertible Debentures	1[(17)]	See Note 3
January 19, 2021	Convertible Debentures	[(18)]	See Note 3
January 28, 2021	Convertible Debentures	1[(19)]	See Note 3
February 2, 2021	Convertible Debentures	1[(20)]	See Note 3
February 5, 2021	Convertible Debentures	2[(21)]	See Note 3
February 12, 2021	Convertible Debentures	1[(22)]	See Note 3
June 26, 2021	Convertible Debentures	1[(23)]	See Note 3
June 30, 2021	Convertible Debentures	1[(24)]	See Note 3
July 3, 2021	Convertible Debentures	1[(25)]	See Note 3

[(1)] On October 31, 2020, ASEP completed a non-brokered private placement of 3,000,000 warrants. Each warrant is exercisable into one (1) ASEP A Share at an exercise price of $0.001. On May 14, 2021, all of the warrants issued were exercised into ASEP A Shares.

[(2)] On November 20, 2020, ASEP completed a non-brokered private placement of 15,000,000 warrants. Each warrant is exercisable into one (1) ASEP A Share at an exercise price of $0.02. On May 14, 2021, all of the warrants issued were exercised into ASEP A Shares.

[(3)] Each ASEP Debenture is convertible into ASEP A Shares at a conversion price of $0.269074886904462 per ASEP A Share.

[(4)] On December 5, 2020, ASEP completed a non-brokered private placement of ASEP Debentures for gross aggregate proceeds of $20,000.

[(5)] On December 7, 2020, ASEP completed a non-brokered private placement of ASEP Debentures for gross aggregate proceeds of $300,000.

[(6)] On December 9, 2020, ASEP completed a non-brokered private placement of ASEP Debentures for gross aggregate proceeds of $65,000.

[(7)] On December 10, 2020, ASEP completed a non-brokered private placement of ASEP Debentures for gross aggregate proceeds of $225,000.

[(8)] On December 11, 2020, ASEP completed a non-brokered private placement of ASEP Debentures for gross aggregate proceeds of $120,000.

[(9)] On December 13, 2020, ASEP completed a non-brokered private placement of ASEP Debentures for gross aggregate proceeds of $10,000.

[(10)] On December 14, 2020, ASEP completed a non-brokered private placement of ASEP Debentures for gross aggregate proceeds of $50,000.

[(11)] On December 15, 2020, ASEP completed a non-brokered private placement of ASEP Debentures for gross aggregate proceeds of $100,000.

(12) On December 21, 2020, ASEP completed a non-brokered private placement of ASEP Debentures for gross aggregate proceeds of $400,000.
(13) On December 23, 2020, ASEP completed a non-brokered private placement of ASEP Debentures for gross aggregate proceeds of $10,000.
(14) On January 1, 2021, ASEP completed a non-brokered private placement of ASEP Debentures for gross aggregate proceeds of $22,000.
(15) On January 7, 2021, ASEP completed a non-brokered private placement of ASEP Debentures for gross aggregate proceeds of $87,000.
(16) On January 8, 2021, ASEP completed a non-brokered private placement of ASEP Debentures for gross aggregate proceeds of $285,000.
(17) On January 14, 2021, ASEP completed a non-brokered private placement of ASEP Debentures for gross aggregate proceeds of $10,000.
(18) On January 19, 2021, ASEP completed a non-brokered private placement of ASEP Debentures for gross aggregate proceeds of $25,000.
(19) On January 28, 2021, ASEP completed a non-brokered private placement of ASEP Debentures for gross aggregate proceeds of $50,000.
(20) On February 2, 2021, ASEP completed a non-brokered private placement of ASEP Debentures for gross aggregate proceeds of $15,000.
(21) On February 5, 2021, ASEP completed a non-brokered private placement of ASEP Debentures for gross aggregate proceeds of $175,000.
(22) On February 12, 2021, ASEP completed a non-brokered private placement of ASEP Debentures for gross aggregate proceeds of $10,000.
(23) On June 26, 2021, ASEP completed a non-brokered private placement of ASEP Debentures for gross aggregate proceeds of $25,000.
(24) On June 30, 2021, ASEP completed a non-brokered private placement of ASEP Debentures for gross aggregate proceeds of $10,000.
(25) On July 3, 2021, ASEP completed a non-brokered private placement of ASEP Debentures for gross aggregate proceeds of $15,000.

ABT Innovations Inc.

This table sets out particulars of the Class A Common Voting shares that have been issued or sold within the 12 months prior to the date of this Prospectus.

Date of Issuance	Security Type	Number of Securities	Issue Price
May 14, 2021	Class A Common Voting Shares	340,000(1)	See note 1.
May 14, 2021	Class A Common Voting Shares	15,788(2)	See note 1.
May 14, 2021	Class A Common Voting Shares	1,633(3)	See note 1.
May 14, 2021	Class A Common Voting Shares	2,623(4)	See note 1.
May 14, 2021	Class A Common Voting Shares	507(5)	See note 1.
May 14, 2021	Class A Common Voting Shares	507(6)	See note 1.
May 14, 2021	Class A Common Voting Shares	594(7)	See note 1.
May 14, 2021	Class A Common Voting Shares	1,114(8)	See note 1.
May 14, 2021	Class A Common Voting Shares	297(9)	See note 1.
May 14, 2021	Class A Common Voting Shares	767(10)	See note 1.
May 14, 2021	Class A Common Voting Shares	520(11)	See note 1.
May 14, 2021	Class A Common Voting Shares	396(12)	See note 1.

(1) Issued pursuant to the terms of a Shareholders' Agreement dated April 24, 2017 among ABT and the shareholders of ABT pursuant to the terms of an anti-dilution clause. Pursuant to the terms of the ABT Option Agreement, the Shareholders' Agreement will be terminated on the exercise date immediately following exercise of the ABT Option by ASEP.

Sepset Biosciences Inc.

No Sepset Shares or securities convertible or exchangeable into Sepset Shares have been issued or sold within the 12 months prior to the date of this Prospectus.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and senior officers of the Company as of the date of this Prospectus, there is no Person that, following the closing of the Transaction, is expected to beneficially own, directly or indirectly, or exercise control or

direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Resulting Issuer.

ESCROWED SECURITIES

As at the date of this Prospectus, the securities expected to be subject to escrow or contractual lock-up upon completion of the Transaction and the Listing are as follows:

Description of Class	Total number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of Class[1]
Common Shares	2,964,553[2]	5.28%
Common Shares	8,562,649[3]	15.25%

(1) Percentage is based on 56,130,344 Resulting Issuer Shares issued and outstanding following the closing of the Transaction, calculated assuming 11,731,500 Common Shares upon the exercise of a minimum of 11,731,500 Special Warrants in accordance with the terms and conditions of the certificates representing the Special Warrants, but excluding the exercise of the 8,000 Broker Warrants.

(2) Subject to the terms of the Escrow Agreement dated November 9, 2021 among the Company, Odyssey Trust Company and the holders of the Escrowed Securities.

(3) Subject to the terms of the Lock-Up Agreements dated August 19, 2021, August 20, 2021, and November 4, 2021 executed by the Locked-up Securityholders.

As of the date of this Prospectus, none of the Company's securities are subject to contractual restrictions on transfer other than as described above.

CSE policies provide that all securities (collectively, the "**Escrowed Securities**") issued to Related Persons (as defined by in the policies of the CSE) are required to be subject to an escrow agreement (the "**Escrow Agreement**") pursuant to NP 46-201 prior to listing, and that the CSE may impose escrow arrangements that are in addition to those required by NP 46-201, or consider different proposals such as an "earnout" escrow, on a case-by-case basis. The Escrowed Securities are subject to the following release schedule as set out in the form of escrow required by CSE pursuant to NP 46-201:

Release Date	Amount of Securities to be Released
On the Listing Date	10% of escrow securities
6 months after the Listing Date	15% of escrow securities
12 months after the Listing Date	15% of escrow securities
18 months after the Listing Date	15% of escrow securities
24 months after the Listing Date	15% of escrow securities
30 months after the Listing Date	15% of escrow securities
36 months after the Listing Date	15% of escrow securities

In addition to the escrow above, an aggregate of 8,562,649 Common Shares representing 15.25% of the issued and outstanding Common Shares of the Resulting Issuer are subject to a contractual lock-up pursuant to the terms and conditions of the Lock-Up Agreements. Accordingly, the Lock-Up Agreements require the Common Shares to be issued to the Locked-up Securityholders to be locked up and released in accordance with the following schedule:

Release Date	Amount of Common Shares to be Released
2 months after the Listing Date	10% of Common Shares
3 months after the Listing Date	10% of Common Shares
4 months after the Listing Date	10% of Common Shares
5 months after the Listing Date	10% of Common Shares
6 months after the Listing Date	10% of Common Shares
7 months after the Listing Date	10% of Common Shares
8 months after the Listing Date	10% of Common Shares
9 months after the Listing Date	10% of Common Shares
10 months after the Listing Date	10% of Common Shares
11 months after the Listing Date	10% of Common Shares

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the names and jurisdiction of residence of the directors and executive officers of the Company, including their respective positions and offices held, their principal occupations during the past five (5) years, and the anticipated number and percentage of securities of each class of voting securities of the Resulting Issuer:

Name and Municipality of Residence[1]	Position Held[2]	Principal Occupation for Last Five Years	Number of Resulting Issuer Shares	Percentage of Class[3]
Rudy Mazzocchi *Miami, FL*	Executive Chairman, CEO and Director	Entrepreneur, Inventor and Investor	2,000,000	3.56%
Dr. Robert E.W. Hancock *Vancouver, BC*	COO and Director	UBC Professor	Nil	-
Jennifer Gretchen *Victoria, BC*	CFO and Corporate Secretary	Finance and Accounting Consultant	537,164[4]	*
Dr. Fadia Saad *Victoria, BC*	Chief Business Development Officer	Senior BioTech Executive	92,910[5]	*
Dr. Evan Haney *Vancouver, BC*	CSO	UBC Research Associate	Nil	-
Derrold Norgaard *Victoria, BC*	Director	Chartered Professional Accountant	278,732[5]	*
Timothy Murphy *Vancouver, BC*	Director	Lawyer	55,746[5][6]	*

* Means less than 1%.

(1) Information as to municipality of residence, principal occupation, securities beneficially owned or over which a director or officer exercises control or direction has been furnished by the respective individuals as of the date of this Prospectus.

(2) The term of office of each of the directors expires on the earlier of the Company's next annual general meeting or upon resignation. The term of office of the officers expires at the discretion of the directors.

(3) Percentage is based on 56,130,344 Resulting Issuer Shares issued and outstanding following the closing of the Transaction, calculated assuming 11,731,500 Common Shares upon the exercise of a minimum of 11,731,500 Special Warrants in accordance with the terms and conditions of the certificates representing the Special Warrants, but excluding the exercise of the 8,000 Broker Warrants.

(4) Calculated based on number of ASEP A Shares held as of the date of this Prospectus and the number of ASEP A Shares to be issued following conversion of the ASEP Debentures, each of which to be exchanged for Common Shares on completion of the Transaction.

(5) Calculated based on number of ASEP A Shares to be issued following conversion of the ASEP Debentures, which will be exchanged for Common Shares on completion of the Transaction.

(6) Held indirectly by Mr. Murphy through Murphy Enterprises Inc., a company owned and controlled by Mr. Murphy.

The Company's directors and officers as a group are expected to beneficially own, directly and indirectly, or exercise control or direction over, 2,964,552 Resulting Issuer Shares, representing approximately 5.28% of the issued and outstanding Resulting Issuer Shares following the closing of the Transaction. Each director will serve until the first annual meeting of shareholders or until their successors are elected or appointed, unless their office is earlier vacated.

Resulting Issuer Directors and Officers

The following are brief profiles of our executive officers and directors, including a description of each individual's principal occupation within the past five years.

Rudy Mazzocchi (Age 63) – CEO, Executive Chairman and Director

Mr. Mazzocchi is a medical device and biotechnology entrepreneur, inventor, and angel investor, and has started new technology ventures throughout the U.S. and Europe. Mr. Mazzocchi is author of approximately 90 patents and has been involved with new companies involved in cardiology, oncology, orthopedics, neurosurgery and even embryonic stem-cell development.

Mr. Mazzocchi expects to devote 50% of his time to perform the work required in connection with acting as CEO, Executive Chairman and as a director of the Company. Mr. Mazzocchi has not entered into any non-competition or non-disclosure agreement with the Company, except that Mr. Mazzocchi will remain subject to the confidentiality provisions pursuant to the RAM Consulting Agreement. See also "*Material Contacts*" below for more details.

Dr. Robert E.W. Hancock (Age 72) – COO and Director

Dr. Robert E.W. Hancock, PhD, OC, OBC, has been a faculty member at the University of British Columbia since 1978 and runs a large R&D laboratory there. He is a co-founder of several companies, both private and public, including Migenix Inc., Inimex Pharmaceuticals Inc., ABT, Sepset and the Centre for Drug Research and Development and is the Canada Research Chair (Tier 1) in microbiology. He is also a director of Core One Labs Inc. (CSE: COOL, OTC: CLABC) and CEO of Vocan Biotechnologies Inc. He holds 72 patents and is an Officer of the Order of Canada.

Dr. Robert E.W. Hancock expects to devote 10% of his time to perform the work required in connection with acting as COO, as a director of the Company and on advancing the businesses of ABT and Sepset. Dr. Robert E.W. Hancock has not entered into any non-competition or non-disclosure agreement with the Company.

Jennifer Gretchen (Age 33) – CFO and Corporate Secretary

Ms. Gretchen obtained her CA designation in 2014 after articling with KPMG in Vancouver. She has managerial experience in financial planning, analysis and reporting. Ms. Gretchen has been a finance and accounting consultant since 2017, and previously worked as a Financial Analyst with Pinnacle Renewable Energy from 2016 to 2017 and with Qualcomm Incorporated from 2014 to 2016.

Ms. Gretchen expects to devote 90% of her time to perform the work required in connection with acting as CFO and Corporate Secretary of the Company. Ms. Gretchen has not entered into any non-competition or non-disclosure agreement with the Company, except that Ms. Gretchen will remain subject to the confidentiality provisions pursuant to the Gretchen Employment Agreement. See also "*Material Contacts*" below for more details.

Dr. Fadia Saad (Age 58) – Chief Business Development Officer

Dr. Saad, PhD, previously worked as Head of Business Development at Aspreva Pharmaceuticals, and has consulted for a number of biotechnology and pharmaceutical companies. Dr. Saad has a PhD in Microbiology from McGill University and an MBA from l'École des Hautes Études Commerciales.

Dr. Saad expects to devote 50% of her time to perform the work required in connection with acting as Chief Business Development Officer of the Company. Dr. Saad has not entered into any non-competition or non-disclosure agreement with the Company, except that Dr. Saad will remain subject to the confidentiality provisions pursuant to the Saad Employment Agreement. See also "*Material Contacts*" below for more details.

Dr. Evan Haney (Age 39) – CSO

Dr. Haney is an scientist and research coordinator. He is an inventor on the peptide patents that are core to ABT's therapeutic technology. Dr. Haney holds a PhD in Biochemistry from the University of Calgary.

Mr. Haney expects to devote 50% of his time to perform the work required in connection with acting as CSO of the Company. Mr. Haney has not entered into any non-competition or non-disclosure agreement with the Company.

Derrold Norgaard (Age 59) – Independent Director

Mr. Norgaard is a Fellow of the Chartered Professional Accountants of British Columbia. Mr. Norgaard was formerly a tax partner with KPMG, and held the dual role of Tax and Office Managing Partner at KPMG's Victoria office until his departure in 2008. Mr. Norgaard's primary areas of practice include personal tax planning, international tax and corporate taxation. Mr. Norgaard is founder and principal of Norgaard Krotofil Professional Group, an accounting firm based in Victoria and Burnaby, British Columbia.

Mr. Norgaard expects to devote 5% of his time to perform the work required in connection with acting as a director of the Company. Mr. Norgaard has not entered into any non-competition or non-disclosure agreement with the Company.

Timothy Murphy (Age 50) – Independent Director

Mr. Murphy is an experienced business executive and lawyer. Mr. Murphy sits on numerous boards as both a Director and Advisory Director and also has experience as a CEO. Since 2011, he has been the Founding Partner of Murphy & Company LLP, a business law firm based in Vancouver, British Columbia. From January 2018 to present, Mr. Murphy has acted as a board member and officer with the Rival Group Inc. From October 2018 to August 2019, Mr. Murphy acted as CEO of Casting Workbook Global Ltd. From October 2019 to October 2020, Mr. Murphy served as a Director with Geyser Brands Inc. Since August 2018, he has served as a Director with the Angus Reid Institute.

Mr. Murphy expects to devote 5% of his time to perform the work required in connection with acting as a director of the Company. Mr. Murphy has not entered into any non-competition or non-disclosure agreement with the Company.

Cease Trade Orders

Except for Dr. Robert E.W. Hancock and Mr. Murphy, none of the Company's directors or executive officers, is as at the date of this Prospectus, or was within 10 years before the date hereof, a director, CEO or CFO of any person or company that:

(a) was subject to (a) a cease trade order; (b) an order similar to a cease trade order; or (c) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "**order**") that was issued while the director or executive officer was acting in the capacity of a director, the CEO or the CFO thereof; or

(b) was subject to an order that was issued after the director or executive officer ceased to be a director, the CEO or the CFO thereof and which resulted from an event that occurred while that person was acting in such capacity.

Dr. Robert E.W. Hancock is the Executive Chairman of Core One Labs Inc., a company trading on the CSE. On April 28, 2021, Core One Labs Inc. issued a news release stating that it anticipated a delay in filing its audited financial statements for the year ended December 31, 2020, and the related management's discussion and analysis. On April 28, 2021, Core One Labs Inc. applied to the BCSC for a Management Cease Trade Order. The Management Cease Trade Order was granted on May 4, 2021. The Management Cease Order is applicable to the CEO and CFO of Core One Labs Inc. The filings have since been filed and the Management Cease Trade Order was revoked on June 29, 2021.

Timothy Murphy served as a director of Geyser Brands Inc., a company trading on the TSXV, from October 2019 to October 2020. On September 17, 2020, Geyser Brands Inc. received a failure-to-file cease trade order ("**FFCTO**") from the BCSC for failure to file its annual financial statements for the year ended March 31, 2020, and the related management's discussion and analysis. The FFCTO was subsequently partially revoked by the BCSC on March 8, 2021. Timothy Murphy resigned as a director of Geyser Brands Inc. effective October 21, 2020.

Bankruptcies

None of the Company's directors or executive officers, nor, to the knowledge of the Company , any shareholder holding a sufficient number of its securities to affect materially the control of the Company to affect materially the control of the Company:

(a) is, as at the date of this Prospectus, or has been within the 10 years before the date hereof, a director or executive officer of any person or company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

None of the Company's directors or executive officers, nor, to the knowledge of the Company, any shareholder holding a sufficient number of its securities to affect materially the control of the Company or any shareholder expected to hold a sufficient number of the Resulting Issuer's securities to affect materially the control of the Resulting Issuer, has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Other than (a) Dr. Robert E.W. Hancock's involvement as a director of both ABT and Sepset, his status as a party to the Hancock Option Agreement (see *Hancock License Agreement* on page 47), and with respect to the UBC License Agreement, his status as a Professor at UBC, and (b) Evan Haney, the CSO of the Company, as a shareholder of ABT, and except as

disclosed elsewhere in this Prospectus, to the best of the Company's knowledge, the Company is not aware of any existing or potential material conflicts of interest between the Company and any of its directors or officers as of the date hereof or any potential material conflicts of interest between the Resulting Issuer. However, certain of the Company's directors and officers are, or may become, directors or officers of other companies with businesses which may conflict with its business. Accordingly, conflicts of interest may arise which could influence these individuals in evaluating possible acquisitions or in generally acting on the Company's behalf. See also "*Risk Factors*" for more information.

Pursuant to the BCBCA, directors and officers of the Company are required to act honestly and in good faith with a view to the best interests of the Company. Generally, as a matter of practice, directors who have disclosed a material interest in any contract or transaction that the Company or the Board will consider will not take part in any board discussion respecting that contract or transaction. If on occasion such directors do participate in the discussions, they will refrain from voting on any matters relating to matters in which they have disclosed a material interest. In appropriate cases, the Resulting Issuer will establish a special committee of independent directors to review a matter in which directors or officers may have a conflict.

EXECUTIVE COMPENSATION

Prior to obtaining a receipt for the Prospectus, neither ASEP Holdings nor ASEP was a reporting issuer in any Canadian jurisdiction. As a result, certain information required by Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* ("**Form 51-102F6V**") has been omitted pursuant to Section 1.3(8) of Form 51-102F6V.

Compensation Discussion and Analysis

The Board will be responsible for setting the overall compensation strategy of the Company and administering the Company's executive compensation program with input from the CEO of the Company in respect of all executive officers other than the CEO. As part of its mandate, the Board will approve the remuneration of the Company's executive officers, including any NEOs of the Company. The Board will also be responsible for reviewing the Company's compensation policies and guidelines generally.

The objective of the Company's executive compensation program will be to motivate, reward, and retain management talent that is needed to achieve the Company's business objectives. The compensation program is designed to ensure that compensation is competitive with other companies of similar size and is commensurate with the experience, performance, and contribution of the individuals involved and the overall performance of the Company. In evaluating performance, consideration is given to the Company's long-term interests and quantitative financial objectives, as well to the qualitative aspects of the individual's performance and achievements. Compensation for directors of the Company, if any, will also be determined by the Board on an annual basis.

Compensation Objectives and Principles

The compensation program for the senior management of the Company will be designed to ensure that the level and form of compensation achieves certain objectives, including:

(a) attracting and retaining qualified executives;

(b) motivating the short and long-term performance of these executives; and

(c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company will employ a combination of base salary, bonus compensation and equity participation through its Stock Option Plan. The Company will not provide any retirement benefits for its directors or officers.

Elements of Compensation

The executive compensation program is comprised of three principal components: (i) base salaries; (ii) bonuses, and (iii) an option plan which will be designed to provide a combination of cash and equity-based compensation to effectively retain and motivate the executive officers to achieve the Company's goals and objectives. Each component of the executive compensation program is described below.

Base Salary

Executive officers are paid a base salary to compensate them for providing the leadership and specific skills needed to fulfill their responsibilities. The payment of base salaries is an important component of the intended compensation program and serves to attract and retain qualified individuals. The base salaries for the executive officers will be reviewed annually by the Board and will be determined by considering the contributions made by the executive officers, how their compensation levels related to compensation packages that would be achievable by such officers from other opportunities, and publicly available salary data. Salaries of the executive officers will not be determined based on benchmarks or a specific formula.

Bonus Incentive Compensation

The Board may from time to time approve bonus payments to reward executive officers for their contribution to the achievement of annual corporate goals and objectives. Bonuses will also serve as a retention incentive for executive officers so that they remain in the employ of the Company. The payment of bonuses is consistent with the intended overall objective of the Company to reward performance.

Equity Participation

Equity participation will be accomplished through the Stock Option Plan. Stock Options may be granted to executives and employees considering a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board.

Compensation Process

The Company does not anticipate having a compensation committee or a formal compensation policy. The Company will rely solely on the directors to determine the compensation of any NEOs. In determining compensation, the directors will consider industry standards and the Company's financial situation, but the Company will not have any formal objectives or criteria. The performance of each executive officer will be informally monitored by the directors, having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer.

In establishing compensation for executive officers, the Board as a whole seeks to accomplish the following goals:

- to recruit and subsequently retain highly qualified executive officers by competitive offering overall compensation;

- to motivate executives to achieve important corporate and personal performance objectives and reward them when such objectives are met; and

- to align the interests of executive officers with the long-term interests of shareholders through participation in the Stock Option Plan.

When considering the appropriate executive compensation to be paid to our officers, the Board will have regard to a number of factors including: (i) recruiting and retaining executives critical to the success of the Resulting Issuer and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of

management and the Resulting Issuers shareholders; (iv) rewarding performance, both on an individual basis and with respect to operations generally; and (v) available financial resources.

Option-Based Awards

Long-term incentives in the form of Stock Options are intended to align the interests of our directors and executive officers with those of the Resulting Issuer's Shareholders and to provide a long-term incentive to reward those individuals for their contribution to the generation of shareholder value, while reducing the burden of cash compensation that would otherwise be payable by the Company.

The Stock Option Plan is administered by the Board. In determining the number of incentive Stock Options to be granted to the NEOs, the Board will have regard to several considerations including previous grants of Stock Options and the overall number of outstanding Stock Options relative to the number of outstanding Resulting Issuer Shares, as well as the degree of effort, time, responsibility, ability, experience and level of commitment of the executive officer. For a detailed discussion of the Stock Option Plan, please see "*Option to Purchase Common Shares*".

Stock Options and Other Compensation Securities

Since incorporation on January 20, 2021 to the date of this Prospectus, there has been no exercise of compensation securities of the Company issued to Named Executive Officer and directors of the Company.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Prospectus, none of the directors and executive officers of the Company or associates of such persons is indebted to the Company or another entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

As at the date of this Prospectus, none of the directors and executive officers of ASEP or associates of such persons is indebted to ASEP or another entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

AUDIT COMMITTEE

Audit Committee Charter

The Audit Committee Charter of the Resulting Issuer can be found in Schedule J of this Prospectus.

Composition of the Audit Committee

Pursuant to applicable laws, the Company will be required to have an audit committee comprised of at least three directors, the majority of whom must not be officers or employees of the Company or an affiliate of the Company.

The following individuals are expected to be the initial members of the Audit Committee:

Member	Independence[(1)]	Financial Literacy[(2)]
Derrold Norgaard[(3)]	Yes	Yes
Timothy Murphy	Yes	Yes
Rudy Mazzocchi	No	Yes

(1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

(2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

(3) Chair of the Audit Committee.

Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each audit committee member is set out in "*Directors and Executive Officers*" above.

Audit Committee Oversight

At no time since the date of incorporation on January 20, 2021, was a recommendation of the audit committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Exemption in Section 6.1 of NI 52-110

The Resulting Issuer will be a "venture issuer", as defined in Section 1.1 of NI 52-110. Accordingly, in providing the disclosure contained herein, the Resulting Issuer will be relying on the exemption provided by section 6.1 of NI 52-110 which provides that it, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case-by-case basis.

External Auditor Service Fees

The following table sets out the aggregate fees billed for the year ended December 31, 2020 by each of the Company, ASEP, ABT and Sepset as further described below:

Entity	Fiscal Period	Audit Fees(1)	Audit Related Fees(2)	Tax Fees(3)	All Other Fees(4)
ASEP Holdings	From incorporation on January 20, 2021 to August 31, 2021	$10,000	$Nil	$Nil	$Nil
ASEP	From incorporation on August 12, 2020 to December 31, 2020	$7,000	$Nil	$Nil	$Nil
ABT	Year ended December 31, 2020	$7,500	$Nil	$Nil	$Nil
	Year ended December 31, 2019	$7,500	$Nil	$Nil	$Nil
Sepset	Year ended December 31, 2020	$7,500	$Nil	$Nil	$Nil
	Year ended December 31, 2019	$7,500	$Nil	$Nil	$Nil

(1) "**Audit Fees**" includes fees necessary to perform the annual audit and quarterly reviews of the Company's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "**Audit-Related Fees**" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "**Tax Fees**" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "**All Other Fees**" include all other non-audit services.

CORPORATE GOVERNANCE

On June 30, 2005, the Canadian Securities Administrators enacted NP 58-201 and NI 58-101. Accordingly, NP 58-201 provides guidelines on corporate governance practices while NI 58-101 requires Canadian reporting Companies to disclose their corporate governance practices in accordance with the disclosure items set out in Form 58-101F1.

The Board will facilitate its exercise of independent supervision over the Board's management through meetings of the Board and, both directly and indirectly, its committees and independent members. The Board believes that adequate structures and processes are and will be implemented to facilitate the functioning of the Board with a level of independence from the Company's management.

Pursuant to NI 58-101 the Company is required to disclose its corporate governance practices as follows:

Board of Directors

The Board is expected to initially consist of four (4) members, namely: Rudy Mazzocchi, Dr. Robert E.W. Hancock, Derrold Norgaard and Timothy Murphy.

Messrs. Norgaard and Murphy are expected to be considered "independent" in that each are independent and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Company, other than the interests and relationships arising from being shareholders of the Company. Rudy Mazzocchi is the CEO and Executive Chairman of the Company and Dr. Robert E.W. Hancock is the COO of the Company, and are each considered not to be "independent" as a result.

Board Mandate

The Board will facilitate independent supervision of management through meetings of the Board and through frequent informal discussions among independent members of the Board and management. In addition, the Board will have access to the Company's external auditors, legal counsel and to any of the Company's officers.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the relevant company, provide leadership and direction to management, evaluate management, set policies appropriate for the business of the Company and approve corporate strategies and goals.

The day-to-day management of the business and affairs of the Company will be delegated by the Board to the senior officers of the Company. The Board will give direction and guidance through the CEO to management and will keep management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

Other Reporting Issuer Experience

Certain directors of the Company are currently also directors of other reporting issuers, as described in the table below:

Name of Director, Officer or Promoter	Name of Reporting Issuer	Securities Exchange
Dr. Robert E.W. Hancock	Core One Labs Inc.	CSE
Timothy Murphy	Geyser Brands Inc.	TSXV

Orientation and Continuing Education

It is the intention that the Board will consider and determine an orientation process for new members of the Board and continuing education and development for incumbent members of the Board, including specific education for members of each committee, if necessary. In addition, the Board will oversee the arrangement for its members to annually participate in a continuing education event addressing current developments and best practices in corporate governance, if deemed to be appropriate and beneficial.

Ethical Business Conduct

The Board may choose to adopt a written Code of Conduct, which will apply to all employees, officers, directors and advisors of the Company and its affiliates. The purpose of such Code of Business Conduct and Ethics will be to create a culture in the Company and its affiliates that values high ethical standards, honesty and compliance with laws, rules and regulations. Such Code of Conduct will contain prohibitions on discrimination and harassment as well as provisions that require the directors, officers and other employees of the Company and its affiliates to avoid situations where their personal interests conflict, or appear to conflict, with the interests of the Resulting Issuer and/or its affiliates.

Nomination of Directors

The Board as a whole will be responsible for annually identifying and recommending to the Board an annual slate of nominees for membership on the Board. In recommending the annual slate of nominees, the Board will identify and screen individuals to determine potential candidates, taking into account the number of directors required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

Compensation

The Board conducts reviews with regard to directors' and officers' compensation at least once a year. For information regarding the steps taken to determine compensation for the directors and the executive officers, see "*Executive Compensation*" herein.

Other Board Committees

Following the closing of the Transaction, it is expected that the Board shall have no other committees other than the Audit Committee.

Assessments

The Board will monitor the adequacy of information given to directors, communication between the Board and management and the strategic direction and process of the Board and the Audit Committee. During the year-end audit, both the Board and the Audit Committee will review the information contained within the financial statements, express any opinions which they may have and make self-assessments regarding whether the information is accurate and representative of clear communications between the Board and management of the Company.

RISK FACTORS

The Company's business and stated business objectives are the business and stated business objectives of ASEP, ABT and Sepset. All references to ASEP Holdings, the Company's or the Resulting Issuer's business and stated business objectives include the business and stated business objectives of ASEP, ABT and Sepset. To the extent that ASEP Holdings' business and stated business objectives differ from that of ASEP, ABT and Sepset further information is provided. See "*Description of the Business*" for more information.

An investment in the securities of the Company is speculative and involves a high degree of risk due to the nature of the Resulting Issuer's business. An investment in the Company's securities should only be made by persons who can afford the total loss of their investment. The following risks, as well as risks currently unknown to the Company, could adversely affect the Company's current or future business, operations, results, cash flows and financial condition and could cause future results, cash flows, financial condition, events or circumstances to differ materially from those currently expected, including the estimates and projections contained in this Prospectus. Prospective investors should carefully consider the risks described below and elsewhere in this Prospectus. The risks described below and elsewhere in this Prospectus do not purport to be an exhaustive summary of the risks affecting the Company and additional risks and uncertainties not currently known to the Company or not currently perceived as being material may have an adverse effect on the Company.

Risks Related to the Resulting Issuer

Management of the Resulting Issuer defines risk as the evaluation of probability that an event might happen in the future that could negatively affect the financial condition and/or results of operations of Resulting Issuer. The following section describes specific and general risks that could affect the Resulting Issuer. The following descriptions of risk do not include all possible risks as there may be other risks of which management is currently unaware. Moreover, the likelihood that a risk will occur or the nature and extent of its consequences if it does occur, is not possible to predict with certainty, and the actual effect of any risk or its consequences on the business could be materially different from those described below and elsewhere in this Prospectus.

The Resulting Issuer will be a development stage company with little operating history, a history of losses and the Company cannot assure profitability.

As the Resulting Issuer will be in the pre-revenue phase, it is extremely difficult to make accurate predictions and forecasts of its finances. This is compounded by the fact the Resulting Issuer intends to operate in the health sciences industry, which is rapidly transforming. There is no guarantee that the Resulting Issuer's products or services will be attractive to potential consumers.

In addition, the Resulting Issuer may encounter unforeseen expenses, difficulties, complications, delays, and other known and unknown obstacles. The Resulting Issuer will eventually need to transition from a company with a research and development focus to a company capable of supporting commercial activities. The Resulting Issuer may not be successful in such a transition.

As the Resulting Issuer continues to build its business, the financial condition and operating results of the Resulting Issuer may fluctuate significantly from quarter to quarter and year to year due to a variety of factors, many of which are beyond our control. Accordingly, prospective investors should not rely upon the results of any particular quarterly or annual period as indications of future operating performance.

Lack of Operating Cash Flow

Neither the Company, ASEP, ABT and Sepset currently has a source of operating cash flow and this trend is expected to continue for the foreseeable future. The Resulting Issuer's failure to achieve profitability and positive operating cash flows could have a material adverse effect on its financial condition and results of operations. If the Resulting Issuer sustains losses over an extended period of time, it may be unable to continue its business. Further research and preclinical or clinical development of the Resulting Issuer's therapies and products will require the commitment of substantial financial

resources. It may be several years before the Company may generate any revenues from operations, if at all. There can be no assurance that the Company will realize revenue or achieve profitability.

Uncertainty about the Company and the Resulting Issuer's ability to continue as a going concern.

The Company and, as a result, the Resulting Issuer are in the development stage and will seek additional capital, joint ventures, partnerships and other business arrangements to expand its business opportunities in the life sciences industry. The Company's ability to continue as a going concern is dependent upon its ability in the future to execute on its business opportunities and achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity and debt, will be sought to finance the operations of the Resulting Issuer; however, there can be no certainty that such funds will be available on acceptable terms. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company and the Resulting Issuer's ability to continue as a going concern.

The Resulting Issuer's actual financial position and results of operations may differ materially from the expectations of the Resulting Issuer's management.

The Resulting Issuer's actual financial position and results of operations may differ materially from management's expectations. As a result, the Resulting Issuer's revenue, net income and cash flow may differ materially from the Resulting Issuer's projected revenue, net income and cash flow. The process for estimating the Resulting Issuer's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Resulting Issuer's financial condition or results of operations.

If ABT or Sepset experience delays or difficulties in the enrollment of volunteers or patients in the clinical trials, receipt of necessary regulatory approvals could be delayed or prevented.

Clinical trials for treatment candidates require identification and enrollment of a large number of volunteers or eligible patients. ABT or Sepset may not be able to enroll sufficient volunteers or eligible patients to complete clinical trials in a timely manner or at all. Patient enrollment is a function of many factors, including the following: design of the protocol, size of the patient population, eligibility criteria for the study in question, perceived risks and benefits of the drug under study, availability of competing therapies, efforts to facilitate timely enrollment in clinical trials, patient referral practices of physicians, and availability of clinical trial sites. If ABT or Sepset have difficulty enrolling sufficient volunteers or patients to conduct its clinical trials as planned, they may need to delay, forego or terminate ongoing clinical trials. This may have a material adverse effect on the Resulting Issuer's financial condition or results of operations.

If serious adverse or intolerable side effects are identified during the development of the product candidates, the Resulting Issuer may need to abandon or limit the development and expected commercial value of some of its product candidates.

ABT and Sepset potential product candidates are still in preclinical or clinical development and as such, they have a high risk of failure. If serious adverse or intolerable side effects are identified during the development of the product candidates, ABT or Sepset may need to abandon their development or limit development to certain uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk benefit perspective. It is impossible to predict when or if any of ABT's, Sepset's or, after the closing of the Transaction, the Resulting Issuer's product candidates will prove effective or safe in humans or will receive regulatory approval.

If serious adverse or intolerable side effects are identified post-approval, ABT, Sepset or the Resulting Issuer may need to recall its products and depending on the serious adverse event or intolerable side effects, ABT, Sepset or the Resulting Issuer may have to abandon the product completely and could be subject to substantial product liability claims. ABT,

Sepset or the Resulting Issuer may be able to limit sales to certain uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective.

Lack of supporting clinical data.

The clinical effectiveness and safety of any of ABT and Sepset's developmental products is not yet supported by clinical data and the medical community has not yet developed a large body of peer reviewed literature that supports the safety and efficacy of ABT and Sepset's potential products. If future studies call into question the safety or efficacy of ABT and Sepset's potential products, the Resulting Issuer's business, financial condition, and results of operations could be adversely affected.

The Resulting Issuer has an unproven market for ABT and Sepset's product candidates.

The Company believes that the anticipated market for its potential products and technologies, if successfully developed, will continue to exist and expand. These assumptions may prove to be incorrect for a variety of reasons, including competition from other products and the degree of commercial viability of the potential product.

Pre-clinical studies and initial clinical trials are not necessarily predictive of future results.

Pre-clinical tests (applicable to ABT only) and Phase I/II clinical trials of therapeutics are primarily designed to test safety, to study Pharmacokinetics and Pharmacodynamics, establish optimal dosing regimens, and to understand the side effects of product candidates at various doses and schedules. Pre-clinical tests and clinical trials of diagnostic technologies are designed to test effectiveness. Success in pre-clinical and early clinical trials does not ensure that later large-scale efficacy trials will be successful nor does it predict final results. Favorable results in early trials may not be repeated in later trials.

A number of companies in the health sciences industry have suffered significant setbacks in advanced clinical trials, even after positive results in earlier trials. Clinical results are frequently susceptible to varying interpretations that may delay, limit or prevent regulatory approvals. Negative or inconclusive results or adverse medical events during a clinical trial could cause a clinical trial to be delayed, repeated or terminated. Any pre-clinical data (applicable to ABT only) and the clinical results obtained for Sepset's or ABT's technology may not predict results from studies in larger numbers of subjects drawn from more diverse populations or in the commercial setting, and also may not predict the ability of these products to achieve their intended goals, or to do so safely.

An inability to obtain raw materials or product supply could have a material adverse impact on the Resulting Issuer's business, financial condition and results of operations.

Raw materials and supplies are generally available in quantities to meet the needs of ABT and Sepset. ABT and Sepset will be dependent on third-party manufacturers for the products that it markets. An inability to obtain raw materials or product supplies could have a material adverse impact on the Resulting Issuer's business, financial condition and results of operations.

The Resulting Issuer will be highly dependent on the key personnel of ABT and Sepset.

Although the Resulting Issuer is expected to have experienced senior management and personnel, the Resulting Issuer will be substantially dependent upon the services of a few key technical personnel, particularly Dr. Robert E.W. Hancock, Dr. Fadia Saad and Dr. Evan Haney as well as certain other medical research professionals engaged for the successful operation of ABT's and Sepset's businesses. Phase I of ABT's R&D is planned to be completed by qualified professionals and is expected to concentrate on treatment of bacterial biofilm infections. Phase I of Sepset's R&D is planned to be completed by qualified professionals and is expected to concentrate on diagnosis of Sepsis. The loss of the services of any of these personnel could have a material adverse effect on the business of the Resulting Issuer. The Resulting Issuer may not be able to attract and retain personnel on acceptable terms given the intense competition for such personnel among high technology enterprises, including biotechnology, and healthcare companies, universities and non-profit research

institutions. If the Resulting Issuer loses any of these persons, or is unable to attract and retain qualified personnel, the business, financial condition and results of operations may be materially and adversely affected.

ABT and Sepset may not succeed in completing the development of their products, commercializing their products or generating significant revenues.

Since commencing operations, ABT and Sepset have focused on the R&D of a broad Peptide Technology and diagnostic technologies for Sepsis and organ failure. The Resulting Issuer's ability to generate revenues and achieve profitability depends on ABT and Sepset's ability to successfully complete the development of their products, obtain market and regulatory approval and generate significant revenues. The future success of the Resulting Issuer's business cannot be determined at this time, and neither the Company nor the Resulting Issuer anticipates generating revenues from product sales for the foreseeable future. In addition, the Resulting Issuer will face a number of challenges with respect to its future commercialization efforts, including, among others, that:

- the Resulting Issuer may not have adequate financial or other resources to complete the development of its various products or medical therapies, including two stages of clinical development that are necessary in order to commercialize such products or medical therapies;
- ABT and Sepset may not be able to manufacture their products in commercial quantities, at an adequate quality or at an acceptable cost;
- ABT and Sepset may never receive FDA or Health Canada approval for its intended products or medical therapies;
- the Resulting Issuer may not be able to establish adequate sales, marketing and distribution channels;
- healthcare professionals and patients may not accept the Resulting Issuer's product candidates;
- technological breakthroughs in Sepsis treatment and prevention may reduce the demand for the Resulting Issuer's product candidates;
- changes in the market for Sepsis treatment, new alliances between existing market participants and the entrance of new market participants may interfere with the Resulting Issuer's market penetration efforts;
- third-party payors may not agree to reimburse patients for any or all of the purchase price of our products, which may adversely affect patients' willingness to purchase the Resulting Issuer's product candidates;
- uncertainty as to market demand may result in inefficient pricing of the Resulting Issuer's product candidates;
- the Resulting Issuer may face third-party claims of intellectual property infringement;
- ABT and Sepset may fail to obtain or maintain regulatory approvals for product candidates in the Resulting Issuer's target markets or may face adverse regulatory or legal actions relating to the Resulting Issuer's product candidates even if regulatory approval is obtained; and
- the Resulting Issuer is dependent upon the results of ongoing clinical studies relating to the each of ABT's and Sepset's product candidates and products of our competitors. ABT and Sepset may fail in obtaining positive results.

If the Resulting Issuer is unable to meet any one or more of these challenges successfully, the Resulting Issuer's ability to effectively commercialize its product candidates could be limited, which in turn could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

The risks related to the development of Sepset's diagnostic kit.

Several material risks related to the development of Sepset's diagnostic kit include:

- the diagnostic signature may not work as accurately in clinical trials as it has in Sepset's studies of more than 800 patients from 4 continents;
- Sepset may fail to raise sufficient funding through financing or working with a partner to perform the clinical studies;
- Sepset may fail to achieve patent approval in one or more jurisdictions and if so, Sepset will not have sales exclusivity in that jurisdiction;
- another company may be able to devise an independent signature that works as well as Sepset's;
- an unforeseen advance may be made that renders Sepset's technology superfluous;
- hospitals or other medical consumers may not be incentivized to purchase the kit;
- Sepset may fail to make the diagnostic kit eligible for reimbursement by insurance companies and under government medical reimbursement schemes; and
- Sepset may fail to prove that the costs its diagnostic kit are justified by the outcomes.

Probable lack of business diversification.

Because the Resulting Issuer will be focused on developing its business ancillary to the life sciences industry, and potentially directly in the life sciences industry, the prospects for the Resulting Issuer's success will be dependent upon the future performance and market acceptance of the Resulting Issuer's intended products, processes, and services. Unlike certain entities that have the resources to develop and explore numerous product lines, operating in multiple industries or multiple areas of a single industry, the Resulting Issuer does not anticipate the ability to immediately diversify or benefit from the possible spreading of risks or offsetting of losses. Again, the prospects for the Resulting Issuer's success may become dependent upon the development or market acceptance of a very limited number of products, processes or services.

The Resulting Issuer expects to incur significant ongoing costs and obligations related to its investment in infrastructure, growth, regulatory compliance and operations.

The Resulting Issuer expects to incur significant ongoing costs and obligations related to its investment in infrastructure and growth and for regulatory compliance, which could have a material adverse impact on the Resulting Issuer's results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Resulting Issuer's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer. The Resulting Issuer's planned efforts to grow its business may be costlier than the Resulting Issuer expects, and the Resulting Issuer may not be able to increase its revenue enough to offset its higher operating expenses. The Resulting Issuer may incur significant losses in the future for a number of reasons, and unforeseen expenses, difficulties, complications and delays, and other unknown events. If the Resulting Issuer is unable to achieve and sustain profitability, the market price of the Common Shares may significantly decrease.

The Resulting Issuer may be subject to additional regulatory burden resulting from its public listing on the CSE.

The Resulting Issuer will have yet to be subject to the continuous and timely disclosure requirements of Canadian securities laws or other rules, regulations and policies of the CSE. The Resulting Issuer will work with its legal, accounting

and financial advisors to identify those areas in which changes should be made to the Resulting Issuer's intended financial management control systems to manage its obligations as a public company listed on the CSE. These areas include corporate governance, corporate controls, disclosure controls and procedures and financial reporting and accounting systems. The Resulting Issuer will make changes in these and other areas, including the Resulting Issuer's internal controls over financial reporting. However, the Resulting Issuer will not be able to assure holders of Resulting Issuer's shares that these and other measures that the Resulting Issuer might take will be sufficient to allow us to satisfy the Resulting Issuer's obligations as a public company listed on the CSE on a timely basis. In addition, compliance with reporting and other requirements applicable to public companies listed on the CSE will create additional costs for the Resulting Issuer and will require the time and attention of management. The Resulting Issuer will not be able to predict the amount of the additional costs that the Resulting Issuer might incur, the timing of such costs or the impact that management's attention to these matters will have on the Resulting Issuer's business.

There is no assurance that the Resulting Issuer will turn a profit or generate immediate revenues.

There is no assurance as to whether the Resulting Issuer will be profitable, earn revenues, or pay dividends. The Resulting Issuer anticipates that it will continue to incur substantial expenses relating to the development and initial operations of its business.

The payment and amount of any future dividends will depend upon, among other things, the Resulting Issuer's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

The Resulting Issuer may be unable to adequately protect its proprietary and intellectual property rights.

The Resulting Issuer's ability to compete may depend on the superiority, uniqueness and value of any intellectual property and technology that it may develop or license. To the extent the Resulting Issuer is able to do so, to protect any proprietary rights of the Resulting Issuer, the Resulting Issuer intends to rely on a combination of patent, trademark, copyright and trade secret laws, confidentiality agreements with its employees and third parties, and protective contractual provisions. Despite these efforts, any of the following occurrences may reduce the value of any of the Resulting Issuer's intellectual property:

- issued patents, trademarks and registered copyrights may not provide the Resulting Issuer with competitive advantages; the Resulting Issuer's efforts to protect the current intellectual property rights of ABT and Sepset may not be effective in preventing misappropriation of any its products or intellectual property;

- the Resulting Issuer's efforts may not prevent the development and design by others of products or marketing strategies similar to or competitive with, or superior to those the Resulting Issuer develops;

- another party may assert a blocking patent and the Resulting Issuer would need to either obtain a license or design around the patent in order to continue to offer the contested feature or service in its products; or

- the expiration of patent or other intellectual property protections for any assets owned or licensed by the Resulting Issuer, Sepset or ABT could result in significant competition, potentially at any time and without notice, resulting in a significant reduction in sales. The effect of the loss of these protections on the Resulting Issuer and its financial results will depend, among other things, upon the nature of the market and the position of the Resulting Issuer's products in the market from time to time, the growth of the market, the complexities and economics of manufacturing a competitive product and regulatory approval requirements but the impact could be material and adverse.

The Resulting Issuer may be forced to litigate to defend its intellectual property rights, or to defend against claims by third parties against the Resulting Issuer relating to intellectual property rights.

The Resulting Issuer may be forced to litigate to enforce or defend its intellectual property rights, to protect its trade secrets or to determine the validity and scope of other parties' proprietary rights. Any such litigation could be very costly and could distract its management from focusing on operating the Resulting Issuer's business. The existence and/or outcome of any such litigation could harm the Resulting Issuer's business.

The Resulting Issuer may become subject to litigation, including for possible product liability claims, which may have a material adverse effect on the Resulting Issuer's reputation, business, results from operations, and financial condition.

The Resulting Issuer may be named as a defendant in a lawsuit or regulatory action. The Resulting Issuer may also incur uninsured losses for liabilities which arise in the ordinary course of business, or which are unforeseen, including, but not limited to, employment liability and business loss claims. Any such losses could have a material adverse effect on the Resulting Issuer's business, results of operations, sales, cash flow or financial condition.

The Resulting Issuer will face competition from other companies where it will conduct business that may have higher capitalization, more experienced management or may be more mature as a business.

An increase in the companies competing in this industry could limit the ability of the Resulting Issuer's potential of expanding its operations. Current and new competitors may have better capitalization, a longer operating history, more expertise and able to develop higher quality equipment or products, at the same or a lower cost. The Resulting Issuer will not be able to provide assurances that it will be able to compete successfully against current and future competitors. Competitive pressures that the Resulting Issuer may face could have a material adverse effect on its business, operating results and financial condition.

If the Resulting Issuer is unable to attract and retain key personnel, it may not be able to compete effectively in the health sciences market.

The Resulting Issuer's success will depend upon its ability to attract and retain key management, including the Resulting Issuer's proposed CEO, CFO, and technical experts. The Resulting Issuer will attempt to enhance its management and technical expertise by continuing to recruit qualified individuals who possess desired skills and experience in certain targeted areas. The Resulting Issuer's inability to retain employees and attract and retain sufficient additional employees or engineering and technical support resources could have a material adverse effect on the Resulting Issuer's business, results of operations, sales, cash flow or financial condition. Shortages in qualified personnel or the loss of key personnel could adversely affect the financial condition of the Resulting Issuer, results of operations of the business and could limit the Resulting Issuer's ability to develop and market its therapeutic treatments and medical diagnostic products. The loss of any of the Resulting Issuer's senior management or key employees could materially adversely affect the Resulting Issuer's ability to execute the Resulting Issuer's business plan and strategy, and the Resulting Issuer may not be able to find adequate replacements on a timely basis, or at all.

The industry of the Resulting Issuer is experiencing rapid growth and consolidation that may cause the Resulting Issuer to lose key relationships and intensify competition.

The health sciences industry and businesses ancillary to and directly involved with health sciences businesses are undergoing rapid growth and substantial change, which has resulted in an increase in competitors, consolidation and formation of strategic relationships. Acquisitions or other consolidating transactions could harm the Resulting Issuer in a number of ways, including by losing strategic partners if they are acquired by or enter into relationships with a competitor, losing customers, revenue and market share, or forcing the Resulting Issuer to expend greater resources to meet new or additional competitive threats, all of which could harm the Resulting Issuer's operating results.

The Resulting Issuer cannot guarantee that it will meet its business objectives and obtain future financing.

There is no guarantee that the Resulting Issuer will be able to achieve its business objectives. The continued development of the Resulting Issuer will require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Resulting Issuer going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

Reliance of ABT on ABT Second UBC Collaborative Research Agreement and inability to successfully negotiating and entering into a third collaborative research agreement with UBC.

Since commencing its collaborative research arrangement with UBC under the terms of the ABT First UBC Collaborative Research Agreement, ABT has established a strong working relationship with UBC in an effort to further progress and develop its broad Peptide Technology towards commercialization. Each collaborative research program to date has helped ABT define and conduct the necessary research to move ABT towards the regulatory approval stage and an IND application. In the event the ABT Second UBC Collaborative Research Agreement is terminated prior to its completion, ABT's R&D would be adversely impacted and the achievement of its stated business objectives and milestones, at all, or within the timeframe estimated in this Prospectus would most likely be delayed. Conversely, If ABT is unable to successfully negotiate a third collaborative research agreement with UBC or the entry into of such an agreement is delayed following the completion of the ABT Second UBC Collaborative Research Agreement, ABT's R&D could be adversely impacted and the achievement of its stated business objectives and milestones, at all, or within the timeframe estimated in this Prospectus would be severely impacted. ABT would be required to find a new CRO or university which, in turn, could cause significant delays and additional costs. There is no guarantee that ABT will be able to successfully negotiate and enter into such an agreement.

The development and commercialization of the ABT's Peptide Technology is dependent on the UBC License Agreement.

ABT's Peptide Technology is covered by the filed and issued patents described elsewhere in the Prospectus owned by UBC. ABT has been granted an exclusive and worldwide license for the use and sublicense of the UBC Intellectual Property as well as any improvements, variations, updates, modifications, and enhancements made and/or acquired thereon, and to manufacture, have made, distribute and sell products made from or based upon the UBC Intellectual Property pursuant to the terms of the UBC License Agreement. The successful development of ABT's Peptide Technology and its future products are dependent upon the permanence of the UBC License Agreement. In the event the UBC License Agreement is terminated prior to the expiration of its term, ABT would need to conduct its own R&D to develop its products using methods outside and not premised off the UBC Intellectual Property protected under the UBC License Agreement. Accordingly, the ability of ABT to achieve its stated business objectives and milestones, at all, or within the timeframe and budget estimated in this Prospectus would be severely impacted.

The inability of ABT to find a suitable CRO.

As disclosed elsewhere in this Prospectus, ABT anticipates costs of $500,000 with an expected timeline of 4-8 months to complete the stated formulation studies following the closing of the Transaction by an independent CRO. In the event that management of the Resulting Issuer or ABT are unable to ascertain a qualified CRO to conduct this portion of ABT's research, the ability of ABT to achieve its stated business objectives and milestones, at all, or within the timeframe and budget estimated in this Prospectus would be severely impacted.

New issuances of equity or convertible debt securities may significantly dilute current ownership and have different rights for the new shareholders.

If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. The Company and by extension the Resulting Issuer's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further

issuance. The anticipated directors of the Resulting Issuer will have discretion to determine the price and the terms of issue of further issuances. Moreover, additional Resulting Issuer Shares will be issued by the Resulting Issuer on the exercise of options under the Stock Option Plan. In addition, from time to time, the Resulting Issuer may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Resulting Issuer's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Resulting Issuer may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Resulting Issuer's ability to pursue its business objectives.

The non-exercise of the Additional Options.

If the Additional Options are not exercised following the Closing, any of the following occurrences may occur:

- the Resulting Issuer may never own 100% interest in either ABT or Sepset;
- ABT and Sepset may not be able to achieve their business objectives and milestones within the timeframe described, and that such failures or delays may negatively impact the Resulting Issuer's ability to decide on the suitability of exercising the Additional Options;
- the Resulting Issuer may not be able to secure sufficient funding to pay the Cash Portion of the Additional Option Exercise Price; or
- if the Additional Options are not exercised by their expiry date, that the Resulting Issuer may need to renegotiate the acquisition of the remaining shares in each of ABT and Sepset which are owned by the minority shareholders, and that the terms of renegotiation may not be favourable to the Resulting Issuer.

The Resulting Issuer's anticipated officers and directors may be engaged in a range of business activities that could result in conflicts of interest.

Certain of the directors and officers of the Resulting Issuer also serve as directors and/or officers of other companies involved in the industries in which the Resulting Issuer may operate and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Resulting Issuer and its shareholders. In addition, each director is required to declare and refrain from voting on any matter in which such director may have a conflict of interest in accordance with the procedures set forth in applicable laws.

The Resulting Issuer's Employees, Contractors and Consultants could engage in Fraudulent or Illegal Activity.

The Resulting Issuer is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Resulting Issuer that violates government regulations or laws that require the true, complete and accurate reporting of financial information or data. It may not always be possible for the Resulting Issuer to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Resulting Issuer to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Resulting Issuer from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Resulting Issuer, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Resulting Issuer's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Resulting Issuer's operations, any of which could have a material adverse effect on the Resulting Issuer.

In certain circumstances, the Resulting Issuer's reputation could be damaged.

Damage to the Resulting Issuer's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding the Resulting Issuer and its proposed activities, whether true or not. Although the Resulting Issuer plans to operate in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Resulting Issuer will ultimately not have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Resulting Issuer's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

Development of Diagnostic Test and Associated Device Contingent upon Regulatory Approvals.

Successful development of Sepset's products is dependent upon the company or its development partners obtaining several key regulatory approvals.

Provided that Sepset continues to have data showing analytical validation, (which Sepset believes it has, given the current data demonstrating that the diagnostic system works), there are three possibilities available to Sepset in the unlikely event that a key regulatory approval is not granted to Sepset or its regional partners: (1) if the failure to obtain approval was due to an error or omission in filing, the filing will be resubmitted after correcting that error or omission; alternatively Sepset could switch to a new contractor to assist in filing; (2) if the failure to obtain approval is due to the analytical platform (apparatus) Sepset is using (very unlikely since Sepset is currently using well-embedded (in hospital labs) machines from one of the largest manufacturers in the world), Sepset will consider switching to another platform; and (3) if the failure relates to specific regulations in a certain country, Sepset will consider utilizing another country's device-approval mechanism to obtain approval for the diagnostic test. Sepset emphasizes, however, that for a fairly non-invasive diagnostic test (based on a blood sample taken as part of routine medical procedures), on an established approved platform (as is currently being used by Sepset), such failure to obtain approval to conduct analytical validation trials is very rare.

In the event that Sepset and/or its regional partners are ultimately unable to obtain the needed approvals, the development of the corresponding product would be unable to proceed in that jurisdiction.

Development of Peptide Technology products Dependent upon Regulatory Approvals.

Successful development of ABT's products is dependent upon the company or its development partners obtaining several key regulatory approvals.

Provided that ABT continues to develop a full pre-clinical package and efficacy in animal models, in the unlikely event that key IND regulatory approval is not granted to ABT or its regional partners, ABT will take the following action: (1) if the failure to obtain approval was due to an error or omission in filing, the filing will be resubmitted after correcting that error or omission; alternatively ABT could switch to a new contractor to assist in filing; (2) if the failure to obtain approval is due to a deficiency in the IND filing package of data, ABT will work with its partners or CROs to obtain the missing data and refile; and (3) if the failure relates to specific regulations in a certain country, ABT will consider utilizing another country's clinical trials mechanisms to obtain approval for the therapeutic. ABT emphasizes, however, that given submission of a full and complete IND package including safety and efficacy in animal models, such failure to obtain approval to conduct clinical trials is very rare.

In the event that ABT and/or its regional partners are ultimately unable to obtain the needed approvals, the development of the corresponding product would be unable to proceed in that jurisdiction.

The development and commercialization of the Sepset Technology is dependent on the Hancock License Agreement.

The Sepset Technology is covered by the filed and issued patents described elsewhere in the Prospectus owned by Dr. Robert E.W. Hancock. Sepset has been granted an exclusive and worldwide license for the use and sublicense of the Sepset Technology as well as any improvements, variations, updates, modifications, and enhancements made and/or acquired thereon, and to manufacture, have made, distribute and sell products made from or based upon the Sepset Technology pursuant to the terms of the Hancock License Agreement. The successful development of the Sepset Technology and its future diagnostic kit is dependent upon the permanence of the Hancock License Agreement. In the event the Hancock License Agreement is terminated prior to the expiration of its term, Sepset would need to conduct its own R&D to develop its products using methods outside and not premised off the Sepset Technology protected under the Hancock License Agreement. Accordingly, the ability of Sepset to achieve its stated business objectives and milestones, at all, or within the timeframe and budget estimated in this Prospectus would be severely impacted.

The inability of Sepset to form a strategic partnership with a key person or entity in the molecular diagnostic space to achieve commercialization of Sepset's diagnostic kit.

The commercialization of the Sepset Technology and, in turn, of its diagnostic kit is dependent upon Sepset's ability to form a strategic partnership with a key person or entity in the molecular diagnostic space. In the event Sepset is unable to form such a partnership, Sepset would need to develop its own marketing group in order to disseminate the diagnostic test. Additional costs restraints would be imposed on Sepset would result from this, and the company may be required to hire additional employees or consultants to fill these roles. There is no guarantee that Sepset will be able to identify and successfully negotiate such a strategic partnership for its diagnostic kit with an independent third party in the molecular diagnostic space. A delay in the commercialization and sale of Sepset's diagnostic kit may result from this.

Reliance of Sepset on Sepset UBC Collaborative Research Agreement with UBC.

Since commencing its collaborative research arrangement with UBC under the terms of the Sepset UBC Collaborative Research Agreement, Sepset has established a strong working relationship with UBC in an effort to further progress and develop the Sepset Technology and its diagnostic kit towards commercialization. The collaborative research program to date has helped Sepset define and conduct the necessary research to move Sepset towards the regulatory approval stage and an IND application. In the event the Sepset UBC Collaborative Research Agreement is terminated prior to its completion, Sepset's R&D would be adversely impacted and the achievement of its stated business objectives and milestones, at all, or within the timeframe estimated in this Prospectus would most likely be delayed.

Risks Related to the Resulting Issuer's Securities

No established market.

There is currently no market through which the Company's securities may be sold. Although the Company has received conditional approval from the CSE for the listing of the Resulting Issuer Shares, the final Listing is subject to the Company fulfilling all of the listing requirements of the CSE, including, without limitation, the Company meeting the CSE's initial listing requirements and the exercise of the ABT Option and the Sepset Option. There is no guarantee that the CSE will provide final approval for the listing of the Resulting Issuer Shares.

The Resulting Issuer will not be able to assure you that a market will continue to develop or exist for the Common Shares or what the market price of the Common Shares will be.

The Resulting Issuer will not be able to assure that a market will continue to develop or be sustained once the Resulting Issuer's Shares are listed on the CSE. If a market does not continue to develop or is not sustained, it may be difficult for

investors to sell the Common Shares at an attractive price or at all. Resulting Issuer will not be able to predict the prices at which the Common Shares will trade.

The market price for the Resulting Issuer's shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control.

The market price for the Resulting Issuer's Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which will be beyond the Resulting Issuer's control, including the following:

- actual or anticipated fluctuations in the Resulting Issuer's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Resulting Issuer will operate;
- addition or departure of the Resulting Issuer's executive officers and other key personnel;
- release or expiration of lock-up or other transfer restrictions on outstanding Common Shares;
- sales or perceived sales of additional Common Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or the Resulting Issuer's competitors;
- operating and share price performance of other companies that investors deem comparable to us; fluctuations to the costs of vital production materials and services;
- changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility;
- operating and share price performance of other companies that investors deem comparable to the Company or from a lack of market comparable companies;
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Resulting Issuer's industry or target markets; and
- regulatory changes in the industry.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Resulting Issuer Shares may decline even if the Resulting Issuer's operating results, underlying asset values or prospects do not change. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which might result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Resulting Issuer's operations could be adversely affected and the trading price of the Resulting Issuer Shares might be materially adversely affected.

The Resulting Issuer does not anticipate paying cash dividends.

The Resulting Issuer's policy will be to retain earnings to finance the development and enhancement of its products and to otherwise reinvest in the Resulting Issuer. Therefore, the Resulting Issuer does not anticipate paying cash dividends on the Resulting Issuer's shares in the foreseeable future. The Resulting Issuer's dividend policy will be reviewed from time

to time by the Resulting Issuer's board in the context of its earnings, financial condition and other relevant factors. Until the time that the Resulting Issuer pays dividends, which the Resulting Issuer might never do, shareholders of the Resulting Issuer will not be able to receive a return on their Resulting Issuer Shares unless they sell them.

Future sales of Resulting Issuer Shares by existing shareholders could reduce the market price of the Resulting Issuer Shares.

Sales of a substantial number of Common Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Common Shares intend to sell Common Shares, could reduce the market price of the Common Shares. Additional Common Shares may be available for sale into the public market, subject to applicable securities laws, which could reduce the market price for Common Shares. Holders of Stock Options will have an immediate income inclusion for tax purposes when they exercise their Stock Options (that is, tax is not deferred until they sell the underlying Common Shares). As a result, these holders may need to sell Common Shares purchased on the exercise of Stock Options in the same year that they exercise their options. This might result in a greater number of Common Shares being sold in the public market, and fewer long-term holds of Common Shares by the Resulting Issuer's management and employees.

Discretion in the use of proceeds.

Although the use of proceeds has generally been provided for in this Prospectus, the Resulting Issuer cannot specify with certainty the amount of available funds which will be allocated for each purpose. Accordingly, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary or prudent. It is difficult at this time to definitively project the total funds necessary to effect the planned activities of the Resulting Issuer. For these reasons, management of the Resulting Issuer will have a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises.

Please see "*Management's Discussion and Analysis*" for a more detailed description of additional risks affecting the Company, ASEP, ABT and Sepset, as applicable.

The Common Shares do not trade on any exchange and may experience substantial volatility.

Securities of small-cap companies such as the Resulting Issuer may experience substantial volatility that is unrelated to such company's financial condition or operations. The fact that no market currently exists for the Common Shares may affect the pricing of the Common Shares or the Resulting Issuer Shares, as applicable, in the secondary market, the transparency and availability of trading prices and the liquidity of the Common Shares or the Resulting Issuer Shares, as applicable. The market price of the Common Shares or the Resulting Issuer Shares will be affected by many other variables which may be unrelated to the Company's or the Resulting Issuer's success and are, therefore, not within their control. The effect of these and other factors on the market price of the Common Shares or the Resulting Issuer Shares is expected to make the price of the Common Shares or the Resulting Issuer Shares, as applicable, volatile in the future, which may result in losses to investors.

LEGAL PROCEEDINGS

To the knowledge of the Company, there are no legal proceedings or regulatory actions material to the Company to which either of the entities is a party, or has been a party to, or of which any of its property is the subject matter of, or was the subject matter of, and no such proceedings or actions are known by the Company to be contemplated.

There have been no penalties or sanctions imposed against the Company by a court or regulatory authority, and the Company has not entered into any settlement agreements before any court relating to provincial or territorial securities legislation or with any securities regulatory authority, since their respective dates of incorporation.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described below and elsewhere is this Prospectus, no director, executive officer or Shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued Common Shares, or any of their respective associates or affiliates, has any material interest, direct or indirect, in any transaction within the three years before the date of this Prospectus which has materially affected or is reasonably expected to materially affect the Company or any subsidiary of the Company. Dr. Robert E.W. Hancock, the COO and a director of the Company, is also a director of each of ABT and Sepset. As of the date of this Prospectus, Dr. Robert E.W. Hancock owns nil Common Shares. See "*Corporate Structure – The Option Agreements*" and "*Description of the Business – Intangible Properties – Sepset Biosciences Inc. – Hancock License Agreement*" for more information on the terms and conditions of the Option Agreements and the Hancock License Agreement.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Auditors

The auditor of the Company is Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, located at 1500 - 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1.

The auditor of ASEP is Manning Elliott LLP, Chartered Professional Accountants, located at 17th Floor, 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3.

The auditor of ABT is Manning Elliott LLP, Chartered Professional Accountants, located at 17th Floor, 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3.

The auditor of Sepset is Manning Elliott LLP, Chartered Professional Accountants, located at 17th Floor, 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3.

The auditor of the Resulting Issuer is expected to be Manning Elliott LLP, Chartered Professional Accountants, located at 17th Floor, 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3. Manning Elliott LLP will be independent of the Resulting Issuer within the meaning of the Code of Professional Conduct of Chartered Professional Accountants of British Columbia.

Transfer Agent

The Resulting Issuer expects to engage Odyssey Trust Company, at its offices located at Vancouver, British Columbia to be the Company's transfer agent and registrar for the Company's securities.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only contracts which have been entered into by the Company or ASEP as of the date of this Prospectus and which are regarded presently as material are:

- the Amalgamation Agreement dated June 3, 2021 among the Company, ASEP and NewCo, referenced under "*Corporate Structure – The Transaction – The Amalgamation Agreement*";
- the ABT Option Agreement dated May 14, 2021 among ASEP, ABT and all of the shareholders of ABT other than UBC, referenced under the heading "*Corporate Structure – The Option Agreements – ABT Option Agreement*";
- the Sepset Option Agreement dated May 14, 2021 among ASEP, Sepset and all of the shareholders of Sepset, referenced under the heading "*Corporate Structure – The Option Agreements – Sepset Option Agreement*";

- the UBC Option Agreement dated May 14, 2021 among ASEP, ABT and UBC, referenced under the heading "*Corporate Structure – The Option Agreements – UBC Option Agreement*";
- the Hancock License Agreement dated March 13, 2017 between Sepset and Dr. Robert E.W. Hancock, referenced under "*Description of the Business – Intangible Properties – Sepset Biosciences Inc. – Hancock License Agreement*";
- the UBC License Agreement dated April 24, 2017 between ABT and UBC, referenced under "*Description of the Business – Intangible Properties – ABT Innovations Inc. – UBC License Agreement"*;
- the ABT First UBC Collaborative Research Agreement dated April 24, 2017 between ABT and UBC, referenced under "*Description of the Business – Intangible Properties – ABT Innovations Inc. – ABT First UBC Collaborative Research Agreement*";
- the Michael Smith Foundation Commitment Letter dated April 29, 2020 between ABT and the Michael Smith Foundation for Health Research, referenced under the heading "*General Development of the Business – ABT Innovations Inc*.";
- the UBC Commitment Letter dated June 6, 2019 between ABT and the UBC Department of Microbiology and Immunology, referenced under the heading "*General Development of the Business – ABT Innovations Inc.*";
- the Burton Engagement Letter dated January 18, 2021 between Sepset and Burton, referenced under the heading "*General Development of the Business – Sepset Biosciences Inc.*";
- an employment agreement dated March 1, 2021 (the "**Saad Employment Agreement**") between ASEP and Dr. Fadia Saad. See below for more information on the terms of the Saad Employment Agreement;
- an employment agreement dated March 1, 2021 (the "**Gretchen Employment Agreement**") between ASEP and Jennifer Gretchen. See below for more information on the terms of the Gretchen Employment Agreement;
- a consulting agreement dated March 1, 2021 (the "**RAM Consulting Agreement**") between ASEP and RAM Advisors, Inc. See below for more information on the terms of the RAM Consulting Agreement;
- a consulting agreement dated April 1, 2021 (the "**Burton Consulting Agreement**") between ASEP and Burton. See below for more information on the terms of the Burton Consulting Agreement;
- the ABT Second UBC Collaborative Research Agreement dated June 2, 2021 between ABT and UBC, referenced under "*Description of the Business – Intangible Properties – ABT Innovations Inc. – ABT Second UBC Collaborative Research Agreement*";
- the Sepset UBC Collaborative Research Agreement dated August 6, 2021 between Sepset and UBC, referenced under "*Description of the Business – Intangible Properties – Sepset Biosciences Inc. – Sepset UBC Collaborative Research Agreement*"; and
- the Escrow Agreement dated November 9, 2021 among the Company, Odyssey Trust Company and the holders of the Escrowed Securities, referenced under "*Escrowed Securities*".

Copies of the above material contracts can be inspected at the Company's head office during regular business hours for a period of 30 days after a final receipt is issued for this Prospectus and are also available electronically at www.sedar.com.

Saad Employment Agreement

On March 1, 2021, ASEP entered into the Saad Employment Agreement with Dr. Fadia Saad, pursuant to which Dr. Saad agreed to provide certain management services to ASEP, including but not limited to acting as Chief Business Development Officer of ASEP. As consideration for the services to be provided by Dr. Saad, ASEP agreed to pay a monthly fee of $15,000, less statutory deductions. Dr. Saad is also eligible for an annual performance bonus up to 20% of base salary determinable at the absolute discretion of the ASEP Board.

The Saad Employment Agreement may be terminated: (a) at any time by Dr. Saad by giving a minimum of thirty (30) days written notice to ASEP; (b) without notice or payment in lieu of notice, for sufficient cause by ASEP at any time; or (c) at any time by ASEP without the requirement to show cause, provided ASEP pays Dr. Saad an amount equal to six (6) months' salary in the event of termination before the end of a 3-year period. Thereafter, severance will be additional to six (6) month's salary and commensurate to years of service and consistent with legislation as may be in effect at the time of termination.

Gretchen Employment Agreement

On March 1, 2021, ASEP entered into the Gretchen Employment Agreement with Jennifer Gretchen, pursuant to which Ms. Gretchen agreed to provide certain management services to ASEP, including but not limited to acting as CFO of ASEP. As consideration for the services to be provided by Ms. Gretchen, ASEP agreed to pay a monthly fee of $12,500. Ms. Gretchen is also eligible for an annual performance bonus up to 25% of base salary determinable at the absolute discretion of the ASEP Board.

The Gretchen Employment Agreement may be terminated: (a) at any time by Ms. Gretchen by giving a minimum of thirty (30) days written notice to ASEP; (b) without notice or payment in lieu of notice, for sufficient cause by ASEP at any time; or (c) at any time by ASEP without the requirement to show cause, provided ASEP pays Ms. Gretchen an amount equal to six (6) months' salary in the event of termination before the end of a 3-year period. Thereafter, severance will be additional to six (6) month's salary and commensurate to years of service and consistent with legislation as may be in effect at the time of termination.

RAM Consulting Agreement

On March 1, 2021, ASEP entered into the RAM Consulting Agreement with RAM Advisors, Inc., pursuant to which RAM Advisors, Inc. agreed to provide, through its principal Rudy Mazzocchi, certain management services to ASEP, including but not limited to acting as CEO and Executive Chairman of ASEP. As consideration for the services to be provided by RAM Advisors, Inc., ASEP agreed to pay a monthly fee of $20,000. RAM Advisors, Inc. is also eligible for an annual performance bonus up to 25% of base salary determinable at the absolute discretion of the ASEP Board.

The RAM Consulting Agreement may be terminated: (a) at any time by RAM Advisors, Inc. by giving a minimum of thirty (30) days written notice to ASEP; or (b)at any time by ASEP by giving a minimum of six (6) months written notice to RAM Advisors, Inc.

Burton Consulting Agreement

On April 1, 2021, ASEP entered into the Burton Consulting Agreement, pursuant to which Burton agreed to provide certain management services to ASEP, including but not limited to financial and operational expertise. The Burton Consulting Agreement had a three-month term commencing April 1, 2021 and ending June 30, 2021. As consideration for the services to be provided by Burton, ASEP agreed to pay a monthly fee of $25,000. In addition, ASEP paid Burton a success fee of $150,000 payable in cash in relation to the Transaction.

PROMOTERS

Dr. Robert E.W. Hancock may be considered to be a promoter of the Resulting Issuer within the meaning of relevant Canadian securities legislation, as he took the initiative in founding and organizing the business of the Resulting Issuer. As of the date hereof, Dr. Robert E.W. Hancock beneficially owns or exercises control or direction over no Common Shares. After giving effect to the Transaction and the Final Receipt, Dr. Robert E.W. Hancock is expected to beneficially own no Resulting Issuer Shares representing 0% of the issued and outstanding Resulting Issuer Shares. See "*Directors and Executive Officers*" for more information.

INTERESTS OF EXPERTS

No person or corporation whose profession or business gives authority to a statement made by the person or corporation and who is named as having prepared or certified a part of this Prospectus or as having prepared or certified a report or valuation described or included in this Prospectus, holds any beneficial interest, direct or indirect, in any securities or property of the Company, ASEP, ABT, or Sepset, as applicable, and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Company, ASEP, ABT, Sepset or the Resulting Issuer.

Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, the auditors of the Company, are independent of the Company in accordance with the Code of Professional Conduct for British Columbia Chartered Professional Accountants.

Manning Elliott LLP, Chartered Professional Accountants, the auditors of ASEP, are independent of ASEP in accordance with the Code of Professional Conduct for British Columbia Chartered Professional Accountants.

Manning Elliott LLP, Chartered Professional Accountants, the auditors of ABT, are independent of ABT in accordance with the Code of Professional Conduct for British Columbia Chartered Professional Accountants.

Manning Elliott LLP, Chartered Professional Accountants, the auditors of Sepset, are independent of Sepset in accordance with the Code of Professional Conduct for British Columbia Chartered Professional Accountants.

OTHER MATERIAL FACTS

There are no other material facts that are not elsewhere disclosed herein and which are necessary in order for this Prospectus to contain full, true and plain disclosure of all material facts relating to the Company and ASEP.

PURCHASERS' STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

SCHEDULE A

COMPANY FINANCIAL STATEMENTS

[*See Attached*]

TRENCHANT LIFE SCIENCES INVESTMENT CORP.

Financial Statements

From Incorporation on January 20, 2021 to August 31, 2021

Expressed in Canadian Dollars

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Trenchant Life Sciences Investment Corp.

Opinion

We have audited the consolidated financial statements of Trenchant Life Sciences Investment Corp. (the "Company"), which comprise the consolidated statement of financial position as at August 31, 2021, and the consolidated statements of comprehensive loss, changes in shareholder's deficit and cash flows for the period from January 20, 2021(incorporation) to August 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2021, and its financial performance and its cash flows for the period from January 20, 2021(incorporation) to August 31, 2021 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates describes matters and conditions that indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

November 9, 2021

Trenchant Life Sciences Investment Corp.
Statement of Financial Position
(Expressed in Canadian Dollars)
As at August 31, 2021

	Notes		August 31, 2021
ASSETS			
Current assets			
Cash		$	3,848,304
TOTAL ASSETS		**$**	**3,848,304**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	3	$	240,032
Interest payable	4		11,178
Convertible debentures - derivative liability	4		500,000
Special warrant subscriptions received in advance	5		90,000
			841,210
TOTAL LIABILITIES			**841,210**
SHAREHOLDERS' EQUITY			
Share capital	4		137,699
Warrant reserves	5		3,285,750
Deficit			(416,355)
TOTAL DEFICIT			**3,007,094**
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		**$**	**3,848,304**

Going concern (Note 1)

Subsequent event (Note 9)

On behalf of the board:

"Eric Boehnke"
Eric Boehnke, Director

Trenchant Life Sciences Investment Corp.
Statement of Comprehensive Loss
(Expressed in Canadian Dollars)
For the period from January 20, 2021 (incorporation) to August 31, 2021

	Note	For the period from January 20, 2021 (incorporation) to August 31, 2021
Expenses		
Administrative		5,356
Consulting	6	158,810
Interest expense	4	17,500
Professional fees		234,689
		416,355
Net loss and comprehensive loss		**$ (416,355)**
Loss per share – basic and diluted		**$ (0.04)**
Weighted average number of common shares outstanding		**11,479,821**

Trenchant Life Sciences Investment Corp.
Statement of Changes in Shareholders' Deficit
(Expressed in Canadian Dollars)
For the period from January 20, 2021 (incorporation) to August 31, 2021

	Number of Common shares	Common shares	Warrant reserves	Deficit	Total
Balance at January 20, 2021	**-**	**$ -**	**$ -**	**$ -**	**$ -**
Issuance of common shares for cash (Note 4)	17,000,000	140,500		-	140,500
Share issuance cost (Note 4)	-	(2,801)	-	-	(2,801)
Issuance of special warrants (Note 5)	-	-	3,285,750	-	3,285,750
Comprehensive loss	-	-	-	(416,355)	(416,355)
Balance at August 31, 2021	**17,000,000**	**$ 137,699**	**$ 3,285,750**	**$ (416,355)**	**$ 3,007,094**

See accompanying notes to the consolidated financial statements

Trenchant Life Sciences Investment Corp.
Statement of Cash Flows
(Expressed in Canadian Dollars)
For the period from January 20, 2021 (incorporation) to August 31, 2021

	From January 20, 2021 (incorporation) to August 31, 2021
Operating activities	
Net loss	$ (416,355)
Adjustments for items not affecting cash:	
Interest expense	11,178
Changes in non-cash working capital items:	
Accounts payables and accrued liabilities	240,032
Net cash flows used in operating activities	(165,145)
Financing activities	
Issuance of common shares for cash	140,500
Special warrant subscriptions received in advance	90,000
Issuance of special warrants	3,285,750
Share issuance cost	(2,801)
Issuance of convertible debentures	500,000
Net cash flows provided from financing activities	4,013,449,
Increase in cash	3,848,304
Cash, beginning	-
Cash, ending	$ 3,848,304

(Expressed in Canadian Dollars)

1. Nature and continuance of operations

Trenchant Life Sciences Investment Corp. (the "Company" or "TLSIC") was incorporated under the British Columbia Business Corporations Act on January 20, 2021.

The Company's head office is located at suite Penthouse 1, 1055 West Hastings Street, Vancouver, BC, V6E 2E9. Trenchant Life Sciences Investment Corp. is a private BC corporation in the business of acquiring assets, technologies and/or businesses in area of life sciences and medical diagnostics.

On June 3, 2021, TLSIC entered into the Amalgamation Agreement (the "Amalgamation Agreement") with ASEP Medical Inc. ("ASEP") and 1295255 B.C. Ltd. ("NewCo"), pursuant to which TLSIC, ASEP and NewCo agreed to combine their respective businesses by way of a three-cornered amalgamation under the provisions of the BC Business Corporations Act ("BCBCA"). Upon completion of the Transaction (being the completion of the amalgamation, the exercise of both of the ABT and Sepset options and conditional approval to the list the common shares of TLSIC on the CSE) the resulting entity of the Amalgamation, will be a wholly-owned subsidiary of the Company and the Resulting Issuer will carry on the business of ASEP.

On completion of the Transaction, TLSIC would hold, through the exercise of ABT Innovations Inc. ("ABT")'s and Sepset Biosciences Inc. ("Sepset")'s options, 50.1% of the fully diluted share capital of ABT and Sepset.

The common shares of the Company will be listed for trading on the CSE upon the completion of the Transaction.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. Significant accounting policies and basis of preparation

The financial statements were authorized for issue on November 9, 2021 by the sole director of the Company.

Statement of compliance with International Financial Reporting Standards

The financial statements of the Company comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Consolidation

The consolidated financial statements include the accounts of the Company and its controlled entity. Details of the controlled entity is as follows:

	Country of incorporation	Percentage owned August 31, 2021
1295277 BC Ltd.	Canada	100%

2. Significant accounting policies and basis of preparation (cont'd)

Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of the Company's financial instruments under IFRS 9:

Financial assets/liabilities	Classification - IFRS 9
Cash	FVTPL
Accounts payable	Amortized cost
Interest payable	Amortized cost
Convertible debentures- derivative liability	FVTPL
Subscription received in advance	Amortized cost

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

2. Significant accounting policies and basis of preparation (cont'd)

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are recognized in the statements of comprehensive loss.

Significant estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and the recoverability and measurement of deferred tax assets. The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgment applied in preparing the Company's financial statements are the assessment of the Company's ability to continue as a going concern and the recoverability of deferred tax assets.

Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the earnings (loss) attributable to common shareholders by the weighted average number of common shares outstanding in the period. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

2. Significant accounting policies and basis of preparation (cont'd)

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of eachreporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Foreign currency translation

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Canadian dollars which is the Company and its subsidiary's functional and presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive loss in the statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive loss. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

3. Accounts payable and accrued liabilities

	August 31, 2021
Accounts payable	$ 206,632
Accrued liabilities	33,400
	$ 240,032

4. Convertible Debentures

On May 25, 2021, the Company closed a private placement of unsecured convertible debentures in the aggregate amount of $500,000. The convertible debenture matures twelve months from issuance and carries an interest rate of 8% per annum. Pursuant to the Amalgamation Agreement, the debentures are convertible into common shares prior to the amalgamation effective date at a conversion price calculated by dividing (A) by (B), where (A) is $8,000,000, and where (B) is the product obtained by adding (x) the number of all of the issued and outstanding common shares of ASEP as of the date of the ASEP conversion, which is the conversion of all of the principal outstanding under the ASEP debentures into ASEP shares on a fully diluted basis assuming conversion of all outstanding convertible securities of ASEP other than the ASEP debentures, with (y) the number of shares issuable by the Company in connection with the Company's financing to complete a private placement of a minimum of 10,000,000 special warrants at a price of $0.50 per warrant for aggregate gross of a minimum of $5,000,000.

As the conversion price of the convertible debentures is variable, the Company accounted for the convertible debentures as a hybrid financial instrument with separate debt and derivative liability components. The derivative liability is recorded at fair value of $500,000 and deducted from the principal of the debt to arrive at the net debt component of $Nil. The fair value of the derivative liability is estimated based on Black-Scholes Option Pricing Model with the following assumptions: share price at grant date of $0.50; exercise price of $0.29; expected life of 1 year; expected volatility of 100%; risk free rate of 0.30%; expected dividend yield rate of 0%. The fair value of the derivative liability remained at $500,000 as at August 31, 2021.

During the period ended August 31, 2021, the Company incurred $6,322 financing costs in relation to the issuance of the convertible debentures and recorded in interest expenses. The Company also accrued $11,178 interest payable on the convertible debentures as at August 31, 2021.

5. Share capital

Authorized share capital

Unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

Issued share capital

On January 20, 2021 the Company issued 2,500,000 common shares at $0.001 per share for proceeds of $2,500.

On April 14, 2021 the Company issued 8,000,000 common shares at $0.001 per share for proceeds of $8,000.

On April 16, 2021 the Company issued 6,500,000 common shares at $0.02 per share for proceeds of $130,000.

Total share issuance cost incurred during the period ended August 31, 2021 was $2,801.

As at August 31, 2021, there were 17,000,000 issued and fully paid common shares.

5. **Share capital** (cont'd)

Special warrants

Pursuant to the Amalgamation Agreement, the Company plans to complete a private placement ("Private Placement") and issue 10,000,000 special warrants ("Special Warrants") at a price of $0.50 per warrant for aggregate gross proceeds of up to $5,000,000 in two tranches. Each Special Warrant entitles the holder to acquire, without payment of any consideration in addition to that paid for the Special Warrant and without any action by the holder, subject to the Penalty Provision (as defined herein), 1 Common Share on the earlier of: (i) the day on which the Company has been issued the final receipt of the prospectus by the British Columbia Securities Commission (the "Qualification Condition"), or (ii) the 180th day following the date of issuance of the Special Warrants (the "Qualification Deadline").

In the event that the Qualification Condition has not been met prior to the Qualification Deadline, each unexercised Special Warrant will thereafter entitle the holder to receive upon the exercise or deemed exercise thereof, for no additional consideration, 1.10 Common Shares in lieu of 1 Common Share (the "Penalty Provision").

On August 25, 2021, the Company closed the first tranche of the Private Placement to issue 6,571,500 Special Warrants for gross proceeds of $3,285,750. In connection with the closing of the first tranche of the Private Placement, the Company also paid $4,000 finder's fee in cash and issued 8,000 finder's warrants ("Finder's warrants") at a price of $0.50 per Finder's Warrant for a period of 1 year following the closing. If, for at least 20 consecutive trading days, the volume weighted average price at which the company's shares trade on the Canadian Securities Exchange (or such other recognized Canadian stock exchange on which the company's shares are listed for trading at the relevant time) each day is or exceeds $1.00 per share, the Company may issue a notice via news release to the holders of the Finder's Warrants and, in such case, the Finder's Warrants will expire on the 30th day after the news release was disseminated by the Company. As at August 31, 2021, the Company also received $1,300,000 proceeds in respect to the second tranche of the Private Placement (Note 9).

Stock options

In July 2021, the Company adotpted a stock option plan ("Plan") which provides that the Board of Directors of the Company may from time to time, in its discrection, grant ot directors, officers, employees and ocnsultants of the Company stock options to purchase commons hares, provided that the number of common shares reserved for issuance under the Plan shall not exceed 10% of the issued and outstanding common shares at the time of grant. The Board of Directors shall determine the exerecise price and the term of the stock options at the tiem of grant. If the shares are listed on a stock exchange, then the exerecise price for the options granted will not be less than the minimum prevailing price permited by the stock exchange. If the shares are not listed, posted an dtrading on any stock exchange or quoted on any quotation system, the exerecise price will be determeind by the Board at the time of granting.

6. Related party transactions

Key management personnel compensation

		August 31, 2021
CEO – Consulting fees	$	39,900

7. Financial risk and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in a bank account. The cash is deposited in a bank account held with a major bank in Canada. As the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. Credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity and debenture securities for cash. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity and debt funding. Liquidity risk is assessed as high.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company had no exposure to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash on hand is subject to minimal interest rate risk and the debentures have fixed interest rates. Interest rate risk is assessed as low.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital and working capital. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

(Expressed in Canadian Dollars)

7. Financial risk and capital management (cont'd)

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

		August 31, 2021
FVTPL:		
Cash	$	3,848,304

Financial liabilities included in the statement of financial position are as follows:

		August 31, 2021
Financial liabilities at amortized cost:		
Accounts payable	$	240,032
Interest payable		11,178
Special warrants subscriptions received in advance		90,000
		341,210
Financial liabilities at FVTPL		
Convertible debentures-derivative liability		500,000
	$	841,210

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- 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 or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Financial instruments classified as level 1 – quoted prices in active markets include cash.

(Expressed in Canadian Dollars)

8. Income tax expense and deferred tax assets and liabilities

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

		From January 20, 2021 (incorporation) to August 31, 2021
Net loss	$	(416,355)
Statutory tax rate		27%
Expected income tax recovery at the statutory tax rate		(112,416)
Non-deductible items and other		(756)
Change in valuation allowance		113,172
Income tax recovery	$	-

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

		From January 20, 2021 (incorporation) to August 31, 2021
Non-capital loss carry-forwards	$	112,567
Share issuance costs		605
	$	113,172

The tax pools relating to these deductible temporary differences expire as follows:

	Canadian non-capital losses		Share issuance costs	
2026	$	-	$	2,241
2041		416,915		-
	$	416,915	$	2,241

9. Subsequent event

On September 9, 2021, the Company closed the second tranche of the Private Placement to issue 2,600,000 Special Warrants for gross proceeds of $1,300,000. In connection with the closing of the first tranche of the Private Placement, the Company also paid $89,600 finder's fee in cash and issued 179,200 finder's warrants ("Finder's warrants") at a price of $0.50 per Finder's Warrant for a period of 1 year following the closing. If, for at least 20 consecutive trading days, the volume weighted average price at which the company's shares trade on the Canadian Securities Exchange (or such other recognized Canadian stock exchange on which the company's shares are listed for trading at the relevant time) each day is or exceeds $1.00 per share, the Company may issue a notice via news release to the holders of the Finder's Warrants and, in such case, the Finder's Warrants will expire on the 30th day after the news release was disseminated by the Company. In addition, the Company closed the third tranche of the Private Placement to issue 1,920,000 Special Warrants for gross proceeds of $960,000 and a fouth tranche of the Private Placement to issue 640,000 Special Warrants for gross proceeds of $320,000.

SCHEDULE B

MANAGEMENT'S DISCUSSION & ANALYSIS OF THE COMPANY

[*See Attached*]

TRENCHANT LIFE SCIENCES INVESTMENT CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the period from January 20, 2021 (incorporation) to August 31, 2021

Date of Report: November 9, 2021

INTRODUCTION

Management's discussion and analysis ("MD&A) is prepared as of November 9, 2021 and provides a review of the performance of Trenchant Life Sciences Investment Corp. ("TLSIC or the "Company") and should be read in conjunction with the Company's audited financial statements for the period ended August 31, 2021 and related notes included therein which are prepared in accordance with International Financial Reporting Standards. This report contains discussion and analysis, which includes forward-looking statements that may differ materially from actual results achieved. All of the financial data herein has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all figures are stated in Canadian dollars.

Additional information on the Company is available on the SEDAR website at www.sedar.com.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements". When used in this MD&A, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, and known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking information will not be realized.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in the forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that any forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated. The reader is cautioned not to place undue reliance on any forward-looking statements contained in this MD&A. Such forward-looking statements are presented for the purpose of assisting investors in understanding the Company's expected financial and operating performance and the Company's plans and objectives in making an investment decision and may not be appropriate for other purposes. All forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The Company disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements, or to reflect the occurrence of anticipated or unanticipated events, except as required by applicable laws.

RISKS AND UNCERTAINTIES

Risk factors applicable to the Company and its business include:

- risks related to the Company's investments in private issuers and illiquid securities, and the potential concentration of the Company's investments;
- that the Company may be unable to identify sources of income to generate material cash flow and revenue, and even if identified, such sources of income may be unavailable to the Company;
- that the Company is heavily reliant on its directors and management, and they only devote part of their time and efforts to the affairs of the Company;
- risks related to the Company's investment approach, objectives and strategy;
- the ability of the Company to identify other potential investment opportunities on satisfactory terms or at all;
- risks relating to available investment opportunities and competition for investments;
- the ability of the Company to obtain future financing on acceptable terms or at all;
- global financial conditions related to Covid-19 which have adversely affected the companies in which the Company has invested and the duration of which is undetermined at this time; and
- other risks that may arise from time to time that are beyond the knowledge and/or control of the Company.

OVERALL PERFORMANCE

Nature of Business and Overall Performance

TLSIC was incorporated by the Trenchant Capital Corp. on January 20, 2021 under the name 1261038 BC Ltd. On January 20, 2021 the Company issued to Trenchant Capital Corp. its parent company, 2,500,000 common shares at $0.001 per share for proceeds of $2,500.

TLSIC has no active business and was formed to facilitate the completion of an amalgamation of 1295277 BC Ltd. (its wholly-owned subsidiary) ("NewCo") with ASEP Medical Inc. ("ASEP"), a B.C corporation that holds the option to acquire a fully-diluted 50.1% equity interest in each of ABT Innovations Inc. ("ABT") and Sepset Biosciences Inc. ("Sepset").

On April 14, 2021, the Company closed a private placement to issue an aggregate of 8,000,000 common shares at a price of $0.001 per share for gross proceeds of $8,000.

On April 16, 2021, the Company closed a private placement to issue an aggregate of 6,500,000 common shares at a price of $0.02 per share for gross proceeds of $130,000.

On May 25, 2021, the Company closed a private placement of unsecured convertible debentures in the aggregate amount of $500,000. The convertible debenture matures twelve months from issuance and carries an interest rate of 8% per annum. The debenture is convertible into common shares at a conversion

price calculated by dividing (A) by (B), where (A) is $8,000,000, and where (B) is the product obtained by adding the number of all of the issued and outstanding common shares of ASEP as of the date of the ASEP conversion, which is the conversion of all of the principal outstanding under the ASEP debentures into ASEP shares on a fully diluted basis assuming conversion of all outstanding convertible securities of ASEP other than the ASEP debentures, with (y) the number of shares issuable by the Company in connection with the Company's financing to complete a private placement of a minimum of 10,000,000 special warrants at a price of $0.50 per warrant for aggregate gross of a minimum of $5,000,000, pursuant to an amalgamation agreement entered into among TLSIC, ASEP and NewCo. (the "Amalgamation Agreement").

On June 3, 2021, TLSIC entered into the Amalgamation Agreement pursuant to which TLSIC, ASEP and NewCo agreed to combine their respective businesses by way of a three-concerned amalgamation under the provisions of the BCBCA. Upon completion of the Transaction (being the completion of the amalgamation, the exercise of both of the ABT and Sepset options and conditional approval to the list the common shares of TLSIC on the Canadian Securities Exchange (the "CSE") the resulting entity of the amalgamation, will be a wholly-owned subsidiary of the TLSIC will carry on the business of ASEP.

As noted above on completion of the Transaction, TLSIC would hold, through the exercise of the ABT and Sepset options, 50.1% of the fully diluted share capital of ABT and Sepset.

ABT was incorporated on July 3, 2015 pursuant to the provisions of the BCBCA under the name "ABT Innovations Inc." for the purpose of ensuring the commercialization of the broad peptide technology developed by its founder, Dr. Robert Hancock. This peptide technology covers a broad range of therapeutic applications including bacterial biofilm infections (medical device infections, chronic infections, lung, bladder, wound, dental, skin, ear-nose and throat, sinusitis, orthopedic, etc.), representing two thirds of all infections, anti-inflammatories, anti-infective immune-modulators and vaccine adjuvants.

Sepset was incorporated on April 23, 2015 pursuant to the provisions of the BCBCA under the name "Sepset Biosciences Inc." for the purpose of ensuring the commercialization of a diagnostic kit for predicting the onset of severe sepsis and organ failure that was developed by its founder Dr. Robert Hancock. Its diagnostic technology involves a patient gene expression signature that is identified in the blood and assessable by nucleic acid amplification technologies. Sepset's diagnostic technology differs from current diagnostic tests in enabling diagnosis of severe sepsis within 1-2 hours of first clinical presentation (i.e., in the emergency room), while other diagnostics only provide diagnosis after 24-48 hours. Sepset believes this will enable critical early decisions to be made by physicians regarding appropriate therapies and reduces mortality and morbidity.

The Company's head office is located at 1790-1066 West Hastings St. V6E 3X1.

Selected Financial Information

	For the Period from January 20, 2021 to August 31, 2021
Total revenues	-
Loss before other items	(416,355)
Comprehensive income (loss)	(416,355)
Basic and diluted net loss per common share	(0.04)
Current assets	3,848,304
Total assets	3,848,3304
Current liabilities	841,210

Share capital & share based payment reserve	3,423,449
Deficit	(416,355)
Dividends	-

Results of Operations

These results of operations should be read in conjunction with the Company's audited financial statements for the period from January 20, 2021 to August 31, 2021, which are being filed concurrently with this MD&A. All figures are stated in Canadian dollars.

	For the Period from January 20, 2021 to August 31, 2021
Expenses	
Administrative	5,356
Consulting	158,810
Interest expense	17,500
Professional fees	234,689
	416,355
Net and comprehensive (loss)	**(416,355)**

Financial Condition, Liquidity and Capital Resources

The Company had total assets of $3,848,304 as at August 31, 2021. The primary assets of the Company as of such date consisted cash of $3,848,304. Accounts payable as at August 31, 2021 were $841,210 interest payable was $11,178 and derivative liability was $500,000. The Company had working capital of $3,007,094 as at August 31, 2021.

Pursuant to the Amalgamation Agreement, the Company conducted a private placement ("Private Placement") to issue up to 10,000,000 special warrants ("Special Warrants") at a price of $0.50 per warrant for aggregate gross of up to $5,000,000 during the year ended August 31, 2021. Each Special Warrant entitles the holder to acquire, without payment of any consideration in addition to that paid for the Special Warrant and without any action by the holder, subject to the Penalty Provision (as defined herein), 1 Common Share on the earlier of: (i) the day on which the Company has been issued the final receipt of the prospectus by the British Columbia Securities Commission (the "Qualification Condition"), or (ii) the 180th day following the date of issuance of the Special Warrants (the "Qualification Deadline"). In the event that the Qualification Condition has not been met prior to the Qualification Deadline, each unexercised Special Warrant will thereafter entitle the holder to receive upon the exercise or deemed exercise thereof, for no additional consideration, 1.10 Common Shares in lieu of 1 Common Share (the "Penalty Provision").

On August 25, 2021, the Company closed the first tranche of the Private Placement to issue 6,571,500 Special Warrants for gross proceeds of $3,285,750. In connection with the closing of the first tranche of the Private Placement, the Company also paid $4,000 finder's fee in cash and issued 8,000 finder's warrants ("Finder's warrants") at a price of $0.50 per Finder's Warrant for a period of 1 year following the closing. If, for at least 20 consecutive trading days, the volume weighted average price at which the company's shares trade on the Canadian Securities Exchange (or such other recognized Canadian stock exchange on which the company's shares are listed for trading at the relevant time) each day is or exceeds $1.00 per share, the Company may issue a notice via news release to the holders of the Finder's Warrants and, in such case, the Finder's Warrants will expire on the 30th day after the news release was disseminated by the

Company. On September 9, 2021, the Company closed the second tranche of the Private Placement to issue 2,600,000 Special Warrants for gross proceeds of $1,300,000. In connection with the closing of the first tranche of the Private Placement, the Company also paid $89,600 finder's fee in cash and issued 179,200 finder's warrants ("Finder's warrants") at a price of $0.50 per Finder's Warrant for a period of 1 year following the closing. In addition, the Company closed the third tranche of the Private Placement to issue 1,920,000 Special Warrants for gross proceeds of $960,000 and a fourth tranche of the Private Placement to issue 640,000 Special Warrants for gross proceeds of $320,000 . The Company's audited financial statements for the period from January 20, 2021 to August 31, 2021 were prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months from loans from related parties and or the private placement of common shares.

Classification of financial instruments

Financial assets included in the Company's statement of financial position are as follows:

		August 31, 2021
FVTPL:		
Cash	$	3,848,304
	$	3,848,304

Financial liabilities included in the statement of financial position are as follows:

		August 31, 2021
Financial liabilities at amortized cost:		
Accounts payable	$	240,032
Interest payable		11,178
Special warrants subscriptions received in advance		90,000
		341,210
Financial liabilities at FVTPL		
Convertible debentures-derivative liability		500,000
	$	841,210

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- 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 or indirectly; and

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

Financial instruments classified as level 1 – quoted prices in active markets - include cash.

OFF BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

Key management personnel compensation

	August 31, 2021
CEO – consulting fees	39,900

CRITICAL ACCOUNTING ESTIMATES

As disclosed in the Company's audited financial statements for the period from January 20, 2021 to August 31, 2021, the Company has no critical accounting estimates.

CRITICAL ACCOUNTING POLICIES

There are no accounting policies that the Company has adopted, other than what was disclosed in the Company's annual audited financial statements for the period from January 20, 2021 to August 31, 2021.

RISK FACTORS

The business of the Company is subject to risks and hazards, some of which are beyond the Company's control. Shareholders must rely on the ability, expertise, judgment, discretion, integrity and good faith of the management of the Company. The following is a summary of some risks and uncertainties that management believes to be material to the Company's business. Additional risk factors are included in the Filing Statement, which is available under the Company's SEDAR profile at www.sedar.com.

Global Financial Conditions

The COVID 19 Pandemic has been responsible for a substantial negative impact on the world economy. Many industries are impacted by global market conditions. Some of the key impacts of financial market turmoil can include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity markets, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A slowdown in the financial markets or other economic conditions, including but not limited to, reduced consumer spending, increased unemployment rates, deteriorating business conditions, inflation, deflation, volatile fuel and energy costs, increased consumer debt levels, lack of available credit, lack of future financing, changes in interest rates and tax rates may adversely affect the Company's operations and business plans. Any of these factors may impact the ability of the Company and its potential partners to obtain equity or debt financing in the future and, if obtained, on favourable terms. Additionally, any such occurrence could cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses.

Dependence on the Performance of Investee Companies

The Company is, and will be, dependent on the operations, assets and financial health of the investee companies in which it makes investments. The Company's ability to meet its operating expenses in the long term will be largely dependent on the interest and other payments received from investee companies, which are expected to be the sole source of cash flow for the Company. In addition, if the financing position of an investee company declines such that it is unable to make interest payments to the Company, the Company's financial condition and cash flow will be adversely affected.

The Company has conducted, and will conduct, due diligence on each of its investee companies prior to entering into agreements with them. In addition, the Company plans to monitor investee company performance through observer rights at board meetings of investee companies, negotiating rights to appoint one or more directors to the boards of investee companies, and receiving and reviewing regular financial reports from the investee companies. Nonetheless, there is a risk that there may be some liabilities or other matters that are not identified through the Company's due diligence or ongoing monitoring that may have an adverse effect on an investee company's business and, as a result, on the Company**.**

Financing Risks

The Company has no history of earnings or material revenue. In addition, the Company's business model may require it to make additional investments in investee companies, for which the Company would have to raise additional capital. While the Company may generate additional working capital through equity or debt offerings, or through the receipt of interest or other payments from investee companies, there is no assurance that such funds will be sufficient to facilitate the development of the Company's business as envisioned or, in the case of equity financings, that such funds will be available on terms acceptable to the Company or at all. If available, future equity financing may result in substantial dilution to the Company's shareholders.

Risks Facing Investee Companies

As previously noted, the Company's financial condition and results of operations will be affected by the performance of the companies in which it invests. Each investee company will also be subject to risks which will affect their respective financial condition. Given that, other than with respect to the Initial Investment, the Company does not currently know the exact nature of the businesses in which it may make investments, it is impossible to predict exactly what risks investee companies will face. Nonetheless, typical risks which investee companies might be expected to face include the following:

- Investee companies may need to raise capital through equity or debt financing. Failure to obtain such equity or debt, or the terms of such equity or debt that may be available, may impair the ability of investee companies to finance their future operations and capital needs. Flexibility to respond to changing business and economic conditions may therefore be limited.

- The success of investee companies may depend on the talents and efforts of one or two persons or a small group of persons. The death, disability or resignation of one or more of these persons could have a material adverse impact on an investee company.

- Investee companies may require additional working capital to carry out their business activities and to expand their businesses. If such working capital is not available, the financial performance and development of the businesses of the investee companies may be adversely affected.

- Damage to the reputation of investee companies' brands could negatively impact consumer opinion of those companies or their related products and services, which could have an adverse effect on their businesses.

- Investee companies may face intense competition, including competition from companies with greater financial and other resources, and more extensive development, manufacturing, marketing and other capabilities. There can be no assurance that investee companies will be able to successfully compete against their competitors or that such competition will not have a material adverse effect on their businesses.

- Investee companies may experience reduced revenues through the loss of a customer representing a high percentage of their revenues.

- Investee companies may experience reduced revenues due to an inability to meet regulatory requirements or may experience losses of revenues due to unforeseeable changes in regulations imposed by various levels of government.

- Investee companies may rely on government or other subsidy programs for revenue or profit generation. Changes to, or elimination of, such programs may have an adverse effect on such companies.

- Investee companies may experience negative financial results based on foreign exchange losses.

Reliance on Key Personnel

The success of the Company is dependent on the abilities, experience, efforts and industry knowledge of its senior management and other key personnel. The long-term loss of the services of any key personnel for any reason could have a material adverse effect on the business, financial condition, results of operations or future prospects of the Company. In addition, the growth plans of the Company may require additional personnel, increase demands on management, and produce risks in both productivity and retention levels. The Company may not be able to attract and retain additional qualified management and personnel as needed in the future. There can be no assurance that the Company will be able to effectively manage its growth, and any failure to do so could have a material adverse effect on its business, financial condition, results of operations and future prospects.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

On January 20, 2021 the Company issued 2,500,000 common shares at $0.001 per share for proceeds of $2,500.

On April 14, 2021 the Company issued 8,000,000 common shares at $0.001 per share for proceeds of $8,000.

On April 16, 2021 the Company issued 6,500,000 common shares at $0.020 per share for proceeds of $130,000.

Total share issuance cost incurred during the period ended August 31, 2021 was $2,801.

As of the date of this MD&A, the following securities of the Company were outstanding:

Common Shares – 17,000,000

Warrants – 11,731,500

Finder's warrants – 187,200

OTHER INFORMATION AND BOARD APPROVAL

This MD&A has been reviewed and approved by the Board of Directors of the Company.

SCHEDULE C

ASEP FINANCIAL STATEMENTS

[*See Attached*]

CONDENSED INTERIM FINANCIAL STATEMENTS

(expressed in Canadian dollars)

For the three months and six months ended June 30, 2021

ASEP MEDICAL INC.
Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)

	June 30, 2021 (unaudited)	December 31, 2020
	$	$
Assets		
Current		
Cash	547,443	360,397
Subscriptions receivable	-	940,000
GST receivable	44,841	4,332
Prepaids and deposits	6,740	-
Accounts receivable	1,669	-
	600,693	1,304,729
Non-current		
Intangible asset (Note 5)	9,551	-
Equipment (Note 5)	4,081	-
Notes receivable (Note 6)	1,000,000	-
	1,614,325	1,304,729
Liabilities		
Current		
Accounts payable and accrued liabilities	14,125	83,709
Payroll tax payable	11,980	-
Accrued interest	73,736	-
Derivative liability (Note 8)	400,741	433,333
Convertible debentures (Note 8)	1,596,820	826,539
	2,097,402	1,343,581
Shareholders' Deficiency		
Share capital (Note 3)	303,000	1
Deficit	(786,077)	(38,853)
	(483,077)	(38,852)
	1,614,325	1,304,729

Going Concern (Note 1)
Subsequent Events (Note 10)

Approved by the Director:
"Michael Graw"
Michael Graw – Director

ASEP MEDICAL INC.

Condensed Interim Statements of Comprehensive Loss
(Expressed in Canadian dollars – Unaudited)

	Three months ended June 30, 2021	Six months ended June 30, 2021
	$	$
Operating expenses		
Accretion expense (Note 8)	164,712	326,108
Advertising	2,922	5,432
Amortization	505	505
Compensation	118,179	118,179
Consulting fees	360,998	384,878
Finders fees	500	15,580
Interest expense – convertible debenture	39,209	71,306
Legal & professional fees	83,427	90,207
General & administrative	1,965	2,288
	772,417	1,014,483
Unrealized gain on derivative liability (Note 8)	267,259	267,259
Loss and comprehensive loss for period	505,158	747,224
Basic and diluted loss per common share	(0.05)	(0.16)
Weighted average number of common shares outstanding	9,303,371	4,625,699

The accompanying notes are an integral part of the interim financial statements

ASEP MEDICAL INC.
Condensed Interim Statements of Changes in Equity (Deficiency)
(Expressed in Canadian dollars – Unaudited)

	Common Shares #	Share Capital $	Deficit $	Total Equity (Deficiency) $
Balance, December 31, 2020	**1**	**1**	**(38,853)**	**(38,852)**
Warrants exercised during the period	18,000,000	303,000	-	303,000
Shares cancelled during the period	(1)	(1)	-	(1)
Net loss for the period	-	-	(747,224)	(747,224)
Balance, June 30, 2021	**18,000,000**	**303,000**	**(786,077)**	**(483,077)**

The accompanying notes are an integral part of the interim financial statements

ASEP MEDICAL INC.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars – Unaudited)

	Six months ended June 30, 2021
Cash flows from:	**$**
Operating Activities	
Net loss for the period	(747,224)
Add items not affecting cash:	
Accretion expense	326,108
Unrealized gain on derivative liability	267,259
Amortization expense	505
	(687,870)
Changes in non-cash operating working capital items	
Accounts receivable	(1,669)
GST receivable	(40,509)
Prepaids and deposits	(6,740)
Accounts payable and accrued liabilities	(69,584)
Payroll tax payable	11,980
Accrued interest	73,736
	(720,656)
Investing Activities	
Notes receivable	(1,000,000)
Intangible asset - website	(9,999)
Equipment	(4,139)
	(1,014,138)
Financing Activities	
Proceeds from issuance of common shares	303,000
Proceeds from issuance of convertible debentures	1,644,000
Paid to cancel common share	(1)
Convertible debenture issuance fees	(25,160)
	1,921,839
(Decrease) increase in cash	187,045
Cash, beginning of period	360,397
Cash, end of period	547,442

The accompanying notes are an integral part of the interim financial statements

1. Nature of Operations and Going Concern

ASEP Medical Inc. (the "Company") was incorporated on August 12, 2020, under the laws of the province of British Columbia, Canada. The Company's records office and registered address are located at 200 – 931 Fort St, Victoria, British Columbia, Canada V8V 3K3.

The Company is in the business of investing in the health care sector. Initial investments will be focused on a patented early diagnostic tool for Sepsis and patented peptide therapeutic treatments for multiple applications.

On June 3, 2021, the Company entered into the Amalgamation Agreement (the "Amalgamation Agreement") with Trenchant Life Sciences Investment Corp. ("TLS") and 1295255 B.C. Ltd. ("NewCo"), pursuant to which the Company, TLS, and NewCo agreed to combine their respective businesses by way of a three-concerned amalgamation under the provisions of the *Business Corporations Act* (British Columbia). Upon completion of the transactions contemplated in the Amalgamation Agreement (being the completion of the amalgamation, the exercise of both of the ABT Option (as defined below) and Sepset Option (as defined below) and conditional approval to the list the common shares of TLS on the CSE), the resulting entity of the amalgamation between ASEP and SubCo (the "Amalgamation"),will be a wholly-owned subsidiary of TLS and the Resulting Issuer will carry on the business of ASEP.

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company is in the development stage and currently has no sources of cash from operations. Further funds will be required to successfully develop the Company's business and there is no certainty that these funds will be available. As at June 30, 2021 the Company had accumulated losses of $786,077 and a working capital deficiency of $1,496,709. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations and ultimately achieve profitable operations. Management intends to finance operating costs over the next twelve months with issuance of common shares, loans from directors and companies controlled by directors and/or profits from its business activities.

If the going concern basis was not appropriate for these condensed interim financial statements, then adjustments would be necessary to the carrying value of the assets and liabilities, the reported amount of expenses and the classifications used on the statement of financial position. Such adjustments could be material.

During the latter part of 2019, there was an outbreak of COVID-19 in China. By March 2020, this had spread to Northern America. The Canadian and U.S. governments placed restrictions on travel, business operations and isolation/quarantine orders as a result of the COVID-19 outbreak. At this time, the extent that these restrictions may impact on the Company is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. The duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada, U.S. and other countries may have a future impact on the Company. The Company will continue to monitor its operations and assess the impact that these restrictions will have on its business activities.

2. Statement of Compliance and Basis of Presentation

The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Board of Directors approved these condensed interim financial statements for issuance on November 9, 2021.

Basis of Presentation

The condensed interim financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, the interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed interim financial statements are presented in Canadian dollars, the Company's functional and presentation currency.

3. Significant Accounting Policies

Significant Estimates and Assumptions

The preparation of condensed interim 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.

Significant estimates in these financial statements include fair value measurements of financial instruments and measurement of deferred tax assets.

Significant Judgments

The preparation of condensed interim financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgment in applying the Company's accounting policies in these condensed interim financial statements was the recoverability of deferred tax assets and going concern.

Cash

Cash includes cash held with banks and funds held in trust.

3. Significant Accounting Policies – Continued

Financial Instruments

i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of the Company's financial assets and liabilities under IFRS

Financial assets/liabilities	Classification
Cash	FVTPL
Subscription receivable	Amortized cost
Notes receivable	FVTPL
Accounts payables and accrued liabilities	Amortized cost
Convertible debenture	Amortized cost
Derivative liability	FVTPL

ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial Assets and Liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are recognized in the statement of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recognized in the statement of comprehensive loss in the period in which they arise.

iii) Impairment of Financial Assets at Amortized Cost and Expected Credit Losses

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. The Company is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure requirements about expected credit losses and credit risk.

3. Significant Accounting Policies – Continued

Financial Instruments - Continued

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statement of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition of Financial Assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Derecognition of Financial Liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or when they expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (“CGU”) to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive loss.

3. Significant Accounting Policies – Continued

Impairment of Non-Financial Assets - Continued

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, however the increased carrying amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years.

Financing Costs

The costs related to equity transactions are deferred until the closing of the equity transactions. These costs are accounted for as a deduction from equity. Transaction costs of abandoned equity transactions are recognized in the statement of comprehensive loss.

Loss Per Share

Loss per share is computed by dividing net loss available to common shareholders by the weighted average number of outstanding common shares for the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of the exercise of stock options and warrants. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. In periods where a net loss is reported, outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are anti-dilutive. Diluted loss per share is equal to the basic loss per share as net losses were reported during the periods presented.

Equipment

Equipment is stated at historical cost less accumulated amortization and accumulated impairment losses. Cost includes costs paid to acquire assets from third parties as well as costs incurred in internally constructed assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss. Amortization is calculated as follows:

- Computer equipment is amortized on a straight-line basis over its estimated useful lives of 36 months starting when the asset is available for use.

No amortization is recorded where an asset is in development and not yet ready for its intended use.

3. Significant Accounting Policies – Continued

Intangible Assets

Intangible assets are recorded at cost less accumulated amortization and impairment losses, if any. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Amortization of definite life intangible assets is recognized on a straight-line basis over their estimated useful lives.

Income Taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income (loss) or equity is recognized in other comprehensive income (loss) or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets, against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

4. Financial Risks and Fair Values of Financial Instruments

Capital Management

The Company manages its capital to ensure that it will be able to continue as a going-concern while maximizing the return to stakeholders through the optimization of debt and equity balances.

The capital of the Company consists of items included in shareholder’s deficiency and convertible debentures.

(Expressed in Canadian dollars)

4. Financial Risks and Fair Values of Financial Instruments - Continued

Capital Management – Continued

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue equity or return capital to shareholders. The Company is not subject to external capital requirements.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk related to cash is assessed as low.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company intends to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As of June 30, 2021, the Company had working capital deficiency of $1,763,968.

The Company's contractual obligations at June 30, 2021 are as follows:

	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
Accounts payable and accrued liabilities	$ 14,125	$ -	$ -	$ 14,125
Payroll tax payable	11,980	-	-	11,980
Accrued interest	73,736	-	-	73,736
Convertible debentures	2,004,000	-	-	2,004,000
Total	$ 2,103,841	$ -	$ -	$ 2,103,841

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

(Expressed in Canadian dollars)

4. Financial Risks and Fair Values of Financial Instruments – Continued

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at December 31, 2020, the Company's convertible debentures are subject to interest rate price risk as they bear fixed rates of interest.

Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- 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 or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash is measured at fair value on a recurring basis using level 1. Notes receivable is measured at fair value on a recurring basis using level 3. Derivative liability is measured at fair value using level 3. The carrying values of accounts payable, accrued interest and convertible debentures approximates their fair values due to the relatively short-term maturity and current market rates of these financial instruments.

5. Equipment and Intangible Assets

	Equipment	Intangible Assets (Website)
Balance, December 31, 2020	-	-
Additions	4,139	9,999
Amortization	(58)	(448)
Balance, June 30, 2021	4,081	9,551

6. Notes Receivable

Agreement with ABT Innovations Inc.

On May 14, 2021 (the "ABT Effective Date"), the Company entered into an option agreement (the "ABT Option Agreement") with ABT Innovations Inc. ("ABT"). Under the ABT Option Agreement, the Company has the option (the "ABT Option") to acquire 50.1% of the common shares of ABT (the "ABT Shares") in exchange for aggregate cash consideration of $2,500,000.

The Company agreed to subscribe for, and ABT agrees to issue, unsecured convertible notes of ABT (the "ABT Notes") in the aggregate principal amount of up to $2,500,000 in five equal tranches of $500,000 on or prior to each of the dates (the "ABT Note Subscription Date") set forth below: (a) $500,000 on the ABT Effective Date; (b) $500,000 on the four month anniversary of the ABT Effective Date; (c) $500,000 on the eight month anniversary of the ABT Effective Date; (d) $500,000 on the twelve month anniversary of the ABT Effective Date; and (e) $500,000 on the last Business Day prior to the sixteen month anniversary of the ABT Effective Date. Notwithstanding the foregoing, the Company is not obligated to subscribe for any ABT Notes where a ABT Note Subscription Date occurs after the exercise date of the ABT Option. The ABT Notes are unsecured, non-interest bearing and repayable on the Maturity Date, being the earlier of the Expiry Date, September 14, 2022 and the Breach Date, the date on which the ABT Option Agreement is breached due to the

6. Notes Receivable – Continued

Agreement with ABT Innovations Inc. – Continued

Company's failure to fund the ABT Notes on the ABT Note Subscription Dates.

The ABT Notes can be converted by the Company at any time up to the Maturity Date and will be automatically converted, subject to there not being an occurrence of an event of default, into such number of ABT Shares on the Maturity Date as determined in accordance with the ABT Automatic Conversion Calculation (as defined below), and the ABT Note(s) shall be terminated, and the total aggregate principal amount shall be automatically applied towards satisfaction of the Company's payment for such shares. The number of ABT Shares to be determined by ABT on the Expiry Date, Breach Date or Default Date, as applicable, is calculated by dividing (A) by (B), and then rounding the quotient of such equation down to the nearest whole number, where (A) is the product obtained by multiplying: (a) the aggregate number of ABT Shares that are issued and outstanding, as of the Expiry Date, Breach Date or Default Date, as applicable, on a fully diluted basis assuming conversion of all outstanding convertible securities of ABT other than the ABT Notes, with (b) the product obtained by 10.02 multiplied by the number of ABT Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, and where (B) is the product obtained by subtracting: (c) the product obtained by 10.02 multiplied by the number of ABT Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, from (d) 100 (the "ABT Automatic Conversion Calculation"). On May 14, 2021, the Company subscribed for the $500,000 note referred to in (a) above.

In addition, pursuant to the terms of the ABT Option Agreement, all of the shareholders of ABT (excluding the University of British Columbia ("UBC")) granted the Company, subject to the exercise of the ABT Option, an option (the "ABT Additional Option") to acquire the remaining 49.9% equity interest in the capital of ABT from each of the shareholders of ABT (less the equity interest held by each of the Company and UBC), resulting in the Company holding a 100% equity interest in the capital of ABT after exercise of the ABT Additional Option and the UBC Option (as defined below). The Company may exercise the ABT Additional Option at any time prior to the third anniversary of the exercise by the Company of the ABT Option upon payment of an aggregate $20,000,000 (the "ABT Additional Option Exercise Price"), less the amount payable to UBC pursuant to the UBC Option Agreement (as defined below), payable pro rata to each of the shareholders of ABT (excluding the Company and UBC). The ABT Additional Option Exercise Price is payable as follows:

a. if the Company's shares (including any shares of any assignee of the Company, including, without limitation, TLS upon completion of the transactions contemplated in the Amalgamation Agreement) are listed on a recognized stock exchange, the ABT Additional Option Exercise Price, less the amount payable to UBC pursuant to the UBC Option Agreement, shall be payable to the shareholders of ABT (excluding the Company and UBC), on a pro rata basis: (A) in cash, as to an aggregate minimum of $5,000,000; and (B) in shares of the Company (or its assignees) as to the balance of the ABT Additional Option Exercise Price remaining after deduction of the cash portion advance under part (A), with such shares to be issued based on the 20-day volume-weighted average trading price of the Company (or its assignees) ending on the trading day preceding the date on which the Company provides notice to ABT that it is exercising the ABT Additional Option; or

6. Notes Receivable – Continued

Agreement with ABT Innovations Inc. - Continued

b. if the Company's shares are not listed on a recognized stock exchange, the ABT Additional Option Exercise Price shall be payable in cash, on a pro rata basis, as to the full $20,000,000, less the amount payable to UBC pursuant to the UBC Option Agreement.

Agreement with ABT Innovations Inc. and University of British Columbia

Concurrently with the entering into of the ABT Option Agreement, the Company, ABT and UBC entered into an option agreement (the "UBC Option Agreement") dated May 14, 2021, pursuant to which UBC granted the Company an option (the "UBC Option") to purchase all of the shares held by UBC in the capital of ABT in exchange for payment by the Company of UBC's pro rata interest of the ABT Additional Option Exercise Price. The UBC Option is conditional upon the Company exercising the ABT Additional Option and the license agreement between ABT and UBC dated April 25, 2017 being in good standing. Payment of UBC's pro rata portion of the ABT Additional Exercise Price shall be in the same manner as the Company's payment of the ABT Additional Option Exercise Price to the remaining shareholders of ABT pursuant to the terms of the ABT Option Agreement.

Agreement with Sepset Biosciences Inc.

On May 14, 2021 (the "Sepset Effective Date"), the Company entered into an option agreement (the "Sepset Option Agreement") with Sepset Biosciences Inc. ("Sepset"). Under Sepset Option Agreement, the Company has the option (the "Sepset Option") to acquire 50.1% of the common shares of Sepset (the "Sepset Shares") in exchange for aggregate cash consideration of $2,500,000.

The Company agrees to subscribe for, and Sepset agrees to issue, unsecured convertible notes of the Sepset (the "Sepset Notes") in the aggregate principal amount of up to $2,500,000 in five equal tranches of $500,000 on or prior to each of the dates (the "Sepset Note Subscription Date") set forth below: (a) $500,000 on the Sepset Effective Date; (b) $500,000 on the four month anniversary of the Sepset Effective Date; (c) $500,000 on the eight month anniversary of the Sepset Effective Date; (d) $500,000 on the twelve month anniversary of the Sepset Effective Date; and (e) $500,000 on the last Business Day prior to the sixteen month anniversary of the Sepset Effective Date. Notwithstanding the foregoing, the Company is not obligated to subscribe for any Sepset Notes where a Sepset Note Subscription Date occurs after the exercise date of the Sepset Option. The Sepset Notes are unsecured, non-interest bearing and repayable on the Maturity Date, being the earlier of the Expiry Date, September 14, 2022 and the Breach Date, the date on which the Sepset Option Agreement is breached due to the Company's failure to fund the Sepset Notes on the Sepset Note Subscription Dates.

The Sepset Notes can be converted by the Company at any time up to the Maturity Date and will be automatically converted, subject to there not being an occurrence of an event of default, into such number of shares on the Maturity Date as determined in accordance with the Sepset Automatic Conversion Calculation (as defined below), and the Sepset Note(s) shall be terminated, and the total aggregate principal amount shall be automatically applied towards satisfaction of the Company's payment for such shares. The number of Sepset Shares to be determined by Sepset on the Expiry Date, Breach Date or Default Date, as applicable, is calculated by dividing (A) by (B), and then rounding the quotient of such equation down to the nearest whole number, where (A) is the product obtained by multiplying: (a) the aggregate number of Sepset Shares that are issued and outstanding, as of the Expiry Date, Breach Date or Default Date, as applicable, on a fully diluted basis assuming

6. Notes Receivable – Continued

Agreement with Sepset Biosciences Inc. - Continued

conversion of all outstanding convertible securities of the Sepset other than the Sepset Notes, with (b) the product obtained by 10.02 multiplied by the number of Sepset Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, and where (B) is the product obtained by subtracting: (c) the product obtained by 10.02 multiplied by the number of Sepset Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, from (d) 100 (the "Sepset Automatic Conversion Calculation"). On May 14, 2021, the Company subscribed for the $500,000 note referred to in (a) above.

In addition, pursuant to the terms of the Sepset Option Agreement, all of the shareholders of Sepset granted the Company, subject to the exercise of the Sepset Option, an option (the "Sepset Additional Option") to acquire the remaining 49.9% equity interest in the capital of Sepset from each of the shareholders of Sepset (excluding the Company), resulting in the Company, after exercise of the Sepset Additional Option, holding a 100% equity interest in the capital of Sepset. The Company may exercise the Sepset Additional Option at any time prior to the third anniversary of the exercise by the Company of the Sepset Option upon payment of an aggregate $20,000,000 (the "Sepset Additional Option Exercise Price") payable pro rata to each of the shareholders of Sepset (excluding the Company). The Sepset Additional Option Exercise Price is payable as follows:

a. if the Company's shares (including any shares of any assignee of the Company, including, without limitation, TLS upon completion of the transactions contemplated in the Amalgamation Agreement) are listed on a recognized stock exchange, the Sepset Additional Option Exercise Price shall be payable to the shareholders of Sepset (excluding the Company), on a pro rata basis: (A) in cash, as to an aggregate minimum of $5,000,000; and (B) in shares of the Company (or its assignees) as to the balance of the Sepset Additional Option Exercise Price remaining after deduction of the cash portion advance under part (A), with such shares to be issued based on the 20-day volume-weighted average trading price of the Company (or its assignees) ending on the trading day preceding the date on which the Company provides notice to Sepset that it is exercising the Sepset Additional Option; or

b. if the Company's shares are not listed on a recognized stock exchange, the Sepset Additional Option Exercise Price shall be payable in cash, on a pro rata basis, as to the full $20,000,000.

7. Share Capital and Reserves

Shares

The Company is authorized to issue: (i) an unlimited number of Class A common voting shares without nominal or par value ("ASEP A Shares"), (ii) an unlimited number of Class B common non-voting shares without nominal or par value, and (iii) an unlimited number of Class C common non-voting shares without nominal or par value.

Issued Share Capital

As at June 30, 2021, the Company had 18,000,000 ASEP A Shares issued and outstanding and no other shares were issued and outstanding.

(Expressed in Canadian dollars)

7. Share Capital and Reserves – Continued

Issued Share Capital – Continued

During the six months ended June 30, 2021, the Company had the following transactions that resulted in the issuance of common stock:

- In May 2021, 18,000,000 share purchase warrants were exercised resulting in the issuance of 18,000,000 ASEP A Shares for total proceeds of $303,000.
- In May 2021, 1 ASEP A Share was cancelled and proceeds of $1 were repaid to the original shareholder.

Common Share Purchase Warrants

Common share purchase warrant transactions and the number of common share purchase warrants outstanding are summarized below:

	Number	Weighted Average Exercise Price $
Balance, December 31, 2020	18,000,000	0.017
Issued	-	-
Exercised	(18,000,000)	$ 0.017
Balance, June 30, 2021	-	-

8. Convertible Debentures

During the six months ended June 30, 2021, the Company issued $679,000 in convertible debentures to unrelated parties of the Company (the “Convertible Debentures) and $35,000 in Convertible Debentures to related parties of the Company. During the period from November 27, 2020 to December 31, 2020, the Company issued $1,300,000 in Convertible Debentures to unrelated parties of the Company. The Convertible Debentures bear interest at a rate of 8% per annum payable at maturity, mature one year from the date of issuance, and are secured by all of the property and undertaking of the Company.

As at June 30, 2021, $nil in subscriptions receivable (December 31, 2020 - $940,000) related to these Convertible Debentures were due to the Company.

Pursuant to the terms of the Convertible Debentures, upon a liquidity event (“Liquidity Event”), being the first to occur of: (a) an equity raise by the Company resulting in aggregate proceeds of no less than $5,000,000; or (b) the completion of a go public transaction and listing on a recognized stock exchange, the outstanding amount of the Convertible Debentures including interest accrued hereunder) shall automatically convert, in whole without any further action by the holder of the Convertible Debentures into one common share of the Company (a “Common Share”) at a conversion price equal to the lesser of (i) 75% of the offering price per share of the stock sold by the Company on the Liquidity Event or (ii) the price equal to the quotient of $8,000,000 divided by the aggregate number of outstanding shares of the Company’s common shares on the Liquidity Event (assuming full conversion or exercise of all convertible and exercisable securities then outstanding other than the Convertible Debentures). The “Conversion Price” will be subject to adjustment for stock splits, consolidations, dividends and similar events.

8. Convertible Debentures – Continued

In May and June 2021, in connection with the completion of the transactions contemplated under the Amalgamation Agreement, the holders of the Convertible Debentures agreed to amend the terms of the Convertible Debentures such that all principal payable under the Convertible Debentures would convert into ASEP A Shares on a certain date to be determined by the directors of the Company, calculated by dividing (A) by (B), where (A) is $8,000,000, and where (B) is the product obtained by adding (x) the number of ASEP A Shares that are issued and outstanding as of the date of the conversion on a fully diluted basis assuming conversion of all outstanding convertible securities of the Company other than the Convertible Debentures, with (y) the number of common shares issuable by TLS in connection with its non-brokered special warrant financing. All accrued interest payable in connection with the Convertible Debentures is to be paid in cash on the date of the conversion.

The conversion feature of the Convertible Debentures have been identified as an embedded derivative. The fair value of the derivative component was calculated using 75% of the offering price per share of the stock sold by the Company and was determined to be $668,000, with the residual amount of $1,336,000 being allocated to Convertible Debentures. At June 30, 2021, the derivative liability was revalued due to an amendment to the conversion price. The fair value of the derivative component was calculated using the Black–Scholes pricing model based on the following assumptions: expected dividend yield of 0%, expected volatility of 100%, risk-free rate of 0.094% and expected life of 3 months. The resultant fair value gain of $267,259 was recognized in the statement of loss for the six month period ended June 30, 2021.

In relation to the financing, the Company paid $118,740 in finder's fees. Finders fees of $77,160 were recorded as a reduction to the Convertible Debentures and $41,580 related to the derivative liability was expensed.

During the six months ended June 30, 2021, the Company recorded accretion expense of $337,980 to reflect the unwinding of the discount. As at June 30, 2021, $2,004,000 of the face value of Convertible Debenture notes remained outstanding (December 31, 2020 - $1,300,000).

9. Related Party Transactions and Balances

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

As at June 30, 2021, included in the accounts payable and accrued liabilities balance was $6,750 payable to a director and shareholder of the Company for issuance fees related to convertible debentures (December 31, 2020 - $nil).

In June 2021, the Company issued an aggregate of $35,000 in Convertible Debentures to related parties of the Company.

10. Subsequent Events

Issuance of Convertible Debentures

On July 3, 2021, the Company issued $15,000 in Convertible Debenture notes to unrelated parties of the Company under the same terms as disclosed in Note 8.

ASEP MEDICAL INC.

FINANCIAL STATEMENTS

(expressed in Canadian dollars)

For the period from August 12, 2020 (date of incorporation) to December 31, 2020

manning elliott

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Asep Medical Inc.

Opinion

We have audited the financial statements of Asep Medical Inc. which comprise the statement of financial position as at December 31, 2020, and the statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the period from incorporation on August 12, 2020 to December 31, 2020, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and its cash flows for the period from incorporation on August 12, 2020 to December 31, 2020 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Ryan Ayre.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
November 9, 2021

ASEP MEDICAL INC.
Statement of Financial Position
As at December 31, 2020

	2020
	$
Assets	
Current	
Cash	360,397
GST receivable	4,332
Subscriptions receivable (Note 6)	940,000
	1,304,729
Liabilities	
Current	
Accounts payable and accrued liabilities	83,709
Derivative liability (Note 6)	433,333
Convertible debentures (Note 6)	826,539
	1,343,581
Shareholder's Deficiency	
Common shares (Note 5)	1
Deficit	(38,853)
	(38,852)
	1,304,729

Going Concern (Note 1)
Subsequent Events (Note 9)

Approved by the Director:
"*Michael Graw*"
Michael Graw – Director

See accompanying notes to the financial statements

ASEP MEDICAL INC.

Statements of Loss and Comprehensive Loss
For the period from August 12, 2020 (date of incorporation) to December 31, 2020

	August 12, 2020 – December 31, 2020
	$
Operating expenses	
Finders' fees	26,000
Accretion expense (Note 6)	11,872
Legal and professional fees	2,558
Interest expense	2,493
General and administrative	1,908
Loss from operations	(44,831)
Other income and expenses	
Commission income	5,978
Loss and comprehensive loss for period	(38,853)
Basic and diluted loss per common share	(38,853)
Weighted average number of common shares outstanding	1

See accompanying notes to the financial statements

ASEP MEDICAL INC.

Statement of Changes in Equity (Deficiency)
For the period from August 12, 2020 (date of incorporation) to December 31, 2020

	Common Shares #	Common Shares $	Deficit $	Total Equity $
Issued on incorporation	1	1		1
Loss and comprehensive loss for the period	-	-	(38,853)	(38,853)
Balance, December 31, 2020	1	1	(38,853)	(38,852)

See accompanying notes to the financial statements

ASEP MEDICAL INC.
Statement of Cash Flows
For the Period August 12, 2020 (date of incorporation) to December 31, 2020

	$
Cash flows from:	
Operating Activities	
Net loss for period	(38,853)
Add items not affecting cash:	
Accretion expense	11,872
	(26,981)
Changes in non-cash operating working capital items	
GST receivable	(4,332)
Accounts payable and accrued liabilities	83,709
Cash flows from operating activities	52,396
Financing Activities	
Proceeds from issuance of convertible debentures	360,000
Convertible debenture issuance fees	(51,999)
	308,001
(Decrease) increase in cash	360,397
Cash, beginning of period	-
Cash, end of period	360,397

Financing Activities

Subscriptions receivable for convertible debentures	$ 940,000

See accompanying notes to the financial statements

ASEP MEDICAL INC.
Notes to the Financial Statements
(Expressed in Canadian dollars)
For the period August 12, 2020 (date of incorporation) to December 31, 2020

1. Nature of Operations and Going Concern

Asep Medical Inc. (the "Company") was incorporated on August 12, 2020, under the laws of the province of British Columbia, Canada. The Company's records office and registered address are located at 200 – 931 Fort St, Victoria, British Columbia, Canada V8V 3K3.

The Company is in the business of investing in the health care sector. Initial investments will be focused on a patented early diagnostic tool for Sepsis and patented peptide therapeutic treatments for multiple applications.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company is in the development stage and currently has no sources of cash from operations. Further funds will be required to successfully develop the Company's business and there is no certainty that these funds will be available. As at December 31, 2020 the Company had accumulated losses of $38,853 and had a working capital deficit of $38,852. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations and ultimately achieve profitable operations. Management intends to finance operating costs over the next twelve months with issuance of common shares, loans from directors and companies controlled by directors and/or profits from its business activities.

If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying value of the assets and liabilities, the reported amount of expenses and the classifications used on the statement of financial position. Such adjustments could be material.

During the latter part of 2019, there was an outbreak of COVID-19 in China. By March 2020, this had spread to Northern America. The Canadian and U.S. governments placed restrictions on travel, business operations and isolation/quarantine orders as a result of the COVID-19 outbreak. At this time, the extent that these restrictions may impact on the Company is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. The duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada, U.S. and other countries may have a future impact on the Company. The Company will continue to monitor its operations and assess the impact that these restrictions will have on its business activities.

2. Statement of Compliance and Basis of Presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Board of Directors approved these financial statements for issuance on November 9, 2021.

Basis of Presentation

The financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These financial statements are presented in Canadian dollars, the Company's functional and presentation currency.

3. Significant Accounting Policies

Significant Estimates and Assumptions

The preparation of 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.

Estimates and assumptions where there is a significant risk of material adjustments to assets and liabilities in future accounting periods include fair value measurements for financial instruments and measurement of deferred tax assets.

Significant Judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgment in applying the Company's accounting policies in these financial statements was the recoverability of deferred tax assets and going concern.

Cash

Cash includes cash held with banks and funds held in trust

3. Significant Accounting Policies – Continued

Financial Instruments

i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of the Company's financial assets and liabilities under IFRS

Financial assets/liabilities	Classification
Cash	FVTPL
Accounts payables and accrued liabilities	Amortized cost
Convertible debenture	Amortized cost

ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are recognized in the statement of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recognized in the statement of comprehensive loss in the period in which they arise.

iii) Impairment of Financial Assets at Amortized Cost and Expected Credit Losses

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. The Company is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure requirements about expected credit losses and credit risk.

3. Significant Accounting Policies – Continued

Financial Instruments – Continued

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statement of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition of Financial Assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Derecognition of Financial Liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or when they expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (“CGU”) to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive loss.

3. Significant Accounting Policies – Continued

Impairment of Non-Financial Assets - Continued

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, however the increased carrying amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years.

Financing Costs

The costs related to equity transactions are deferred until the closing of the equity transactions. These costs are accounted for as a deduction from equity. Transaction costs of abandoned equity transactions are recognized in the statement of comprehensive loss.

Loss Per Share

Loss per share is computed by dividing net loss available to common shareholders by the weighted average number of outstanding common shares for the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of the exercise of stock options and warrants. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. In periods where a net loss is reported, outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are anti-dilutive. Diluted loss per share is equal to the basic loss per share as net losses were reported during the periods presented.

Intangible Assets

Intangible assets are recorded at cost less accumulated amortization and impairment losses, if any. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Amortization of definite life intangible assets is recognized on a straight-line basis over their estimated useful lives.

Income Taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income (loss) or equity is recognized in other comprehensive income (loss) or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3. Significant Accounting Policies – Continued

Income Taxes – Continued

Deferred tax:

Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets, against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

4. Financial Risks and Fair Values of Financial Instruments

Capital Management

The Company manages its capital to ensure that it will be able to continue as a going-concern while maximizing the return to stakeholders through the optimization of debt and equity balances.

The capital of the Company consists of items included in shareholder's deficiency and convertible debentures.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue equity or return capital to shareholders. The Company is not subject to external capital requirements.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk related to cash is assessed as low.

(Expressed in Canadian dollars)

4. Financial Risks and Fair Values of Financial Instruments – Continued

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company intends to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As of December 31, 2020, the Company had working capital deficiency of $38,852.

The Company's contractual liabilities and obligations are as follows:

	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
Accounts payable and accrued liabilities	$ 83,709	$ -	$ -	$ 83,709
Derivative liability	433,333	-	-	433,333
Convertible debentures	826,539	-	-	826,539
Total	$ 1,343,581	$ -	$ -	$ 1,343,581

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at December 31, 2020, the Company's convertible debentures are subject to interest rate price risk as they bear fixed rates of interest.

Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- 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 or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash is measured at fair value on a recurring basis and identified at level 1. The carrying values of accounts payable and convertible debentures approximates their fair values due to the relatively short-term maturity and current market rates of these financial instruments.

(Expressed in Canadian dollars)

5. Capital and Reserves

Shares

The Company is authorized to issue: (i) an unlimited number of Class A common voting shares without nominal or par value ("ASEP A Shares"), (ii) an unlimited number of Class B common non-voting shares without nominal or par value, and (iii) an unlimited number of Class C common non-voting shares without nominal or par value.

Issued Share Capital

As at December 31, 2020, the Company had 1 ASEP A Share issued and outstanding and no other shares were issued and outstanding.

During the period from August 12, 2020 (date of incorporation) to December 31, 2020 the company issued 1 ASEP A Share upon incorporation. No other share issuances occurred during the period.

Common Share Purchase Warrants

Common share purchase warrant transactions and the number of common share purchase warrants outstanding are summarized below:

	Number	Weighted Average Exercise Price $
Balance, August 12, 2020	-	$ -
Issued	18,000,000	$ 0.017
Expired/Exercised/Cancelled	-	-
Balance, December 31, 2020	18,000,000	$ 0.017

Date of Expiry	Exercise Price	Number of Warrants Outstanding
May 31, 2021	$0.017	18,000,000

The fair value of the 3,000,000 warrants issued on October 31, 2020 and the 15,000,000 warrants issued on November 20, 2020 was $Nil. The warrants were valued using the Black-Scholes valuation model, using the following assumptions:

Term	Stock Price	Volatility	Dividend yield	Risk-free interest rate	Warrants granted	Fair Value
7 months	$ 0.001	100%	0%	0.17%	3,000,000	$ -

Term	Stock Price	Volatility	Dividend yield	Risk-free interest rate	Warrants granted	Fair Value
7 months	$ 0.001	100%	0%	0.18%	15,000,000	$ -

6. Convertible Debentures

During the period from November 27, 2020 to December 31, 2020, the Company issued $1,300,000 in convertible debentures to unrelated parties of the Company (the "Convertible Debentures"). The Convertible Debentures bear interest at a rate of 8% per annum payable at maturity, mature one year from the date of issuance and are secured by all of the property and undertaking of the Company. As at December 31, 2020, $940,000 in subscription receivable related to these Convertible Notes were due to the Company and were non-interest bearing and unsecured.

Pursuant to the terms of the Convertible Debentures, upon a liquidity event ("Liquidity Event"), being the first to occur of: (a) an equity raise by the Company resulting in aggregate proceeds of no less than $5,000,000; or (b) the completion of a go public transaction and listing on a recognized stock exchange, the outstanding amount of the Convertible Debentures including interest accrued thereunder shall automatically convert, in whole without any further action by the holder of the Convertible Debentures into one common share of the Company (a "Common Share") at a conversion price equal to the lesser of (i) 75% of the offering price per share of the stock sold by the Company on the Liquidity Event or (ii) the price equal to the quotient of $8,000,000 divided by the aggregate number of outstanding shares of the Company's common shares on the Liquidity Event (assuming full conversion or exercise of all convertible and exercisable securities then outstanding other than the Convertible Debentures). The "Conversion Price" will be subject to adjustment for stock splits, consolidations, dividends and similar events.

The fair value of the derivative component was determined to be $433,333, with the residual amount of $866,667 being allocated to convertible debentures. In relation to the financing, the Company paid $78,000 in finder's fees. Finders fees of $52,000 were recorded as a reduction to the convertible debentures and $26,000 related to the derivative liability was expensed.

During the period, the Company recorded accretion expense of $11,872 to reflect the unwinding of the discount. As at December 31, 2020, $1,300,000 of the convertible debenture notes remained outstanding.

7. Related Party Transactions and Balances

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

During the period August 12, 2020 (date of incorporation) and December 31, 2020, the Company incurred $nil in short-term benefits for key management personnel and entities over which they have control or significant influence.

(Expressed in Canadian dollars)

8. Income Taxes

The Company carries on business in Canada and accordingly would normally be subject to taxes in Canada on its operations at the Canadian statutory tax rate of 27%. The effective tax rate for the Company is different from the statutory rate for the following reasons:

For the period August 12, 2020 (date of incorporation) to December 31, 2020	
Accounting loss for the period	(38,853)
Effective tax recovery on such loss	10,490
Permanent and other differences	-
Change in unrecognized deductible temporary differences	(10,490)
Tax recovery (expense)	-

As at December 31, 2020, the Company had an unrecognized deferred tax assets related to non-capital loss carryforwards of $10,490. Non-capital loss carryforwards of approximately $38,853 are available to offset future taxable income and commence expiring in 2040.

9. Subsequent Events

Agreement with ABT Innovations Inc.

On May 14, 2021 (the “ABT Effective Date”), the Company entered into an option agreement (the “ABT Option Agreement”) with ABT Innovations Inc. (“ABT”). Under the ABT Option Agreement, the Company has the option (the “ABT Option”) to acquire 50.1% of the common shares of ABT (the “ABT Shares”) in exchange for aggregate cash consideration of $2,500,000.

The Company agreed to subscribe for, and ABT agrees to issue, unsecured convertible notes of ABT (the “ABT Notes”) in the aggregate principal amount of up to $2,500,000 in five equal tranches of $500,000 on or prior to each of the dates (the “ABT Note Subscription Date”) set forth below: (a) $500,000 on the ABT Effective Date; (b) $500,000 on the four month anniversary of the ABT Effective Date; (c) $500,000 on the eight month anniversary of the ABT Effective Date; (d) $500,000 on the twelve month anniversary of the ABT Effective Date; and (e) $500,000 on the last Business Day prior to the sixteen month anniversary of the ABT Effective Date. Notwithstanding the foregoing, the Company is not obligated to subscribe for any ABT Notes where a ABT Note Subscription Date occurs after the exercise date of the ABT Option. The ABT Notes are unsecured, non-interest bearing and repayable on the Maturity Date, being the earlier of the Expiry Date, September 14, 2022 and the Breach Date, the date on which the ABT Option Agreement is breached due to the Company’s failure to fund the ABT Notes on the ABT Note Subscription Dates.

9. Subsequent Events – Continued

Agreement with ABT Innovations Inc. – Continued

The ABT Notes can be converted by the Company at any time up to the Maturity Date and will be automatically converted, subject to there not being an occurrence of an event of default, into such number of ABT Shares on the Maturity Date as determined in accordance with the ABT Automatic Conversion Calculation (as defined below), and the ABT Note(s) shall be terminated, and the total aggregate principal amount shall be automatically applied towards satisfaction of the Company's payment for such shares. The number of ABT Shares to be determined by ABT on the Expiry Date, Breach Date or Default Date, as applicable, is calculated by dividing (A) by (B), and then rounding the quotient of such equation down to the nearest whole number, where (A) is the product obtained by multiplying: (a) the aggregate number of ABT Shares that are issued and outstanding, as of the Expiry Date, Breach Date or Default Date, as applicable, on a fully diluted basis assuming conversion of all outstanding convertible securities of ABT other than the ABT Notes, with (b) the product obtained by 10.02 multiplied by the number of ABT Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, and where (B) is the product obtained by subtracting: (c) the product obtained by 10.02 multiplied by the number of ABT Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, from (d) 100 (the "ABT Automatic Conversion Calculation"). On May 14, 2021, the Company subscribed for the $500,000 note referred to in (a) above.

In addition, pursuant to the terms of the ABT Option Agreement, all of the shareholders of ABT (excluding the University of British Columbia ("UBC")) granted the Company, subject to the exercise of the ABT Option, an option (the "ABT Additional Option") to acquire the remaining 49.9% equity interest in the capital of ABT from each of the shareholders of ABT (less the equity interest held by each of the Company and UBC), resulting in the Company holding a 100% equity interest in the capital of ABT after exercise of the ABT Additional Option and the UBC Option (as defined below). The Company may exercise the ABT Additional Option at any time prior to the third anniversary of the exercise by the Company of the ABT Option upon payment of an aggregate $20,000,000 (the "ABT Additional Option Exercise Price"), less the amount payable to UBC pursuant to the UBC Option Agreement (as defined below), payable pro rata to each of the shareholders of ABT (excluding the Company and UBC). The ABT Additional Option Exercise Price is payable as follows:

a. if the Company's shares (including any shares of any assignee of the Company, including, without limitation, TLS upon completion of the transactions contemplated in the Amalgamation Agreement) are listed on a recognized stock exchange, the ABT Additional Option Exercise Price, less the amount payable to UBC the amount payable to UBC pursuant to the UBC Option Agreement, shall be payable to the shareholders of ABT (excluding the Company or UBC), on a pro rata basis: (A) in cash, as to an aggregate minimum of $5,000,000; and (B) in shares of the Company (or its assignees) as to the balance of the ABT Additional Option Exercise Price remaining after deduction of the cash portion advance under part (A), with such shares to be issued based on the 20-day volume-weighted average trading price of the Company (or its assignees) ending on the trading day preceding the date on which the Company provides notice to ABT that it is exercising the ABT Additional Option; or

9. Subsequent Events – Continued

Agreement with ABT Innovations Inc. – Continued

b. if the Company's shares are not listed on a recognized stock exchange, the ABT Additional Option Exercise Price shall be payable in cash, on a pro rata basis, as to the full $20,000,000, less the amount payable to UBC pursuant to the UBC Option Agreement.

Agreement with ABT Innovations Inc. and University of British Columbia

Concurrently with the entering into of the ABT Option Agreement, the Company, ABT and UBC entered into an option agreement (the "UBC Option Agreement") dated May 14, 2021, pursuant to which UBC granted the Company an option (the "UBC Option") to purchase all of the shares held by UBC in the capital of ABT in exchange for payment by the Company of UBC's pro rata interest of the ABT Additional Option Exercise Price. The UBC Option is conditional upon the Company exercising the ABT Additional Option and the license agreement between ABT and UBC dated April 25, 2017 being in good standing. Payment of UBC's pro rata portion of the ABT Additional Exercise Price shall be in the same manner as the Company's payment of the ABT Additional Option Exercise Price to the remaining shareholders of ABT pursuant to the terms of the ABT Option Agreement.

Agreement with Sepset Biosciences Inc.

On May 14, 2021 (the "Sepset Effective Date"), the Company entered into an option agreement (the "Sepset Option Agreement") with Sepset Biosciences Inc. ("Sepset"). Under Sepset Option Agreement, the Company has the option (the "Sepset Option") to acquire 50.1% of the common shares of Sepset (the "Sepset Shares") in exchange for aggregate cash consideration of $2,500,000.

The Company agrees to subscribe for, and Sepset agrees to issue, unsecured convertible notes of the Sepset (the "Sepset Notes") in the aggregate principal amount of up to $2,500,000 in five equal tranches of $500,000 on or prior to each of the dates (the "Sepset Note Subscription Date") set forth below: (a) $500,000 on the Sepset Effective Date; (b) $500,000 on the four month anniversary of the Sepset Effective Date; (c) $500,000 on the eight month anniversary of the Sepset Effective Date; (d) $500,000 on the twelve month anniversary of the Sepset Effective Date; and (e) $500,000 on the last Business Day prior to the sixteen month anniversary of the Sepset Effective Date. Notwithstanding the foregoing, the Company is not obligated to subscribe for any Sepset Notes where a Sepset Note Subscription Date occurs after the exercise date of the Sepset Option. The Sepset Notes are unsecured, non-interest bearing and repayable on the Maturity Date, being the earlier of the Expiry Date, September 14, 2022 and the Breach Date, the date on which the Sepset Option Agreement is breached due to the Company's failure to fund the Sepset Notes on the Sepset Note Subscription Dates.

The Sepset Notes can be converted by the Company at any time up to the Maturity Date and will be automatically converted, subject to there not being an occurrence of an event of default, into such number of shares on the Maturity Date as determined in accordance with the Sepset Automatic Conversion Calculation (as defined below), and the Sepset Note(s) shall be terminated, and the total aggregate principal amount shall be automatically applied towards satisfaction of the

Subsequent Events – Continued

Agreement with Sepset Biosciences Inc. - Continued

Company's payment for such shares. The number of Sepset Shares to be determined by Sepset on the Expiry Date, Breach Date or Default Date, as applicable, is calculated by dividing (A) by (B), and then rounding the quotient of such equation down to the nearest whole number, where (A) is the product obtained by multiplying: (a) the aggregate number of Sepset Shares that are issued and outstanding, as of the Expiry Date, Breach Date or Default Date, as applicable, on a fully diluted basis assuming conversion of all outstanding convertible securities of the Sepset other than the Sepset Notes, with (b) the product obtained by 10.02 multiplied by the number of **9.**

Sepset Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, and where (B) is the product obtained by subtracting: (c) the product obtained by 10.02 multiplied by the number of Sepset Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, from (d) 100 (the "Sepset Automatic Conversion Calculation"). On May 14, 2021, the Company subscribed for the $500,000 note referred to in (a) above.

In addition, pursuant to the terms of the Sepset Option Agreement, all of the shareholders of Sepset granted the Company, subject to the exercise of the Sepset Option, an option (the "Sepset Additional Option") to acquire the remaining 49.9% equity interest in the capital of Sepset from each of the shareholders of Sepset (excluding the Company), resulting in the Company, after exercise of the Sepset Additional Option, holding a 100% equity interest in the capital of Sepset. The Company may exercise the Sepset Additional Option at any time prior to the third anniversary of the exercise by the Company of the Sepset Option upon payment of an aggregate $20,000,000 (the "Sepset Additional Option Exercise Price") payable pro rata to each of the shareholders of Sepset (excluding the Company). The Sepset Additional Option Exercise Price is payable as follows:

a. if the Company's shares (including any shares of any assignee of the Company, including, without limitation, TLS upon completion of the transactions contemplated in the Amalgamation Agreement) are listed on a recognized stock exchange, the Sepset Additional Option Exercise Price shall be payable to the shareholders of Sepset (excluding the Company), on a pro rata basis: (A) in cash, as to an aggregate minimum of $5,000,000; and (B) in shares of the Company (or its assignees) as to the balance of the Sepset Additional Option Exercise Price remaining after deduction of the cash portion advance under part (A), with such shares to be issued based on the 20-day volume-weighted average trading price of the Company (or its assignees) ending on the trading day preceding the date on which the Company provides notice to Sepset that it is exercising the Sepset Additional Option; or

b. if the Company's shares are not listed on a recognized stock exchange, the Sepset Additional Option Exercise Price shall be payable in cash, on a pro rata basis, as to the full $20,000,000.

9. Subsequent Events – Continued

Issuance of Convertible Debentures

From January 1, 2021 to July 3, 2021, the Company issued $694,000 in Convertible Debenture notes to unrelated parties of the Company and $35,000 to related parties of the Company under the same terms as disclosed in Note 5.

Issuance of Common Shares

In May 2021, 18,000,000 warrants were exercised resulting in the issuance of 18,000,000 ASEP A Shares for total proceeds of $303,000.

Amalgamation Agreement

On June 3, 2021, the Company entered into the Amalgamation Agreement (the "Amalgamation Agreement") Trenchant Life Sciences Investment Corp. ("TLS") and 1295255 B.C. Ltd. ("NewCo"), pursuant to which the Company, TLS, and NewCo agreed to combine their respective businesses by way of a three-concerned amalgamation under the provisions of the *Business Corporations Act* (British Columbia). Pursuant to the terms of the Amalgamation Agreement, each ASEP A Share shall be exchanged for one common share of TLS. Upon completion of the transaction contemplated under the Amalgamation Agreement (being the completion of the amalgamation, the exercise of both of the ABT Option and Sepset Option and conditional approval to the list the common shares of TLS on the CSE) the resulting entity of the amalgamation, will be a wholly-owned subsidiary of TLS and the subsequent resulting issuer will carry on the business of ASEP.

Convertible Debentures Amendment

In May and June 2021, in connection with the completion of the transactions contemplated under the Amalgamation Agreement, the holders of the Convertible Debentures agreed to amend the terms of the Convertible Debentures such that all principal payable under the Convertible Debentures would convert into ASEP A Shares on a certain date to be determined by the directors of the Company, calculated by dividing (A) by (B), where (A) is $8,000,000, and where (B) is the product obtained by adding (x) the number of ASEP A Shares that are issued and outstanding as of the date of the conversion on a fully diluted basis assuming conversion of all outstanding convertible securities of the Company other than the Convertible Debentures, with (y) the number of common shares issuable by TLS in connection with its non-brokered special warrant financing. All accrued interest payable in connection with the Convertible Debentures is to be paid in cash on the date of the conversion.

SCHEDULE D

MANAGEMENT'S DISCUSSION & ANALYSIS OF ASEP

[*See Attached*]

ASEP MEDICAL INC.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2021

(expressed in Canadian dollars)

Dated: November 9, 2021

ASEP MEDICAL INC.

Interim Management's Discussion and Analysis

For the three months and six months ended June 30, 2021

INTRODUCTION

The following Management's Discussion and Analysis ("**MD&A**") is prepared and provides a review of the performance of ASEP Medical Inc. ("**ASEP**" or the "**Company**"). This MD&A should be read in conjunction with the Company's auditor reviewed interim financial statements for the three months and six months ended June 30, 2021 and related notes included therein (the "**Financial Statements**"). The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All amounts are expressed in Canadian dollars unless stated otherwise. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements.

Throughout this MD&A, "we", "us", "our", "Company" and "ASEP" refer to the operations of ASEP. This MD&A provides information that the management of the Company believes is important to assess and understand the results of operations and financial conditions of the Company.

This MD&A is dated November 9, 2021, and is current to this date. The MD&A and the Financial Statements were approved and authorized for issuance by the Board of Directors.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements that constitute "forward-looking statements". All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the Company's future financial position and results of operations, strategy, proposed acquisitions, plans, objectives, goals and targets, and any statements preceded by, followed by, or that include the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions, are forward-looking statements. These statements are not historical facts but instead represent only the Company's expectation, estimate and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, risks associated with: limited operational history; inability to generate earnings or pay dividends for the foreseeable future; no current assets other than cash; uncertain ability to raise additional funds when required; lack of liquidity for shareholders of the Company; legislative or regulatory reform and compliance; competition; retention and acquisition of skilled personnel; access to capital; ability to exercise the ABT Option (as defined below) and the Sepset Option (as defined below); research and development; results from clinical trials; and receipt of regulatory approvals. See "Risks and Uncertainties".

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in the forward-looking statements, there may be other

factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that any forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated. The reader is cautioned not to place undue reliance on any forward-looking statements contained in this MD&A. Such forward-looking statements are presented for the purpose of assisting investors in understanding the Company's expected financial and operating performance and the Company's plans and objectives in making an investment decision and may not be appropriate for other purposes. All forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The Company disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements, or to reflect the occurrence of anticipated or unanticipated events, except as required by applicable laws.

COMPANY OVERVIEW

ASEP was incorporated on August 12, 2020 pursuant to the provisions of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") under the name "1261038 B.C. Ltd.". On April 20, 2021, ASEP filed a notice of alteration changing its name from "1261038 B.C. Ltd." to "ASEP Medical Inc.". ASEP's head office is located at Suite 420 – 730 View Street, Victoria, British Columbia, Canada, V8W 3Y7 and its registered and records office is located at Suite 200 – 931 Fort Street, Victoria, British Columbia, Canada, V8V 3K3.

As of the date of this MD&A, ASEP has no active business and was incorporated for the purposes of raising capital in order to facilitate the entry into and eventual exercise of option agreements with ABT Innovations Inc. ("**ABT**") and Sepset Biosciences Inc. ("**Sepset**").

OVERALL PERFORMANCE

Agreement with ABT Innovations Inc.

On May 14, 2021 (the "**ABT Effective Date**"), the Company entered into an option agreement (the "**ABT Option Agreement**") with ABT. Under the ABT Option Agreement, the Company has the option (the "**ABT Option**") to acquire 50.1% of the common shares of ABT (the "**ABT Shares**") in exchange for aggregate cash consideration of $2,500,000.

The Company agreed to subscribe for, and ABT agrees to issue, unsecured convertible notes of ABT (the "**ABT Notes**") in the aggregate principal amount of up to $2,500,000 in five equal tranches of $500,000 on or prior to each of the dates (the "**ABT Note Subscription Date**") set forth below: (a) $500,000 on the ABT Effective Date; (b) $500,000 on the four month anniversary of the ABT Effective Date; (c) $500,000 on the eight month anniversary of the ABT Effective Date; (d) $500,000 on the twelve month anniversary of the ABT Effective Date; and (e) $500,000 on the last Business Day prior to the sixteen month anniversary of the ABT Effective Date. Notwithstanding the foregoing, the Company is not obligated to subscribe for any ABT Notes where a ABT Note Subscription Date occurs after the exercise date of the ABT Option. The ABT Notes are unsecured, non-interest bearing and repayable on the Maturity Date, being the earlier of the Expiry Date, September 14, 2022 and the Breach Date, the date on which the ABT Option Agreement is breached due to the Company's failure to fund the ABT Notes on the ABT Note Subscription Dates.

The ABT Notes can be converted by the Company at any time up to the Maturity Date (as defined in the ABT Option Agreement) and will be automatically converted, subject to there not being an occurrence of an event of default, into such number of ABT Shares on the Maturity Date as determined in accordance with the ABT Automatic Conversion Calculation (as defined below), and the ABT Note(s) shall be

terminated, and the total aggregate principal amount shall be automatically applied towards satisfaction of the Company's payment for such shares. The number of ABT Shares to be determined by ABT on the Expiry Date, Breach Date or Default Date, as applicable, is calculated by dividing (A) by (B), and then rounding the quotient of such equation down to the nearest whole number, where (A) is the product obtained by multiplying: (a) the aggregate number of ABT Shares that are issued and outstanding, as of the Expiry Date, Breach Date or Default Date, as applicable, on a fully diluted basis assuming conversion of all outstanding convertible securities of ABT other than the ABT Notes, with (b) the product obtained by 10.02 multiplied by the number of ABT Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, and where (B) is the product obtained by subtracting: (c) the product obtained by 10.02 multiplied by the number of ABT Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, from (d) 100 (the "**ABT Automatic Conversion Calculation**"). On May 14, 2021, the Company subscribed for the $500,000 note referred to in (a) above.

In addition, pursuant to the terms of the ABT Option Agreement, all of the shareholders of ABT (excluding the University of British Columbia ("**UBC**")) granted the Company, subject to the exercise of the ABT Option, an option (the "**ABT Additional Option**") to acquire the remaining 49.9% equity interest in the capital of ABT from each of the shareholders of ABT (less the equity interest held by each of the Company and UBC), resulting in the Company holding a 100% equity interest in the capital of ABT after exercise of the ABT Additional Option and the UBC Option (as defined below). The Company may exercise the ABT Additional Option at any time prior to the third anniversary of the exercise by the Company of the ABT Option upon payment of an aggregate $20,000,000 (the "**ABT Additional Option Exercise Price**"), less the amount payable to UBC pursuant to the UBC Option Agreement (as defined below), payable pro rata to each of the shareholders of ABT (excluding the Company and UBC). The ABT Additional Option Exercise Price is payable as follows:

a. if the Company's shares (including any shares of any assignee of the Company, including, without limitation, TLS (as defined below) upon completion of the transactions contemplated in the Amalgamation Agreement) are listed on a recognized stock exchange, the ABT Additional Option Exercise Price, less the amount payable to UBC pursuant to the UBC Option Agreement, shall be payable to the shareholders of ABT (excluding the Company and UBC), on a pro rata basis: (A) in cash, as to an aggregate minimum of $5,000,000; and (B) in shares of the Company (or its assignees) as to the balance of the ABT Additional Option Exercise Price remaining after deduction of the cash portion advance under part (A), with such shares to be issued based on the 20-day volume-weighted average trading price of the Company (or its assignees) ending on the trading day preceding the date on which the Company provides notice to ABT that it is exercising the ABT Additional Option; or

b. if the Company's shares are not listed on a recognized stock exchange, the ABT Additional Option Exercise Price shall be payable in cash, on a pro rata basis, as to the full $20,000,000, less the amount payable to UBC pursuant to the UBC Option Agreement.

<u>Agreement with ABT Innovations Inc. and University of British Columbia</u>

Concurrently with the entering into of the ABT Option Agreement, the Company, ABT and UBC entered into an option agreement (the "**UBC Option Agreement**") dated May 14, 2021, pursuant to which UBC granted the Company an option (the "**UBC Option**") to purchase all of the shares held by UBC in the capital of ABT in exchange for payment by the Company of UBC's pro rata interest of the ABT Additional Option

Exercise Price. The UBC Option is conditional upon the Company exercising the ABT Additional Option and the license agreement between ABT and UBC dated April 25, 2017 being in good standing. Payment of UBC's pro rata portion of the ABT Additional Exercise Price shall be in the same manner as the Company's payment of the ABT Additional Option Exercise Price to the remaining shareholders of ABT pursuant to the terms of the ABT Option Agreement.

Agreement with Sepset Biosciences Inc.

On May 14, 2021 (the "**Sepset Effective Date**"), the Company entered into an option agreement (the "**Sepset Option Agreement**") with Sepset. Under Sepset Option Agreement, the Company has the option (the "**Sepset Option**") to acquire 50.1% of the common shares of Sepset (the "**Sepset Shares**") in exchange for aggregate cash consideration of $2,500,000.

The Company agrees to subscribe for, and Sepset agrees to issue, unsecured convertible notes of the Sepset (the "**Sepset Notes**") in the aggregate principal amount of up to $2,500,000 in five equal tranches of $500,000 on or prior to each of the dates (the "**Sepset Note Subscription Date**") set forth below: (a) $500,000 on the Sepset Effective Date; (b) $500,000 on the four month anniversary of the Sepset Effective Date; (c) $500,000 on the eight month anniversary of the Sepset Effective Date; (d) $500,000 on the twelve month anniversary of the Sepset Effective Date; and (e) $500,000 on the last Business Day prior to the sixteen month anniversary of the Sepset Effective Date. Notwithstanding the foregoing, the Company is not obligated to subscribe for any Sepset Notes where a Sepset Note Subscription Date occurs after the exercise date of the Sepset Option. The Sepset Notes are unsecured, non-interest bearing and repayable on the Maturity Date, being the earlier of the Expiry Date, September 14, 2022 and the Breach Date, the date on which the Sepset Option Agreement is breached due to the Company's failure to fund the Sepset Notes on the Sepset Note Subscription Dates.

The Sepset Notes can be converted by the Company at any time up to the Maturity Date (as defined in the Sepset Option Agreement) and will be automatically converted, subject to there not being an occurrence of an event of default, into such number of shares on the Maturity Date as determined in accordance with the Sepset Automatic Conversion Calculation (as defined below), and the Sepset Note(s) shall be terminated, and the total aggregate principal amount shall be automatically applied towards satisfaction of the Company's payment for such shares. The number of Sepset Shares to be determined by Sepset on the Expiry Date, Breach Date or Default Date, as applicable, is calculated by dividing (A) by (B), and then rounding the quotient of such equation down to the nearest whole number, where (A) is the product obtained by multiplying: (a) the aggregate number of Sepset Shares that are issued and outstanding, as of the Expiry Date, Breach Date or Default Date, as applicable, on a fully diluted basis assuming conversion of all outstanding convertible securities of the Sepset other than the Sepset Notes, with (b) the product obtained by 10.02 multiplied by the number of Sepset Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, and where (B) is the product obtained by subtracting: (c) the product obtained by 10.02 multiplied by the number of Sepset Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, from (d) 100 (the "**Sepset Automatic Conversion Calculation**"). On May 14, 2021, the Company subscribed for the $500,000 note referred to in (a) above.

In addition, pursuant to the terms of the Sepset Option Agreement, all of the shareholders of Sepset granted the Company, subject to the exercise of the Sepset Option, an option (the "**Sepset Additional Option**") to acquire the remaining 49.9% equity interest in the capital of Sepset from each of the shareholders of Sepset (excluding the Company), resulting in the Company, after exercise of the Sepset

Additional Option, holding a 100% equity interest in the capital of Sepset. The Company may exercise the Sepset Additional Option at any time prior to the third anniversary of the exercise by the Company of the Sepset Option upon payment of an aggregate $20,000,000 (the "**Sepset Additional Option Exercise Price**") payable pro rata to each of the shareholders of Sepset (excluding the Company). The Sepset Additional Option Exercise Price is payable as follows:

a. if the Company's shares (including any shares of any assignee of the Company, including, without limitation, TLS upon completion of the transactions contemplated in the Amalgamation Agreement) are listed on a recognized stock exchange, the Sepset Additional Option Exercise Price shall be payable to the shareholders of Sepset (excluding the Company), on a pro rata basis: (A) in cash, as to an aggregate minimum of $5,000,000; and (B) in shares of the Company (or its assignees) as to the balance of the Sepset Additional Option Exercise Price remaining after deduction of the cash portion advance under part (A), with such shares to be issued based on the 20-day volume-weighted average trading price of the Company (or its assignees) ending on the trading day preceding the date on which the Company provides notice to Sepset that it is exercising the Sepset Additional Option; or

b. if the Company's shares are not listed on a recognized stock exchange, the Sepset Additional Option Exercise Price shall be payable in cash, on a pro rata basis, as to the full $20,000,000.

Private Placement

On various dates in January 2021, February 2021 and June 2021, the Company conducted a non-brokered private placement of convertible debentures (the "**ASEP Debentures**") raising proceeds in the amount of $714,000. The Company issued ASEP Debentures in the amount of $679,000 in the three months ended March 31, 2021 to unrelated parties of the Company and $35,000 in the three months ended June 30, 2021 to related parties of the Company. Prior to the six months ended June 30, 2021, the Company has issued ASEP Debentures to unrelated parties of the Company in the amount of $1,300,000. The ASEP Debentures bear interest at a rate of 8% per annum payable at maturity, mature one year from the date of issuance and are secured by all of the property and undertaking of the Company. Pursuant to the terms of the ASEP Debentures, upon a liquidity event (the "**Liquidity Event**"), being the first to occur of: (a) an equity raise by the Company resulting in aggregate proceeds of no less than $5,000,000; or (b) the completion of a go public transaction and listing on a recognized stock exchange, the outstanding amount of the ASEP Debentures, including interest accrued thereunder, would automatically convert, in whole and without any further action by the holder of the ASEP Debenture into one (1) ASEP A Share at a conversion price equal to the lesser of (i) 75% of the offering price per share of the stock sold by the Company on the Liquidity Event, or (ii) the price equal to the quotient of $8,000,000 divided by the aggregate number of outstanding common shares of the Company on the Liquidity Event (assuming full conversion or exercise of all convertible and exercisable securities then outstanding other than the ASEP Debentures). The conversion price is subject to adjustment for stock splits, consolidations, dividends and similar events.

On various dates in May and June 2021, in connection with the completion of the transactions contemplated under the Amalgamation Agreement (as defined below), the holders of the ASEP Debentures agreed to amend the terms of the ASEP Debentures such that all principal payable under the ASEP Debentures would convert into ASEP A Shares on a certain date to be determined by the directors

of the Company, calculated by dividing (A) by (B), where (A) is $8,000,000, and where (B) is the product obtained by adding (x) the number of ASEP A Shares that are issued and outstanding as of the date of the conversion on a fully diluted basis assuming conversion of all outstanding convertible securities of the Company other than the ASEP Debentures, with (y) the number of common shares issuable by TLS (as defined below) in connection with its non-brokered special warrant financing. All accrued interest payable in connection with the ASEP Debentures is to be paid in cash on the date of the conversion.

Human Resources

On March 1, 2021, the Company entered into an employment agreement with Dr. Fadia Saad, pursuant to which Dr. Saad agreed to provide certain management services to ASEP, including but not limited to acting as Chief Business Development Officer of ASEP. As consideration for the services to be provided by Dr. Saad, the Company agreed to pay a monthly fee of $15,000, less statutory deductions. Dr. Saad is also eligible for an annual performance bonus up to 20% of base salary determinable at the absolute discretion of the ASEP board. The employment agreement may be terminated: (a) at any time by Dr. Saad by giving a minimum of thirty (30) days written notice to ASEP; (b) without notice or payment in lieu of notice, for sufficient cause by ASEP at any time; or (c) at any time by ASEP without the requirement to show cause, provided ASEP pays Dr. Saad an amount equal to six (6) months' salary in the event of termination before the end of a 3-year period. Thereafter, severance will be additional to six (6) month's salary and commensurate to years of service and consistent with legislation as may be in effect at the time of termination.

On March 1, 2021, the Company entered into an employment agreement with Jennifer Gretchen, pursuant to which Ms. Gretchen agreed to provide certain management services to ASEP, including but not limited to acting as CFO of ASEP. As consideration for the services to be provided by Ms. Gretchen, the Company agreed to pay a monthly fee of $12,500, less statutory deductions. Ms. Gretchen is also eligible for an annual performance bonus up to 25% of base salary determinable at the absolute discretion of the ASEP board. The contractor agreement may be terminated: (a) at any time by Ms. Gretchen by giving a minimum of thirty (30) days written notice to ASEP; (b) without notice or payment in lieu of notice, for sufficient cause by ASEP at any time; or (c) at any time by ASEP without the requirement to show cause, provided ASEP pays Ms. Gretchen an amount equal to six (6) months' salary in the event of termination before the end of a 3-year period. Thereafter, severance will be additional to six (6) month's salary and commensurate to years of service and consistent with legislation as may be in effect at the time of termination.

On March 1, 2021, the Company entered into a consultancy agreement with RAM Advisors, Inc., pursuant to which RAM Advisors, Inc. agreed to provide, through its principal Rudy Mazzocchi, certain management services to ASEP, including but not limited to acting as CEO and Executive Chairman of ASEP. As consideration for the services to be provided by RAM Advisors, Inc., the Company agreed to pay a monthly fee of $20,000. RAM Advisors, Inc. is also eligible for an annual performance bonus up to 25% of base salary determinable at the absolute discretion of the ASEP board. The RAM Consulting Agreement may be terminated: (a) at any time by RAM Advisors, Inc. by giving a minimum of thirty (30) days written notice to ASEP; or (b)at any time by ASEP by giving a minimum of six (6) months written notice to RAM Advisors, Inc.

On April 1, 2021, the Company entered into a consulting agreement with Michael Graw, a director of the Company, pursuant to which Michael Graw agreed to provide certain management services to ASEP, including but not limited to, business, financing and operational services. The term of the agreement was

for a period of three months. As consideration for the services to be provided by Michael Graw, the Company agreed to pay a month fee of $25,000.

On April 1, 2021, the Company entered into a consulting agreement with Burton Financial Inc., pursuant to which Burton Financial Inc. agreed to provide certain management services to ASEP, including but not limited to, business, financing and operational services. The term of the agreement was for a period of three months. As consideration for the services to be provided by Burton Financial Inc., the Company agreed to pay a month fee of $25,000. In addition, the Company agreed to pay Burton Financial Inc. a bonus fee equal to $150,000 in the event the Company completed a "Corporate Event". Pursuant to the terms of the consulting agreement, a "Corporate Event" is defined to include: (i) a merger, amalgamation, consolidation, reorganization or arrangement of the Company with or into another corporation (other than a merger, amalgamation, consolidation, reorganization or arrangement of the Company with one or more of its subsidiaries), involving the Company and any other corporation or other entity or person in which the persons who were the shareholders of the Company immediately prior to such merger, amalgamation, reorganization, consolidation or other transaction own shares representing in the aggregate less than fifty percent (50%) of the votes attaching to the outstanding voting shares of the surviving or continuing entity after such merger, amalgamation, reorganization, consolidation or other transaction; (ii) the sale, exchange or transfer by the Company's shareholders, in a single transaction or series of related transactions, of shares representing not less than a majority of the votes attaching to the outstanding voting shares of the Company; (iii) the sale, lease, license, abandonment, transfer or other disposition of all or substantially all the assets of the Company; or (iv) any other acquisition of the business of the Company as determined by the Board of Directors. The bonus fee is payable in cash upon closing of the Corporate Event.

Amalgamation Agreement

On June 3, 2021, the Company entered into an amalgamation agreement (the "**Amalgamation Agreement**") between the Company, Trenchant Life Sciences Investment Corp. ("**TLS**") and 1295277 B.C. Ltd. ("**NewCo**"), a wholly owned subsidiary of TLS, pursuant to which TLS, the Company and NewCo agreed to combine their respective businesses by way of a three-cornered amalgamation under the provisions of the BCBCA. Pursuant to the terms of the Amalgamation Agreement, the holders of the ASEP A Shares would receive one (1) common share of TLS in exchange for each ASEP A Share held. The completion of the transactions contemplated under the Amalgamation Agreement subject to a number of conditions, including, but not limited to, the completion by TLS of a special warrant financing raising proceeds of at least $5,000,000, receipt of conditional approval from the Canadian Securities Exchange (the "**CSE**") for the listing of the shares of TLS for trading on the CSE, the receipt of all regulatory approvals and the exercise of the Sepset Option and the ABT Option. Upon completion of the transactions contemplated under the Amalgamation Agreement, the business of TLS and the Company will be the business of Sepset and ABT.

SELECTED ANNUAL INFORMATION

The following table sets out selected financial information as at and for the three-month and six-month periods ended June 30, 2021.

	As at June 30, 2021	**As at December 31, 2021**
Current Assets	600,693	1,304,729

Total Assets	1,614,325	1,304,729
Total Liabilities	2,097,402	1,343,581

	Three months ended June 30, 2021	Six months ended June 30, 2021
Total Revenue	$nil	$nil
Net loss and comprehensive loss	505,158	747,224
Basic and diluted loss per share	(0.05)	(0.16)
Weighted average number of shares outstanding	9,303,371	4,625,699
Dividends	$nil	$nil

DISCUSSION OF OPERATIONS

Consolidated Statement of Comprehensive Loss

	Three months ended June 30, 2021	Six months ended June 30, 2021
Research revenue	$nil	$nil
Operating expenses		
Accretion expense	164,712	326,108
Advertising	2,922	5,432
Amortization	505	505
Compensation	118,179	118,179
Consulting fees	360,998	384,878
Finders' fees	500	15,580
Interest expense – convertible debenture	39,209	71,306
Legal & professional fees	83,427	90,207
General & administrative	1,965	2,288
	772,417	1,014,483
Unrealized gain on derivative liability	267,259	267,259
Loss and comprehensive loss for period	505,158	747,224

Accretion Expense

Accretion expense of $326,108 was incurred for the six-month period ending June 30, 2021 related to the unwinding of the discount of the ASEP Debentures.

Advertising Expense

Advertising expense of $5,432 was incurred for the six-month period ending June 30, 2021 related to branding and logo design.

Compensation Expense

Compensation expense of $118,179 was incurred for the six-month period ending June 30, 2021 related to the salaries and wages of employees hired in March 2021.

Consulting Fees

Consulting costs of $384,878 was incurred for the six-month period ending June 30, 2021 related to executive compensation, transaction consulting fees, and financial consulting services.

Finders Fees

Finders fees of $15,580 were incurred for the six-month period ending June 30, 2021 related to the convertible debenture funds raised for the period.

Interest Expense – Convertible Debenture

Interest expense of $71,306 was incurred for the six-month period ending June 30, 2021 for interest accrued on the convertible debentures held by the Company. The annual interest rate on the convertible debentures is 8%.

Legal & Professional Fees

Legal and professional fees of $90,207 was incurred for the six-month period ending June 30, 2021 mainly related legal costs for the proposed transactions as discussed in the "Proposed Transactions" section of this MD&A.

Unrealized Loss on Derivative Liability

At June 30, 2021, the derivative liability was revalued due to an amendment to the conversion price. The resultant fair value gain of $267,259 was recognized in the statement of loss for the six-month period ended June 30, 2021.

LIQUIDITY AND CAPITAL RESOURCES

ASEP is a development stage company that had $nil revenue for the three-month and six-month periods ending June 30, 2021. As at June 30, 2021, the Company had negative operating cash flows, which are expected to continue in the near future. As a development stage company, the Company requires significant additional investment to fulfill the Company's investment plans. As at June 30, 2021, the Company has financed its cash requirements through the ASEP Debentures. The Company has not entered into any other debt arrangements. The Company's ability to continue as a going concern is dependent upon obtaining additional investment capital.

Based on the foregoing, the Company will continue to pursue various funding options and opportunities; however, no assurances can be made that the Company will be successful in raising additional investment capital, to continue as a going concern. If the Company are not able to raise capital, the Company will have to reduce its cash requirements by amending the Company's investment plans and objectives.

For the six-month period ending June 30, 2021, there was a net cash outflow from operating activities of $720,656. Expressed in tabular form, the net cash used for operations is as follows:

Net loss from operations for the period, less non-cash items	$(687,870)
Change in accounts receivable	(1,669)

Change in GST receivable	(40,509)
Change in prepaids and deposits	(6,740)
Change in accounts payable and accrued liabilities	(69,584)
Change in payroll tax payable	11,980
Change in accrued interest	73,736
Decrease in net cash used for operations	$(720,656)

As at June 30, 2021, the Company had a working capital deficiency of $1,496,709.

The Company's contractual liabilities and obligations are as follows:

	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
Accounts payable and accrued liabilities	$ 14,125	$ -	$ -	$ 14,125
Payroll tax payable	11,980			11,980
Accrued interest	73,736	-	-	73,736
Convertible debentures	2,004,000	-	-	2,004,000
Total	$ 2,103,841	$ -	$ -	$ 2,103,841

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at June 30, 2021.

TRANSACTIONS BETWEEN RELATED PARTIES

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

As disclosed in the Financial Statements for the three-month and six-month periods ending June 30, 2021, the Company had the following related party balance and transactions:

- During the three-month and six-month period ending June 30, 2021, the Company incurred $nil in short-term benefits for key management personnel and entities over which they have control or significant influence.
- As at June 30, 2021, included in the accounts payable and accrued liabilities balance was $6,750 payable to Michael Graw, a director and shareholder of the Company, for issuance fees related to convertible debentures (2020 - $nil).
- In June 2021, the Company issued ASEP Debentures in the amount of $35,000 to related parties of the Company, of which $25,000 was issued to Fadia Saad, Chief Business Development Officer; and $10,000 was issued to Jen Gretchen, Chief Financial Officer.

CHANGES IN ACCOUNTING POLICIES

The Company had no changes to accounting policies for the three months and six months ended June

30, 2021.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at June 30, 2021, the Company's financial instruments consisted of cast, accounts payable and accrued liabilities and convertible debentures.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("**FVTPL**"), at fair value through other comprehensive income (loss) ("**FVTOCI**"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of the Company's financial assets and liabilities under IFRS

Financial assets/liabilities	**Classification**
Cash	FVTPL
Subscription receivable	Amortized cost
Notes receivable	FVTPL
Accounts payables and accrued liabilities	Amortized cost
Convertible debenture	Amortized cost
Derivative liability	FVTPL

Measurement

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are recognized in the statement of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recognized in the statement of comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost and expected credit losses

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. The Company is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure requirements about expected credit losses and credit risk.

OUTSTANDING SHARE DATA

The authorized capital of the Company consists of an unlimited number of Class A Common Voting shares, without par value, of which 18,000,000 are issued and outstanding, an unlimited number of Class B Common Voting shares, without par value, of which zero (0) are issued and outstanding, and an unlimited number of Class C Common Non-Voting shares, without par value, of which zero (0) are issued and outstanding.

RISK FACTORS

The business of the Company is subject to risks and hazard, some of which are beyond the Company's control. Management of the Company defines risk as the evaluation of probability that an event might happen in the future that could negatively affect the financial condition and/or results of operations of Company. The following section describes specific and general risks that could affect the Company. The following descriptions of risk do not include all possible risks as there may be other risks of which management is currently unaware. Moreover, the likelihood that a risk will occur or the nature and extent of its consequences if it does occur, is not possible to predict with certainty, and the actual effect of any risk or its consequences on the business could be materially different from those described below.

1. Limited Operating History

The Company has a limited operating history upon which its business and future prospects may be evaluated. The Company was incorporated for the purposes of raising capital in order to facilitate the entry into and eventual exercise of the Sepset Option and the ABT Option. In the event the Company exercises the Sepset Option and the ABT Option, the Company will be in the pre-revenue phase and as such, it is difficult to make accurate predictions and forecasts of its finances. This is compounded by the fact that the Company intends to operate in the health science industry, which is rapidly evolving. There is no guarantee that the Company's products and services will be attractive to potential consumers.

2. Access to Capital

In executing its business plan, the Company will need to raise financing in order to exercise the Sepset Option and the ABT Option. While the Company has raised financing to date, there is no guarantee that the Company will be able to raise the remaining amounts required to exercise the Sepset Option and the ABT Option. Further, once exercised, the Company will need to make substantial investments and other expenditures related to acquisitions, research and development and marketing acting. The Company will have further capital requirements and other expenditures as it proceeds to expand its business or take advantage of opportunities for acquisitions or other business opportunities that may be presented to it. The Company may incur major unanticipated liabilities or expenses. The Company can provide no assurance that it will be able to obtain financing to meeting its capital requirements.

3. Issuance of Debt

From time to time, the Company may enter into transactions to acquire assets or shares of other organizations or seek to obtain additional working capital. These transactions may be financed in whole or in part with debt, which may increase the Company's debt levels above industry standard for companies of similar sizes. The level of the Company's indebtedness from time to time could impair the Company's ability to obtain additional financing on a timely basis to take advantage of business opportunities that

may arise. The Company's inability to service any debts as required may have a materially adverse impact on results and operations of Company.

4. Lack of Operating Cash Flow

The Company does not currently have a source of operating cash flow and this trend is expected to continue for the foreseeable future, even after exercise of the Sepset Option and ABT Option. The Company's failure to achieve profitability and positive operating cash flows could have a material adverse effect on its financial condition and results of operations. If the Company sustains losses over an extended period of time, it may be unable to continue its business. Further research and preclinical or clinical development of the Company's therapies and products will require the commitment of substantial financial resources. It may be several years before the Company may generate any revenues from operations, if at all. There can be no assurance that the Company will realize revenue or achieve profitability.

5. Uncertainty about the Company's ability to continue as a going concern

The Company's ability to continue as a going concern is dependent upon its ability in the future to execute on its business opportunities and achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity and debt, will be sought to finance the operations of the Company; however, there can be no certainty that such funds will be available on acceptable terms. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

6. Financial Projections

The Company's actual financial position and results of operations may differ materially from management's expectations. As a result, the Company's revenue, net income and cash flow may differ materially from the Company's projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

7. Estimates or Judgments Relating to Critical Accounting Policies

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Company bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, as provided in the notes to the Financial Statements, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. The Company's operating results may be adversely affected if the assumptions change or if actual circumstances differ from those in the assumptions, which could cause the Company's operating results to fall below the expectations of investors. Significant assumptions and estimates used in preparing the financial statements include those

related to the credit quality of accounts receivable, income tax credits receivable, share based payments, impairment of non-financial assets, fair value of intangible assets, as well as revenue and cost recognition.

8. No History of Payment of Cash Dividends

The Company has never declared or paid cash dividends on its shares. Upon exercise of the Sepset Option and the ABT Option, the Company intends to retain future earnings to finance the operation, development and expansion of the business. The Company does not anticipate paying cash dividends in the foreseeable future. Payment of future cash dividends, if any, will be at the discretion of the board of directors of the Company and will depend on the Company's financial condition, results of operations, contractual restrictions, capital requirements, business prospects and other factors that the board of directors of the Company considers relevant.

9. Risks associated with ABT and Sepset

As previously noted, in order to achieve its business goals, the Company will need to exercise the Sepset Option and the ABT Option. On exercise of the Sepset Option and the ABT Option, the Company's financial condition and results of operations will be affected by the performance of the companies in which it invests. Each investee company will also be subject to risks and uncertainties which will affect their respective financial conditions. While it is impossible to outline every risk or uncertainty that each of Sepset and ABT will face, management believes the typical risks which each of Sepset and ABT may face include the following:

a. **Delays and Difficulties with Clinical Trials** - Clinical trials for treatment candidates require identification and enrollment of a large number of volunteers or eligible patients. ABT or Sepset may not be able to enroll sufficient volunteers or eligible patients to complete clinical trials in a timely manner or at all. Patient enrollment is a function of many factors, including the following: design of the protocol, size of the patient population, eligibility criteria for the study in question, perceived risks and benefits of the drug under study, availability of competing therapies, efforts to facilitate timely enrollment in clinical trials, patient referral practices of physicians, and availability of clinical trial sites. If ABT or Sepset have difficulty enrolling sufficient volunteers or patients to conduct its clinical trials as planned, they may need to delay, forego or terminate ongoing clinical trials. This may have a material adverse effect on ABT or Sepset's financial condition or results of operations.

b. **Adverse Effects** - ABT or Sepset's potential product candidates are still in preclinical or clinical development and as such, they have a high risk of failure. If serious adverse or intolerable side effects are identified during the development of the product candidates, ABT or Sepset may need to abandon their development or limit development to certain uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk benefit perspective. It is impossible to predict when or if any of ABT or Sepset's product candidates will prove effective or safe in humans or will receive regulatory approval. If serious adverse or intolerable side effects are identified post-approval, ABT or Sepset's may need to recall its products and depending on the serious adverse event or intolerable side effects, ABT or Sepset may have to abandon the product completely and could be subject to substantial product liability claims. ABT or Sepset may be able to limit sales to certain uses or

subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective.

c. **Clinical Data** - The clinical effectiveness and safety of any of ABT or Sepset's developmental products is not yet supported by clinical data and the medical community has not yet developed a large body of peer-reviewed literature that supports the safety and efficacy of ABT or Sepset's potential products. If future studies call into question the safety or efficacy of ABT or Sepset's potential products, ABT or Sepset's business, financial condition, and results of operations could be adversely affected.

d. **Unproven Market** - The Company believes that the anticipated market for ABT or Sepset's potential products and technologies if successfully developed will continue to exist and expand. These assumptions may prove to be incorrect for a variety of reasons, including competition from other products and the degree of commercial viability of the potential product.

e. **Raw Materials** - Raw materials and supplies are generally available in quantities to meet ABT or Sepset's needs. ABT or Sepset will be dependent on third-party manufacturers for the products that it markets. An inability to obtain raw materials or product supplies could have a material adverse impact on ABT or Sepset's business, financial condition and results of operations.

f. **Key Personnel** - Although ABT or Sepset are expected to have experienced senior management and personnel, ABT or Sepset will be substantially dependent upon the services of a few key technical personnel, particularly Dr. Robert E.W. Hancock, Dr. Fadia Saad and Dr. Evan Haney as well as certain other medical research professionals engaged for the successful operation of ABT or Sepset's businesses. Phase I of ABT or Sepset's research and development is planned to be completed by qualified professionals and is expected to concentrate on treatment of bacterial biofilm infections. The loss of the services of any of these personnel could have a material adverse effect on the business of ABT or Sepset. ABT or Sepset may not be able to attract and retain personnel on acceptable terms given the intense competition for such personnel among high technology enterprises, including biotechnology, and healthcare companies, universities and non-profit research institutions. If ABT or Sepset loses any of these persons, or is unable to attract and retain qualified personnel, the business, financial condition and results of operations may be materially and adversely affected.

g. **Commercialization of Products** - ABT or Sepset's ability to generate revenues and achieve profitability depends on ABT or Sepset's ability to successfully complete the development of its products, obtain market and regulatory approval and generate significant revenues. The future success of ABT or Sepset's business cannot be determined at this time, and the Company does not anticipate ABT or Sepset generating revenues from product sales for the foreseeable future. In addition, ABT or Sepset will face a number of challenges with respect to its future commercialization efforts, including, among others, that:

    i. ABT or Sepset may not have adequate financial or other resources to complete the development of its various products or medical therapies, including two stages of

clinical development that are necessary in order to commercialize such products or medical therapies;

ii. ABT or Sepset's may not be able to manufacture its products in commercial quantities, at an adequate quality or at an acceptable cost;

iii. ABT or Sepset may never receive FDA or Health Canada approval for its intended products or medical therapies;

iv. ABT or Sepset may not be able to establish adequate sales, marketing and distribution channels;

v. healthcare professionals and patients may not accept ABT or Sepset's product candidates;

vi. technological breakthroughs in sepsis treatment and prevention may reduce the demand for the Sepset's product candidates; and

vii. changes in the market for sepsis treatment, new alliances between existing market participants and the entrance of new market participants may interfere with the Sepset's market penetration efforts.

h. **Proprietary Intellectual Property Rights** - ABT or Sepset's ability to compete may depend on the superiority, uniqueness and value of any intellectual property and technology that it may develop. To the extent ABT or Sepset is able to do so, to protect any proprietary rights of ABT or Sepset, ABT or Sepset intends to rely on a combination of patent, trademark, copyright and trade secret laws, confidentiality agreements with its employees and third parties, and protective contractual provisions. Despite these efforts, any of the following occurrences may reduce the value of any of the Company's intellectual property:

i. issued patents, trademarks and registered copyrights may not provide ABT or Sepset with competitive advantages and ABT or Sepset's efforts to protect its current intellectual property rights may not be effective in preventing misappropriation of any its products or intellectual property;

ii. another party may assert a blocking patent and ABT or Sepset would need to either obtain a license or design around the patent in order to continue to offer the contested feature or service in its products; and

iii. the expiration of patent or other intellectual property protections for any assets owned by ABT or Sepset could result in significant competition, potentially at any time and without notice, resulting in a significant reduction in sales. The effect of the loss of these protections on ABT or Sepset and its financial results will depend, among other things, upon the nature of the market and the position of ABT or Sepset's products in the market from time to time, the growth of the market, the complexities and economics of manufacturing a competitive product and regulatory approval requirements but the impact could be material and adverse.

i. **Legal Proceedings** - From time to time, ABT or Sepset may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom it does business and other proceedings arising in the ordinary course of business. It is expected that ABT or Sepset will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. Assessing and predicting the outcome of these matters involves substantial uncertainties. Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in established reserves, could have an adverse impact on ABT or Sepset's financial results.

j. Competition - An increase in other companies competing in the industry could limit the ability of ABT or Sepset's potential of expanding its operations. Current and new competitors may have better capitalization, a longer operating history, more expertise and able to develop higher quality equipment or products, at the same or a lower cost. The Company will not be able to provide assurances that ABT or Sepset will be able to compete successfully against current and future competitors. Competitive pressures that the ABT or Sepset may face could have a material adverse effect on its business, operating results and financial condition.

If ABT or Sepset are unable to meet any one or more of these challenges successfully, ABT or Sepset's ability to effectively commercialize its product candidates could be limited, which in turn could have a material adverse effect on the Company's business, financial condition and results of operations.

SUBSEQUENT EVENTS

1. On various dates in July 2021, the Company issued ASEP Debentures for aggregate proceeds of $15,000.

ASEP MEDICAL INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE PERIOD FROM INCORPORATION ON AUGUST 12, 2020 TO DECEMBER 31, 2020

(expressed in Canadian dollars)

Dated: November 9, 2021

ASEP MEDICAL INC.

Management's Discussion and Analysis

For the period from incorporation on August 12, 2020 to December 31, 2020

INTRODUCTION

The following Management's Discussion and Analysis ("**MD&A**") is prepared and provides a review of the performance of ASEP Medical Inc. ("**ASEP**" or the "**Company**"). This MD&A should be read in conjunction with the Company's audited financial statements for the period from incorporation on August 12, 2020 to December 31, 2020 and related notes included therein (the "**Financial Statements**"). The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All amounts are expressed in Canadian dollars unless stated otherwise. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements.

Throughout this MD&A, "we", "us", "our", "Company" and "ASEP" refer to the operations of ASEP. This MD&A provides information that the management of the Company believes is important to assess and understand the results of operations and financial conditions of the Company.

This MD&A is dated November 9, 2021, and is current to this date. The MD&A and the Financial Statements were approved and authorized for issuance by the Board of Directors.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements that constitute "forward-looking statements". All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the Company's future financial position and results of operations, strategy, proposed acquisitions, plans, objectives, goals and targets, and any statements preceded by, followed by, or that include the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions, are forward-looking statements. These statements are not historical facts but instead represent only the Company's expectation, estimate and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, risks associated with: limited operational history; inability to generate earnings or pay dividends for the foreseeable future; no current assets other than cash; uncertain ability to raise additional funds when required; lack of liquidity for shareholders of the Company; legislative or regulatory reform and compliance; competition; retention and acquisition of skilled personnel; access to capital; ability to exercise the ABT Option (as defined below) and Sepset Option (as defined below); research and development; results from clinical trials; and receipt of regulatory approvals. See "Risks and Uncertainties".

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in the forward-looking statements, there may be other

factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that any forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated. The reader is cautioned not to place undue reliance on any forward-looking statements contained in this MD&A. Such forward-looking statements are presented for the purpose of assisting investors in understanding the Company's expected financial and operating performance and the Company's plans and objectives in making an investment decision and may not be appropriate for other purposes. All forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The Company disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements, or to reflect the occurrence of anticipated or unanticipated events, except as required by applicable laws.

COMPANY OVERVIEW

ASEP was incorporated on August 12, 2020 pursuant to the provisions of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") under the name "1261038 B.C. Ltd.". On April 20, 2021, ASEP filed a notice of alteration changing its name from "1261038 B.C. Ltd." to "ASEP Medical Inc.". ASEP's head office is located at Suite 420 – 730 View Street, Victoria, British Columbia, Canada, V8W 3Y7 and its registered and records office is located at Suite 200 – 931 Fort Street, Victoria, British Columbia, Canada, V8V 3K3.

As of the date of this MD&A, ASEP has no active business and was incorporated for the purposes of raising capital in order to facilitate the entry into and eventual exercise of option agreements with ABT Innovations Inc. ("**ABT**") and Sepset Biosciences Inc. ("**Sepset**").

OVERALL PERFORMANCE

On August 12, 2020, the Company issued one (1) Class A Common Voting share (the "**ASEP A Shares**") at $1.00 per ASEP A Share for proceeds of $1.00.

On October 19, 2020, the Company entered into a Letter of Intent (the "**Sepset LOI**") with Sepset setting out the fundamental terms by which Sepset would grant the Company an option to purchase a 50.1% fully-diluted equity interest in Sepset in consideration for the payment of $2,500,000 (the "**Sepset Purchase Price**"). Sepset was incorporated on April 23, 2015 pursuant to the provisions of the BCBCA under the name "Sepset Biosciences Inc." for the purposes of ensuring the commercialization of a diagnostic kit for predicting the onset of severe sepsis and organ failure that was developed by its founder, Dr. Robert E.W. Hancock. Pursuant to the terms of the Sepset LOI, the Sepset Purchase Price was payable in tranches as follows:

- $500,000 cash payable upon signing of the definitive agreement (the "**Sepset Closing Date**");
- $500,000 cash payable on the 4-month anniversary of the Sepset Closing Date;
- $500,000 cash payable on the 8-month anniversary of the Sepset Closing Date;
- $500,000 cash payable on the 12-month anniversary of the Sepset Closing Date; and
- $500,000 cash payable on the 16-month anniversary of the Sepset Closing Date.

On October 19, 2020, the Company entered into a Letter of Intent (the "**ABT LOI**") with ABT setting out the fundamental terms by which ABT would grant the Company an option to purchase a 50.1% fully-diluted equity interest in ABT in consideration for the payment of $2,500,000 (the "**ABT Purchase Price**"). ABT was incorporated on April 23, 2015 pursuant to the provisions of the BCBCA under the name "ABT Innovations Inc." for the purpose of ensuring the commercialization of broad peptide technology developed by its founder, Dr. Robert E.W. Hancock. Pursuant to the terms of the ABT LOI, the ABT Purchase Price was payable in tranches as follows:

- $500,000 cash payable upon signing of the definitive agreement (the "**ABT Closing Date**");
- $500,000 cash payable on the 4-month anniversary of the ABT Closing Date;
- $500,000 cash payable on the 8-month anniversary of the ABT Closing Date;
- $500,000 cash payable on the 12-month anniversary of the ABT Closing Date; and
- $500,000 cash payable on the 16-month anniversary of the ABT Closing Date.

On October 31, 2020, the Company issued an aggregate of 3,000,000 share purchase warrants entitling the holders of such share purchase warrants to acquire an aggregate of 3,000,000 ASEP A Shares for a purchase price of $0.001 per share purchase warrant.

On November 20, 2020, the Company issued an aggregate of 15,000,000 share purchase warrants entitling the holders of such share purchase warrants to acquire an aggregate of 15,000,0000 ASEP A Shares for a purchase price of $0.02 per share purchase warrant.

On various dates in December 2020, the Company conducted a non-brokered private placement of convertible debentures (the "**ASEP Debentures**") raising proceeds in the amount of $1,300,000, of which $940,000 was recorded in receivable as of December 31, 2020 and received subsequent to the period end. The ASEP Debentures bear interest at a rate of 8% per annum payable at maturity, mature one year from the date of issuance and are secured by all of the property and undertaking of the Company. Pursuant to the terms of the ASEP Debentures, upon a liquidity event (the "**Liquidity Event**"), being the first to occur of: (a) an equity raise by the Company resulting in aggregate proceeds of no less than $5,000,000; or (b) the completion of a go public transaction and listing on a recognized stock exchange, the outstanding amount of the ASEP Debentures, including interest accrued thereunder, would automatically convert, in whole and without any further action by the holder of the ASEP Debenture into one (1) ASEP A Share at a conversion price equal to the lesser of (i) 75% of the offering price per share of the stock sold by the Company on the Liquidity Event, or (ii) the price equal to the quotient of $8,000,000 divided by the aggregate number of outstanding common shares of the Company on the Liquidity Event (assuming full conversion or exercise of all convertible and exercisable securities then outstanding other than the ASEP Debentures). The conversion price is subject to adjustment for stock splits, consolidations, dividends and similar events.

SELECTED FINANCIAL INFORMATION

The following table sets out selected annual financial information for the financial year ended December 31, 2020. The financial data has been audited in accordance with Canadian Auditing Standards.

	For the period August 12, 2020 to December 31, 2020
Total Revenue	-
Current Assets	$1,304,397
Total Assets	$1,304,397
Total Liabilities	$1,343,581
Net loss and comprehensive loss	$(38,853)
Basic and diluted loss per share	$(38,853)
Weighted average number of shares outstanding	1
Dividends	-

DISCUSSION OF OPERATIONS

Annual Operating Expenses

	For the period August 12, 2020 to December 31, 2020
Finders' fees	$26,000
Accretion expense	$11,872
Legal and professional fees	$2,558
Total operating expenses	$(40,430)

Operating expenses for the period August 12, 2020 – December 31, 2020 were $40,430. The majority of these costs were finders fees of $26,000 related to fees paid certain parties in connection with the funds raised from the ASEP Debentures. Additional expense of $11,872 was accretion expense related to the unwinding of the discount of the ASEP Debentures.

Financial Condition

Statement of Financial Position As at December 31, 2020	
Assets	
Current	
Cash	$360,397
GST receivable	$4,332
Subscriptions receivable	$940,000
	$1,304,729
Liabilities	
Current	
Accounts payable and accrued liabilities	$83,709
Derivative liability	$433,333
Convertible debentures	$826,539

	$1,343,581
Shareholder's Deficiency	
Common shares	1
Deficit	$(38,853)
	$(38,852)
	$1,304,729

Subscriptions Receivable

As at December 31, 2020, $940,000 in subscription receivable related to the ASEP Debentures were due to the Company and were non-interest bearing and unsecured.

ASEP Debentures

During the period from November 27, 2020 to December 31, 2020, the Company issued $1,300,000 in ASEP Debentures to unrelated parties of the Company. The ASEP Debentures bear interest at a rate of 8% per annum payable at maturity, mature one year from the date of issuance and are secured by all of the property and undertaking of the Company. None of the ASEP Debentures have been registered.

Derivative Liability

The fair value of the derivative component of the ASEP Debentures was determined to be $433,333, with the residual amount of $866,667 being allocated to ASEP Debentures. In relation to the financing, the Company paid $78,000 in finder's fees. Finders fees of $52,000 were recorded as a reduction to the ASEP Debentures and $26,000 related to the derivative liability was expensed.

LIQUIDITY AND CAPITAL RESOURCES

ASEP is a development stage company that had $nil revenue for the period August 12, 2020 – December 31, 2020. As at December 31, 2020, the Company had negative operating cash flows, which are expected to continue in the near future. As a development stage company, the Company requires significant additional investment to fulfill the Company's investment plans. As at December 31, 2020, the Company has financed its cash requirements through the ASEP Debentures. The Company has not entered into any other debt arrangements. The Company's ability to continue as a going concern is dependent upon obtaining additional investment capital.

Based on the foregoing, the Company will continue to pursue various funding options and opportunities; however, no assurances can be made that the Company will be successful in raising additional investment capital, to continue as a going concern. If the Company is not able to raise capital, the Company will have to reduce its cash requirements by amending the Company's investment plans and objectives.

For the period August 12, 2020 to December 31, 2020, there was a net cash outflow from operating activities of $360,397. Expressed in tabular form, the net cash used for operations is as follows:

Net loss from operations for the period, less non-cash items	$(26,981)
Change in GST receivable	$(4,332)
Change in accounts payable and accrued liabilities	$83,709

Decrease in net cash used for operations	$(52,396)

As at December 31, 2020, the Company had a working capital deficiency of $38,853.

The Company's contractual liabilities and obligations are as follows:

	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
Accounts payable and accrued liabilities	$ 83,709	$ -	$ -	$ 83,709
Derivative liability	433,333	-	-	433,333
Convertible debentures	826,539	-	-	826,539
Total	$ 1,343,581	$ -	$ -	$ 1,343,581

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at December 31, 2020.

TRANSACTIONS BETWEEN RELATED PARTIES

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activists of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's board of directors and corporate officers.

As disclosed in the Financial Statements for the year ended December 31, 2020, the Company had the following related party balance and transactions:

- During the period from August 12, 2020 to December 31, 2020, the Company incurred $nil in short-term benefits for key management personnel and entities over which they have control or significant influence.

FOURTH QUARTER

The Company did not experience any events or circumstances in the fourth quarter that impacted the financial condition, performance or cash flows.

CHANGES IN ACCOUNTING POLICIES

The Company had no changes to accounting policies for the period from August 12, 2020 to December 31, 2020.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at December 31, 2020, the Company's financial instruments consist of cash, accounts payables and accrued liabilities and convertible debentures.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("**FVTPL**"), at fair value through other comprehensive income (loss) ("**FVTOCI**"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of the Company's financial assets and liabilities under IFRS

Financial assets/liabilities	**Classification**
Cash	FVTPL
Accounts payables and accrued liabilities	Amortized cost
Convertible debenture	Amortized cost

Measurement

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are recognized in the statement of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recognized in the statement of comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost and expected credit losses

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. The Company is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure requirements about expected credit losses and credit risk.

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statement of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

OUTSTANDING SHARE DATA

The authorized capital of the Company consists of an unlimited number of Class A Common Voting shares, without par value, of which one (1) is issued and outstanding, an unlimited number of Class B Common Voting shares, without par value, of which zero (0) are issued and outstanding, and an unlimited number of Class C Common Non-Voting shares, without par value, of which zero (0) are issued and outstanding.

The Company also has 18,000,000 outstanding share purchase warrants entitling the holders thereof to purchase one ASEP A Share for each share purchase warrant, upon terms and conditions contained in its respective warrant certificate.

RISK FACTORS

The business of the Company is subject to risks and hazard, some of which are beyond the Company's control. Management of the Company defines risk as the evaluation of probability that an event might happen in the future that could negatively affect the financial condition and/or results of operations of Company. The following section describes specific and general risks that could affect the Company. The following descriptions of risk do not include all possible risks as there may be other risks of which management is currently unaware. Moreover, the likelihood that a risk will occur or the nature and extent of its consequences if it does occur, is not possible to predict with certainty, and the actual effect of any risk or its consequences on the business could be materially different from those described below.

1. Limited Operating History

The Company has a limited operating history upon which its business and future prospects may be evaluated. The Company was incorporated for the purposes of raising capital in order to facilitate the entry into and eventual exercise of the Sepset Option and the ABT Option. In the event the Company exercises the Sepset Option and the ABT Option, the Company will be in the pre-revenue phase and as such, it is difficult to make accurate predictions and forecasts of its finances. This is compounded by the fact that the Company intends to operate in the health science industry, which is rapidly evolving. There is no guarantee that the Company's products and services will be attractive to potential consumers.

2. Access to Capital

In executing its business plan, the Company will need to raise financing in order to exercise the Sepset Option and the ABT Option. While the Company has raised financing to date, there is no guarantee that the Company will be able to raise the remaining amounts required to exercise the Sepset Option and the ABT Option. Further, once exercised, the Company will need to make substantial investments and other expenditures related to acquisitions, research and development and marketing acting. The Company will have further capital requirements and other expenditures as it proceeds to expand its business or take advantage of opportunities for acquisitions or other business opportunities that may be presented to it. The Company may incur major unanticipated liabilities or expenses. The Company can provide no assurance that it will be able to obtain financing to meeting its capital requirements.

3. Issuance of Debt

From time to time, the Company may enter into transactions to acquire assets or shares of other organizations or seek to obtain additional working capital. These transactions may be financed in whole or in part with debt, which may increase the Company's debt levels above industry standard for companies of similar sizes. The level of the Company's indebtedness from time to time could impair the Company's

ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise. The Company's inability to service any debts as required may have a materially adverse impact on results and operations of Company.

4. Lack of Operating Cash Flow

The Company does not currently have a source of operating cash flow and this trend is expected to continue for the foreseeable future, even after exercise of the Sepset Option and ABT Option. The Company's failure to achieve profitability and positive operating cash flows could have a material adverse effect on its financial condition and results of operations. If the Company sustains losses over an extended period of time, it may be unable to continue its business. Further research and preclinical or clinical development of the Company's therapies and products will require the commitment of substantial financial resources. It may be several years before the Company may generate any revenues from operations, if at all. There can be no assurance that the Company will realize revenue or achieve profitability.

5. Uncertainty about the Company's ability to continue as a going concern

The Company's ability to continue as a going concern is dependent upon its ability in the future to execute on its business opportunities and achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity and debt, will be sought to finance the operations of the Company; however, there can be no certainty that such funds will be available on acceptable terms. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

6. Financial Projections

The Company's actual financial position and results of operations may differ materially from management's expectations. As a result, the Company's revenue, net income and cash flow may differ materially from the Company's projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

7. Estimates or Judgments Relating to Critical Accounting Policies

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Company bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, as provided in the notes to the Financial Statements, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. The Company's operating results may be adversely affected if the assumptions change or if actual circumstances differ from those in the assumptions, which could cause the Company's operating results to fall below the expectations of investors. Significant assumptions and estimates used in preparing the financial statements include those

related to the credit quality of accounts receivable, income tax credits receivable, share based payments, impairment of non-financial assets, fair value of intangible assets, as well as revenue and cost recognition.

8. No History of Payment of Cash Dividends

The Company has never declared or paid cash dividends on its shares. Upon exercise of the Sepset Option and the ABT Option, the Company intends to retain future earnings to finance the operation, development and expansion of the business. The Company does not anticipate paying cash dividends in the foreseeable future. Payment of future cash dividends, if any, will be at the discretion of the board of directors of the Company and will depend on the Company's financial condition, results of operations, contractual restrictions, capital requirements, business prospects and other factors that the board of directors of the Company considers relevant.

9. Risks associated with ABT and Sepset

As previously noted, in order to achieve its business goals, the Company will need to exercise the Sepset Option and the ABT Option. On exercise of the Sepset Option and the ABT Option, the Company's financial condition and results of operations will be affected by the performance of the companies in which it invests. Each investee company will also be subject to risks and uncertainties which will affect their respective financial conditions. While it is impossible to outline every risk or uncertainty that each of Sepset and ABT will face, management believes the typical risks which each of Sepset and ABT may face include the following:

a. **Delays and Difficulties with Clinical Trials** - Clinical trials for treatment candidates require identification and enrollment of a large number of volunteers or eligible patients. ABT or Sepset may not be able to enroll sufficient volunteers or eligible patients to complete clinical trials in a timely manner or at all. Patient enrollment is a function of many factors, including the following: design of the protocol, size of the patient population, eligibility criteria for the study in question, perceived risks and benefits of the drug under study, availability of competing therapies, efforts to facilitate timely enrollment in clinical trials, patient referral practices of physicians, and availability of clinical trial sites. If ABT or Sepset have difficulty enrolling sufficient volunteers or patients to conduct its clinical trials as planned, they may need to delay, forego or terminate ongoing clinical trials. This may have a material adverse effect on ABT or Sepset's financial condition or results of operations.

b. **Adverse Effects** - ABT or Sepset's potential product candidates are still in preclinical or clinical development and as such, they have a high risk of failure. If serious adverse or intolerable side effects are identified during the development of the product candidates, ABT or Sepset may need to abandon their development or limit development to certain uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk benefit perspective. It is impossible to predict when or if any of ABT or Sepset's product candidates will prove effective or safe in humans or will receive regulatory approval. If serious adverse or intolerable side effects are identified post-approval, ABT or Sepset's may need to recall its products and depending on the serious adverse event or intolerable side effects, ABT or Sepset may have to abandon the product completely and could be subject to substantial product liability claims. ABT or Sepset may be able to limit sales to certain uses or

subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective.

c. **Clinical Data** - The clinical effectiveness and safety of any of ABT or Sepset's developmental products is not yet supported by clinical data and the medical community has not yet developed a large body of peer-reviewed literature that supports the safety and efficacy of ABT or Sepset's potential products. If future studies call into question the safety or efficacy of ABT or Sepset's potential products, ABT or Sepset's business, financial condition, and results of operations could be adversely affected.

d. **Unproven Market** - The Company believes that the anticipated market for ABT or Sepset's potential products and technologies if successfully developed will continue to exist and expand. These assumptions may prove to be incorrect for a variety of reasons, including competition from other products and the degree of commercial viability of the potential product.

e. **Raw Materials** - Raw materials and supplies are generally available in quantities to meet ABT or Sepset's needs. ABT or Sepset will be dependent on third-party manufacturers for the products that it markets. An inability to obtain raw materials or product supplies could have a material adverse impact on ABT or Sepset's business, financial condition and results of operations.

f. **Key Personnel** - Although ABT or Sepset are expected to have experienced senior management and personnel, ABT or Sepset will be substantially dependent upon the services of a few key technical personnel, particularly Dr. Robert E.W. Hancock, Dr. Fadia Saad and Dr. Evan Haney as well as certain other medical research professionals engaged for the successful operation of ABT or Sepset's businesses. Phase I of ABT or Sepset's research and development is planned to be completed by qualified professionals and is expected to concentrate on treatment of bacterial biofilm infections. The loss of the services of any of these personnel could have a material adverse effect on the business of ABT or Sepset. ABT or Sepset may not be able to attract and retain personnel on acceptable terms given the intense competition for such personnel among high technology enterprises, including biotechnology, and healthcare companies, universities and non-profit research institutions. If ABT or Sepset loses any of these persons, or is unable to attract and retain qualified personnel, the business, financial condition and results of operations may be materially and adversely affected.

g. **Commercialization of Products** - ABT or Sepset's ability to generate revenues and achieve profitability depends on ABT or Sepset's ability to successfully complete the development of its products, obtain market and regulatory approval and generate significant revenues. The future success of ABT or Sepset's business cannot be determined at this time, and the Company does not anticipate ABT or Sepset generating revenues from product sales for the foreseeable future. In addition, ABT or Sepset will face a number of challenges with respect to its future commercialization efforts, including, among others, that:

    i. ABT or Sepset may not have adequate financial or other resources to complete the development of its various products or medical therapies, including two stages of

clinical development that are necessary in order to commercialize such products or medical therapies;

ii. ABT or Sepset's may not be able to manufacture its products in commercial quantities, at an adequate quality or at an acceptable cost;

iii. ABT or Sepset may never receive FDA or Health Canada approval for its intended products or medical therapies;

iv. ABT or Sepset may not be able to establish adequate sales, marketing and distribution channels;

v. healthcare professionals and patients may not accept ABT or Sepset's product candidates;

vi. technological breakthroughs in sepsis treatment and prevention may reduce the demand for the Sepset's product candidates; and

vii. changes in the market for sepsis treatment, new alliances between existing market participants and the entrance of new market participants may interfere with the Sepset's market penetration efforts.

h. **Proprietary Intellectual Property Rights** - ABT or Sepset's ability to compete may depend on the superiority, uniqueness and value of any intellectual property and technology that it may develop. To the extent ABT or Sepset is able to do so, to protect any proprietary rights of ABT or Sepset, ABT or Sepset intends to rely on a combination of patent, trademark, copyright and trade secret laws, confidentiality agreements with its employees and third parties, and protective contractual provisions. Despite these efforts, any of the following occurrences may reduce the value of any of the Company's intellectual property:

i. issued patents, trademarks and registered copyrights may not provide ABT or Sepset with competitive advantages and ABT or Sepset's efforts to protect its current intellectual property rights may not be effective in preventing misappropriation of any its products or intellectual property;

ii. another party may assert a blocking patent and ABT or Sepset would need to either obtain a license or design around the patent in order to continue to offer the contested feature or service in its products; and

iii. the expiration of patent or other intellectual property protections for any assets owned by ABT or Sepset could result in significant competition, potentially at any time and without notice, resulting in a significant reduction in sales. The effect of the loss of these protections on ABT or Sepset and its financial results will depend, among other things, upon the nature of the market and the position of ABT or Sepset's products in the market from time to time, the growth of the market, the complexities and economics of manufacturing a competitive product and regulatory approval requirements but the impact could be material and adverse.

i. **Legal Proceedings** - From time to time, ABT or Sepset may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom it does business and other proceedings arising in the ordinary course of business. It is expected that ABT or Sepset will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. Assessing and predicting the outcome of these matters involves substantial uncertainties. Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in established reserves, could have an adverse impact on ABT or Sepset's financial results.

j. Competition - An increase in other companies competing in the industry could limit the ability of ABT or Sepset's potential of expanding its operations. Current and new competitors may have better capitalization, a longer operating history, more expertise and able to develop higher quality equipment or products, at the same or a lower cost. The Company will not be able to provide assurances that ABT or Sepset will be able to compete successfully against current and future competitors. Competitive pressures that the ABT or Sepset may face could have a material adverse effect on its business, operating results and financial condition.

If ABT or Sepset are unable to meet any one or more of these challenges successfully, ABT or Sepset's ability to effectively commercialize its product candidates could be limited, which in turn could have a material adverse effect on the Company's business, financial condition and results of operations.

SUBSEQUENT EVENTS

ASEP Debentures

On various dates in January 2021 and February 2021, the Company issued ASEP Debentures to unrelated parties to the Company for aggregate proceeds of $679,000. On various dates in June and July 2021, the Company issued additional ASEP Debentures to related and unrelated parties of the Company for aggregate proceeds of $50,000.

Employment and Contractor Agreements

On March 1, 2021, the Company entered into an employment agreement with Dr. Fadia Saad, pursuant to which Dr. Saad agreed to provide certain management services to ASEP, including but not limited to acting as Chief Business Development Officer of ASEP.

On March 1, 2021, the Company entered into a contractor agreement with Jennifer Gretchen, pursuant to which Ms. Gretchen agreed to provide certain management services to ASEP, including but not limited to acting as CFO of ASEP.

On March 1, 2021, the Company entered into a consultancy agreement with RAM Advisors, Inc., pursuant to which RAM Advisors, Inc. agreed to provide, through its principal Rudy Mazzocchi, certain management services to ASEP, including but not limited to acting as CEO and Executive Chairman of ASEP.

On April 1, 2021, the Company entered into a contractor agreement with Michael Graw, pursuant to which Michael Graw agreed to provide certain management services to ASEP, including but not limited to, business, financing and operational services.

On April 1, 2021, the Company entered into a contractor agreement with Burton Financial Inc., pursuant to which Burton Financial Inc. agreed to provide certain management services to ASEP, including but not limited to, business, financing and operational services.

Agreement with ABT Innovations Inc.

On May 14, 2021 (the "**ABT Effective Date**"), further to the ABT LOI, the Company entered into an option agreement (the "**ABT Option Agreement**") with ABT. Under the ABT Option Agreement, the Company has the option (the "**ABT Option**") to acquire 50.1% of the common shares of ABT (the "**ABT Shares**") in exchange for aggregate cash consideration of $2,500,000.

The Company agreed to subscribe for, and ABT agrees to issue, unsecured convertible notes of ABT (the "**ABT Notes**") in the aggregate principal amount of up to $2,500,000 in five equal tranches of $500,000 on or prior to each of the dates (the "**ABT Note Subscription Date**") set forth below: (a) $500,000 on the ABT Effective Date; (b) $500,000 on the four month anniversary of the ABT Effective Date; (c) $500,000 on the eight month anniversary of the ABT Effective Date; (d) $500,000 on the twelve month anniversary of the ABT Effective Date; and (e) $500,000 on the last Business Day prior to the sixteen month anniversary of the ABT Effective Date. Notwithstanding the foregoing, the Company is not obligated to subscribe for any ABT Notes where a ABT Note Subscription Date occurs after the exercise date of the ABT Option. The ABT Notes are unsecured, non-interest bearing and repayable on the Maturity Date, being the earlier of the Expiry Date, September 14, 2022 and the Breach Date, the date on which the ABT Option Agreement is breached due to the Company's failure to fund the ABT Notes on the ABT Note Subscription Dates.

The ABT Notes can be converted by the Company at any time up to the Maturity Date (as defined in the ABT Option Agreement) and will be automatically converted, subject to there not being an occurrence of an event of default, into such number of ABT Shares on the Maturity Date as determined in accordance with the ABT Automatic Conversion Calculation (as defined below), and the ABT Note(s) shall be terminated, and the total aggregate principal amount shall be automatically applied towards satisfaction of the Company's payment for such shares. The number of ABT Shares to be determined by ABT on the Expiry Date, Breach Date or Default Date, as applicable, is calculated by dividing (A) by (B), and then rounding the quotient of such equation down to the nearest whole number, where (A) is the product obtained by multiplying: (a) the aggregate number of ABT Shares that are issued and outstanding, as of the Expiry Date, Breach Date or Default Date, as applicable, on a fully diluted basis assuming conversion of all outstanding convertible securities of ABT other than the ABT Notes, with (b) the product obtained by 10.02 multiplied by the number of ABT Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, and where (B) is the product obtained by subtracting: (c) the product obtained by 10.02 multiplied by the number of ABT Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, from (d) 100 (the "**ABT Automatic Conversion Calculation**"). On May 14, 2021, the Company subscribed for the $500,000 note referred to in (a) above.

In addition, pursuant to the terms of the ABT Option Agreement, all of the shareholders of ABT (excluding the University of British Columbia ("**UBC**")) granted the Company, subject to the exercise of the ABT Option, an option (the "**ABT Additional Option**") to acquire the remaining 49.9% equity interest in the capital of ABT from each of the shareholders of ABT (less the equity interest held by each of the Company

and UBC), resulting in the Company holding a 100% equity interest in the capital of ABT after exercise of the ABT Additional Option and the UBC Option (as defined below). The Company may exercise the ABT Additional Option at any time prior to the third anniversary of the exercise by the Company of the ABT Option upon payment of an aggregate $20,000,000 (the "**ABT Additional Option Exercise Price**"), less the amount payable to UBC pursuant to the UBC Option Agreement (as defined below), payable pro rata to each of the shareholders of ABT (excluding the Company and UBC). The ABT Additional Option Exercise Price is payable as follows:

a. if the Company's shares (including any shares of any assignee of the Company, including, without limitation, TLS (as defined below) upon completion of the transactions contemplated in the Amalgamation Agreement) are listed on a recognized stock exchange, the ABT Additional Option Exercise Price, less the amount payable to UBC pursuant to the UBC Option Agreement, shall be payable to the shareholders of ABT (excluding the Company and UBC), on a pro rata basis: (A) in cash, as to an aggregate minimum of $5,000,000; and (B) in shares of the Company (or its assignees) as to the balance of the ABT Additional Option Exercise Price remaining after deduction of the cash portion advance under part (A), with such shares to be issued based on the 20-day volume-weighted average trading price of the Company (or its assignees) ending on the trading day preceding the date on which the Company provides notice to ABT that it is exercising the ABT Additional Option; or

b. if the Company's shares are not listed on a recognized stock exchange, the ABT Additional Option Exercise Price shall be payable in cash, on a pro rata basis, as to the full $20,000,000, less the amount payable to UBC pursuant to the UBC Option Agreement.

Agreement with ABT Innovations Inc. and University of British Columbia

Concurrently with the entering into of the ABT Option Agreement, the Company, ABT and UBC entered into an option agreement (the "**UBC Option Agreement**") dated May 14, 2021, pursuant to which UBC granted the Company an option (the "**UBC Option**") to purchase all of the shares held by UBC in the capital of ABT in exchange for payment by the Company of UBC's pro rata interest of the ABT Additional Option Exercise Price. The UBC Option is conditional upon the Company exercising the ABT Additional Option and the license agreement between ABT and UBC dated April 25, 2017 being in good standing. Payment of UBC's pro rata portion of the ABT Additional Exercise Price shall be in the same manner as the Company's payment of the ABT Additional Option Exercise Price to the remaining shareholders of ABT pursuant to the terms of the ABT Option Agreement.

Agreement with Sepset Biosciences Inc.

On May 14, 2021 (the "**Sepset Effective Date**"), pursuant to the Sepset LOI, the Company entered into an option agreement (the "**Sepset Option Agreement**") with Sepset. Under Sepset Option Agreement, the Company has the option (the "**Sepset Option**") to acquire 50.1% of the common shares of Sepset (the "**Sepset Shares**") in exchange for aggregate cash consideration of $2,500,000.

The Company agrees to subscribe for, and Sepset agrees to issue, unsecured convertible notes of the Sepset (the "**Sepset Notes**") in the aggregate principal amount of up to $2,500,000 in five equal tranches of $500,000 on or prior to each of the dates (the "**Sepset Note Subscription Date**") set forth below: (a) $500,000 on the Sepset Effective Date; (b) $500,000 on the four month anniversary of the Sepset Effective

Date; (c) $500,000 on the eight month anniversary of the Sepset Effective Date; (d) $500,000 on the twelve month anniversary of the Sepset Effective Date; and (e) $500,000 on the last Business Day prior to the sixteen month anniversary of the Sepset Effective Date. Notwithstanding the foregoing, the Company is not obligated to subscribe for any Sepset Notes where a Sepset Note Subscription Date occurs after the exercise date of the Sepset Option. The Sepset Notes are unsecured, non-interest bearing and repayable on the Maturity Date, being the earlier of the Expiry Date, September 14, 2022 and the Breach Date, the date on which the Sepset Option Agreement is breached due to the Company's failure to fund the Sepset Notes on the Sepset Note Subscription Dates.

The Sepset Notes can be converted by the Company at any time up to the Maturity Date (as defined in the Sepset Option Agreement) and will be automatically converted, subject to there not being an occurrence of an event of default, into such number of shares on the Maturity Date as determined in accordance with the Sepset Automatic Conversion Calculation (as defined below), and the Sepset Note(s) shall be terminated, and the total aggregate principal amount shall be automatically applied towards satisfaction of the Company's payment for such shares. The number of Sepset Shares to be determined by Sepset on the Expiry Date, Breach Date or Default Date, as applicable, is calculated by dividing (A) by (B), and then rounding the quotient of such equation down to the nearest whole number, where (A) is the product obtained by multiplying: (a) the aggregate number of Sepset Shares that are issued and outstanding, as of the Expiry Date, Breach Date or Default Date, as applicable, on a fully diluted basis assuming conversion of all outstanding convertible securities of the Sepset other than the Sepset Notes, with (b) the product obtained by 10.02 multiplied by the number of Sepset Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, and where (B) is the product obtained by subtracting: (c) the product obtained by 10.02 multiplied by the number of Sepset Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, from (d) 100 (the "**Sepset Automatic Conversion Calculation**"). On May 14, 2021, the Company subscribed for the $500,000 note referred to in (a) above.

In addition, pursuant to the terms of the Sepset Option Agreement, all of the shareholders of Sepset granted the Company, subject to the exercise of the Sepset Option, an option (the "**Sepset Additional Option**") to acquire the remaining 49.9% equity interest in the capital of Sepset from each of the shareholders of Sepset (excluding the Company), resulting in the Company, after exercise of the Sepset Additional Option, holding a 100% equity interest in the capital of Sepset. The Company may exercise the Sepset Additional Option at any time prior to the third anniversary of the exercise by the Company of the Sepset Option upon payment of an aggregate $20,000,000 (the "**Sepset Additional Option Exercise Price**") payable pro rata to each of the shareholders of Sepset (excluding the Company). The Sepset Additional Option Exercise Price is payable as follows:

a. if the Company's shares (including any shares of any assignee of the Company, including, without limitation, TLS upon completion of the transactions contemplated in the Amalgamation Agreement) are listed on a recognized stock exchange, the Sepset Additional Option Exercise Price shall be payable to the shareholders of Sepset (excluding the Company), on a pro rata basis: (A) in cash, as to an aggregate minimum of $5,000,000; and (B) in shares of the Company (or its assignees) as to the balance of the Sepset Additional Option Exercise Price remaining after deduction of the cash portion advance under part (A), with such shares to be issued based on the 20-day volume-weighted average trading price of the Company (or its assignees) ending on the trading day preceding the date on which the Company provides notice to Sepset that it is exercising the Sepset Additional Option; or

b. if the Company's shares are not listed on a recognized stock exchange, the Sepset Additional Option Exercise Price shall be payable in cash, on a pro rata basis, as to the full $20,000,000.

Amalgamation Agreement

On June 3, 2021, the Company entered into an amalgamation agreement (the "**Amalgamation Agreement**") between the Company, Trenchant Life Sciences Investment Corp. ("**TLS**") and 1295277 B.C. Ltd. ("**NewCo**"), a wholly owned subsidiary of TLS, pursuant to which TLS, the Company and NewCo agreed to combine their respective businesses by way of a three-cornered amalgamation under the provisions of the BCBCA. Pursuant to the terms of the Amalgamation Agreement, the holders of the ASEP A Shares would receive one (1) common share of TLS in exchange for each ASEP A Share held. The completion of the transactions contemplated under the Amalgamation Agreement subject to a number of conditions, including, but not limited to, the completion by TLS of a special warrant financing raising proceeds of at least $5,000,000, receipt of conditional approval from the Canadian Securities Exchange (the "**CSE**") for the listing of the shares of TLS for trading on the CSE, the receipt of all regulatory approvals and the exercise of the Sepset Option and the ABT Option. Upon completion of the transactions contemplated under the Amalgamation Agreement, the business of TLS and the Company will be the business of Sepset and ABT.

Issuance of Common Shares

In May 2021, 18,000,000 share purchase warrants were exercised resulting in the issuance of 18,000,000 ASEP A Shares for total proceeds of $303,000.

Convertible Debentures Amendment

In May and June 2021, in connection with the completion of the transactions contemplated under the Amalgamation Agreement, the holders of the ASEP Debentures agreed to amend the terms of the ASEP Debentures such that all principal payable under the ASEP Debentures would convert into ASEP A Shares on a certain date to be determined by the directors of the Company, calculated by dividing (A) by (B), where (A) is $8,000,000, and where (B) is the product obtained by adding (x) the number of ASEP A Shares that are issued and outstanding as of the date of the conversion on a fully diluted basis assuming conversion of all outstanding convertible securities of the Company other than the ASEP Debentures, with (y) the number of common shares issuable by TLS in connection with its non-brokered special warrant financing. All accrued interest payable in connection with the ASEP Debentures is to be paid in cash on the date of the conversion.

SCHEDULE E

ABT FINANCIAL STATEMENTS

[*See Attached*]

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(expressed in Canadian dollars)

For the three months and six months ended June 30, 2021 and June 30, 2020

ABT INNOVATIONS INC.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian dollars)

	June 30, 2021 (unaudited)	December 31, 2020
	$	$
Assets		
Current		
Cash	304,150	8,470
GST receivable	4,182	2,510
Prepaid expenses	2,500	-
	310,832	10,980
Liabilities		
Current		
Accounts payable and accrued liabilities	10,373	20,796
Due to related parties (Note 6)	-	140,714
	10,373	161,510
Non-current		
Convertible note (Note 4)	500,000	-
	510,373	161,510
Shareholders' Deficiency		
Share capital (Note 5)	209	209
Deficit	(199,750)	(150,739)
	(199,541)	(150,530)
	310,832	10,980

Going Concern (Note 1)
Commitments (Note 7)

Approved by the Director:
"Robert E. W. Hancock"
Robert E. W. Hancock – Director

ABT INNOVATIONS INC.

Condensed Consolidated Interim Statements of Comprehensive Loss
(Expressed in Canadian dollars – Unaudited)

	Three months ended		Six months ended	
	June 30, 2021	**June 30, 2020**	**June 30, 2021**	**June 30, 2020**
	$	**$**	**$**	**$**
Research revenue	-	-	-	-
Operating expenses				
Legal & professional	43,750	-	43,750	-
UBC contract for research	-	4,125		4,125
Licensing costs	1,250	-	2,500	-
Patent costs	338	-	2,443	3,012
Consulting fees	228	-	228	-
General & administrative	25	206	90	269
	45,591	(4,331)	49,011	(7,406)
Loss and comprehensive loss for period	(45,591)	(4,331)	(49,011)	(7,406)
Basic and diluted loss per common share	(0.02)	(0.00)	(0.02)	(0.00)
Weighted average number of common shares outstanding	2,012,781	2,000,000	2,006,426	2,000,000

ABT INNOVATIONS INC.

Condensed Consolidated Interim Statements of Changes in Deficiency
(Expressed in Canadian dollars – Unaudited)

	Common Shares #	Share Capital $	Deficit $	Total Deficiency $
Balance, December 31, 2019	2,000,000	209	(122,642)	(122,433)
Net loss for the period	-	-	(7,406)	(7,406)
Balance, June 30, 2020	2,000,000	209	(130,048)	(129,839)
Balance, December 31, 2020	2,000,000	209	(150,739)	(150,530)
Net loss for the period	-	-	(49,011)	(49,011)
Shares issued	24,746	-	-	-
Balance, June 30, 2021	2,024,746	209	(199,750)	(199,541)

The accompanying notes are an integral part of the consolidated interim financial statements

ABT INNOVATIONS INC.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian dollars – Unaudited)

	Six months ended	
	June 30, 2021	**June 30, 2020**
Cash flows from:	**$**	**$**
Operating Activities		
Net loss for the period	(49,011)	(7,406)
Changes in non-cash operating working capital items		
GST receivable	(1,672)	(83)
Prepaid expenses	(2,500)	-
Accounts payable and accrued liabilities	(10,423)	(9,541)
	(63,606)	(17,030)
Financing Activities		
Due to related parties	(140,714)	17,831
Note payable	500,000	-
	359,286	17,831
Change in cash	295,680	801
Cash, beginning of period	8,470	534
Cash, end of period	304,150	1,335

The accompanying notes are an integral part of the consolidated interim financial statements

1. Nature of Operations and Going Concern

ABT Innovations Inc. (the "Company") was incorporated on July 3, 2015, under the laws of the province of British Columbia, Canada. The Company's records office and registered address are located at 1750 – 1055 West Georgia Street, Vancouver, British Columbia V6E 3P3.

The Company is in the business of developing and commercializing the use of multiple peptide products (small proteins) for applications in any number of areas, including inflammatory medications to vaccine adjuvants. The Company operates together with the University of British Columbia ("UBC"), through a worldwide, exclusive License Agreement, that allows ABT, subject to certain restrictions, the ability to use and sublicense core technology developed through research carried out by Dr. Robert E Hancock, in the UBC Department of Microbiology and Immunology.

These unaudited condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company is in the development stage and currently has no sources of cash from operations. Further funds will be required to successfully develop the Company's business and there is no certainty that these funds will be available. As at June 30, 2021, the Company had accumulated losses of $199,750 and a working capital surplus of $300,459. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations and ultimately achieve profitable operations. Management intends to finance operating costs over the next twelve months through the issuance of convertible notes and/or common shares (see Note 4).

If the going concern basis was not appropriate for these unaudited condensed consolidated interim financial statements, then adjustments would be necessary to the carrying value of the assets and liabilities, the reported amount of expenses and the classifications used on the statement of financial position. Such adjustments could be material.

During the latter part of 2019, there was an outbreak of COVID-19 in China. By March 2020, this had spread to Northern America. The Canadian and U.S. governments placed restrictions on travel, business operations and isolation/quarantine orders as a result of the COVID-19 outbreak. At this time, the extent that these restrictions may impact on the Company is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. The duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada, U.S. and other countries may have a future impact on the Company. The Company will continue to monitor its operations and assess the impact that these restrictions will have on its business activities.

2. Basis of Preparation

a) Statement of Compliance and Basis of Measurement

These unaudited condensed consolidated interim financial statements as at and for the three and six months ended June 30, 2021 and 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with IAS 34, Interim Financial Reporting ("IAS 34").

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, the unaudited condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The Board of Directors approved these condensed consolidated interim financial statements for issuance on November 9, 2021

These unaudited condensed consolidated interim financial statements are presented in Canadian dollars, the Company's functional and presentation currency and include the accounts of the Company and its inactive wholly-owned subsidiary, ABT Peptides Inc. All significant intercompany transactions and balances have been eliminated upon consolidation.

3. Significant Accounting Policies

The significant accounting policies applied in the preparation of these unaudited condensed consolidated interim financial statements are consistent with the accounting policies disclosed in Note 3 of the audited financial statements for the year ended December 31, 2020. These unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2020.

4. Convertible Notes

On May 14, 2021 (the "Effective Date"), the Company entered into an option agreement (the "Option Agreement") with ASEP Medical Inc. ("ASEP"). Under Option Agreement, the Company has the option (the "Option") to acquire 50.1% of the common shares of Sepset (the "Sepset Shares") in exchange for aggregate cash consideration of $2,500,000.

Pursuant to the terms of the Option Agreement, ASEP agreed to subscribe for, and the Company agreed to issue, unsecured convertible notes of the Company (the "Notes") in the aggregate principal amount of up to $2,500,000 in five equal tranches of $500,000 on or prior to each of the dates (the "Note Subscription Date") set forth below: (a) $500,000 on the Effective Date; (b) $500,000 on the four month anniversary of the Effective Date; (c) $500,000 on the eight month anniversary of the Effective Date; (d) $500,000 on the twelve month anniversary of the Effective Date; and (e) $500,000 on the last Business Day prior to the sixteen month anniversary of the Effective Date.

Notwithstanding the foregoing, ASEP is not obligated to subscribe for any Notes where a Note Subscription Date occurs after the exercise date of the Option. The Notes are unsecured, non-interest bearing and repayable on the Maturity Date, being the earlier of the Expiry Date, September 14, 2022 and the Breach Date, the date on which the Option Agreement is breached due to ASEP's failure to fund the Notes on the Note Subscription Dates.

4. Convertible Notes – Continued

The Notes can be converted by ASEP at any time up to the Maturity Date and will be automatically converted, subject to there not being an occurrence of an event of default, into such number of shares on the Maturity Date as determined in accordance with the Automatic Conversion Calculation (as defined below), and the Note(s) shall be terminated, and the total aggregate principal amount shall be automatically applied towards satisfaction of ASEP's payment for such shares. The number of Sepset Shares to be determined by the Company on the Expiry Date, Breach Date or Default Date, as applicable, is calculated by dividing (A) by (B), and then rounding the quotient of such equation down to the nearest whole number, where (A) is the product obtained by multiplying: (a) the aggregate number of Sepset Shares that are issued and outstanding, as of the Expiry Date, Breach Date or Default Date, as applicable, on a fully diluted basis assuming conversion of all outstanding convertible securities of the Company other than the Notes, with (b) the product obtained by 10.02 multiplied by the number of Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, and where (B) is the product obtained by subtracting: (c) the product obtained by 10.02 multiplied by the number of Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, from (d) 100 (the "Automatic Conversion Calculation"). On May 14, 2021, ASEP subscribed for the $500,000 note referred to in (a) above. The convertible note balance at June 30, 2021 is $500,000 (December 31, 2020 - $nil).

In addition, pursuant to the terms of the Option Agreement, all of the shareholders of the Company (excluding UBC) granted ASEP, subject to the exercise of the Option, an option (the "Additional Option") to acquire the remaining 49.9% equity interest in the capital of the Company from each of the shareholders of the Company (less the equity interest held by each of ASEP and UBC), resulting in ASEP, after exercise of the Additional Option, holding a 100% equity interest in the capital of the Company. ASEP may exercise the Additional Option at any time prior to the third anniversary of the exercise by ASEP of the Option upon payment of an aggregate $20,000,000 (the "Additional Option Exercise Price"), less the amount payable to UBC pursuant to the UBC Option Agreement (as defined below), payable pro rata to each of the shareholders of the Company (excluding ASEP and UBC). The Additional Option Exercise Price is payable as follows:

a. if ASEP's shares (including any shares of any assignee of ASEP) are listed on a recognized stock exchange, the Additional Option Exercise Price, less the amount payable to UBC pursuant to the UBC Option Agreement, shall be payable to the shareholders of the Company (excluding ASEP and UBC), on a pro rata basis: (A) in cash, as to an aggregate minimum of $5,000,000; and (B) in shares of ASEP (or its assignee) as to the balance of the Additional Option Exercise Price remaining after deduction of the cash portion advance under part (A), with such shares to be issued based on the 20-day volume-weighted average trading price of ASEP (or its assignee) ending on the trading day preceding the date on which ASEP provides notice to the Company that it is exercising the Additional Option; or

b. if ASEP's shares are not listed on a recognized stock exchange, the Additional Option Exercise Price shall be payable in cash, on a pro rata basis, as to the full $20,000,000, less the amount payable to UBC pursuant to the UBC Option Agreement.

4. Convertible Notes – Continued

Concurrently with the entering into of the Option Agreement, the Company, ASEP and UBC entered into an option agreement (the "UBC Option Agreement") dated May 14, 2021, pursuant to which UBC granted ASEP an option (the "UBC Option") to purchase all of the shares held by UBC in the capital of the Company in exchange for payment by ASEP of UBC's pro rata interest of the ABT Additional Option Exercise Price. The UBC Option is conditional upon ASEP exercising the ABT Additional Option and the License Agreement being in good standing. Payment of UBC's pro rata portion of the ABT Additional Exercise Price shall be in the same manner as ASEP's payment of the ABT Additional Option Exercise Price to the remaining shareholders of the Company pursuant to the terms of the Option Agreement.

5. Share Capital

The Company is authorized to issue: (i) an unlimited number of Class A common voting shares without nominal or par value, (ii) an unlimited number of Class B common voting shares without nominal or par value, (iii) an unlimited number of Class C common non-voting shares without nominal or par value; (iv) an unlimited number of Class D preference shares with a par value of $100 each; and (v) an unlimited number of Class E preference shares without nominal or par value.

As at June 30, 2021, the Company had 2,024,746 shares issued and outstanding.

During the six-month period ended June 30, 2021, the Company had the following transactions that resulted in the issuance of common stock:

- On May 14, 2021, the Company issued 24,746 shares to certain existing shareholders of the Company on a pro rata basis.

6. Related Party Transactions and Balances

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

During the six months ended June 30, 2021, the Company incurred $Nil (six months ended June 30, 2020 - $Nil) in short-term benefits key management personnel and entities over which they have control or significant influence.

Amounts due to related parties at June 30, 2021 is $nil (December 31, 2020 - $140,714 owed to two shareholders/directors of the Company). The amounts due were non-interest bearing, unsecured and due on demand.

7. Fair Values and Classification of Financial Instruments

As at June 30, 2021, the Company's financial instruments consist of cash and accounts payable. The fair values of these financial instruments approximate their carrying values due to their current nature.

The Company classifies its fair value measurements in accordance with the three level fair value hierarchies as follows:

(Expressed in Canadian dollars - unaudited)

7. Fair Values and Classification of Financial Instruments – Continued

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Assets and liabilities measured at fair value on a recurring basis as of June 30, 2021 are as follows:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Balance, June 30, 2021
	$	$	$	$
Assets:				
Cash	304,150	–	–	304,150
Total assets measured at fair value	304,150	–	–	304,150

7. Commitments

The Company entered into a license agreement with the University of British Columbia (UBC) on April 25, 2017. Under the confidential terms of the license agreement, the Company agreed to pay UBC a royalty on all revenues and monies, directly or indirectly collected or received from the sale of products utilizing the license intellectual property as well as an annual license fee during the agreement's term.

CONSOLIDATED FINANCIAL STATEMENTS

(expressed in Canadian dollars)

For the years ended December 31, 2020 and December 31, 2019

manning elliott

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of ABT Innovations Inc.

Opinion
We have audited the consolidated financial statements of ABT Innovations Inc. which comprise the consolidated statements of financial position as at December 31, 2020, December 31, 2019 and January 1, 2019, and the consolidated statements of comprehensive loss, cash flows and changes in equity (deficiency) for the years ended December 31, 2020 and December 31, 2019, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, December 2019 and January 1, 2019, and its financial performance and its cash flows for the years ended December 31, 2020 and December 31, 2019 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion
We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern
We draw attention to Note 1 of the accompanying consolidated financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information, which comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the consolidated financial statements does not cover the other information and do not and will not express any form of assurance conclusion thereon. In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indicators that the other information appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Michael Ryan Ayre.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
November 9, 2021

ABT INNOVATIONS INC.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	December 31, 2020	December 31, 2019	January 1, 2019
	$	$	**$**
Assets			
Current			
Cash	8,470	534	950
GST receivable	2,510	2,060	793
	10,980	2,594	1,743
Liabilities			
Current			
Accounts payable and accrued liabilities	20,796	14,371	60,708
Due to related parties (Note 5)	140,714	110,656	63,115
	161,510	125,027	123,823
Shareholders' Equity (Deficiency)			
Share capital (Note 6)	209	209	209
Deficit	(150,739)	(122,642)	(122,289)
	(150,530)	(122,433)	(122,080)
	10,980	2,594	1,743

Going Concern (Note 1)
Commitments (Note 10)
Subsequent Events (Note 11)

Approved by the Director:

"Robert E. W. Hancock"

Robert E. W. Hancock – Director

ABT INNOVATIONS INC.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)

	2020	2019
	$	$
Research revenue	-	61,173
Operating expenses		
Patent costs	7,857	50,013
Licensing costs	5,000	5,000
UBC contract for research	13,594	-
General & administrative	372	1,230
Professional fees	1,274	5,283
	28,097	61,526
Loss and comprehensive loss for year	(28,097)	(353)
Basic and diluted loss per common share	(0.01)	(0.00)
Weighted average number of common shares outstanding	2,000,000	2,000,000

The accompanying notes are an integral part of the consolidated financial statements

ABT INNOVATIONS INC.

Consolidated Statements of Changes in Equity (Deficiency)
(Expressed in Canadian dollars)

	Common Shares #	Share Capital $	Deficit $	Total Equity (Deficiency) $
Balance, January 1, 2019	2,000,000	209	(122,289)	(122,080)
Net loss for the year	-	-	(353)	(353)
Balance, December 31, 2019	2,000,000	209	(122,642)	(122,433)
Net loss for the year	-	-	(28,097)	(28,097)
Balance, December 31, 2020	2,000,000	209	(150,739)	(150,530)

The accompanying notes are an integral part of the consolidated financial statements

ABT INNOVATIONS INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	2020	2019
Cash flows from:	$	$
Operating Activities		
Net loss for year	(28,097)	(353)
Changes in non-cash operating working capital items:		
GST receivable	(450)	(1,267)
Accounts payable and accrued liabilities	6,425	(46,337)
	(22,122)	(47,957)
Financing Activities		
Advances from related parties	30,058	47,541
Increase (decrease) in cash	7,936	(416)
Cash, beginning of year	534	950
Cash, end of year	8,470	534

The accompanying notes are an integral part of the consolidated financial statements

1. Nature of Operations and Going Concern

ABT Innovations Inc. (the "Company") was incorporated on July 3, 2015, under the laws of the province of British Columbia, Canada. The Company's records office and registered address are located at 1750 – 1055 West Georgia Street, Vancouver, British Columbia V6E 3P3.

The Company is in the business of developing and commercializing the use of multiple peptide products (small proteins) for applications in any number of areas, including inflammatory medications to vaccine adjuvants. The Company operates together with the University of British Columbia ("UBC"), through a worldwide, exclusive License Agreement dated April 24, 2017 (the "License Agreement"), that allows ABT, subject to certain restrictions, the ability to use and sublicense core technology developed through research carried out by Dr. Robert E.W. Hancock, in the UBC Department of Microbiology and Immunology.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company is in the development stage and currently has no sources of cash from operations. Further funds will be required to successfully develop the Company's business and there is no certainty that these funds will be available. As at December 31, 2020 the Company had accumulated losses of $150,739 and a working capital deficiency of $150,530. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations and ultimately achieve profitable operations. Management intends to finance operating costs over the next twelve months through the issuance of convertible notes and/or common shares (see Note 11).

During the latter part of 2019, there was an outbreak of COVID-19 in China. By March 2020, this had spread to Northern America. The Canadian and U.S. governments placed restrictions on travel, business operations and isolation/quarantine orders as a result of the COVID-19 outbreak. At this time, the extent that these restrictions may impact on the Company is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. The duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada, U.S. and other countries may have a future impact on the Company. The Company will continue to monitor its operations and assess the impact that these restrictions will have on its business activities.

2. Basis of Preparation

a) Statement of Compliance and Basis of Measurement

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Board of Directors approved these consolidated financial statements for issuance on November 9, 2021.

2. Basis of Preparation – Continued

a) Statement of Compliance and Basis of Measurement – Continued

The consolidated financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, the consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements are presented in Canadian dollars, the Company's functional and presentation currency and include the accounts of the Company and its inactive wholly-owned subsidiary, ABT Peptides Inc. All significant intercompany transactions have been eliminated upon consolidation.

b) Use of Estimates and Judgments

The preparation of 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical accounting estimates and judgements include the following:

(i) Going concern

The assessment of the Company's ability to continue as a going concern involves judgement.

(ii) Assessment of deferred income tax assets and liabilities

Judgement is required in determining whether or not it is probable that the Company's deferred tax assets will be recovered as a result of future taxable income. Management has determined that the recoverability of the Company's deferred tax assets it is not probable that sufficient taxable profit will be available to offset these assets due to the Company's stage of operations and its history of losses. As a result, no deferred income tax assets have been recognized as at December 31, 2020 and 2019.

3. Significant Accounting Policies

a) Functional Currency

The Company's transactions are in Canadian dollars and therefore the reporting and functional currency of the Company is the Canadian dollar.

b) Cash

The Company considers deposits with banks or highly liquid short-term interest bearing securities that are readily convertible to known amounts of cash.

c) Intangible Assets

Intangible assets are recorded at cost less accumulated amortization and impairment losses, if any. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Amortization of definite life intangible assets is recognized on a straight-line basis over their estimated useful lives.

d) Financial Instruments

Financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit and loss (FVTPL).

Measurement – initial recognition

All financial assets and financial liabilities are initially recorded on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All financial asset and liabilities are initially recorded at fair value, net of attributable transaction costs, except for those classified as fair value through profit or loss ("FVTPL"). Subsequent measurement of financial assets and financial liabilities depends on the classifications of such assets and liabilities.

Classification – financial assets

Amortized cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and that the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequent to initial recognition at amortized cost.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effect interest method, and is recognized in Interest and other income, on the statements of comprehensive loss.

The Company currently has no financial assets designated as amortized cost.

3. Significant Accounting Policies - Continued

d) Financial Instruments – Continued

Fair value through other comprehensive income ("FVTOCI"):

Financial assets that are held within a business model whose objective is to hold financial assets in order to both collect contractual cash flows and selling financial assets, and that the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Upon initial recognition of equity securities, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate its equity securities that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other OCI. The cumulative gain or loss is not reclassified to profit or loss on disposal of the instrument; instead, it is transferred to retained earnings.

The Company currently has no financial assets designated as FVTOCI.

Fair value through profit or loss ("FVTPL"):

By default, all other financial assets are measured subsequently at FVTPL. The Company's cash is designated as FVTPL.

Classification – financial liabilities

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using the effective interest method.

Financial liabilities at amortized cost include accounts payable and due to related parties.

Financial liabilities classified FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized in the statements of loss and comprehensive loss. The Company does not have any financial liabilities at FVTPL.

The Company has no hedging arrangements and does not apply hedge accounting.

Impairment

The Company recognizes a loss allowance for expected credit losses on its financial assets when necessary. The amount of expected credit losses in updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

3. Significant Accounting Policies – Continued

e) Research Revenue

The Company recognizes collaborative research revenues as services are rendered when the amount of revenue can be measured reliably, it is probable the economic benefits associated with the transaction will flow to the Company, the stage of completion of the transaction and the costs incurred to complete the transaction can be measured reliably. Revenue from non-refundable contract fees where the Company has continuing involvement through research collaborations, is recognized ratably over the related research period. Payments received in advance of rendering research services are recorded as deferred revenue.

f) Research and Development Expenditures

Research expenditures are recorded in the period incurred. Product development expenditures are expensed in the period incurred unless the product candidate meets specific criteria related to technical, market and financial feasibility for deferral and amortization. The Company's policy is to amortize deferred product development expenditures over the expected future life of the product once product revenues or royalties are recorded. No product development expenditures have been deferred to date.

g) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

h) Income Taxes

The Company utilizes the liability method of accounting for income taxes. Under the liability method, deferred income taxes and liabilities are recognized to reflect the expected deferred tax consequences arising from temporary differences between the carrying value and the tax bases of the deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. A valuation allowance is recorded against any deferred income tax asset if it is not probable that the asset will be realized.

3. Significant accounting policies – Continued

h) Income Taxes - Continued

The following temporary differences do not result in deferred tax assets or liabilities: the initial recognition of assets or liabilities, not arising in a business combination, that does not affect accounting or taxable profit, goodwill; and investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

i) Earnings (Loss) per Share

Basic earnings (loss) per share ("EPS") is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of common shares outstanding (denominator) during the period. The Company applies the treasury stock method in calculating diluted EPS. Diluted EPS excludes all dilutive potential common shares if their effect is anti-dilutive.

4. Changes in Accounting Policies and Recent Accounting Pronouncements

New Accounting Pronouncements Adopted During the Year

The Company did not adopt any accounting pronouncements during the year that had a material impact on these consolidated financial statements.

New Accounting Standards Issued but Not Yet Effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the IFRIC that are mandatory for future accounting periods. The Company has not identified any new standards, interpretations or amendments to existing standards that are expected to have an impact on the Company's consolidated financial statements.

5. Related Party Transactions and Balances

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

During the year ended December 31, 2020, the Company incurred $Nil (2019 - $Nil) in short-term benefits key management personnel and entities over which they have control or significant influence.

Amounts due to related parties at December 31, 2020 is $140,714 (2019 - $110,656) and is owed to two shareholders/directors of the Company. The amounts are non-interest bearing, unsecured and due on demand.

(Expressed in Canadian dollars)

6. Share Capital

The Company is authorized to issue: (i) an unlimited number of Class A common voting shares without nominal or par value, (ii) an unlimited number of Class B common voting shares without nominal or par value, (iii) an unlimited number of Class C common non-voting shares without nominal or par value; (iv) an unlimited number of Class D preference shares with a par value of $100 each; and (v) an unlimited number of Class E preference shares without nominal or par value.

Issued Share Capital

As at December 31, 2020, the Company had 2,000,000 Class A common voting shares issued and outstanding and no other shares were issued and outstanding.

During the years ended December 31, 2020 and December 31, 2019, the Company had no transactions that resulted in the issuance of shares.

7. Income Taxes

The Company carries on business in Canada and accordingly would normally be subject to taxes in Canada on its operations at the Canadian statutory tax rate of 27%. The effective tax rate for the Company is different from the statutory rate for the following reasons:

	2020	2019
Canadian and provincial statutory income tax rate	27%	27%
	$	$
Income tax provision at statutory rate	(28,095)	(353)
Effective tax recovery on such loss	7,586	(95)
Permanent and other differences	-	(33,018)
Change in amount of tax benefits not recognized	(7,586)	33,113
Income tax recoverable	-	-

The tax effected temporary differences giving rise to unrecognized deferred tax assets (liabilities) are comprised of:

	2020	2019
	$	$
Non-capital loss carry forwards	40,699	33,113
Total deferred tax assets	40,699	33,113

As at December 31, 2020, the Company has $150,739 in non-capital loss carryforwards available to offset future taxable income and expiring commencing in 2038.

(Expressed in Canadian dollars)

8. Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to maintain the business operations. The Company does not have any externally imposed capital requirements to which it is subject.

As at December 31, 2020, the Company considers capital to consist of all components of shareholders' equity (deficiency) and amounts due from related parties. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets.

9. Financial Instruments and Risk

Fair Values and Classification of Financial Instruments

As at December 31, 2020, the Company's financial instruments consist of cash, accounts payable and due to related parties. The fair values of these financial instruments approximate their carrying values due to their current nature.

The Company classifies its fair value measurements in accordance with the three level fair value hierarchies as follows:

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Assets and liabilities measured at fair value on a recurring basis as of December 31, 2020 are as follows:

	Fair Value Measurements Using			
	(Level 1)	(Level 2)	(Level 3)	Balance, December 31, 2020
	$	$	$	$
Assets:				
Cash	8,470	–	–	8,470
Total assets measured at fair value	8,470	–	–	8,470

9. Financial Instruments and Risk – Continued

Financial Risk Management Objectives and Policies

The Company's financial instruments include cash, accounts payable and due to related parties. The risks associated with these financial instruments and policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash. To minimize its credit risk, the Company deposits its cash with high credit quality financial institutions. The Company's maximum exposure to credit risk is equal to the carrying value of cash.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. The Company's accounts payable and due to related parties are due within 12 months of December 31, 2020.

Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The issuance of debt and equity instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices.

a) Currency Risk

The Company does not have significant foreign exchange risk as all of its transactions and financial instruments are denominated in Canadian dollars.

b) Interest Rate Risk

The Company is not subject to interest rate risk as amounts due to related parties are non-interest bearing.

10. Commitments

The Company entered into a license agreement with the University of British Columbia (UBC) on April 25, 2017. Under the confidential terms of the license agreement, the Company agreed to pay UBC a royalty on all revenues and monies, directly or indirectly collected or received from the sale of products utilizing the license intellectual property as well as an annual license fee during the agreement's term.

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

11. Subsequent Events

Agreement with ASEP Medical Inc.

On May 14, 2021 (the "Effective Date"), the Company entered into an option agreement (the "Option Agreement") with ASEP Medical Inc. ("ASEP"). Under Option Agreement, the Company granted ASEP the option (the "Option") to acquire 50.1% of the common shares of the Company (the "ABT Shares") in exchange for aggregate cash consideration of $2,500,000.

Pursuant to the terms of the Option Agreement, ASEP agreed to subscribe for, and the Company agreed to issue, unsecured convertible notes of the Company (the "Notes") in the aggregate principal amount of up to $2,500,000 in five equal tranches of $500,000 on or prior to each of the dates (the "Note Subscription Date") set forth below: (a) $500,000 on the Effective Date; (b) $500,000 on the four month anniversary of the Effective Date; (c) $500,000 on the eight month anniversary of the Effective Date; (d) $500,000 on the twelve month anniversary of the Effective Date; and (e) $500,000 on the last Business Day prior to the sixteen month anniversary of the Effective Date.

Notwithstanding the foregoing, ASEP is not obligated to subscribe for any Notes where a Note Subscription Date occurs after the exercise date of the Option. The Notes are unsecured, non-interest bearing and repayable on the Maturity Date, being the earlier of the Expiry Date, September 14, 2022 and the Breach Date, the date on which the Option Agreement is breached due to the Company's failure to fund the Notes on the Note Subscription Dates.

The Notes can be converted by ASEP at any time up to the Maturity Date and will be automatically converted, subject to there not being an occurrence of an event of default, into such number of shares on the Maturity Date as determined in accordance with the Automatic Conversion Calculation (as defined below), and the Note(s) shall be terminated, and the total aggregate principal amount shall be automatically applied towards satisfaction of ASEP's payment for such shares. The number of Sepset Shares to be determined by the Company on the Expiry Date, Breach Date or Default Date, as applicable, is calculated by dividing (A) by (B), and then rounding the quotient of such equation down to the nearest whole number, where (A) is the product obtained by multiplying: (a) the aggregate number of ABT Shares that are issued and outstanding, as of the Expiry Date, Breach Date or Default Date, as applicable, on a fully diluted basis assuming conversion of all outstanding convertible securities of the Company other than the Notes, with (b) the product obtained by 10.02 multiplied by the number of Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, and where (B) is the product obtained by subtracting: (c) the product obtained by 10.02 multiplied by the number of Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, from (d) 100 (the "Automatic Conversion Calculation"). On May 14, 2021, ASEP subscribed for the $500,000 Note referred to in (a) above.

In addition, pursuant to the terms of the Option Agreement, all of the shareholders of ABT (excluding UBC) granted the ASEP, subject to the exercise of the Option, an option (the "ABT Additional Option") to acquire the remaining 49.9% equity interest in the capital of ABT from each of the shareholders of ABT (less the equity interest held by each of ASEP and UBC), resulting in ASEP holding a 100% equity interest in the capital of ABT after exercise of the ABT Additional Option and the UBC Option (as defined below). ASEP may exercise the ABT Additional Option at any time prior to the third anniversary of the exercise by ASEP of the Option upon payment of an aggregate $20,000,000 (the "ABT Additional Option Exercise Price"), less the amount payable to UBC pursuant to the UBC Option Agreement (as defined below), payable pro rata to each of the shareholders of ABT (excluding ASEP and UBC). The ABT Additional Option Exercise Price is payable as follows:

a. if ASEP's shares (including any shares of any assignee of ASEP) are listed on a recognized stock exchange, the ABT Additional Option Exercise Price, less the amount payable to UBC pursuant to the UBC Option Agreement, shall be payable to the shareholders of ABT (excluding ASEP and UBC), on a pro rata basis: (A) in cash, as to an aggregate minimum of $5,000,000; and (B) in shares of ASEP (or its assignee) as to the balance of the ABT Additional Option Exercise Price remaining after deduction of the cash portion advance under part (A), with such shares to be issued based on the 20-day volume-weighted average trading price of ASEP (or its assignee) ending on the trading day preceding the date on which ASEP provides notice to the Company that it is exercising the ABT Additional Option; or

b. if ASEP's shares (including any shares of any assignee of ASEP) are not listed on a recognized stock exchange, the ABT Additional Option Exercise Price shall be payable in cash, on a pro rata basis, as to the full $20,000,000, less the amount payable to UBC pursuant to the UBC Option Agreement.

Agreement with ASEP Medical Inc. and University of British Columbia

Concurrently with the entering into of the Option Agreement, the Company, ASEP and UBC entered into an option agreement (the "UBC Option Agreement") dated May 14, 2021, pursuant to which UBC granted ASEP an option (the "UBC Option") to purchase all of the shares held by UBC in the capital of the Company in exchange for payment by ASEP of UBC's pro rata interest of the ABT Additional Option Exercise Price. The UBC Option is conditional upon ASEP exercising the ABT Additional Option and the License Agreement being in good standing. Payment of UBC's pro rata portion of the ABT Additional Exercise Price shall be in the same manner as ASEP's payment of the ABT Additional Option Exercise Price to the remaining shareholders of the Company pursuant to the terms of the Option Agreement.

Issuance of Shares

On May 14, 2021, the Company issued an aggregate of 24,746 Class A common voting shares to certain existing shareholders of the Company on a pro rata basis pursuant to the terms of the License Agreement and the Shareholders Agreement dated April 24, 2017 between the Company and the shareholders of the Company.

Repayment of Debt

On May 14, 2021, the Company repaid an aggregate of $156,119.19 to certain directors and officers in full and final settlement of amounts owed by the Company as at such date.

SCHEDULE F

MANAGEMENT'S DISCUSSION & ANALYSIS OF ABT

[*See Attached*]

ABT INNOVATIONS INC.

Interim Management's Discussion and Analysis

(expressed in Canadian dollars)

For the three months and six months ended June 30, 2021 and June 30, 2020

Dated: November 9, 2021

ABT INNOVATIONS INC.

Interim Management's Discussion and Analysis

For the three months and six months ended June 30, 2021 and June 30, 2020

INTRODUCTION

Management's discussion and analysis ("**MD&A**") is prepared as of November 9, 2021, and provides a review of the performance of ABT Innovations Inc. ("**ABT**" or the "**Company**"). This MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 *Continuous Disclosure Obligations*. This should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three months and six months ended June 30, 2021 and 2020 and related notes included therein, which are prepared in accordance with International Financial Reporting Standards ("**IFRS**"). This report contains discussion and analysis, which includes forward-looking statements that may differ materially from actual results achieved. All of the financial data herein has been prepared in accordance with IFRS and all figures are stated in Canadian dollars.

FORWARD LOOKING STATEMENTS

This MD&A contains certain statements that constitute "forward-looking statements" and information relating to the Company that are based on the beliefs of management, as well as assumptions made by, and information currently available to, us. When used in this MD&A, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, and known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking information will not be realized.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in the forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that any forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated. The reader is cautioned not to place undue reliance on any forward-looking statements contained in this MD&A. Such forward-looking statements are presented for the purpose of assisting investors in understanding the Company's expected financial and operating performance and the Company's plans and objectives in making an investment decision and may not be appropriate for other purposes. All forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The Company disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements, or to reflect the occurrence of anticipated or unanticipated events, except as required by applicable laws.

COMPANY OVERVIEW

The Company was incorporated under the *Business Corporations Act* (British Columbia) on July 3, 2015. The Company's registered and records office address is Suite 1750 – 1055 West Georgia Street, Vancouver,

British Columbia, Canada V6E 3P3. The Company's head office is located at 420 – 730 View Street, Victoria, British Columbia, Canada V8W 3Y7. The Company is not currently listed on any securities exchange and presently operates as a private entity.

The Company is in the business of developing and commercializing the use of multiple peptide products (small proteins) for applications in any number of areas, including inflammatory medications to vaccine adjuvants. The Company operates together with the University of British Columbia ("**UBC**"), through a worldwide, exclusive License Agreement dated April 24, 2017 (the "**License Agreement**"), that allows ABT, subject to certain restrictions, the ability to use and sublicense core technology developed through research carried out by Dr. Robert E.W. Hancock, in the UBC Department of Microbiology and Immunology.

Dr. Hancock is a leading microbiologist in Canada and has researched and taught at UBC for more than 40 years.

The fundamental interest of Dr. Hancock and his laboratory is in designing new therapeutic strategies to treat infections and inflammation in the light of increasing antibiotic resistance coupled with a dearth of new antibiotic discovery. His research interests include cationic host defence peptides as novel antimicrobials, anti-biofilm agents, anti-inflammatory agents and modulators of innate immunity.

Dr. Hancock has published more than 800 papers and reviews, is a highly cited author in Microbiology and listed in the top 250 most cited authors in the world with more than 114,000 citations and an h-index of 169, and has 72 patents awarded. In recognition of his work, Dr. Hancock has received numerous awards and honours including: the Prix Galien (highest award for Canadian pharmaceutical research and innovation), the Killam Prize (Canada Council's prize for health research), Michael Smith CIHR Researcher of the Year, the ICAAC Aventis Antimicrobial Research Award (leading award worldwide for antimicrobial research) and in 2001, he was inducted as an Officer of the Order of Canada (Canada's second highest honour).

Dr. Hancock has had a major role in translating University discoveries into new treatments and diagnostics and is the co-founder of Migenix Biotech, Inimex Pharmaceuticals, ABT Innovations, Sepset Biotherapeutics, and the Centre for Drug Research and Development (now Ad Mare), and has experience across the continuum of commercialization.

ABT's business consists of providing a new concept for treating chronic infections, and although the Company's first focus has been to develop a treatment to address a common inflammatory biofilm disease, Chronic Rhinosinusitis (CRS), ABT has been developing supplemental indications mainly through partnerships. As such, *in vitro* and/or *in vivo* studies have been performed in the fields of Dental Infections, Abscesses, Wounds and Burns, and Inflammatory Diseases. Other studies have tested ABT's technology in Veterinary Applications and as Vaccine Adjuvants.

Development Progress

Over the last few years, tremendous progress has been achieved, as ABT has:

- Characterized the organisms associated with sinusitis patients in Vancouver;
- Defined the susceptibility of these and other common sinusitis pathogens to peptides;
- Screened the Company's large library of peptides for those with optimal activities against sinusitis organisms when present as biofilms;
- Demonstrated strong synergy with conventional antibiotics;
- Defined in vitro toxicity;

- Defined their anti-inflammatory activity in vitro;
- Created 2 sinusitis mouse models and used these to demonstrate the activity of peptides vs. major sinusitis organisms in vivo ;
- Created human skin and respiratory air-liquid interface organoids (including a damaged tissue model) and used these to demonstrate the peptides' anti-biofilm and anti-inflammatory activities ex vivo; and
- Developed new formulations, initiated pharmacokinetic studies, and investigated toxicities.

Patent Families

ABT has the following Patent Families:

- Small Cationic Antimicrobial Peptides
    - US Patent US8343475, issued 1/1/2013;
    - US Patent US9017656 issued 28/4/2015;
    - US Patent US9707282 issued 18/7/2017;
    - European Patent EP2061886 issued7/5/2014;
    - Spanish ES2497441, issued 22/9/2014;
    - Denmark DK2061886 issued 11/8/2014;
    - Australian AU2007288080 issued 4/7/2013; and
    - European Patent EP2061886 issued 7/5/2014.

- Small Cationic Anti-Biofilm and IDR Peptides
    - International Application No. PCT/US2014/052993

- Cationic Peptides with Immunomodulatory, and/or Anti-Biofilm Activity
    - International application No PCT/IB2019/050643, filed 26/1/2018

License Agreement with UBC

The Company entered into a license agreement with the University of British Columbia (UBC) on April 25, 2017. Under the confidential terms of the license agreement, the Company agreed to pay UBC a royalty on all revenues and monies, directly or indirectly collected or received from the sale of products utilizing the license intellectual property as well as an annual license fee during the agreement's term.

OVERALL PERFORMANCE

Financing

During the six-month period ended June 30, 2021, the Company spent significant time planning and completing work for its potential financing transaction with ASEP Medical Inc. ("**ASEP**"). The purpose of this financing is to fund future non-clinical toxicology, pre-IND and IND filing related costs, and continued clinical development, operational and general & administrative costs.

On May 14, 2021, the Company entered into an option agreement with ASEP (discussed in detail in the "Proposed Transactions" section of this MD&A). Under the option agreement, ASEP has the option to acquire 50.1% of the common shares of the Company on a fully diluted basis in exchange for aggregate cash consideration of $2,500,000. ASEP agreed to subscribe for, and the Company agreed to issue,

unsecured convertible notes of the Company in the aggregate principal amount of up to $2,500,000 in five equal tranches of $500,000.

On May 14, 2021, the Company received the first unsecured convertible note of $500,000. The Company used proceeds from this note to repay $165,610 of shareholder loans payable.

New Research Agreements

The Company developed and negotiated a collaborative research contract with UBC to enable commercial development of its peptides in the lab of Dr. Robert E.W. Hancock. The agreement was signed on June 2, 2021.

Research and Drug Development Agenda

The Company's research and drug development agenda continued to be promoted through collaboration on grants from the Michael Smith Foundation for Health Research (I2C program), the Nanomedicines Network of Centres of Excellence and the US Army Research Center that funded research in the areas of:

(a) development and in vitro and in vivo testing of existing, new and improved peptide drugs;

(b) development and testing of enhanced formulations (liposomal and others) for delivery of these drugs;

(c) utilization of sinusitis animal models to demonstrate efficacy of formulated and unformulated peptides in these models as well as in the mouse abscess infection model;

(d) demonstration of efficacy of formulated and unformulated peptides in human skin organoid models; both N-tert skin and human skin biopsy models were employed;

(e) testing enhancement of efficacy in combination with antibiotics especially in the context of wound dressings;

(f) testing anti-inflammatory activity in human organoid infectious inflammation models; and

(g) testing toxicity in these models and in vitro.

SELECTED FINANCIAL INFORMATION

As at June 30, 2021, the Company had a working capital surplus of $300,459 compared to a working capital deficiency of $150,530 at December 31, 2020.

This increase in working capital is a result of:

1. An increase in cash of $295,680
2. An increase in GST receivable of $1,672
3. An increase in prepaid expenses of $2,500
4. A decrease in accounts payable and accrued liabilities of $10,423
5. A decrease in due to related parties of $140,714

The increase in the working capital of $450,989 is related to the Company receiving the first unsecured convertible note of $500,000 on May 14, 2021 with an offset mainly related to legal expenses relating to

the proposed transactions (discussed in the "Proposed Transactions" section of this MD&A) and other operating costs incurred during the period.

The following table sets out selected financial information as at June 30, 2021 and December 31, 2020.

Financial Position as at	**June 30, 2021**	**December 31, 2020**
Cash	304,150	8,470
GST receivable	4,182	2,510
Prepaid expenses	2,500	-
Accounts payable and accrued liabilities	10,373	20,796
Due to related parties	-	140,714
Note payable	500,000	-
Share capital	209	209

As at June 30, 2021, the Company had cash of $304,150 (December 31, 2020 - $8,470), GST receivable of $4,182 (December 31, 2020 - $2,510) and prepaid expenses of $2,500 (December 31, 2020 - $nil). The increase in cash is related to the Company receiving the first unsecured convertible note of $500,000 on May 14, 2021. From this note, the Company used $156,119 to repay the shareholder loan payable balances at May 14, 2021 and paid $35,000 in legal costs related to the proposed transactions (discussed in the "Proposed Transactions" section of this MD&A). The Company had total current assets at June 30, 2021 of $310,832 (December 31, 2020 - $10,980).

As at June 30, 2021, the Company had $nil in due to related parties (December 31, 2020 - $140,714). The decrease in due to related parties is due to the repayment of the shareholder loan payable discussed above. As at June 30, 2021, the Company had $500,000 in notes payables (December 31, 2020 - $nil). The increase in notes payable is related to the $500,000 unsecured convertible note discussed above.

Share capital as at June 30, 2021 was $209 (December 31, 2020 - $209). There were no shares issued for cash in the six-month period ended June 30, 2021. No options or warrants were issued in the six-month period ended June 30, 2021.

DISCUSSION OF OPERATIONS

Consolidated Statement of Comprehensive Loss

	Three months ended		**Six months ended**	
	June 30, 2021	**June 30, 2020**	**June 30, 2021**	**June 30, 2020**
	$	**$**	**$**	**$**
Research revenue	-	-	-	-
Operating expenses				
Legal & professional	43,750	-	43,750	-
UBC contract for research	-	4,125	-	4,125
Licensing costs	1,250	-	2,500	-
Patent costs	338	-	2,443	3,012

Consulting fees	228	-	228	-
General & administrative	25	206	90	269
	45,591	4,331	49,011	7,406
Loss and comprehensive loss for the period	(45,591)	(4,331)	(49,011)	(7,406)

Revenue
Revenue for the periods ended June 30, 2021 were $nil and the periods ended June 30, 2020 was $nil.

Operating Expenses
Operating expenses for the six months ended were $49,011 (June 30, 2020 - $7,406).

Legal & professional
Legal & professional fees were $43,750 for the six-months ended June 30, 2021 compared to $nil for the six-month period ended June 30, 2020. The increase of $43,750 is due to legal and accounting fees incurred related to the proposed transactions (discussed in detail in "Proposed Transactions" section of this MD&A).

UBC Contract for Research
UBC contract for research expenses were $nil for the six month period ended June 30, 2021 compared to $4,125 for the six month period ended June 30, 2020. The decrease of $3,975 is due to the UBC collaborative research agreement ending in 2020.

Licensing Costs
The licensing costs recognized was $2,500 for the six month period ended June 30, 2021 compared to $nil for the six month period ended June 30, 2020.

Patent Costs
Patents costs were $2,443 for the six month period ended June 30, 2021 compared to $3,012 for the six month period ended June 30, 2020. Patent costs stayed relatively consistent due to ongoing patent maintenance fees being incurred for already established patents for each period.

LIQUIDITY AND CAPITAL RESOURCES

ABT is a development stage company that has had minimal revenue and negative operating cash flows each year, which are expected to continue in the near future. As a development stage company, ABT requires significant additional investment for research and development, clinical testing and regulatory submissions prior to commercialization. Since inception, ABT has financed its cash requirements primarily through shareholder loans and non-dilutive funding. As of June 30, 2021, the Company has not entered into any debt arrangements or incurred any debts outside of shareholder loans and the Notes (defined below). During Q2 2021, all shareholder loans were repaid by the Company. The Company's ability to continue as a going concern is dependent upon obtaining additional investment capital and grant monies.

Based on the foregoing, the Company will continue to pursue various funding options and opportunities; however, no assurances can be made that the Company will be successful in raising additional investment capital, to continue as a going concern. If the Company is not able to raise capital, it will have to reduce its cash requirements by eliminating or deferring spending on research, development and corporate activities.

For the six months ended June 30, 2021, there was a net cash outflow from operating activities of $63,606 compared to a net cash outflow of $17,030 for the six months ended June 30, 2020, an increase in outflow of $46,576. Expressed in tabular form, the increase from the net cash used for operations is as follows:

	Six months ended June 30, 2021	Six months ended June 30, 2020	Change
Net loss from operations for the period	$(49,011)	$(7,406)	$(41,605)
Change in GST receivable	(1,672)	(83)	1,589
Change in prepaid expenses	(2,500)	-	(2,500)
Change in accounts payable and accrued liabilities	(10,423)	(9,541)	(882)
Decrease in net cash used for operations	$(63,606)	$(17,030)	($46,576)

OFF-BALANCE SHEET ARRANGEMENTS

As disclosed in the Company's unaudited financial statements for the three months and six months ended June 30, 2021 (as are available on Trenchant Life Sciences Investment Corp.'s ("**TLS**") profile on SEDAR (www.sedar.com)), the Company had the following off-balance sheet arrangements:

The Company entered into a license agreement with the University of British Columbia (UBC) on April 25, 2017. Under the confidential terms of the license agreement, the Company agreed to pay UBC a royalty on all revenues and monies, directly or indirectly collected or received from the sale of products utilizing the license intellectual property as well as an annual license fee during the agreement's term.

TRANSACTIONS BETWEEN RELATED PARTIES

As disclosed in the Company's unaudited financial statements for the three months and six months ended June 30, 2021 (as are available on Trenchant Life Sciences Investment Corp.'s ("**TLS**") profile on SEDAR (www.sedar.com)), the Company had the following related party balance and transactions:

- During the six months ended June 30, 2021, the Company incurred $Nil (six months ended June 30, 2020 - $Nil) in short-term benefits key management personnel and entities over which they have control or significant influence.
- Amounts due to related parties at June 30, 2021 is $nil (December 31, 2020 - $140,714 was due to related parties of which $115,447 was owed to Michael Graw, a shareholder and director of the company; and $25,267 was owed to Robert E.W. Hancock, shareholder and director of the company). The shareholder loan amounts were related to patent fees and other operational costs of the Company paid for by Michael Graw and Robert E.W. Hancock on behalf of the company. The amounts due were non-interest bearing, unsecured and due on demand.

PROPOSED TRANSACTIONS

On May 14, 2021 (the "**Effective Date**"), the Company entered into an option agreement (the "**Option Agreement**") with ASEP Medical Inc. ("**ASEP**"). Under Option Agreement, the Company has the option (the "**Option**") to acquire 50.1% of the common shares of ABT (the "**ABT Shares**") in exchange for aggregate cash consideration of $2,500,000.

Pursuant to the terms of the Option Agreement, ASEP agreed to subscribe for, and the Company agreed to issue, unsecured convertible notes of the Company (the "**Notes**") in the aggregate principal amount of up to $2,500,000 in five equal tranches of $500,000 on or prior to each of the dates (the "**Note Subscription**

Date") set forth below: (a) $500,000 on the Effective Date; (b) $500,000 on the four month anniversary of the Effective Date; (c) $500,000 on the eight month anniversary of the Effective Date; (d) $500,000 on the twelve month anniversary of the Effective Date; and (e) $500,000 on the last Business Day prior to the sixteen month anniversary of the Effective Date.

Notwithstanding the foregoing, ASEP is not obligated to subscribe for any Notes where a Note Subscription Date occurs after the exercise date of the Option. The Notes are unsecured, non-interest bearing and repayable on the Maturity Date, being the earlier of the Expiry Date, September 14, 2022 and the Breach Date, the date on which the Option Agreement is breached due to ASEP's failure to fund the Notes on the Note Subscription Dates.

The Notes can be converted by ASEP at any time up to the Maturity Date and will be automatically converted, subject to there not being an occurrence of an event of default, into such number of shares on the Maturity Date as determined in accordance with the Automatic Conversion Calculation (as defined below), and the Note(s) shall be terminated, and the total aggregate principal amount shall be automatically applied towards satisfaction of ASEP's payment for such shares. The number of ABT Shares to be determined by the Company on the Expiry Date, Breach Date or Default Date, as applicable, is calculated by dividing (A) by (B), and then rounding the quotient of such equation down to the nearest whole number, where (A) is the product obtained by multiplying: (a) the aggregate number of ABT Shares that are issued and outstanding, as of the Expiry Date, Breach Date or Default Date, as applicable, on a fully diluted basis assuming conversion of all outstanding convertible securities of the Company other than the Notes, with (b) the product obtained by 10.02 multiplied by the number of Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, and where (B) is the product obtained by subtracting: (c) the product obtained by 10.02 multiplied by the number of Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, from (d) 100 (the "**Automatic Conversion Calculation**"). On May 14, 2021, ASEP subscribed for the $500,000 note referred to in (a) above.

In addition, pursuant to the terms of the Option Agreement, all of the shareholders of the Company (excluding UBC) granted ASEP, subject to the exercise of the Option, an option (the "**Additional Option**") to acquire the remaining 49.9% equity interest in the capital of the Company from each of the shareholders of the Company (less the equity interest held by each of ASEP and UBC), resulting in ASEP, after exercise of the Additional Option, holding a 100% equity interest in the capital of the Company. ASEP may exercise the Additional Option at any time prior to the third anniversary of the exercise by ASEP of the Option upon payment of an aggregate $20,000,000 (the "**Additional Option Exercise Price**"), less the amount payable to UBC pursuant to the UBC Option Agreement (as defined below), payable pro rata to each of the shareholders of the Company (excluding ASEP and UBC). The Additional Option Exercise Price is payable as follows:

a. if ASEP's shares (including any shares of any assignee of ASEP, including without limitation, TLS) are listed on a recognized stock exchange, the Additional Option Exercise Price, less the amount payable to UBC pursuant to the UBC Option Agreement, shall be payable to the shareholders of the Company (excluding ASEP and UBC), on a pro rata basis: (A) in cash, as to an aggregate minimum of $5,000,000; and (B) in shares of ASEP (or its assignee) as to the balance of the Additional Option Exercise Price remaining after deduction of the cash portion advance under part (A), with such shares to be issued based on the 20-day volume-weighted average trading price of ASEP (or its assignee) ending on the trading day preceding the date on which ASEP provides notice to the Company that it is exercising the Additional Option; or

b. if ASEP's shares are not listed on a recognized stock exchange, the Additional Option Exercise Price shall be payable in cash, on a pro rata basis, as to the full $20,000,000, less

the amount payable to UBC pursuant to the UBC Option Agreement.

Concurrently with the entering into of the Option Agreement, the Company, ASEP and UBC entered into an option agreement (the "**UBC Option Agreement**") dated May 14, 2021, pursuant to which UBC granted ASEP an option (the "**UBC Option**") to purchase all of the shares held by UBC in the capital of the Company in exchange for payment by ASEP of UBC's pro rata interest of the ABT Additional Option Exercise Price. The UBC Option is conditional upon ASEP exercising the ABT Additional Option and the License Agreement being in good standing. Payment of UBC's pro rata portion of the ABT Additional Exercise Price shall be in the same manner as ASEP's payment of the ABT Additional Option Exercise Price to the remaining shareholders of the Company pursuant to the terms of the Option Agreement.

Upon payment of the exercise price for the Option by ASEP to ABT, or advance of the funds as subscription for the Notes, the Company shall have adequate finances to advance its peptides towards the start of the formal clinical trial process for chronic rhinosinusitis (CRS). This will include (1) finalizing the selection of a formulated lead peptide plus two backups for use in CRS, including confirming biological activity (reduction of biofilm and reduction of inflammation) in the Company's in vivo mouse sinusitis model with sinusitis pathogens, and in human skin organoid models; and (2) formal pre-clinical studies to prepare for clinical trials including performing safety/toxicity studies in 2 species of animals, GMP manufacture of peptides and analytical testing, development of an IND filing application, and ensuring funding is in place for this trial. Other activities will support ABT's collaboration with iFyber to develop enhanced dressings for biofilm infected wounds. The Company will also prosecute its suite of patents and likely file a new patent for novel peptides.

All required corporate approvals, including shareholder approval, has been obtained.

CHANGES IN ACCOUNTING POLICIES

The Company had no changes to accounting policies for the three months and six months ended June 30, 2021 and 2020.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at June 30, 2021, the Company's financial instruments consist of cash, accounts payable and due to related parties. The fair values of these financial instruments approximate their carrying values due to their current nature.

The Company classifies its fair value measurements in accordance with the three level fair value hierarchies as follows:

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Assets and liabilities measured at fair value on a recurring basis as of June 30, 2021 are as follows:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Balance, June 30, 2021
	$	$	$	$
Assets:				
Cash	304,150	–	–	304,150
Total assets measured at fair value	304,150	–	–	304,150

ADDITIONAL DISCLOSURE

Expensed research and development costs

The Company conducts research and development (R&D) activities related to multiple peptide products (small proteins) for applications in any number of areas, including inflammatory medications to vaccine adjuvants. During the years ended December 31, 2020 and 2019, the Company incurred the following R&D expenses:

	For the three months ended June 30,		**For the six months ended June 30,**	
	2021	**2020**	**2021**	**2020**
UBC contract for research	-	13,594	-	13,594
Licensing costs	1,250	-	2,500	-
Patent costs	338	150	2,443	3,162
Total expensed research and development costs	1,588	13,744	4,943	16,756

A discussion of the above research and development costs in included in the Discussion of Operations section of this MD&A.

OUTSTANDING SHARE DATA

The Company is authorized to issue: (i) an unlimited number of Class A common voting shares without nominal or par value, (ii) an unlimited number of Class B common voting shares without nominal or par value, (iii) an unlimited number of Class C common non-voting shares without nominal or par value; (iv) an unlimited number of Class D preference shares with a par value of $100 each; and (v) an unlimited number of Class E preference shares without nominal or par value.

As of the date of this MD&A, the Company has 2,024,746 issued and outstanding Class A common voting shares. In addition, in accordance with the Option Agreement, the Company granted the Option to ASEP.

RISK FACTORS

Risks Related to the Company

Management of the Company defines risk as the evaluation of probability that an event might happen in the future that could negatively affect the financial condition and/or results of operations of Company. The following section describes specific and general risks that could affect the Company. The following descriptions of risk do not include all possible risks as there may be other risks of which management is currently unaware. Moreover, the likelihood that a risk will occur or the nature and extent of its consequences if it does occur, is not possible to predict with certainty, and the actual effect of any risk or its consequences on the business could be materially different from those described below and elsewhere in this Prospectus.

The Company will be a development stage company with little operating history, a history of losses and the Company cannot assure profitability.

As the Company will be in the pre-revenue phase, it is extremely difficult to make accurate predictions and forecasts of its finances. This is compounded by the fact the Company intends to operate in the health sciences industry, which is rapidly transforming. There is no guarantee that the Company's products or services will be attractive to potential consumers.

Lack of Operating Cash Flow

The Company does not currently have a source of operating cash flow and this trend is expected to continue for the foreseeable future. The Company's failure to achieve profitability and positive operating cash flows could have a material adverse effect on its financial condition and results of operations. If the Company sustains losses over an extended period of time, it may be unable to continue its business. Further research and preclinical or clinical development of the Company's therapies and products will require the commitment of substantial financial resources. It may be several years before the Company may generate any revenues from operations, if at all. There can be no assurance that the Company will realize revenue or achieve profitability.

Uncertainty about the Company's ability to continue as a going concern.

The Company is in the development stage and will seek additional capital, joint ventures, partnerships and other business arrangements to expand its business opportunities in the life sciences industry. The Company's ability to continue as a going concern is dependent upon its ability in the future to execute on its business opportunities and achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity and debt, will be sought to finance the operations of the Company; however, there can be no certainty that such funds will be available on acceptable terms. These conditions

indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management.

The Company's actual financial position and results of operations may differ materially from management's expectations. As a result, the Company's revenue, net income and cash flow may differ materially from the Company's projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

If the Company experiences delays or difficulties in the enrollment of volunteers or patients in the clinical trials, receipt of necessary regulatory approvals could be delayed or prevented.

Clinical trials for treatment candidates require identification and enrollment of a large number of volunteers or eligible patients. The Company may not be able to enroll sufficient volunteers or eligible patients to complete clinical trials in a timely manner or at all. Patient enrollment is a function of many factors, including the following: design of the protocol, size of the patient population, eligibility criteria for the study in question, perceived risks and benefits of the drug under study, availability of competing therapies, efforts to facilitate timely enrollment in clinical trials, patient referral practices of physicians, and availability of clinical trial sites. If the Company has difficulty enrolling sufficient volunteers or patients to conduct its clinical trials as planned, they may need to delay, forego or terminate ongoing clinical trials. This may have a material adverse effect on the Company's financial condition or results of operations.

If serious adverse or intolerable side effects are identified during the development of the product candidates, the Company may need to abandon or limit the development and expected commercial value of some of its product candidates.

The Company's potential product candidates are still in preclinical or clinical development and as such, they have a high risk of failure. If serious adverse or intolerable side effects are identified during the development of the product candidates, the Company may need to abandon their development or limit development to certain uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk benefit perspective. It is impossible to predict when or if any of the Company's product candidates will prove effective or safe in humans or will receive regulatory approval.

If serious adverse or intolerable side effects are identified post-approval, the Company may need to recall its products and depending on the serious adverse event or intolerable side effects, the Company may have to abandon the product completely and could be subject to substantial product liability claims. The Company may be able to limit sales to certain uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective.

Lack of supporting clinical data.

The clinical effectiveness and safety of any of the Company's developmental products is not yet supported by clinical data and the medical community has not yet developed a large body of peer reviewed literature that supports the safety and efficacy of the Company's potential products. If future studies call into question

the safety or efficacy of the Company's potential products, the Company's business, financial condition, and results of operations could be adversely affected.

The Company has an unproven market for its product candidates.

The Company believes that the anticipated market for its potential products and technologies if successfully developed will continue to exist and expand. These assumptions may prove to be incorrect for a variety of reasons, including competition from other products and the degree of commercial viability of the potential product.

Pre-clinical studies and initial clinical trials are not necessarily predictive of future results.

Pre-clinical tests and Phase I/II clinical trials of therapeutics are primarily designed to test safety, to study pharmacokinetics and pharmacodynamics, establish optimal dosing regimens, and to understand the side effects of product candidates at various doses and schedules. Pre-clinical tests and clinical trials of diagnostic technologies are designed to test effectiveness. Success in pre-clinical and early clinical trials does not ensure that later large-scale efficacy trials will be successful nor does it predict final results. Favorable results in early trials may not be repeated in later trials.

A number of companies in the health sciences industry have suffered significant setbacks in advanced clinical trials, even after positive results in earlier trials. Clinical results are frequently susceptible to varying interpretations that may delay, limit or prevent regulatory approvals. Negative or inconclusive results or adverse medical events during a clinical trial could cause a clinical trial to be delayed, repeated or terminated. Any pre-clinical data and the clinical results obtained for the Company's technology may not predict results from studies in larger numbers of subjects drawn from more diverse populations or in the commercial setting, and also may not predict the ability of these products to achieve their intended goals, or to do so safely.

An inability to obtain raw materials or product supply could have a material adverse impact on the Company's business, financial condition and results of operations.

Raw materials and supplies are generally available in quantities to meet the Company's needs. The Company will be dependent on third-party manufacturers for the products that it markets. An inability to obtain raw materials or product supplies could have a material adverse impact on the Company's business, financial condition and results of operations.

The Company will be highly dependent on key personnel.

Although the Company is expected to have experienced senior management and personnel, the Company will be substantially dependent upon the services of a few key technical personnel, particularly Dr. Robert E.W. Hancock, Dr. Fadia Saad and Dr. Evan Haney as well as certain other medical research professionals engaged for the successful operation of the Company's businesses. Phase I of the Company's research and development is planned to be completed by qualified professionals and is expected to concentrate on treatment of bacterial biofilm infections. The loss of the services of any of these personnel could have a material adverse effect on the business of the Company. The Company may not be able to attract and retain personnel on acceptable terms given the intense competition for such personnel among high technology enterprises, including biotechnology, and healthcare companies, universities and non-profit research

institutions. If the Company loses any of these persons, or is unable to attract and retain qualified personnel, the business, financial condition and results of operations may be materially and adversely affected.

The Company may not succeed in completing the development of its products, commercializing their products or generating significant revenues.

Since commencing operations, the Company has focused on the research and development of a broad peptide technology. The Company's ability to generate revenues and achieve profitability depends on the Company's ability to successfully complete the development of its products, obtain market and regulatory approval and generate significant revenues. The future success of the Company's business cannot be determined at this time, and the Company does not anticipate generating revenues from product sales for the foreseeable future. In addition, the Company will face a number of challenges with respect to its future commercialization efforts, including, among others, that:

- the Company may not have adequate financial or other resources to complete the development of its various products or medical therapies, including two stages of clinical development that are necessary in order to commercialize such products or medical therapies;
- the Company may not be able to manufacture its products in commercial quantities, at an adequate quality or at an acceptable cost;
- the Company may never receive FDA or Health Canada approval for its intended products or medical therapies;
- the Company may not be able to establish adequate sales, marketing and distribution channels;
- healthcare professionals and patients may not accept the Company's product candidates;
- technological breakthroughs in sepsis treatment and prevention may reduce the demand for the Company's product candidates;
- changes in the market for sepsis treatment, new alliances between existing market participants and the entrance of new market participants may interfere with the Company's market penetration efforts;
- third-party payors may not agree to reimburse patients for any or all of the purchase price of the Company's products, which may adversely affect patients' willingness to purchase the Company's product candidates;
- uncertainty as to market demand may result in inefficient pricing of the Company's product candidates;
- the Company may face third-party claims of intellectual property infringement;
- the Company may fail to obtain or maintain regulatory approvals for product candidates in the Company's target markets or may face adverse regulatory or legal actions relating to the Company's product candidates even if regulatory approval is obtained; and
- the Company is dependent upon the results of ongoing clinical studies relating to the Company's product candidates and products of its competitors. The Company may fail in obtaining positive results.

If the Company is unable to meet any one or more of these challenges successfully, the Company's ability to effectively commercialize its product candidates could be limited, which in turn could have a material adverse effect on the Company's business, financial condition and results of operations.

Probable lack of business diversification.

Because the Company will be focused on developing its business ancillary to the life sciences industry, and potentially directly in the life sciences industry, the prospects for the Company's success will be dependent upon the future performance and market acceptance of the Company's intended products, processes, and services. Unlike certain entities that have the resources to develop and explore numerous product lines, operating in multiple industries or multiple areas of a single industry, the Company does not anticipate the ability to immediately diversify or benefit from the possible spreading of risks or offsetting of losses. Again, the prospects for the Company's success may become dependent upon the development or market acceptance of a very limited number of products, processes or services.

The Company expects to incur significant ongoing costs and obligations related to its investment in infrastructure, growth, regulatory compliance and operations.

The Company expects to incur significant ongoing costs and obligations related to its investment in infrastructure and growth and for regulatory compliance, which could have a material adverse impact on the Company's results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company. The Company's planned efforts to grow its business may be costlier than the Company expects, and the Company may not be able to increase its revenue enough to offset its higher operating expenses. The Company may incur significant losses in the future for a number of reasons, and unforeseen expenses, difficulties, complications and delays, and other unknown events. If the Company is unable to achieve and sustain profitability, the market price of the Common Shares may significantly decrease.

There is no assurance that the Company will turn a profit or generate immediate revenues.

There is no assurance as to whether the Company will be profitable, earn revenues, or pay dividends. The Company anticipates that it will continue to incur substantial expenses relating to the development and initial operations of its business.

The payment and amount of any future dividends will depend upon, among other things, the Company's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

The Company may be unable to adequately protect its proprietary and intellectual property rights.

The Company's ability to compete may depend on the superiority, uniqueness and value of any intellectual property and technology that it may develop. To the extent the Company is able to do so, to protect any proprietary rights of the Company, the Company intends to rely on a combination of patent, trademark, copyright and trade secret laws, confidentiality agreements with its employees and third parties, and protective contractual provisions. Despite these efforts, any of the following occurrences may reduce the value of any of the Company's intellectual property:

- issued patents, trademarks and registered copyrights may not provide the Company with competitive advantages; the Company's efforts to protect its current intellectual property rights may not be effective in preventing misappropriation of any its products or intellectual property;

- the Company's efforts may not prevent the development and design by others of products or marketing strategies similar to or competitive with, or superior to those the Company develops;

- another party may assert a blocking patent and the Company would need to either obtain a license or design around the patent in order to continue to offer the contested feature or service in its products; or

- the expiration of patent or other intellectual property protections for any assets owned by the Company could result in significant competition, potentially at any time and without notice, resulting in a significant reduction in sales. The effect of the loss of these protections on the Company and its financial results will depend, among other things, upon the nature of the market and the position of the Company's products in the market from time to time, the growth of the market, the complexities and economics of manufacturing a competitive product and regulatory approval requirements but the impact could be material and adverse.

The Company may be forced to litigate to defend its intellectual property rights, or to defend against claims by third parties against the Company relating to intellectual property rights.

The Company may be forced to litigate to enforce or defend its intellectual property rights, to protect its trade secrets or to determine the validity and scope of other parties' proprietary rights. Any such litigation could be very costly and could distract its management from focusing on operating the Company's business. The existence and/or outcome of any such litigation could harm the Company's business.

The Company may become subject to litigation, including for possible product liability claims, which may have a material adverse effect on the Company's reputation, business, results from operations, and financial condition.

The Company may be named as a defendant in a lawsuit or regulatory action. The Company may also incur uninsured losses for liabilities which arise in the ordinary course of business, or which are unforeseen, including, but not limited to, employment liability and business loss claims. Any such losses could have a material adverse effect on the Company's business, results of operations, sales, cash flow or financial condition.

The Company will face competition from other companies where it will conduct business that may have higher capitalization, more experienced management or may be more mature as a business.

An increase in the companies competing in this industry could limit the ability of the Company's potential of expanding its operations. Current and new competitors may have better capitalization, a longer operating history, more expertise and able to develop higher quality equipment or products, at the same or a lower cost. The Company will not be able to provide assurances that it will be able to compete successfully against current and future competitors. Competitive pressures that the Company may face could have a material adverse effect on its business, operating results and financial condition.

If the Company is unable to attract and retain key personnel, it may not be able to compete effectively in the health sciences market.

The Company's success will depend upon its ability to attract and retain key management, including the Company's proposed Chief Executive Officer, Chief Financial Officer, and technical experts. The Company will attempt to enhance its management and technical expertise by continuing to recruit qualified individuals who possess desired skills and experience in certain targeted areas. The Company's inability to retain employees and attract and retain sufficient additional employees or engineering and technical support resources could have a material adverse effect on the Company's business, results of operations, sales, cash flow or financial condition. Shortages in qualified personnel or the loss of key personnel could adversely affect the financial condition of the Company, results of operations of the business and could limit the Company's ability to develop and market its therapeutic treatments and medical diagnostic products. The loss of any of the Company's senior management or key employees could materially adversely affect the Company's ability to execute the Company's business plan and strategy, and the Company may not be able to find adequate replacements on a timely basis, or at all.

The industry of the Company is experiencing rapid growth and consolidation that may cause the Company to lose key relationships and intensify competition.

The health sciences industry and businesses ancillary to and directly involved with health sciences businesses are undergoing rapid growth and substantial change, which has resulted in an increase in competitors, consolidation and formation of strategic relationships. Acquisitions or other consolidating transactions could harm the Company in a number of ways, including by losing strategic partners if they are acquired by or enter into relationships with a competitor, losing customers, revenue and market share, or forcing the Company to expend greater resources to meet new or additional competitive threats, all of which could harm the Company's operating results.

The Company cannot guarantee that it will meet its business objectives and obtain future financing.

There is no guarantee that the Company will be able to achieve its business objectives. The continued development of the Company will require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

The Company's anticipated officers and directors may be engaged in a range of business activities that could result in conflicts of interest.

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in the industries in which the Company may operate and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each director is required to declare and refrain from voting on any matter in which such director may have a conflict of interest in accordance with the procedures set forth in applicable laws.

The Company's Employees, Contractors and Consultants could engage in Fraudulent or Illegal Activity.

The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Company that violates government regulations or laws that require the true, complete and accurate reporting of financial information or data. It may not always be possible for the Company to identify and deter misconduct by its employees and other

third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Company's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Company's operations, any of which could have a material adverse effect on the Company.

In certain circumstances, the Company's reputation could be damaged.

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding the Company and its proposed activities, whether true or not. Although the Company plans to operate in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Company will ultimately not have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

ABT INNOVATIONS INC.

Management's Discussion and Analysis

(expressed in Canadian dollars)

For the years ended December 31, 2019 and December 31, 2020

Dated: November 9, 2021

ABT INNOVATIONS INC.

Management's Discussion and Analysis

For the years ended December 31, 2019 and December 31, 2020

INTRODUCTION

Management's discussion and analysis ("**MD&A**") is prepared as of November 9, 2021, and provides a review of the performance of ABT Innovations Inc. ("**ABT**" or the "**Company**"). This MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 *Continuous Disclosure Obligations*. This should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2020 and December 31, 2019 and related notes included therein, which are prepared in accordance with International Financial Reporting Standards ("**IFRS**"). This report contains discussion and analysis, which includes forward-looking statements that may differ materially from actual results achieved. All of the financial data herein has been prepared in accordance with IFRS and all figures are stated in Canadian dollars.

FORWARD LOOKING STATEMENTS

This MD&A contains certain statements that constitute "forward-looking statements" and information relating to the Company that are based on the beliefs of management, as well as assumptions made by, and information currently available to, us. When used in this MD&A, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, and known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking information will not be realized.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in the forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that any forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated. The reader is cautioned not to place undue reliance on any forward-looking statements contained in this MD&A. Such forward-looking statements are presented for the purpose of assisting investors in understanding the Company's expected financial and operating performance and the Company's plans and objectives in making an investment decision and may not be appropriate for other purposes. All forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The Company disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements, or to reflect the occurrence of anticipated or unanticipated events, except as required by applicable laws.

COMPANY OVERVIEW

The Company was incorporated under the *Business Corporations Act* (British Columbia) on July 3, 2015. The Company's registered and records office address is Suite 1750 – 1055 West Georgia Street, Vancouver,

British Columbia, Canada V6E 3P3. The Company's head office is located at 420 – 730 View Street, Victoria, British Columbia, Canada V8W 3Y7. The Company is not currently listed on any securities exchange and presently operates as a private entity.

The Company is in the business of developing and commercializing the use of multiple peptide products (small proteins) for applications in any number of areas, including inflammatory medications to vaccine adjuvants. The Company operates together with the University of British Columbia ("**UBC**"), through a worldwide, exclusive License Agreement dated April 24, 2017 (the "**License Agreement**"), that allows ABT, subject to certain restrictions, the ability to use and sublicense core technology developed through research carried out by Dr. Robert E.W. Hancock, in the UBC Department of Microbiology and Immunology.

Dr. Hancock is a leading microbiologist in Canada and has researched and taught at the UBC for more than 40 years.

The fundamental interest of Dr. Hancock and his laboratory is in designing new therapeutic strategies to treat infections and inflammation in the light of increasing antibiotic resistance coupled with a dearth of new antibiotic discovery. His research interests include cationic host defence peptides as novel antimicrobials, anti-biofilm agents, anti-inflammatory agents and modulators of innate immunity.

Dr. Hancock has published more than 800 papers and reviews, is a highly cited author in Microbiology and listed in the top 250 most cited authors in the world with more than 114,000 citations and an h-index of 169, and has 72 patents awarded. In recognition of his work, Dr. Hancock has received numerous awards and honours including: the Prix Galien (Highest Award for Canadian Pharmaceutical Research and Innovation), the Killam Prize (Canada Council's prize for Health Research), Michael Smith CIHR Researcher of the Year, the ICAAC Aventis Antimicrobial Research Award (Leading award worldwide for antimicrobial research) and in 2001 he was inducted as an Officer of the Order of Canada (Canada's second highest honour).

Dr. Hancock has had a major role in translating UBC discoveries into new treatments and diagnostics and is the co-founder of Migenix Biotech, Inimex Pharmaceuticals, ABT Innovations, Sepset Biosciences, and the Centre for Drug Research and Development (now Ad Mare), and has experience across the continuum of commercialization.

ABT's business consists of providing a new concept for treating chronic infections, and although our first focus has been to develop a treatment to address a common inflammatory biofilm disease, Chronic Rhinosinusitis (CRS), ABT has been developing supplemental indications mainly through partnerships. As such, *in vitro* and/or *in vivo* studies have been performed in the fields of Dental Infections, Abscesses, Wounds and Burns, and Inflammatory Diseases. Other studies have tested ABT's technology in Veterinary Applications and as Vaccine Adjuvants.

Development Progress

Over the last few years, tremendous progress has been achieved, as ABT has:

- Characterized the organisms associated with sinusitis patients in Vancouver;
- Defined the susceptibility of these and other common sinusitis pathogens to peptides;
- Screened our large library of peptides for those with optimal activities against sinusitis organisms when present as biofilms;
- Demonstrated strong synergy with conventional antibiotics;
- Defined in vitro toxicity;

- Defined their anti-inflammatory activity in vitro;
- Created 2 sinusitis mouse models and used these to demonstrate the activity of peptides vs. major sinusitis organisms in vivo ;
- Created human skin and respiratory air-liquid interface organoids (including a damaged tissue model) and used these to demonstrate the peptides' anti-biofilm and anti-inflammatory activities ex vivo; and
- Developed new formulations, initiated pharmacokinetic studies, and investigated toxicities.

Patent Families

ABT has the following Patent Families:

- Small Cationic Antimicrobial Peptides
    - US Patent US8343475, issued 1/1/2013;
    - US Patent US9017656 issued 28/4/2015;
    - US Patent US9707282 issued 18/7/2017;
    - European Patent EP2061886 issued7/5/2014;
    - Spanish ES2497441, issued 22/9/2014;
    - Denmark DK2061886 issued 11/8/2014;
    - Australian AU2007288080 issued 4/7/2013; and
    - European Patent EP2061886 issued 7/5/2014.

- Small Cationic Anti-Biofilm and IDR Peptides
    - International Application No. PCT/US2014/052993

- Cationic Peptides with Immunomodulatory, and/or Anti-Biofilm Activity
    - International application No PCT/IB2019/050643, filed 26/1/2018

License Agreement with UBC

The Company entered into a license agreement with the University of British Columbia (UBC) on April 25, 2017. Under the confidential terms of the license agreement, the Company agreed to pay UBC a royalty on all revenues and monies, directly or indirectly collected or received from the sale of products utilizing the license intellectual property as well as an annual license fee during the agreement's term.

OVERALL PERFORMANCE

During 2020, the Company spent much of the year planning for potential financing arrangements and eventual go public transaction to fund future non-clinical toxicology, pre-IND and IND filing related costs, and continued clinical development, operational and general & administrative costs. In 2020, ABT was also involved in patent prosecution through UBC. Its research and drug development agenda was promoted as a collaborator on grants from the Michael Smith Foundation for Health Research (I2C program), the Nanomedicines Network of Centres of Excellence and the US Army Research Center that funded research in the areas of: (a) development of new and improved peptide drugs, (b) development of enhanced formulations (liposomal and others) for delivery of these drugs, (c) development of sinusitis animal models and demonstrating efficacy of formulated and unformulated peptides in these models as well as in the mouse abscess infection model, (d) demonstrating efficacy of formulated and unformulated peptides in human skin and respiratory organoid models, (e) testing enhancement of efficacy in combination with antibiotics, (f) testing anti-inflammatory activity in mouse and human organoid sterile and infectious inflammation models, and (g) testing toxicity in these models and in vitro.

"**IND**" means Investigational New Drug application.

Intellectual Property

During 2019, the Company focused on continuing to file multiple patents including small cationic antimicrobial peptides, small cationic anti-biofilm and Innate Defense Regulator ("**IDR**") peptides, cationic peptides with immunomodulatory, and/or anti-biofilm activity, and combination adjuvant formulation. The majority of work on patent filings was completed by the Company and its patent agent in 2018 and 2019. In 2020, the Company continued to maintain these patents. The Company incurred patent costs related to these filings of $7,857 in 2020, $50,013 in 2019 and $64,901 in 2018.

Collaborative Research Agreement with UBC

In 2017, the Company signed a collaborative research agreement with UBC. The Company commenced project work with UBC in August 2017 with an aim to select an IDR peptide to be further used as a therapeutic tool for treating infections in veterinary medicine. The project successfully completed two phases: phase 1 – In vitro screening of peptides library; and phase 2 – In vitro confirmation of peptides activities. The Company completed the research project at the beginning of 2020.

Subsequent to the end of 2020, the Company signed a new collaborative research agreement in with UBC with work expected to commence in Q3 2021.

Partner Agreement

In 2017, the Company entered into an agreement with a partner to select an IDR peptide to be further used as a therapeutic tool for treating infections in veterinary medicine. The Company earned revenue related to the agreement of $nil in 2020, $61,173 in 2019 and $61,893 in 2018. The Company, together with the partner, completed the project collaboration stage at the end of 2019 and further activities are progressing in the labs of the partner. The identity of the partner is subject to confidentiality provisions.

SELECTED ANNUAL INFORMATION

The following table sets out selected annual financial information for the financial years ended December 31, 2018, 2019 and 2020. The financial data has been audited in accordance with Canadian Auditing Standards for the financial years ended December 31, 2020 and 2019.

	Year ended December 31,		
	2020	**2019**	**2018**
Total Assets	10,980	2,594	1,743
Total Liabilities	161,510	125,027	123,823
Net loss and comprehensive loss	(28,097)	(353)	(104,717)
Basic and diluted loss per share	(0.01)	(0.00)	(0.05)
Weighted average number of shares outstanding	2,000,000	2,000,000	2,000,000

Total Assets

Total Assets increased by $8,386 from $2,594 at December 31, 2019 to $10,980 at December 31, 2020 mainly due to an increase in the cash balance of the Company, which was obtained through shareholder loans advanced to the Company.

Total Liabilities

Total Liabilities increased by $36,483 from $125,027 at December 31, 2019 to $161,510 at December 31, 2020 mainly due to an increase in amounts due to related parties. These amounts were costs paid for by shareholders and directors of the Company related to patent fees.

Net Loss and Comprehensive Loss

The Company incurred higher costs in 2018 related to a collaborative research agreement with UBC that was signed in 2017. The research project started in 2017 and completed in 2019. The Company incurred $96,138 in expenses related to the project for the year ending December 31, 2018 compared to $nil for the year ending December 31, 2019 and $13,594 for the year ending December 31, 2020. The Company entered into a new collaborative research agreement with UBC on June 2, 2021. Detail of the agreement can be found in the note disclosures of the financial statements for the years ended December 31, 2020 and 2019.

DISCUSSION OF OPERATIONS

Consolidated Statements of Comprehensive Loss

For the year ending December 31,	2020	2019	Change $
Research revenue	-	61,173	(61,173)
Operating expenses			
Patent costs	7,857	50,013	(42,156)
Licensing costs	5,000	5,000	-
UBC contract for research	13,594	-	13,594
General & administrative	372	1,230	(858)
Professional fees	1,274	5,283	(4,009)
	28,097	61,526	(33,429)
Loss and comprehensive loss for year	(28,097)	(353)	(27,744)

Revenue

Revenue for the year ended December 31, 2020 was $nil compared to $61,173 for the year ended December 31, 2019. The revenue related to an agreement with a partner to select an IDR peptide to be further used as a therapeutic tool for treating infections in veterinary medicine. The decrease of $61,173 in revenue was related to project completion occurring in 2019.

Cost of Sales

The Company's past revenue does not have associated cost of sales.

Operating Expenses

Operating expenses for the year ended December 31, 2020 were $28,095 compared to $61,526 for the year ended December 31, 2019. The decrease of $33,431 is mainly due to a decrease in patent filing activity.

Patent Costs

Patent costs decreased by $42,156 from $50,013 for the year ended December 31, 2019 to $7,857 for the year ended December 31, 2020. The decrease was due to the Company completing the majority of patent filing in 2018 and 2019. In 2020, the Company incurred maintenance fees of the patents which was significantly less than initial filing fees.

Licensing costs

Licensing costs remained constant for the year ended December 21, 2019 and December 31, 2020.

LIQUIDITY AND CAPITAL RESOURCES

ABT is a development stage company that had $nil revenue for the year ending December 31, 2020 and $61,173 revenue for the year ending December 31, 2019. To date, the Company has had negative operating cash flows each year, which are expected to continue in the near future. As a development stage company, ABT requires significant additional investment for research and development, clinical testing and regulatory submissions prior to commercialization. Since inception, ABT has financed its cash requirements primarily through shareholder loans and non-dilutive funding. To date, the Company has not entered into any debt arrangements or incurred any debts outside of shareholder loans and outside of the Notes (defined below). The Company's ability to continue as a going concern is dependent upon obtaining additional investment capital and grant monies.

Based on the foregoing, ABT will continue to pursue various funding options and opportunities; however, no assurances can be made that the Company will be successful in raising additional investment capital, to continue as a going concern. If the Company is not able to raise capital, it will have to reduce its cash requirements by eliminating or deferring spending on research, development and corporate activities.

For the year ended December 31, 2020, there was a net cash outflow from operating activities of $22,122 compared to a net cash outflow of $47,541 for the year ended December 31, 2019, a decrease in outflow of $25,835. Expressed in tabular form, the increase from the net cash used for operations is as follows:

Increase in net loss from operations for the period	$(27,744)
Change in GST receivable	817
Change in accounts payable and accrued liabilities	52,762
Decrease in net cash used for operations	$(25,835)

As at December 31, 2020, the Company had a working capital deficiency of $150,530 compared to $122,433 at December 31, 2019, resulting in an increase in working capital deficiency of $28,097. This increase in working capital deficiency is a result of:

1. An increase in cash of $7,936
2. An increase in GST receivable of $450
3. An increase in accounts payable and accrued liabilities of $6,425
4. An increase in shareholder loans payable (due to related parties) of $30,058

The increase in the working capital deficit is primarily due to shareholder loans incurred to cover patent costs of the Company.

OFF-BALANCE SHEET ARRANGEMENTS

As disclosed in the Company's audited financial statements for the years ended December 31, 2020 and

2019 (as are available on Trenchant Life Sciences Investment Corp.'s ("**TLS**") profile on SEDAR (www.sedar.com)), the Company had the following off-balance sheet arrangements:

The Company entered into a license agreement with the University of British Columbia (UBC) on April 25, 2017. Under the confidential terms of the license agreement, the Company agreed to pay UBC a royalty on all revenues and monies, directly or indirectly collected or received from the sale of products utilizing the license intellectual property as well as an annual license fee during the agreement's term.

TRANSACTIONS BETWEEN RELATED PARTIES

As disclosed in the Company's audited financial statements for the years ended December 31, 2020 and 2019 (as are available on TLS's profile on SEDAR (www.sedar.com)), the Company had the following related party balance and transactions:

- During the years ended December 31, 2020 and 2019, the Company incurred $nil in short-term benefits to key management personnel and entities over which they have control or significant influence; and
- Amounts due to related parties as at December 31, 2020 totaled $140,714 (2019 - $110,656) of which $115,447 was owed to Michael Graw, a shareholder and director of the company and $25,267 was owed to Robert E.W. Hancock, shareholder and director of the company (2019 - $110,656 was owed to Michael Graw and $nil was owed to Robert E.W. Hancock). The shareholder loan amounts were related to patent fees and other operational costs of the Company paid for by Michael Graw and Robert E.W. Hancock on behalf of the company. The amounts were non-interest bearing, unsecured and due on demand. The amounts were repaid in full on May 14, 2021.

FOURTH QUARTER

The Company did not experience any events or circumstances in the fourth quarter that impacted the financial condition, performance or cash flows.

PROPOSED TRANSACTIONS

On May 14, 2021 (the "**Effective Date**"), the Company entered into an option agreement (the "**Option Agreement**") with ASEP Medical Inc. ("**ASEP**"). Under Option Agreement, the Company has the option (the "**Option**") to acquire 50.1% of the common shares of ABT (the "**ABT Shares**") in exchange for aggregate cash consideration of $2,500,000.

Pursuant to the terms of the Option Agreement, ASEP agreed to subscribe for, and the Company agreed to issue, unsecured convertible notes of the Company (the "**Notes**") in the aggregate principal amount of up to $2,500,000 in five equal tranches of $500,000 on or prior to each of the dates (the "**Note Subscription Date**") set forth below: (a) $500,000 on the Effective Date; (b) $500,000 on the four month anniversary of the Effective Date; (c) $500,000 on the eight month anniversary of the Effective Date; (d) $500,000 on the twelve month anniversary of the Effective Date; and (e) $500,000 on the last Business Day prior to the sixteen month anniversary of the Effective Date.

Notwithstanding the foregoing, ASEP is not obligated to subscribe for any Notes where a Note Subscription Date occurs after the exercise date of the Option. The Notes are unsecured, non-interest bearing and repayable on the Maturity Date, being the earlier of the Expiry Date, September 14, 2022 and the Breach Date, the date on which the Option Agreement is breached due to ASEP's failure to fund the Notes on the Note Subscription Dates.

The Notes can be converted by ASEP at any time up to the Maturity Date and will be automatically converted, subject to there not being an occurrence of an event of default, into such number of shares on the Maturity Date as determined in accordance with the Automatic Conversion Calculation (as defined below), and the Note(s) shall be terminated, and the total aggregate principal amount shall be automatically applied towards satisfaction of ASEP's payment for such shares. The number of ABT Shares to be determined by the Company on the Expiry Date, Breach Date or Default Date, as applicable, is calculated by dividing (A) by (B), and then rounding the quotient of such equation down to the nearest whole number, where (A) is the product obtained by multiplying: (a) the aggregate number of ABT Shares that are issued and outstanding, as of the Expiry Date, Breach Date or Default Date, as applicable, on a fully diluted basis assuming conversion of all outstanding convertible securities of the Company other than the Notes, with (b) the product obtained by 10.02 multiplied by the number of Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, and where (B) is the product obtained by subtracting: (c) the product obtained by 10.02 multiplied by the number of Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, from (d) 100 (the "**Automatic Conversion Calculation**"). On May 14, 2021, ASEP subscribed for the $500,000 note referred to in (a) above.

In addition, pursuant to the terms of the Option Agreement, all of the shareholders of the Company (excluding UBC) granted ASEP, subject to the exercise of the Option, an option (the "**Additional Option**") to acquire the remaining 49.9% equity interest in the capital of the Company from each of the shareholders of the Company (less the equity interest held by each of ASEP and UBC), resulting in ASEP, after exercise of the Additional Option, holding a 100% equity interest in the capital of the Company. ASEP may exercise the Additional Option at any time prior to the third anniversary of the exercise by ASEP of the Option upon payment of an aggregate $20,000,000 (the "**Additional Option Exercise Price**"), less the amount payable to UBC pursuant to the UBC Option Agreement (as defined below), payable pro rata to each of the shareholders of the Company (excluding ASEP and UBC). The Additional Option Exercise Price is payable as follows:

a. if ASEP's shares (including any shares of any assignee of ASEP, including without limitation, TLS) are listed on a recognized stock exchange, the Additional Option Exercise Price, less the amount payable to UBC pursuant to the UBC Option Agreement, shall be payable to the shareholders of the Company (excluding ASEP and UBC), on a pro rata basis: (A) in cash, as to an aggregate minimum of $5,000,000; and (B) in shares of ASEP (or its assignee) as to the balance of the Additional Option Exercise Price remaining after deduction of the cash portion advance under part (A), with such shares to be issued based on the 20-day volume-weighted average trading price of ASEP (or its assignee) ending on the trading day preceding the date on which ASEP provides notice to the Company that it is exercising the Additional Option; or

b. if ASEP's shares are not listed on a recognized stock exchange, the Additional Option Exercise Price shall be payable in cash, on a pro rata basis, as to the full $20,000,000, less the amount payable to UBC pursuant to the UBC Option Agreement.

Concurrently with the entering into of the Option Agreement, the Company, ASEP and UBC entered into an option agreement (the "**UBC Option Agreement**") dated May 14, 2021, pursuant to which UBC granted ASEP an option (the "**UBC Option**") to purchase all of the shares held by UBC in the capital of the Company in exchange for payment by ASEP of UBC's pro rata interest of the ABT Additional Option Exercise Price. The UBC Option is conditional upon ASEP exercising the ABT Additional Option and the License Agreement being in good standing. Payment of UBC's pro rata portion of the ABT Additional Exercise Price shall be in the same manner as ASEP's payment of the ABT Additional Option Exercise Price to the remaining shareholders of the Company pursuant to the terms of the Option Agreement.

Upon payment of the exercise price for the Option by ASEP to ABT, or advance of the funds as subscription for the Notes, the Company shall have adequate finances to advance its peptides towards the start of the formal clinical trial process for chronic rhinosinusitis (CRS). This will include (1) finalizing the selection of a formulated lead peptide plus two backups for use in CRS, including confirming biological activity (reduction of biofilm and reduction of inflammation) in the Company's in vivo mouse sinusitis model with sinusitis pathogens, and in human skin organoid models; and (2) formal pre-clinical studies to prepare for clinical trials including performing safety/toxicity studies in 2 species of animals, GMP manufacture of peptides and analytical testing, development of an IND filing application, and ensuring funding is in place for this trial. Other activities will support ABT's collaboration with iFyber to develop enhanced dressings for biofilm infected wounds. The Company will also prosecute its suite of patents and likely file a new patent for novel peptides.

CHANGES IN ACCOUNTING POLICIES

The Company had no changes to accounting policies for the years ended December 31, 2020 and 2019.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at December 31, 2020 and December 31, 2019, the Company's financial instruments consist of cash, accounts payable and due to related parties. The fair values of these financial instruments approximate their carrying values due to their current nature.

Financial Instruments

Financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("**FVTOCI**") and fair value through profit and loss ("**FVTPL**").

Measurement – initial recognition

All financial assets and financial liabilities are initially recorded on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All financial asset and liabilities are initially recorded at fair value, net of attributable transaction costs, except for those classified as FVPTL. Subsequent measurement of financial assets and financial liabilities depends on the classifications of such assets and liabilities.

Classification – financial assets

Amortized cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and that the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequent to initial recognition at amortized cost.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effect interest method, and is recognized in Interest and other income, on the statements of comprehensive loss.

The Company currently has no financial assets designated as amortized cost.

Fair value through other comprehensive income (FVTOCI):

Financial assets that are held within a business model whose objective is to hold financial assets in order to both collect contractual cash flows and selling financial assets, and that the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Upon initial recognition of equity securities, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate its equity securities that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other OCI. The cumulative gain or loss is not reclassified to profit or loss on disposal of the instrument; instead, it is transferred to retained earnings.

The Company currently has no financial assets designated as FVTOCI.

Fair value through profit or loss (FVTPL):

By default, all other financial assets are measured subsequently at FVTPL. The Company's cash is designated as FVTPL.

Classification – financial liabilities

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using the effective interest method.

Financial liabilities at amortized cost include accounts payable and due to related parties.

Financial liabilities classified FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized in the statements of loss and comprehensive loss. The Company does not have any financial liabilities at FVTPL.

The Company has no hedging arrangements and does not apply hedge accounting.

Impairment

The Company recognizes a loss allowance for expected credit losses on its financial assets when necessary. The amount of expected credit losses in updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The Company conducts research and development (R&D) activities related to multiple peptide products (small proteins) for applications in any number of areas, including inflammatory medications to vaccine adjuvants. During the years ended December 31, 2020 and 2019, the Company incurred the following R&D expenses:

For the year ending December 31,	2020	2019
	$	$
Patent costs	7,857	50,013
Licensing costs	5,000	5,000
UBC contract for research	13,594	-
Total research and development expenses	26,451	55,013

A discussion of the above research and development costs in included in the Discussion of Operations section of this MD&A.

OUTSTANDING SHARE DATA

The Company is authorized to issue: (i) an unlimited number of Class A common voting shares without nominal or par value, (ii) an unlimited number of Class B common voting shares without nominal or par value, (iii) an unlimited number of Class C common non-voting shares without nominal or par value; (iv) an unlimited number of Class D preference shares with a par value of $100 each; and (v) an unlimited number of Class E preference shares without nominal or par value.

For the year ended December 21, 2019 and December 31, 2020 the Company had 2,000,000 issued and outstanding Class A common voting shares. As of the date of this MD&A, the Company has 2,024,746 issued and outstanding Class A Common Voting shares. In addition, in accordance with the Option Agreement, the Company granted the Option to ASEP.

RISK FACTORS

Risks Related to the Company

Management of the Company defines risk as the evaluation of probability that an event might happen in the future that could negatively affect the financial condition and/or results of operations of Company. The following section describes specific and general risks that could affect the Company. The following descriptions of risk do not include all possible risks as there may be other risks of which management is currently unaware. Moreover, the likelihood that a risk will occur or the nature and extent of its consequences if it does occur, is not possible to predict with certainty, and the actual effect of any risk or its consequences on the business could be materially different from those described below and elsewhere in this Prospectus.

The Company will be a development stage company with little operating history, a history of losses and the Company cannot assure profitability.

As the Company will be in the pre-revenue phase, it is extremely difficult to make accurate predictions and forecasts of its finances. This is compounded by the fact the Company intends to operate in the health sciences industry, which is rapidly transforming. There is no guarantee that the Company's products or services will be attractive to potential consumers.

Lack of Operating Cash Flow

The Company does not currently have a source of operating cash flow and this trend is expected to continue for the foreseeable future. The Company's failure to achieve profitability and positive operating cash flows could have a material adverse effect on its financial condition and results of operations. If the Company sustains losses over an extended period of time, it may be unable to continue its business. Further research and preclinical or clinical development of the Company's therapies and products will require the

commitment of substantial financial resources. It may be several years before the Company may generate any revenues from operations, if at all. There can be no assurance that the Company will realize revenue or achieve profitability.

Uncertainty about the Company's ability to continue as a going concern.

The Company is in the development stage and will seek additional capital, joint ventures, partnerships and other business arrangements to expand its business opportunities in the life sciences industry. The Company's ability to continue as a going concern is dependent upon its ability in the future to execute on its business opportunities and achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity and debt, will be sought to finance the operations of the Company; however, there can be no certainty that such funds will be available on acceptable terms. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management.

The Company's actual financial position and results of operations may differ materially from management's expectations. As a result, the Company's revenue, net income and cash flow may differ materially from the Company's projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

If the company experiences delays or difficulties in the enrollment of volunteers or patients in the clinical trials, receipt of necessary regulatory approvals could be delayed or prevented.

Clinical trials for treatment candidates require identification and enrollment of a large number of volunteers or eligible patients. The Company may not be able to enroll sufficient volunteers or eligible patients to complete clinical trials in a timely manner or at all. Patient enrollment is a function of many factors, including the following: design of the protocol, size of the patient population, eligibility criteria for the study in question, perceived risks and benefits of the drug under study, availability of competing therapies, efforts to facilitate timely enrollment in clinical trials, patient referral practices of physicians, and availability of clinical trial sites. If the Company has difficulty enrolling sufficient volunteers or patients to conduct its clinical trials as planned, they may need to delay, forego or terminate ongoing clinical trials. This may have a material adverse effect on the Company's financial condition or results of operations.

If serious adverse or intolerable side effects are identified during the development of the product candidates, the Company may need to abandon or limit the development and expected commercial value of some of its product candidates.

The Company's potential product candidates are still in preclinical or clinical development and as such, they have a high risk of failure. If serious adverse or intolerable side effects are identified during the development of the product candidates, the Company may need to abandon their development or limit development to certain uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk benefit perspective. It is impossible to predict

when or if any of the Company's product candidates will prove effective or safe in humans or will receive regulatory approval.

If serious adverse or intolerable side effects are identified post-approval, the Company may need to recall its products and depending on the serious adverse event or intolerable side effects, the Company may have to abandon the product completely and could be subject to substantial product liability claims. The Company may be able to limit sales to certain uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective.

Lack of supporting clinical data.

The clinical effectiveness and safety of any of the Company's developmental products is not yet supported by clinical data and the medical community has not yet developed a large body of peer reviewed literature that supports the safety and efficacy of the Company's potential products. If future studies call into question the safety or efficacy of the Company's potential products, the Company's business, financial condition, and results of operations could be adversely affected.

The Company has an unproven market for its product candidates.

The Company believes that the anticipated market for its potential products and technologies if successfully developed will continue to exist and expand. These assumptions may prove to be incorrect for a variety of reasons, including competition from other products and the degree of commercial viability of the potential product.

Pre-clinical studies and initial clinical trials are not necessarily predictive of future results.

Pre-clinical tests and Phase I/II clinical trials of therapeutics are primarily designed to test safety, to study pharmacokinetics and pharmacodynamics, establish optimal dosing regimens, and to understand the side effects of product candidates at various doses and schedules. Pre-clinical tests and clinical trials of diagnostic technologies are designed to test effectiveness. Success in pre-clinical and early clinical trials does not ensure that later large-scale efficacy trials will be successful nor does it predict final results. Favorable results in early trials may not be repeated in later trials.

A number of companies in the health sciences industry have suffered significant setbacks in advanced clinical trials, even after positive results in earlier trials. Clinical results are frequently susceptible to varying interpretations that may delay, limit or prevent regulatory approvals. Negative or inconclusive results or adverse medical events during a clinical trial could cause a clinical trial to be delayed, repeated or terminated. Any pre-clinical data and the clinical results obtained for the Company's technology may not predict results from studies in larger numbers of subjects drawn from more diverse populations or in the commercial setting, and also may not predict the ability of these products to achieve their intended goals, or to do so safely.

An inability to obtain raw materials or product supply could have a material adverse impact on the Company's business, financial condition and results of operations.

Raw materials and supplies are generally available in quantities to meet the Company's needs. The Company will be dependent on third-party manufacturers for the products that it markets. An inability to obtain raw materials or product supplies could have a material adverse impact on the Company's business, financial condition and results of operations.

The Company will be highly dependent on key personnel.

Although the Company is expected to have experienced senior management and personnel, the Company will be substantially dependent upon the services of a few key technical personnel, particularly Dr. Robert E.W. Hancock, Dr. Fadia Saad and Dr. Evan Haney as well as certain other medical research professionals engaged for the successful operation of the Company's businesses. Phase I of the Company's research and development is planned to be completed by qualified professionals and is expected to concentrate on treatment of bacterial biofilm infections. The loss of the services of any of these personnel could have a material adverse effect on the business of the Company. The Company may not be able to attract and retain personnel on acceptable terms given the intense competition for such personnel among high technology enterprises, including biotechnology, and healthcare companies, universities and non-profit research institutions. If the Company loses any of these persons, or is unable to attract and retain qualified personnel, the business, financial condition and results of operations may be materially and adversely affected.

The Company may not succeed in completing the development of its products, commercializing their products or generating significant revenues.

Since commencing operations, the Company has focused on the research and development of a broad peptide technology. The Company's ability to generate revenues and achieve profitability depends on the Company's ability to successfully complete the development of its products, obtain market and regulatory approval and generate significant revenues. The future success of the Company's business cannot be determined at this time, and the Company does not anticipate generating revenues from product sales for the foreseeable future. In addition, the Company will face a number of challenges with respect to its future commercialization efforts, including, among others, that:

- the Company may not have adequate financial or other resources to complete the development of its various products or medical therapies, including two stages of clinical development that are necessary in order to commercialize such products or medical therapies;
- the Company may not be able to manufacture its products in commercial quantities, at an adequate quality or at an acceptable cost;
- the Company may never receive FDA or Health Canada approval for its intended products or medical therapies;
- the Company may not be able to establish adequate sales, marketing and distribution channels;
- healthcare professionals and patients may not accept the Company's product candidates;
- technological breakthroughs in sepsis treatment and prevention may reduce the demand for the Company's product candidates;
- changes in the market for sepsis treatment, new alliances between existing market participants and the entrance of new market participants may interfere with the Company's market penetration efforts;
- third-party payors may not agree to reimburse patients for any or all of the purchase price of our products, which may adversely affect patients' willingness to purchase the Company's product candidates;

- uncertainty as to market demand may result in inefficient pricing of the Company's product candidates;

- the Company may face third-party claims of intellectual property infringement;

- the Company may fail to obtain or maintain regulatory approvals for product candidates in the Company's target markets or may face adverse regulatory or legal actions relating to the Company's product candidates even if regulatory approval is obtained; and

- the Company is dependent upon the results of ongoing clinical studies relating to the Company's product candidates and products of its competitors. The Company may fail in obtaining positive results.

If the Company is unable to meet any one or more of these challenges successfully, the Company's ability to effectively commercialize its product candidates could be limited, which in turn could have a material adverse effect on the Company's business, financial condition and results of operations.

Probable lack of business diversification.

Because the Company will be focused on developing its business ancillary to the life sciences industry, and potentially directly in the life sciences industry, the prospects for the Company's success will be dependent upon the future performance and market acceptance of the Company's intended products, processes, and services. Unlike certain entities that have the resources to develop and explore numerous product lines, operating in multiple industries or multiple areas of a single industry, the Company does not anticipate the ability to immediately diversify or benefit from the possible spreading of risks or offsetting of losses. Again, the prospects for the Company's success may become dependent upon the development or market acceptance of a very limited number of products, processes or services.

The Company expects to incur significant ongoing costs and obligations related to its investment in infrastructure, growth, regulatory compliance and operations.

The Company expects to incur significant ongoing costs and obligations related to its investment in infrastructure and growth and for regulatory compliance, which could have a material adverse impact on the Company's results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company. The Company's planned efforts to grow its business may be costlier than the Company expects, and the Company may not be able to increase its revenue enough to offset its higher operating expenses. The Company may incur significant losses in the future for a number of reasons, and unforeseen expenses, difficulties, complications and delays, and other unknown events. If the Company is unable to achieve and sustain profitability, the market price of the Common Shares may significantly decrease.

There is no assurance that the Company will turn a profit or generate immediate revenues.

There is no assurance as to whether the Company will be profitable, earn revenues, or pay dividends. The Company anticipates that it will continue to incur substantial expenses relating to the development and initial operations of its business.

The payment and amount of any future dividends will depend upon, among other things, the Company's results of operations, cash flow, financial condition, and operating and capital requirements. There is no

assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

The Company may be unable to adequately protect its proprietary and intellectual property rights.

The Company's ability to compete may depend on the superiority, uniqueness and value of any intellectual property and technology that it may develop. To the extent the Company is able to do so, to protect any proprietary rights of the Company, the Company intends to rely on a combination of patent, trademark, copyright and trade secret laws, confidentiality agreements with its employees and third parties, and protective contractual provisions. Despite these efforts, any of the following occurrences may reduce the value of any of the Company's intellectual property:

- issued patents, trademarks and registered copyrights may not provide the Company with competitive advantages; the Company's efforts to protect its current intellectual property rights may not be effective in preventing misappropriation of any its products or intellectual property;

- the Company's efforts may not prevent the development and design by others of products or marketing strategies similar to or competitive with, or superior to those the Company develops;

- another party may assert a blocking patent and the Company would need to either obtain a license or design around the patent in order to continue to offer the contested feature or service in its products; or

- the expiration of patent or other intellectual property protections for any assets owned by the Company could result in significant competition, potentially at any time and without notice, resulting in a significant reduction in sales. The effect of the loss of these protections on the Company and its financial results will depend, among other things, upon the nature of the market and the position of the Company's products in the market from time to time, the growth of the market, the complexities and economics of manufacturing a competitive product and regulatory approval requirements but the impact could be material and adverse.

The Company may be forced to litigate to defend its intellectual property rights, or to defend against claims by third parties against the Company relating to intellectual property rights.

The Company may be forced to litigate to enforce or defend its intellectual property rights, to protect its trade secrets or to determine the validity and scope of other parties' proprietary rights. Any such litigation could be very costly and could distract its management from focusing on operating the Company's business. The existence and/or outcome of any such litigation could harm the Company's business.

The Company may become subject to litigation, including for possible product liability claims, which may have a material adverse effect on the Company's reputation, business, results from operations, and financial condition.

The Company may be named as a defendant in a lawsuit or regulatory action. The Company may also incur uninsured losses for liabilities which arise in the ordinary course of business, or which are unforeseen, including, but not limited to, employment liability and business loss claims. Any such losses could have a material adverse effect on the Company's business, results of operations, sales, cash flow or financial condition.

The Company will face competition from other companies where it will conduct business that may have higher capitalization, more experienced management or may be more mature as a business.

An increase in the companies competing in this industry could limit the ability of the Company's potential of expanding its operations. Current and new competitors may have better capitalization, a longer operating history, more expertise and able to develop higher quality equipment or products, at the same or a lower cost. The Company will not be able to provide assurances that it will be able to compete successfully against current and future competitors. Competitive pressures that the Company may face could have a material adverse effect on its business, operating results and financial condition.

If the Company is unable to attract and retain key personnel, it may not be able to compete effectively in the health sciences market.

The Company's success will depend upon its ability to attract and retain key management, including the Company's proposed Chief Executive Officer, Chief Financial Officer, and technical experts. The Company will attempt to enhance its management and technical expertise by continuing to recruit qualified individuals who possess desired skills and experience in certain targeted areas. The Company's inability to retain employees and attract and retain sufficient additional employees or engineering and technical support resources could have a material adverse effect on the Company's business, results of operations, sales, cash flow or financial condition. Shortages in qualified personnel or the loss of key personnel could adversely affect the financial condition of the Company, results of operations of the business and could limit the Company's ability to develop and market its therapeutic treatments and medical diagnostic products. The loss of any of the Company's senior management or key employees could materially adversely affect the Company's ability to execute the Company's business plan and strategy, and the Company may not be able to find adequate replacements on a timely basis, or at all.

The industry of the Company is experiencing rapid growth and consolidation that may cause the Company to lose key relationships and intensify competition.

The health sciences industry and businesses ancillary to and directly involved with health sciences businesses are undergoing rapid growth and substantial change, which has resulted in an increase in competitors, consolidation and formation of strategic relationships. Acquisitions or other consolidating transactions could harm the Company in a number of ways, including by losing strategic partners if they are acquired by or enter into relationships with a competitor, losing customers, revenue and market share, or forcing the Company to expend greater resources to meet new or additional competitive threats, all of which could harm the Company's operating results.

The Company cannot guarantee that it will meet its business objectives and obtain future financing.

There is no guarantee that the Company will be able to achieve its business objectives. The continued development of the Company will require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

The Company's anticipated officers and directors may be engaged in a range of business activities that could result in conflicts of interest.

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in the industries in which the Company may operate and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each director is

required to declare and refrain from voting on any matter in which such director may have a conflict of interest in accordance with the procedures set forth in applicable laws.

The Company's Employees, Contractors and Consultants could engage in Fraudulent or Illegal Activity.

The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Company that violates government regulations or laws that require the true, complete and accurate reporting of financial information or data. It may not always be possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Company's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Company's operations, any of which could have a material adverse effect on the Company.

In certain circumstances, the Company's reputation could be damaged.

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web- based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding the Company and its proposed activities, whether true or not. Although the Company plans to operate in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Company will ultimately not have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

SCHEDULE G

SEPSET FINANCIAL STATEMENTS

[*See Attached*]

CONDENSED INTERIM FINANCIAL STATEMENTS

(expressed in Canadian dollars)

For the three months and six months ended June 30, 2021 and June 30, 2020

SEPSET BIOSCIENCES INC.
Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)

	June 30, 2021 (unaudited)	December 31, 2020
	$	$
Assets		
Current		
Cash	180,841	10,201
GST receivable	2,581	978
	183,422	11,179
Liabilities		
Current		
Accounts payable and accrued liabilities	5,293	41,300
Payroll tax payable	1,060	-
Loan payable (Note 5)	-	250,000
	6,353	291,300
Non-current		
Convertible note (Note 4)	500,000	-
	506,353	291,300
Shareholders' Deficiency		
Share capital (Note 6)	100	100
Deficit	(323,031)	(280,221)
	(322,931)	(280,121)
	183,422	11,179

Going Concern (Note 1)
Commitments (Note 8)
Subsequent Events (Note 9)

Approved by the Director:
"Robert E. W. Hancock"
Robert E. W. Hancock – Director

SEPSET BIOSCIENCES INC.

Condensed Interim Statements of Comprehensive Loss
(Expressed in Canadian dollars – Unaudited)

	Three months ended		Six months ended	
	June 30, 2021	**June 30, 2020**	**June 30, 2021**	**June 30, 2020**
	$	**$**	**$**	**$**
Operating expenses				
Legal and professional fees	33,718	1,652	33,718	13,206
Compensation	3,158	-	3,158	-
General & administrative	1,029	1,019	2,168	5,041
Interest	1,050	2,156	3,206	4,312
Consulting	57	-	560	-
	39,012	4,827	42,810	22,559
Loss and comprehensive loss for period	(39,012)	(4,827)	(42,810)	(22,559)
Basic and diluted loss per common share	(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of common shares outstanding	10,000,000	10,000,000	10,000,000	10,000,000

SEPSET BIOSCIENCES INC.
Condensed Interim Statements of Changes in Deficiency
(Expressed in Canadian dollars – Unaudited)

	Common Shares #	Share Capital $	Deficit $	Total Deficiency $
Balance, December 31, 2019	**10,000,000**	**100**	**(236,772)**	**(236,672)**
Net loss for the period	-	-	(22,559)	(22,559)
Balance, June 30, 2020	**10,000,000**	**100**	**(259,331)**	**(259,431)**
Balance, December 31, 2020	**10,000,000**	**100**	**(280,221)**	**(280,121)**
Net loss for the period	-	-	(42,810)	(42,810)
Balance, June 30, 2021	**10,000,000**	**100**	**(323,031)**	**(322,931)**

SEPSET BIOSCIENCES INC.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars – Unaudited)

	Six months ended	
	June 30, 2021	**June 30, 2020**
Cash flows from:	**$**	**$**
Operating Activities		
Net loss for the period	(42,810)	(22,559)
Changes in non-cash operating working capital items		
GST receivable	(1,603)	(511)
Payroll tax payable	1,060	-
Accounts payable and accrued liabilities	(36,007)	373
	(79,360)	(22,697)
Financing Activities		
Repayment of loan	(250,000)	-
Funds received for convertible note	500,000	-
	250,000	-
(Decrease) increase in cash	170,640	(22,697)
Cash, beginning of period	10,201	48,293
Cash, end of period	180,841	25,596

The accompanying notes are an integral part of the interim financial statements

1. Nature and Continuance of Operations and Going Concern

Sepset Biosciences Inc. (the "Company") was incorporated on April 23, 2015, under the laws of the province of British Columbia, Canada. The Company's records office and registered address are located at 1750 – 1055 West Georgia Street, Vancouver, British Columbia V6E 3P3.

The Company is a preclinical biotechnology company with a vision to be a leader in the management of sepsis. Its lead product will be to develop a quick and more accurate blood-based test for doctors in the emergency room to identify sepsis and predict sepsis severity to reduce cases of misdiagnosis and improve triage of patients with sepsis.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company is in the development stage and currently has no sources of cash from operations. Further funds will be required to successfully develop the Company's business and there is no certainty that these funds will be available. As at June 30, 2021 the Company had accumulated losses of $323,031 and a working capital surplus of $177,069. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations and ultimately achieve profitable operations. Management intends to finance operating costs over the next twelve months through the issuance of convertible notes and/or the issuance of common shares (see Note 4).

If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying value of the assets and liabilities, the reported amount of expenses and the classifications used on the statement of financial position. Such adjustments could be material.

During the latter part of 2019, there was an outbreak of COVID-19 in China. By March 2020, this had spread to Northern America. The Canadian and U.S. governments placed restrictions on travel, business operations and isolation/quarantine orders as a result of the COVID-19 outbreak. At this time, the extent that these restrictions may impact on the Company is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. The duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada, U.S. and other countries may have a future impact on the Company. The Company will continue to monitor its operations and assess the impact that these restrictions will have on its business activities.

2. Basis of Preparation

a) Statement of Compliance and Basis of Measurement

These unaudited condensed interim financial statements as at and for the three months and six months ended June 30, 2021 and 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with IAS 34, Interim Financial Reporting ("IAS 34").

The unaudited condensed interim financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, the unaudited condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The Board of Directors approved these condensed interim financial statements for issuance on November 9, 2021

These unaudited condensed interim financial statements are presented in Canadian dollars, the Company's functional and presentation currency.

3. Significant Accounting Policies

The significant accounting policies applied in the preparation of these unaudited condensed interim financial statements are consistent with the accounting policies disclosed in Note 3 of the audited financial statements for the years ended December 31, 2020 and 2019. These unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2020.

4. Convertible Notes

On May 14, 2021 (the "Effective Date"), the Company entered into an option agreement (the "Option Agreement") with ASEP Medical Inc. ("ASEP"). Under Option Agreement, the Company has the option (the "Option") to acquire 50.1% of the common shares of Sepset (the "Sepset Shares") in exchange for aggregate cash consideration of $2,500,000.

Pursuant to the terms of the Option Agreement, ASEP agreed to subscribe for, and the Company agreed to issue, unsecured convertible notes of the Company (the "Notes") in the aggregate principal amount of up to $2,500,000 in five equal tranches of $500,000 on or prior to each of the dates (the "Note Subscription Date") set forth below: (a) $500,000 on the Effective Date; (b) $500,000 on the four month anniversary of the Effective Date; (c) $500,000 on the eight month anniversary of the Effective Date; (d) $500,000 on the twelve month anniversary of the Effective Date; and (e) $500,000 on the last Business Day prior to the sixteen month anniversary of the Effective Date.

Notwithstanding the foregoing, ASEP is not obligated to subscribe for any Notes where a Note Subscription Date occurs after the exercise date of the Option. The Notes are unsecured, non-interest bearing and repayable on the Maturity Date, being the earlier of the Expiry Date, September 14, 2022 and the Breach Date, the date on which the Option Agreement is breached due to ASEP's failure to fund the Notes on the Note Subscription Dates.

4. Convertible Notes – Continued

The Notes can be converted by ASEP at any time up to the Maturity Date and will be automatically converted, subject to there not being an occurrence of an event of default, into such number of shares on the Maturity Date as determined in accordance with the Automatic Conversion Calculation (as defined below), and the Note(s) shall be terminated, and the total aggregate principal amount shall be automatically applied towards satisfaction of ASEP's payment for such shares. The number of Sepset Shares to be determined by the Company on the Expiry Date, Breach Date or Default Date, as applicable, is calculated by dividing (A) by (B), and then rounding the quotient of such equation down to the nearest whole number, where (A) is the product obtained by multiplying: (a) the aggregate number of Sepset Shares that are issued and outstanding, as of the Expiry Date, Breach Date or Default Date, as applicable, on a fully diluted basis assuming conversion of all outstanding convertible securities of the Company other than the Notes, with (b) the product obtained by 10.02 multiplied by the number of Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, and where (B) is the product obtained by subtracting: (c) the product obtained by 10.02 multiplied by the number of Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, from (d) 100 (the "Automatic Conversion Calculation"). On May 14, 2021, ASEP subscribed for the $500,000 note referred to in (a) above. The convertible note balance at June 30, 2021 is $500,000 (December 31, 2020 - $nil).

In addition, pursuant to the terms of the Option Agreement, all of the shareholders of the Company granted ASEP, subject to the exercise of the Option, an option (the "Additional Option") to acquire the remaining 49.9% equity interest in the capital of the Company from each of the shareholders of the Company (excluding ASEP), resulting in ASEP, after exercise of the Additional Option, holding a 100% equity interest in the capital of the Company. ASEP may exercise the Additional Option at any time prior to the third anniversary of the exercise by ASEP of the Option upon payment of an aggregate $20,000,000 (the "Additional Option Exercise Price") payable pro rata to each of the shareholders of the Company (excluding ASEP). The Additional Option Exercise Price is payable as follows:

a. if ASEP's shares (including any shares of any assignee of ASEP) are listed on a recognized stock exchange, the Additional Option Exercise Price shall be payable to the shareholders of the Company (excluding ASEP), on a pro rata basis: (A) in cash, as to an aggregate minimum of $5,000,000; and (B) in shares of ASEP (or its assignee) as to the balance of the Additional Option Exercise Price remaining after deduction of the cash portion advance under part (A), with such shares to be issued based on the 20-day volume-weighted average trading price of ASEP (or its assignee) ending on the trading day preceding the date on which ASEP provides notice to the Company that it is exercising the Additional Option; or

b. if ASEP's shares are not listed on a recognized stock exchange, the Additional Option Exercise Price shall be payable in cash, on a pro rata basis, as to the full $20,000,000.

5. Related Party Transactions and Balances

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

During the six months ended June 30, 2021, the Company incurred $Nil (June 30, 2020 - $Nil) in short-term benefits key management personnel and entities over which they have control or significant influence.

5. Related Party Transactions and Balances – Continued

On May 14, 2021, the Company repaid a loan from CDRD Ventures Inc. of $282,015, comprised of $250,000 principal and $32,015 in interest. As at June 30, 2021, the Company had $nil in loans payable to CDRD Ventures Inc. (December 31, 2020 - $250,000) and $nil in accrued interest.

6. Share Capital

The Company is authorized to issue an unlimited number of common shares without nominal or par value.

As at June 30, 2021, the Company had 10,000,000 common shares issued and outstanding.

During the periods ended June 30, 2021 and June 30, 2020, the Company had no transactions that resulted in the issuance of common stock.

7. Fair Values and Classification of Financial Instruments

As at June 30, 2021, the Company's financial instruments consist of cash, accounts payable and convertible notes. The fair values of these financial instruments approximate their carrying values due to their current nature and current market rates for similar instruments.

The Company classifies its fair value measurements in accordance with the three level fair value hierarchies as follows:

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

(Expressed in Canadian dollars - unaudited)

7. Fair Values and Classification of Financial Instruments – Continued

Assets and liabilities measured at fair value on a recurring basis as of June 30, 2021 are as follows:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Balance, June 30, 2021
	$	$	$	$
Assets:				
Cash	180,841	–	–	180,841
Total assets measured at fair value	180,841	–	–	180,841

8. Commitments

a) The Company entered into a license agreement with Robert E.W. Hancock, a shareholder and director of the Company, and other inventors of the intellectual property for Sepsis diagnostic on February 15, 2017. In consideration of the license, the Company will pay the parties, collectively, a royalty equal to 2% of revenue and 10% of sublicensing revenue. The contract term ends on the earlier of (a) 20 years; or (b) the expiry of the last patent licensed under the agreement.

b) The Company entered into an engagement agreement with Burton Financial Inc. for transaction advisory services on January 18, 2021. Upon the successful close of an acquisition, merger, sales, divestitures, or similar transaction, the Company will allocate to Burton Financial Inc. the number of securities in the Company equal to 10% equity interest in the Company, calculated prior to the closing of the transaction.

FINANCIAL STATEMENTS

(expressed in Canadian dollars)

For the years ended December 31, 2020 and December 31, 2019

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Sepset Biosciences Inc.

Opinion
We have audited the financial statements of Sepset Biosciences Inc. which comprise the statements of financial position as at December 31, 2020, December 31, 2019 and January 1, 2019, and the statements of comprehensive loss, cash flows and changes in equity (deficiency) for the years ended December 31, 2020 and December 31, 2019, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, December 31, 2019 and January 1, 2019, and its financial performance and its cash flows for the years ended December 31, 2020 and 2019 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion
We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern
We draw attention to Note 1 of the accompanying financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information, which comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and do not and will not express any form of assurance conclusion thereon. In connection with our audits of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indicators that the other information appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Michael Ryan Ayre.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
November 9, 2021

SEPSET BIOSCIENCES INC.
Statements of Financial Position
(Expressed in Canadian Dollars)

	December 31, 2020	December 31, 2019	January 1, 2019
	$	$	$
Assets			
Current			
Cash	10,201	48,293	17,482
GST receivable	978	2,213	7,458
	11,179	50,506	24,940
Liabilities			
Current			
Accounts payable and accrued liabilities	41,300	37,178	17,266
Loans payable (Note 5)	250,000	250,000	190,000
	291,300	287,178	207,266
Shareholders' Equity (Deficiency)			
Share capital (Note 6)	100	100	100
Deficit	(280,221)	(236,772)	(182,426)
	(280,121)	(236,672)	(182,326)
	11,179	50,506	24,940

Going Concern (Note 1)
Commitments (Note 10)
Subsequent Events (Note 11)

Approved by the Director:

"Robert E. W. Hancock"

Robert E. W. Hancock – Director

SEPSET BIOSCIENCES INC.

Statements of Comprehensive Loss
(Expressed in Canadian Dollars)
For the Years Ended December 31, 2020 and 2019

	2020	2019
	$	$
Research revenue	-	40,625
Operating expenses		
Consulting	-	43,750
Interest & bank charges	9,684	11,268
General & administrative	3,267	59
Professional fees	30,498	39,894
	43,449	94,971
Loss and comprehensive loss for year	(43,449)	(54,346)
Basic and diluted loss per common share	(0.00)	(0.01)
Weighted average number of common shares outstanding	10,000,000	10,000,000

The accompanying notes are an integral part of the financial statements

SEPSET BIOSCIENCES INC.

Statements of Changes in Equity (Deficiency)
(Expressed in Canadian Dollars)
For the Years Ended December 31, 2020 and 2019

	Common Shares	Share Capital	Deficit	Total Equity (Deficiency)
	#	$	$	$
Balance, January 1, 2019	10,000,000	100	(182,426)	(182,326)
Net loss for the year	-	-	(54,346)	(54,346)
Balance, December 31, 2019	10,000,000	100	(236,772)	(236,672)
Net loss for the year	-	-	(43,449)	(43,449)
Balance, December 31, 2020	10,000,000	100	(280,221)	(280,121)

SEPSET BIOSCIENCES INC.

Statements of Cash Flows
(Expressed in Canadian Dollars)
For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from:	**$**	**$**
Operating Activities		
Net loss for year	(43,449)	(54,346)
Changes in non-cash operating working capital items		
GST receivable	1,235	5,245
Accounts payable and accrued liabilities	4,122	19,912
	(38,092)	(29,189)
Financing Activities		
Proceeds from loans payable	-	60,000
Increase (decrease) in cash	(38,092)	30,811
Cash, beginning of year	48,293	17,482
Cash, end of year	10,201	48,293

The accompanying notes are an integral part of the financial statements

1. Nature of Operations and Going Concern

Sepset Biosciences Inc. (the "Company") was incorporated on April 23, 2015, under the laws of the province of British Columbia, Canada. The Company's records office and registered address are located at 1750 – 1055 West Georgia Street, Vancouver, BC V6E 3P3.

The Company is a preclinical biotechnology company with a vision to be a leader in the management of sepsis. Its lead product will be to develop a quick and more accurate blood-based test for doctors in the emergency room to identify sepsis and predict sepsis severity to reduce cases of misdiagnosis and improve triage of patients with sepsis.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company is in the development stage and currently has no sources of cash from operations. Further funds will be required to successfully develop the Company's business and there is no certainty that these funds will be available. As at December 31, 2020, the Company had accumulated losses of $280,221 and a working capital deficit of $280,121. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations and ultimately achieve profitable operations. Management intends to finance operating costs over the next twelve months through the issuance of convertible notes and/or common shares (see Note 11).

If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying value of the assets and liabilities, the reported amount of expenses and the classifications used on the statement of financial position. Such adjustments could be material.

During the latter part of 2019, there was an outbreak of COVID-19 in China. By March 2020, this had spread to Northern America. The Canadian and U.S. governments placed restrictions on travel, business operations and isolation/quarantine orders as a result of the COVID-19 outbreak. At this time, the extent that these restrictions may impact on the Company is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. The duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada, U.S. and other countries may have a future impact on the Company. The Company will continue to monitor its operations and assess the impact that these restrictions will have on its business activities.

2. Basis of Preparation

a) Statement of Compliance and Basis of Measurement

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Board of Directors approved these financial statements for issuance on November 9, 2021.

2. Basis of Preparation – Continued

a) Statement of Compliance and Basis of Measurement – Continued

The financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements are presented in Canadian dollars, the Company's functional and presentation currency.

a) Use of Estimates and Judgments

The preparation of 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical accounting judgements are as follows:

(i) Going concern

The assessment of the Company's ability to continue as a going concern involves judgement.

(ii) Assessment of deferred income tax assets and liabilities

Judgement is required in determining whether or not it is probable that the Company's deferred tax assets will be recovered as a result of future taxable income. Management has determined that the recoverability of the Company's deferred tax assets is not probable due to the stage of the Company and its history of losses. As a result, no deferred income tax assets have been recognized as at December 31, 2020 and 2019.

3. Significant Accounting Policies

a) Functional Currency

The Company's transactions are in Canadian dollars and therefore the functional currency of the Company is the Canadian dollar.

b) Cash

The Company considers deposits with banks or highly liquid short-term interest bearing securities that are readily convertible to known amounts of cash.

3. Significant Accounting Policies – Continued

c) Intangible Assets

Intangible assets are recorded at cost less accumulated amortization and impairment losses, if any. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Amortization of definite life intangible assets is recognized on a straight-line basis over their estimated useful lives.

d) Financial Instruments

Financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit and loss (FVTPL).

Measurement – initial recognition

All financial assets and financial liabilities are initially recorded on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All financial asset and liabilities are initially recorded at fair value, net of attributable transaction costs, except for those classified as fair value through profit or loss ("FVTPL"). Subsequent measurement of financial assets and financial liabilities depends on the classifications of such assets and liabilities.

Classification – financial assets

Amortized cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and that the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequent to initial recognition at amortized cost.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effect interest method, and is recognized in Interest and other income, on the statements of comprehensive loss.

The Company currently has no financial assets designated as amortized cost.

3. Significant Accounting Policies – Continued

d) Financial Instruments – Continued

Fair value through other comprehensive income ("FVTOCI"):

Financial assets that are held within a business model whose objective is to hold financial assets in order to both collect contractual cash flows and selling financial assets, and that the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Upon initial recognition of equity securities, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate its equity securities that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other OCI. The cumulative gain or loss is not reclassified to profit or loss on disposal of the instrument; instead, it is transferred to retained earnings.

The Company currently has no financial assets designated as FVTOCI.

Fair value through profit or loss ("FVTPL"):

By default, all other financial assets are measured subsequently at FVTPL. The Company's cash is designated as FVTPL.

Classification – financial liabilities

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using the effective interest method.

Financial liabilities at amortized cost include accounts payable and loans payable.

Financial liabilities classified FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized in the statements of loss and comprehensive loss. The Company does not have any financial liabilities at FVTPL.

The Company has no hedging arrangements and does not apply hedge accounting.

Impairment

The Company recognizes a loss allowance for expected credit losses on its financial assets when necessary. The amount of expected credit losses in updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

3. Significant Accounting Policies – Continued

e) Research Revenue

The Company recognizes collaborative research revenues as services are rendered when the amount of revenue can be measured reliably, it is probable the economic benefits associated with the transaction will flow to the Company, the stage of completion of the transaction and the costs incurred to complete the transaction can be measured reliably. Revenue from non-refundable contract fees where the Company has continuing involvement through research collaborations, is recognized ratably over the related research period. Payments received in advance of rendering research services are recorded as deferred revenue.

f) Research and Development Expenditures

Research expenditures are recorded in the period incurred. Product development expenditures are expensed in the period incurred unless the product candidate meets specific criteria related to technical, market and financial feasibility for deferral and amortization. The Company's policy is to amortize deferred product development expenditures over the expected future life of the product once product revenues or royalties are recorded. No product development expenditures have been deferred to date.

g) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

h) Income Taxes

The Company utilizes the liability method of accounting for income taxes. Under the liability method, deferred income taxes and liabilities are recognized to reflect the expected deferred tax consequences arising from temporary differences between the carrying value and the tax bases of the deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. A valuation allowance is recorded against any deferred income tax asset if it is not probable that the asset will be realized.

The following temporary differences do not result in deferred tax assets or liabilities: the initial recognition of assets or liabilities, not arising in a business combination, that does not affect accounting or taxable profit, goodwill; and investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

3. Significant Accounting Policies – Continued

h) Income Taxes – Continued

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

i) Earnings (Loss) per Share

Basic earnings (loss) per share ("EPS") is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of common shares outstanding (denominator) during the period. The Company applies the treasury stock method in calculating diluted EPS. Diluted EPS excludes all dilutive potential common shares if their effect is anti-dilutive.

4. Changes in Accounting Policies and Recent Accounting Pronouncements

New Accounting Pronouncements Adopted During the Year

The Company did not adopt any accounting pronouncements during the year that had a material impact on these financial statements.

New Accounting Standards Issued but Not Yet Effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the IFRIC that are mandatory for future accounting periods. The Company has not identified any new standards, interpretations or amendments to existing standards that are expected to have an impact on the Company's financial statements.

5. Related Party Transactions and Balances

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined

that key management personnel consist of members of the Company's Board of Directors and corporate officers.

During the year ended December 31, 2020, the Company incurred $nil (2019 - $nil) in short-term benefits key management personnel and entities over which they have control or significant influence.

As at December 31, 2020, $250,000 (2019 – $250,000) in loans payable are due to CDRD Ventures Inc., a significant shareholder of the Company. The interest on the loan is calculated semi-annually, at the Royal Bank of Canada prime rate plus one percent per annum. As at December 31, 2020, the loan is secured and due on demand. As at December 31, 2020, interest of $29,000 (2019 - $19,125) was accrued on this loan and has been classified in accounts payable and accrued liabilities.

(Expressed in Canadian dollars)

6. Share Capital

The Company is authorized to issue an unlimited number of common shares without nominal or par value.

Issued Share Capital

As at December 31, 2020, the Company had 10,000,000 common shares issued and outstanding.

During the years ended December 31, 2020 and December 31, 2019, the Company had no transactions that resulted in the issuance of shares.

7. Income Taxes

The Company carries on business in Canada and accordingly would normally be subject to taxes in Canada on its operations at the Canadian statutory tax rate of 27%. The effective tax rate for the Company is different from the statutory rate for the following reasons:

	2020	2019
Canadian and provincial statutory income tax rate	27%	27%
Income tax provision at statutory rate	(43,449)	(54,346)
Effective tax recovery on such loss	(11,731)	(14,673)
Permanent and other differences	-	(49,255)
Change in amount of tax benefits not recognized	11,731	63,928
Income tax recoverable	-	-

The tax effected temporary differences giving rise to unrecognized deferred tax assets (liabilities) are comprised of:

	2020	2019
	$	$
Non-capital loss carry forwards	75,659	63,928
Total deferred tax assets	75,659	63,928

As at December 31, 2020, the Company has $280,221 in non-capital loss carryforwards available to offset future taxable income which commence expiring in 2038.

(Expressed in Canadian dollars)

8. Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to maintain the business operations. The Company does not have any externally imposed capital requirements to which it is subject.

As at December 31, 2020, the Company considers capital to consist of all components of shareholders' equity (deficiency) and loans payable. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets.

9. Financial Instruments and Risk

Fair Values and Classification of Financial Instruments

As at December 31, 2020, the Company's financial instruments consist of cash, accounts payable and loans payable. The fair values of these financial instruments approximate their carrying values due to their current or on demand nature.

The Company classifies its fair value measurements in accordance with the three level fair value hierarchies as follows:

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Assets and liabilities measured at fair value on a recurring basis as of December 31, 2020 are as follows:

	Fair Value Measurements Using			
	(Level 1)	(Level 2)	(Level 3)	Balance, December 31, 2020
	$	$	$	$
Assets:				
Cash	10,201	–	–	10,201
Total assets measured at fair value	10,201	–	–	10,201

9. Financial Instruments and Risk – Continued

Financial Risk Management Objectives and Policies

The Company's financial instruments include cash, accounts payable and loans payable. The risks associated with these financial instruments and policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash. To minimize its credit risk the Company deposits its cash with high credit quality financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. The Company's accounts payable and loans payable are due within 12 months of December 31, 2020.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The issuance of debt and equity instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices.

a) Currency Risk

The Company does not have significant foreign exchange risk as all of its transactions and financial instruments are denominated in Canadian dollars.

b) Interest Rate Risk

The Company is subject to interest rate cash flow risk on its loans payable which are at variable rates of interest.

10. Commitments

The Company entered into a license agreement with Robert E.W. Hancock, a shareholder and director of the Company, and other inventors of the intellectual property for Sepsis diagnostic on February 15, 2017. In consideration of the license, the Company will pay the parties, collectively, a royalty equal to 2% of revenue and 10% of sublicensing revenue. The contract term ends on the earlier of (a) 20 years; or (b) the expiry of the last patent licensed under the agreement.

11. Subsequent Events

Agreement with ASEP Medical Inc.

On May 14, 2021 (the "Effective Date"), the Company entered into an option agreement (the "Option Agreement") with ASEP Medical Inc. ("ASEP"). Under Option Agreement, the Company has the option (the "Option") to acquire 50.1% of the common shares of Sepset (the "Sepset Shares") in exchange for aggregate cash consideration of $2,500,000.

Pursuant to the terms of the Option Agreement, ASEP agreed to subscribe for, and the Company agreed to issue, unsecured convertible notes of the Company (the "Notes") in the aggregate principal amount of up to $2,500,000 in five equal tranches of $500,000 on or prior to each of the dates (the "Note Subscription Date") set forth below: (a) $500,000 on the Effective Date; (b) $500,000 on the four month anniversary of the Effective Date; (c) $500,000 on the eight month anniversary of the Effective Date; (d) $500,000 on the twelve month anniversary of the Effective Date; and (e) $500,000 on the last Business Day prior to the sixteen month anniversary of the Effective Date.

Notwithstanding the foregoing, ASEP is not obligated to subscribe for any Notes where a Note Subscription Date occurs after the exercise date of the Option. The Notes are unsecured, non-interest bearing and repayable on the Maturity Date, being the earlier of the Expiry Date, September 14, 2022 and the Breach Date, the date on which the Option Agreement is breached due to ASEP's failure to fund the Notes on the Note Subscription Dates.

The Notes can be converted by ASEP at any time up to the Maturity Date and will be automatically converted, subject to there not being an occurrence of an event of default, into such number of shares on the Maturity Date as determined in accordance with the Automatic Conversion Calculation (as defined below), and the Note(s) shall be terminated, and the total aggregate principal amount shall be automatically applied towards satisfaction of ASEP's payment for such shares. The number of Sepset Shares to be determined by the Company on the Expiry Date, Breach Date or Default Date, as applicable, is calculated by dividing (A) by (B), and then rounding the quotient of such equation down to the nearest whole number, where (A) is the product obtained by multiplying: (a) the aggregate number of Sepset Shares that are issued and outstanding, as of the Expiry Date, Breach Date or Default Date, as applicable, on a fully diluted basis assuming conversion of all outstanding convertible securities of the Company other than the Notes, with (b) the product obtained by 10.02 multiplied by the number of Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, and where (B) is the product obtained by subtracting: (c) the product obtained by 10.02 multiplied by the number of Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, from (d) 100 (the "Automatic Conversion Calculation"). On May 14, 2021, ASEP subscribed for the $500,000 note referred to in (a) above.

In addition, pursuant to the terms of the Option Agreement, all of the shareholders of the Company granted ASEP, subject to the exercise of the Option, an option (the "Additional Option") to acquire the remaining 49.9% equity interest in the capital of the Company from each of the shareholders of the Company (excluding ASEP), resulting in ASEP, after exercise of the Additional Option, holding a 100% equity interest in the capital of the Company. ASEP may exercise the Additional Option at any time prior to the third anniversary of the exercise by ASEP of the Option upon payment of an aggregate $20,000,000 (the "Additional Option Exercise Price") payable pro rata to each of the shareholders of the Company (excluding ASEP). The Additional Option Exercise Price is payable as follows:

11. Subsequent Events – Continued

a. if ASEP's shares (including any shares of any assignee of ASEP) are listed on a recognized stock exchange, the Additional Option Exercise Price shall be payable to the shareholders of the Company (excluding ASEP), on a pro rata basis: (A) in cash, as to an aggregate minimum of $5,000,000; and (B) in shares of ASEP (or its assignee) as to the balance of the Additional Option Exercise Price remaining after deduction of the cash portion advance under part (A), with such shares to be issued based on the 20-day volume-weighted average trading price of ASEP (or its assignee) ending on the trading day preceding the date on which ASEP provides notice to the Company that it is exercising the Additional Option; or

b. if ASEP's shares are not listed on a recognized stock exchange, the Additional Option Exercise Price shall be payable in cash, on a pro rata basis, as to the full $20,000,000.

Discharge of Loan

On May 14, 2021, the Company repaid the loans and interest payable to CDRD Ventures Inc. in the aggregate amount of $282,015.14.

Agreement with Burton Financial Inc.

The Company entered into an engagement agreement with Burton Financial Inc. for transaction advisory services on January 18, 2021. Upon the successful close of an acquisition, merger, sales, divestitures, or similar transaction, the Company will allocate to Burton Financial Inc. the number of securities in the Company equal to 10% equity interest in the Company, calculated prior to the closing of the transaction.

SCHEDULE H

MANAGEMENT'S DISCUSSION & ANALYSIS OF SEPSET

[*See Attached*]

SEPSET BIOSCIENCES INC.

Interim Management's Discussion and Analysis

(expressed in Canadian dollars)

For the three months and six months ended June 30, 2021 and June 30, 2020

Dated: November 9, 2021

SEPSET BIOSCIENCES INC.

Interim Management's Discussion and Analysis

For the three months and six months ended June 30, 2021 and June 30, 2020

INTRODUCTION

Management's discussion and analysis ("**MD&A**") is prepared as of November 9, 2021, and provides a review of the performance of Sepset Biosciences Inc. ("**Sepset**" or the "**Company**"). This MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 *Continuous Disclosure Obligations*. This should be read in conjunction with the Company's audited condensed consolidated interim financial statements for the three months and six months ended June 30, 2021 and 2020 and related notes included therein, which are prepared in accordance with International Financial Reporting Standards ("**IFRS**"). This report contains discussion and analysis, which includes forward-looking statements that may differ materially from actual results achieved. All of the financial data herein has been prepared in accordance with IFRS and all figures are stated in Canadian dollars.

FORWARD LOOKING STATEMENTS

This MD&A contains certain statements that constitute "forward-looking statements" and information relating to the Company that are based on the beliefs of management, as well as assumptions made by, and information currently available to, us. When used in this MD&A, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, and known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking information will not be realized.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in the forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that any forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated. The reader is cautioned not to place undue reliance on any forward-looking statements contained in this MD&A. Such forward-looking statements are presented for the purpose of assisting investors in understanding the Company's expected financial and operating performance and the Company's plans and objectives in making an investment decision and may not be appropriate for other purposes. All forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The Company disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements, or to reflect the occurrence of anticipated or unanticipated events, except as required by applicable laws.

COMPANY OVERVIEW

The Company was incorporated under the *Business Corporations Act* (British Columbia) on April 23, 2015. The Company's registered and records office address is Suite 1750 – 1055 West Georgia Street, Vancouver,

British Columbia, Canada V6E 3P3. The Company's head office is located at 420 – 730 View Street, Victoria, British Columbia, Canada V8W 3Y7. The Company is not currently listed on any securities exchange and presently operates as a private entity.

The Company is a preclinical biotechnology company with a vision to be a leader in the management of sepsis. Its lead product will be to develop a quick and more accurate blood-based test for doctors in the emergency room to identify sepsis and predict sepsis severity to reduce cases of misdiagnosis and improve triage of patients with sepsis.

The Company's founder, Dr. Robert E.W. Hancock is a leading microbiologist in Canada and has researched and taught at the University of British Columbia for more than 40 years. Dr. Hancock has published more than 800 papers and reviews, is a highly cited author in Microbiology and listed in the top 250 most cited authors in the world with more than 114,000 citations and an h-index of 169, and has 72 patents awarded. In recognition of his work, Dr. Hancock has received numerous awards and honours including: the Prix Galien (Highest Award for Canadian Pharmaceutical Research and Innovation), the Killam Prize (Canada Council's prize for Health Research), Michael Smith CIHR Researcher of the Year, the ICAAC Aventis Antimicrobial Research Award (Leading award worldwide for antimicrobial research) and in 2001 he was inducted as an Officer of the Order of Canada (Canada's second highest honour). Dr. Hancock has had a major role in translating University discoveries into new treatments and diagnostics and is the co-founder of Migenix Biotech, Inimex Pharmaceuticals, ABT Innovations, Sepset Biotherapeutics, and the Centre for Drug Research and Development (now Ad Mare), and has experience across the continuum of commercialization.

Sepsis Overview

Sepsis is a syndrome typified by life-threatening organ dysfunction due to a dysfunctional and dysregulated host response to infection. Evidence suggests that most Covid-19 deaths are caused by sepsis (Lancet 395:1054-62, 2020). Many who survive severe sepsis, both from Covid-19 and in the general population suffer from post sepsis syndrome. These survivors will experience recurrent infections, persistent immunosuppression, and major neurological, cardiovascular complications severely impacting the patients' quality of life. Pre-COVID19, Sepsis caused the hospitalization of more than 18 million people around the world every year, including 30,000 Canadians, with a staggering 30% mortality rate. Sepsis is more common than heart attack and claims more lives than any cancer.

It is important to diagnose sepsis as early as possible, since for every hour that diagnosis is delayed allowing the use of appropriate antibiotics there is a 7.6% increased risk of death. It is equally important to diagnose the lack of sepsis since this enables hospitals to spare use of their most potent antibiotics (thus reducing pressure for antibiotic resistance) as well as keeping patients out of the very-expensive intensive care unit (ICU).

Pre-COVID19, the total cost of treating sepsis in Canada amounted to $325 million annually. In the US, sepsis is the most expensive and resource intensive disease to treat (number of hospital admissions for sepsis increased up to 3-fold over the last decade).

Sepsis was declared a Global Health Priority by the World Health Organization in 2017. Sepset diagnostic tool will serve the existing market of sepsis cases as well as the COVID19 market.

Sepset Molecular Diagnostic Overview

Sepset first in class diagnostic assay for the early and rapid diagnosis of sepsis is based on the detection of a unique signature of sepsis based on the immune response rather than the presences of a pathogen

This novel technology represents tremendous commercial potential as sepsis is one of the most expensive conditions for hospitals to treat and current methods of diagnosis (including blood cultures) can take over 24 hours and are not fully predictive.

Intellectual Property

The Company's technology is based on major discoveries regarding the immune dysfunction evident in sepsis.

The Company has shown, and filed for patent protection, that a gene expression signature of endotoxin tolerance/cellular reprogramming (CR; associated with an inability to respond to bacterial signatures or immune amnesia) is present at first clinical presentation and predicts an eventual diagnosis of sepsis as well as organ failure (AUC >80%) (eBiomedicine 1:64–71, 2014).

This has profound implications for the development of diagnostics.

A patent for the biomarkers has been filed and is in the national phase entry process for the following countries:

- Canada
- US
- Europe
- Australia
- Japan
- China
- Europe

Management expects each of these patents to be awarded within 12 months.

Summary of Progress Made

Sepset has identified biomarkers highly associated with development of sepsis and organ failure. Sepset's biomarkers offer a number of advantages including greater sensitivity and specificity than the SIRS criteria to identify or rule out patients with sepsis, much earlier recognition of sepsis at a time when patients are admitted to the emergency department, and a reliable diagnosis for physicians to determine the most appropriate treatment to improve survival (i.e. use of the sepsis treatment on the right patients).

Sepset scientists have identified 99 genes that are uniquely expressed in reprogrammed human blood cells, but not inflammatory cells. The gene signature is indicative of a host response for immunosuppression and reflects mortality and organ failure in sepsis (& Covid-19 severe disease) at first clinical presentation.

A meta-analysis of > 600 patients, and further multinational clinical studies by Sepset network of researchers involving >300 patients from Netherlands, Australia, Colombia and Canada (with another 200 currently being sequenced from Canada, USA and Australia) have demonstrated that expression of the CR gene signature can predict severe sepsis in these patients, and machine learning approaches have revealed multiple sub-signatures of 6-9 genes that are as effective as the original 31 gene signature.

As such, Sepset has refined the set of 31 genes differentiated between suspected sepsis patients who did, or did not, go on to develop sepsis. The output is a final 6-9 gene signature that is being validated.

Sepset can also diagnose groupings of sepsis patients (Endotypes) enabling personalized therapy.

Current, On-Going Work

Sepset has completed the discovery phase and is in the process of validating its final gene signatures. The Company's final (6-9) gene signature is being validated in multicenter study using RNA-Seq and multiplex PCR approach.

The Company is in the process of undertaking the largest ever Clinical Genomics study of early sepsis >500 patient prospective multi-centre clinical study to confirm data obtained to date, as well as refine the signature, correlate clinical symptoms with transcriptomics, and extrapolate to additional patient populations (e.g. pediatric, cancer, pancreatitis). Recruitment is ongoing in 5 continents.

Next, the Company will carry a formal clinical trial study to validate clinical utility (Biomarker assay on clinical platform).

OVERALL PERFORMANCE

Financing

During the six-month period ended June 30, 2021, the Company spent significant time planning and completing work for its potential financing transaction with ASEP Medical Inc. ("**ASEP**"). The purpose of this financing is to fund future clinical studies, device filing related costs, and continued clinical development, operational and general & administrative costs.

On May 14, 2021, the Company entered into an option agreement with ASEP (discussed in detail in the "Proposed Transactions" section of this MD&A). Under the option agreement, ASEP has the option to acquire 50.1% of the common shares of the Company, on a fully diluted basis, in exchange for aggregate cash consideration of $2,500,000. ASEP agreed to subscribe for, and the Company agreed to issue, unsecured convertible notes of the Company in the aggregate principal amount of up to $2,500,000 in five equal tranches of $500,000.

On May 14, 2021, the Company received the first unsecured convertible note of $500,000. The Company used proceeds from this note to repay $165,610 of shareholder loans payable.

Research and Drug Development Agenda

During the six-month period ended June 30, 2021, the Company's research and drug development agenda was promoted through grant funded research to REW Hancock; in particular there was further bioinformatic analysis of the first 500 sepsis patients. Analysis was done by performing RNA-Seq transcriptomic studies on whole blood from sepsis patients at first clinical presentation in Colombia, Canada, Australia and Netherlands. These studies confirmed the cellular reprogramming predictive signature and reduce the size of the signature to 6-9 genes. Analysis of early sepsis patients revealed 5 different mechanistic categories termed endotypes that were analyzed in great detail and gene pairs were identified that uniquely identified each endotype separately. RNA-Seq studies were performed on Covid-19 and other sepsis patients from the ICU revealing both the accuracy of the Company's signature and the presence of 4/5 endotypes. Another 500 Covid-19 patients from Quebec were analyzed.

Human Resources

Sepset's first employee Dr. Peter Zhang was hired to perform detailed bioinformatic analyses to enable diagnostic development and the optimal markers and housekeeping genes were identified.

Collaborations

A collaboration was initiated with National Research Council to apply their PowerBlade technology to Sepset's diagnostic signature.

Patent Protection

During the six month period ended June 30, 2021, the Company continued to be involved in patent prosecution through its management agreement with CDRD Ventures Inc.

SELECTED FINANCIAL INFORMATION

As at June 30, 2021, the Company had a working capital surplus of $177,069 compared to a working capital deficiency of $280,121 at December 31, 2020.

This increase in working capital is a result of:

1. An increase in cash of 170,640
2. An increase in GST receivable of $1,603
3. A decrease in accounts payable and accrued liabilities of $36,007
4. An increase in payroll tax payable of $1,060
5. A decrease in loan payable of $250,000

The increase in working capital of $457,190 is related to the Company receiving the first unsecured convertible note of $500,000 on May 14, 2021 with an offset mainly related to legal expenses relating to the proposed transactions (discussed in the "Proposed Transactions" section of this MD&A) and other operating costs incurred and paid during the period.

The following table sets out selected financial information as at June 30, 2021 and December 31, 2020.

Financial Position as at	June 30, 2021	December 31, 2020
Cash	180,841	10,201
GST receivable	2,581	978
Accounts payable and accrued liabilities	5,293	41,300
Payroll tax payable	1,060	-
Loan payable	-	250,000
Share capital	100	100

As at June 30, 2021, the Company had cash of $180,841 (December 31, 2020 - $10,201) and GST receivable of $2,581 (December 31, 2020 - $978). The increase in cash is related to the Company receiving the first unsecured convertible note of $500,000 on May 14, 2021. From this note, the Company used $282,025 to repay the principal and interest balance of the loan payable; $9,491 to repay the shareholder loan payable balance at May 14, 2021; and $35,000 to pay for legal costs related to the proposed transactions (discussed in the "Proposed Transactions" section of this MD&A). The Company had total current assets at June 30, 2021 of $183,422 (December 31, 2020 - $11,179).

As at June 30, 2021, the Company had $nil in loan payable (December 31, 2020 - $250,000). The decrease in loan payable is due to the repayment of the loan on May 14, 2021. As at June 30, 2021, the Company had accounts payable and accrued liabilities of $5,293 (December 31, 2020 - $41,300). The decrease in the accounts payable and accrued liabilities is mainly due to interest of $32,025 included in accrued liabilities being paid out on May 14, 2021. As at June 30, 2021, the Company had payroll tax payable of $1,060 (December 31, 2020 - $nil). The Company had total current liabilities at June 30, 2021 of $6,353 (December 31, 2020 - $291,300).

Share capital as at June 30, 2021 was $100 (December 31, 2020 - $100). There were no shares issued for cash in the six-month period ended June 30, 2021. No options or warrants were issued in the six-month period ended June 30, 2021.

DISCUSSION OF OPERATIONS

Consolidated Statement of Comprehensive Loss

	Three months ended		Six months ended	
	June 30, 2021	**June 30, 2020**	**June 30, 2021**	**June 30, 2020**
	$	**$**	**$**	**$**
Operating expenses				
Legal and professional fees	33,718	1,652	33,718	13,206
Compensation	3,158	-	3,158	-
General & administrative	1,029	1,019	2,168	5,041
Interest	1,050	2,156	3,206	4,312
Consulting	57	-	560	-
	39,012	4,827	42,810	22,559
Loss and comprehensive loss for the period	(39,012)	(4,827)	(42,810)	(22,559)

Operating Expenses
Operating expenses increased from $22,559 for the six months ended June 30, 2020 to $42,810 for the six months ended June 30, 2021.

Legal and Professional Fees
Legal and professional fees increased from $13,206 for the six months ending June 30, 2020 compared to $33,718 for the six months ending June 30, 2021. The increase of $20,512 was related to legal costs incurred relating to the proposed transactions (as discussed in detail in the "Proposed Transactions" section of this MD&A).

Compensation
Compensation expense increased from $nil for the six months ending June 30, 2020 compared to $3,158 for the six months ending June 30, 2021. The increase of $3,158 is due to a new hire in June 2021.

General & Administrative

General & administrative costs decreased from $5,041 for the six months ending June 30, 2020 compared to $2,168 for the six months ending June 30, 2021. The decrease of $2,873 is due timing of costs incurred.

Interest
Interest expense decreased from $4,312 for the six month period ending June 30, 2020 compared to $3,206 for the six month period ending June 30, 2020. The decrease of $1,106 is due to the Company repaying the loan to CDRD on May 14, 2021.

LIQUIDITY AND CAPITAL RESOURCES

Sepset is a development stage company that has had minimal revenue and negative operating cash flows each year, which are expected to continue in the near future. As a development stage company, Sepset requires significant additional investment for research and development, clinical testing and regulatory submissions prior to commercialization. Since inception, Sepset has financed its cash requirements primarily through shareholder loans and non-dilutive funding. To date, the Company has not entered into any debt arrangements or incurred any debts outside of shareholder loans and the Notes (defined below). During Q2 2021, all shareholder loans were repaid by the Company. The Company's ability to continue as a going concern is dependent upon obtaining additional investment capital and grant monies.

Based on the foregoing, the Company will continue to pursue various funding options and opportunities; however, no assurances can be made that it will be successful in raising additional investment capital, to continue as a going concern. If the Company is not able to raise capital, it will have to reduce its cash requirements by eliminating or deferring spending on research, development and corporate activities.

For the six months ended June 30, 2021, there was a net cash outflow from operating activities of $79,360 compared to a net cash outflow of $22,697 for the six months ended June 30, 2020, an increase in outflow of $56,663. Expressed in tabular form, the increase from the net cash used for operations is as follows:

	Six months ended June 30, 2021	Six months ended June 30, 2021	Change
Net loss from operations for the period	$(42,810)	$(22,559)	$(20,251)
Change in GST receivable	(1,603)	(511)	(1,092)
Change in payroll tax payable	1,060	-	1,060
Change in accounts payable and accrued liabilities	(36,007)	373	(36,380)
Decrease in net cash used for operations	$(79,360)	$(22,697)	($56,663)

OFF-BALANCE SHEET ARRANGEMENTS

As disclosed in the Company's audited financial statements for the years ended December 31, 2020 and 2019 (as are available on Trenchant Life Sciences Investment Corp.'s ("**TLS**") profile on SEDAR (www.sedar.com)), the Company had the following off-balance sheet arrangements:

The Company entered into a license agreement with Robert E.W. Hancock, a shareholder and director of the Company, and other inventors of the intellectual property for Sepsis diagnostic on February 15, 2017. In consideration of the license, the Company will pay the parties, collectively, a royalty equal to 2% of revenue and 10% of sublicensing revenue. The contract term ends on the earlier of (a) 20 years; or (b) the expiry of the last patent licensed under the agreement.

TRANSACTIONS BETWEEN RELATED PARTIES

As disclosed in the Company's audited financial statements for the years ended December 31, 2020 and 2019 (as are available on TLS's profile on SEDAR (www.sedar.com)), the Company had the following related party balance and transactions:

- During the six months ended June 30, 2021, the Company incurred $Nil (June 30, 2020 - $Nil) in short-term benefits key management personnel and entities over which they have control or significant influence.
- On May 14, 2021, the Company repaid a loan from CDRD Ventures Inc. of $282,015, comprised of $250,000 principal and $32,015 in interest. As at June 30, 2021, the Company had $nil in loans payable to CDRD Ventures Inc. (December 31, 2020 - $250,000) and $nil in accrued interest.

PROPOSED TRANSACTIONS

On May 14, 2021 (the "**Effective Date**"), the Company entered into an option agreement (the "**Option Agreement**") with ASEP Medical Inc. ("**ASEP**"). Under Option Agreement, the Company has the option (the "**Option**") to acquire 50.1% of the common shares of Sepset (the "**Sepset Shares**") in exchange for aggregate cash consideration of $2,500,000.

Pursuant to the terms of the Option Agreement, ASEP agreed to subscribe for, and the Company agreed to issue, unsecured convertible notes of the Company (the "**Notes**") in the aggregate principal amount of up to $2,500,000 in five equal tranches of $500,000 on or prior to each of the dates (the "**Note Subscription Date**") set forth below: (a) $500,000 on the Effective Date; (b) $500,000 on the four month anniversary of the Effective Date; (c) $500,000 on the eight month anniversary of the Effective Date; (d) $500,000 on the twelve month anniversary of the Effective Date; and (e) $500,000 on the last Business Day prior to the sixteen month anniversary of the Effective Date.

Notwithstanding the foregoing, ASEP is not obligated to subscribe for any Notes where a Note Subscription Date occurs after the exercise date of the Option. The Notes are unsecured, non-interest bearing and repayable on the Maturity Date, being the earlier of the Expiry Date, September 14, 2022 and the Breach Date, the date on which the Option Agreement is breached due to ASEP's failure to fund the Notes on the Note Subscription Dates.

The Notes can be converted by ASEP at any time up to the Maturity Date and will be automatically converted, subject to there not being an occurrence of an event of default, into such number of shares on the Maturity Date as determined in accordance with the Automatic Conversion Calculation (as defined below), and the Note(s) shall be terminated, and the total aggregate principal amount shall be automatically applied towards satisfaction of ASEP's payment for such shares. The number of Sepset Shares to be determined by the Company on the Expiry Date, Breach Date or Default Date, as applicable, is calculated by dividing (A) by (B), and then rounding the quotient of such equation down to the nearest whole number, where (A) is the product obtained by multiplying: (a) the aggregate number of Sepset Shares that are issued and outstanding, as of the Expiry Date, Breach Date or Default Date, as applicable, on a fully diluted basis assuming conversion of all outstanding convertible securities of the Company other than the Notes, with (b) the product obtained by 10.02 multiplied by the number of Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, and where (B) is the product obtained by subtracting: (c) the product obtained by 10.02 multiplied by the number of Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, from (d) 100 (the "**Automatic Conversion Calculation**"). On May 14, 2021, ASEP subscribed for the $500,000 note referred to in (a) above.

In addition, pursuant to the terms of the Option Agreement, all of the shareholders of the Company granted ASEP, subject to the exercise of the Option, an option (the "**Additional Option**") to acquire the remaining 49.9% equity interest in the capital of the Company from each of the shareholders of the Company (excluding ASEP), resulting in ASEP, after exercise of the Additional Option, holding a 100% equity interest in the capital of the Company. ASEP may exercise the Additional Option at any time prior to the third anniversary of the exercise by ASEP of the Option upon payment of an aggregate $20,000,000 (the "**Additional Option Exercise Price**") payable pro rata to each of the shareholders of the Company (excluding ASEP). The Additional Option Exercise Price is payable as follows:

a. if ASEP's shares (including any shares of any assignee of ASEP, including without limitation, TLS) are listed on a recognized stock exchange, the Additional Option Exercise Price shall be payable to the shareholders of the Company (excluding ASEP), on a pro rata basis: (A) in cash, as to an aggregate minimum of $5,000,000; and (B) in shares of ASEP (or its assignee) as to the balance of the Additional Option Exercise Price remaining after deduction of the cash portion advance under part (A), with such shares to be issued based on the 20-day volume-weighted average trading price of ASEP (or its assignee) ending on the trading day preceding the date on which ASEP provides notice to the Company that it is exercising the Additional Option; or

b. if ASEP's shares are not listed on a recognized stock exchange, the Additional Option Exercise Price shall be payable in cash, on a pro rata basis, as to the full $20,000,000.

Upon payment of the exercise price for the Option by ASEP to the Company, or advance of the funds as subscription for the Notes, the Company shall have adequate finances to identify a marketing and development partner to assist in completing pre-clinical studies, identify the most effective diagnostic markers and housekeeping genes for diagnosis of severe sepsis, perform preliminary studies testing both doped (with the relevant diagnostic genes) samples and clinical samples, design and file for Investigational New Drug (IND) approval, recruit hospitals/clinicians for the Company's clinical trial, perform the clinical trials and file for approval. The Company will also develop its endotypes markers for a second diagnostic test and manage the prosecution of its patents in various countries.

All required corporate approvals relating to the Option, including shareholder approval, has been obtained.

CHANGES IN ACCOUNTING POLICIES

The Company had no changes to accounting policies for the three months and six months ended June 30, 2021 and 2020.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at June 30, 2021, the Company's financial instruments consist of cash, accounts payable and due to related parties. The fair values of these financial instruments approximate their carrying values due to their current nature.

The Company classifies its fair value measurements in accordance with the three level fair value hierarchies as follows:

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Assets and liabilities measured at fair value on a recurring basis as of June 30, 2021 are as follows:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Balance, June 30, 2021
	$	$	$	$
Assets:				
Cash	180,841	–	–	180,841
Total assets measured at fair value	180,841	–	–	180,841

ADDITIONAL DISCLOSURE

Expensed research and development costs

The Company conducts research and development (R&D) activities related to multiple peptide products (small proteins) for applications in any number of areas, including inflammatory medications to vaccine adjuvants. During the periods ended June 30, 2021 and 2020, the Company incurred the following R&D expenses:

	For the three months ended June 30,		**For the six months ended June 30,**	
	2021	**2020**	**2021**	**2020**
Patent costs	-	1,652	-	13,206
Total expensed research and development costs	-	1,652	-	13,206

General and administration expenses

The Company incurred the following general and administrative (G&A) expenses:

	For the three months ended June 30,		For the six months ended June 30,	
	2021	**2020**	**2021**	**2020**
Consulting – G&A	57	-	560	-
Other – G&A	1,029	1,019	2,168	5,041
Total expensed general & administrative costs	1,086	1,019	2,728	5,041

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of Common shares without par value.

As of the date of this MD&A, the Company has 10,000,000 issued and outstanding common shares. In accordance with the Option Agreement, the Company granted the Option to ASEP.

RISK FACTORS

Risks Related to the Company

Management of the Company defines risk as the evaluation of probability that an event might happen in the future that could negatively affect the financial condition and/or results of operations of Company. The following section describes specific and general risks that could affect the Company. The following descriptions of risk do not include all possible risks as there may be other risks of which management is currently unaware. Moreover, the likelihood that a risk will occur or the nature and extent of its consequences if it does occur, is not possible to predict with certainty, and the actual effect of any risk or its consequences on the business could be materially different from those described below and elsewhere in this Prospectus.

The Company will be a development stage company with little operating history, a history of losses and the Company cannot assure profitability.

As the Company will be in the pre-revenue phase, it is extremely difficult to make accurate predictions and forecasts of its finances. This is compounded by the fact the Company intends to operate in the health sciences industry, which is rapidly transforming. There is no guarantee that the Company's products or services will be attractive to potential consumers.

Lack of Operating Cash Flow

The Company does not currently have a source of operating cash flow and this trend is expected to continue for the foreseeable future. The Company's failure to achieve profitability and positive operating cash flows could have a material adverse effect on its financial condition and results of operations. If the Company sustains losses over an extended period of time, it may be unable to continue its business. Further research and preclinical or clinical development of the Company's therapies and products will require the commitment of substantial financial resources. It may be several years before the Company may generate

any revenues from operations, if at all. There can be no assurance that the Company will realize revenue or achieve profitability.

Uncertainty about the Company‘s ability to continue as a going concern.

The Company is in the development stage and will seek additional capital, joint ventures, partnerships and other business arrangements to expand its business opportunities in the life sciences industry. The Company’s ability to continue as a going concern is dependent upon its ability in the future to execute on its business opportunities and achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity and debt, will be sought to finance the operations of the Company; however, there can be no certainty that such funds will be available on acceptable terms. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company’s ability to continue as a going concern.

The Company’s actual financial position and results of operations may differ materially from the expectations of the Company’s management.

The Company’s actual financial position and results of operations may differ materially from management’s expectations. As a result, the Company’s revenue, net income and cash flow may differ materially from the Company’s projected revenue, net income and cash flow. The process for estimating the Company’s revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company’s financial condition or results of operations.

If the company experiences delays or difficulties in the enrollment of volunteers or patients in the clinical studies, receipt of necessary regulatory approvals could be delayed or prevented.

Clinical studies for molecular diagnostics require identification and enrollment of a large number of volunteers or eligible patients. The Company may not be able to enroll sufficient volunteers or eligible patients to complete clinical studies in a timely manner or at all. Patient enrollment is a function of many factors, including the following: design of the protocol, size of the patient population, eligibility criteria for the study in question, perceived risks and benefits of the molecular diagnostic under study, availability of competing diagnostics, efforts to facilitate timely enrollment in clinical trials, patient referral practices of physicians, and availability of clinical trial sites. If the Company has difficulty enrolling sufficient volunteers or patients to conduct its clinical trials as planned, they may need to delay, forego or terminate ongoing clinical trials. This may have a material adverse effect on the Company’s financial condition or results of operations.

If completed prospective clinical studies fail to demonstrate test sensitivity and specificity for the intended use, the company will not be able to obtain approval.

The Company’s potential product candidates are still in development and as such, have a high risk of failure. If Health Canada does not approve the company Clinical Trial Applications, studies cannot begin.

Lack of supporting clinical data.

The sensitivity and specificity of the Company’s developmental products are not yet supported by clinical data and the medical community has not yet developed a large body of peer reviewed literature that supports

the sensitivity and specificity of the Company's potential products. If future studies call into question the sensitivity and specificity of the Company's potential products, the Company's business, financial condition, and results of operations could be adversely affected.

The Company has an unproven market for its product candidates.

The Company believes that the anticipated market for its potential products and technologies if successfully developed will continue to exist and expand. These assumptions may prove to be incorrect for a variety of reasons, including competition from other products and the degree of commercial viability of the potential product.

Earlier studies are not necessarily predictive of future results.

Laboratory studies demonstrating test stability (shelf life and storage conditions), specificity, interfering substances, precision/reproducibility, analytical sensitivity might provide negative or inconclusive results. Any data and the clinical results obtained for the Company's technology may not predict results from studies in larger numbers of subjects drawn from more diverse populations or in the commercial setting, and also may not predict the ability of these products to achieve their intended goals, or to do so safely.

An inability to obtain raw materials or product supply could have a material adverse impact on the Company's business, financial condition and results of operations.

Raw materials and supplies are generally available in quantities to meet the Company's needs. The Company will be dependent on third-party manufacturers for the products that it markets. An inability to obtain raw materials or product supplies could have a material adverse impact on the Company's business, financial condition and results of operations.

The Company will be highly dependent on key personnel.

Although the Company is expected to have experienced senior management and personnel, the Company will be substantially dependent upon the services of a few key technical personnel, particularly Dr. Robert E.W. Hancock, Dr. Fadia Saad and Dr. Evan Haney as well as certain other medical research professionals engaged for the successful operation of the Company's businesses. Phase I of the Company's research and development is planned to be completed by qualified professionals and is expected to concentrate on diagnosis of sepsis. The loss of the services of any of these personnel could have a material adverse effect on the business of the Company. The Company may not be able to attract and retain personnel on acceptable terms given the intense competition for such personnel among high technology enterprises, including biotechnology, and healthcare companies, universities and non-profit research institutions. If the Company loses any of these persons, or is unable to attract and retain qualified personnel, the business, financial condition and results of operations may be materially and adversely affected.

The Company may not succeed in completing the development of its products, commercializing their products or generating significant revenues.

Since commencing operations, the Company has focused on the research and development of a diagnostic technologies for sepsis and organ failure. The Company's ability to generate revenues and achieve profitability depends on the Company's ability to successfully complete the development of its products, obtain market and regulatory approval and generate significant revenues. The future success of the Company's business cannot be determined at this time, and the Company does not anticipate generating revenues from product sales for the foreseeable future. In addition, the Company will face a number of challenges with respect to its future commercialization efforts, including, among others, that:

- the Company may not have adequate financial or other resources to complete the development of its various products or medical therapies, including two stages of clinical development that are necessary in order to commercialize such products or medical therapies;

- the Company may not be able to manufacture its products in commercial quantities, at an adequate quality or at an acceptable cost;

- the Company may never receive FDA or Health Canada approval for its intended products or medical therapies;

- the Company may not be able to establish adequate sales, marketing and distribution channels;

- healthcare professionals and patients may not accept the Company's product candidates;

- technological breakthroughs in sepsis treatment and prevention may reduce the demand for the Company's product candidates;

- changes in the market for sepsis treatment, new alliances between existing market participants and the entrance of new market participants may interfere with the Company's market penetration efforts;

- third-party payors may not agree to reimburse patients for any or all of the purchase price of the Company's products, which may adversely affect patients' willingness to purchase the Company's product candidates;

- uncertainty as to market demand may result in inefficient pricing of the Company's product candidates;

- the Company may face third-party claims of intellectual property infringement;

- the Company may fail to obtain or maintain regulatory approvals for product candidates in the Company's target markets or may face adverse regulatory or legal actions relating to the Company's product candidates even if regulatory approval is obtained; and

- the Company is dependent upon the results of ongoing clinical studies relating to the Company's product candidates and products of its competitors. The Company may fail in obtaining positive results.

If the Company is unable to meet any one or more of these challenges successfully, the Company's ability to effectively commercialize its product candidates could be limited, which in turn could have a material adverse effect on the Company's business, financial condition and results of operations.

Probable lack of business diversification.

Because the Company will be focused on developing its business ancillary to the life sciences industry, and potentially directly in the life sciences industry, the prospects for the Company's success will be dependent upon the future performance and market acceptance of the Company's intended products, processes, and services. Unlike certain entities that have the resources to develop and explore numerous product lines, operating in multiple industries or multiple areas of a single industry, the Company does not anticipate the ability to immediately diversify or benefit from the possible spreading of risks or offsetting of losses. Again, the prospects for the Company's success may become dependent upon the development or market acceptance of a very limited number of products, processes or services.

The Company expects to incur significant ongoing costs and obligations related to its investment in infrastructure, growth, regulatory compliance and operations.

The Company expects to incur significant ongoing costs and obligations related to its investment in infrastructure and growth and for regulatory compliance, which could have a material adverse impact on the Company's results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company. The Company's planned efforts to grow its business may be costlier than the Company expects, and the Company may not be able to increase its revenue enough to offset its higher operating expenses. The Company may incur significant losses in the future for a number of reasons, and unforeseen expenses, difficulties, complications and delays, and other unknown events. If the Company is unable to achieve and sustain profitability, the market price of the Common Shares may significantly decrease.

There is no assurance that the Company will turn a profit or generate immediate revenues.

There is no assurance as to whether the Company will be profitable, earn revenues, or pay dividends. The Company anticipates that it will continue to incur substantial expenses relating to the development and initial operations of its business.

The payment and amount of any future dividends will depend upon, among other things, the Company's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

The Company may be unable to adequately protect its proprietary and intellectual property rights.

The Company's ability to compete may depend on the superiority, uniqueness and value of any intellectual property and technology that it may develop. To the extent the Company is able to do so, to protect any proprietary rights of the Company, the Company intends to rely on a combination of patent, trademark, copyright and trade secret laws, confidentiality agreements with its employees and third parties, and protective contractual provisions. Despite these efforts, any of the following occurrences may reduce the value of any of the Company's intellectual property:

- issued patents, trademarks and registered copyrights may not provide the Company with competitive advantages; the Company's efforts to protect its current intellectual property rights may not be effective in preventing misappropriation of any its products or intellectual property;

- the Company's efforts may not prevent the development and design by others of products or marketing strategies similar to or competitive with, or superior to those the Company develops;

- another party may assert a blocking patent and the Company would need to either obtain a license or design around the patent in order to continue to offer the contested feature or service in its products; or

- the expiration of patent or other intellectual property protections for any assets owned by the Company could result in significant competition, potentially at any time and without notice, resulting in a significant reduction in sales. The effect of the loss of these protections on the Company and its financial results will depend, among other things, upon the nature of the market and the position of the Company's products in the market from time to time, the growth

of the market, the complexities and economics of manufacturing a competitive product and regulatory approval requirements but the impact could be material and adverse.

The Company may be forced to litigate to defend its intellectual property rights, or to defend against claims by third parties against the Company relating to intellectual property rights.

The Company may be forced to litigate to enforce or defend its intellectual property rights, to protect its trade secrets or to determine the validity and scope of other parties' proprietary rights. Any such litigation could be very costly and could distract its management from focusing on operating the Company's business. The existence and/or outcome of any such litigation could harm the Company's business.

The Company may become subject to litigation, including for possible product liability claims, which may have a material adverse effect on the Company's reputation, business, results from operations, and financial condition.

The Company may be named as a defendant in a lawsuit or regulatory action. The Company may also incur uninsured losses for liabilities which arise in the ordinary course of business, or which are unforeseen, including, but not limited to, employment liability and business loss claims. Any such losses could have a material adverse effect on the Company's business, results of operations, sales, cash flow or financial condition.

The Company will face competition from other companies where it will conduct business that may have higher capitalization, more experienced management or may be more mature as a business.

An increase in the companies competing in this industry could limit the ability of the Company's potential of expanding its operations. Current and new competitors may have better capitalization, a longer operating history, more expertise and able to develop higher quality equipment or products, at the same or a lower cost. The Company will not be able to provide assurances that it will be able to compete successfully against current and future competitors. Competitive pressures that the Company may face could have a material adverse effect on its business, operating results and financial condition.

If the Company is unable to attract and retain key personnel, it may not be able to compete effectively in the health sciences market.

The Company's success will depend upon its ability to attract and retain key management, including the Company's proposed Chief Executive Officer, Chief Financial Officer, and technical experts. The Company will attempt to enhance its management and technical expertise by continuing to recruit qualified individuals who possess desired skills and experience in certain targeted areas. The Company's inability to retain employees and attract and retain sufficient additional employees or engineering and technical support resources could have a material adverse effect on the Company's business, results of operations, sales, cash flow or financial condition. Shortages in qualified personnel or the loss of key personnel could adversely affect the financial condition of the Company, results of operations of the business and could limit the Company's ability to develop and market its therapeutic treatments and medical diagnostic products. The loss of any of the Company's senior management or key employees could materially adversely affect the Company's ability to execute the Company's business plan and strategy, and the Company may not be able to find adequate replacements on a timely basis, or at all.

The industry of the Company is experiencing rapid growth and consolidation that may cause the Company to lose key relationships and intensify competition.

The health sciences industry and businesses ancillary to and directly involved with health sciences businesses are undergoing rapid growth and substantial change, which has resulted in an increase in competitors, consolidation and formation of strategic relationships. Acquisitions or other consolidating transactions could harm the Company in a number of ways, including by losing strategic partners if they are acquired by or enter into relationships with a competitor, losing customers, revenue and market share, or forcing the Company to expend greater resources to meet new or additional competitive threats, all of which could harm the Company's operating results.

The Company cannot guarantee that it will meet its business objectives and obtain future financing.

There is no guarantee that the Company will be able to achieve its business objectives. The continued development of the Company will require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

The Company's anticipated officers and directors may be engaged in a range of business activities that could result in conflicts of interest.

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in the industries in which the Company may operate and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each director is required to declare and refrain from voting on any matter in which such director may have a conflict of interest in accordance with the procedures set forth in applicable laws.

The Company's Employees, Contractors and Consultants could engage in Fraudulent or Illegal Activity.

The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Company that violates government regulations or laws that require the true, complete and accurate reporting of financial information or data. It may not always be possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Company's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Company's operations, any of which could have a material adverse effect on the Company.

In certain circumstances, the Company's reputation could be damaged.

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web- based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding the Company and its proposed activities, whether true or not. Although

the Company plans to operate in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Company will ultimately not have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects

SEPSET BIOSCEINCES INC.

Management's Discussion and Analysis

(expressed in Canadian dollars)

For the years ended December 31, 2019 and December 31, 2020

Dated: November 9, 2021

SEPSET BIOSCEINCES INC.

Management's Discussion and Analysis

For the years ended December 31, 2019 and December 31, 2020

INTRODUCTION

Management's discussion and analysis ("**MD&A**") is prepared as of November 9, 2021, and provides a review of the performance of Sepset Biosciences Inc. ("**Sepset**" or the "**Company**"). This MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 *Continuous Disclosure Obligations*. This should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2020 and December 31, 2019 and related notes included therein, which are prepared in accordance with International Financial Reporting Standards ("**IFRS**"). This report contains discussion and analysis, which includes forward-looking statements that may differ materially from actual results achieved. All of the financial data herein has been prepared in accordance with IFRS and all figures are stated in Canadian dollars.

FORWARD LOOKING STATEMENTS

This MD&A contains certain statements that constitute "forward-looking statements" and information relating to the Company that are based on the beliefs of management, as well as assumptions made by, and information currently available to, us. When used in this MD&A, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, and known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking information will not be realized.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in the forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that any forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated. The reader is cautioned not to place undue reliance on any forward-looking statements contained in this MD&A. Such forward-looking statements are presented for the purpose of assisting investors in understanding the Company's expected financial and operating performance and the Company's plans and objectives in making an investment decision and may not be appropriate for other purposes. All forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The Company disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements, or to reflect the occurrence of anticipated or unanticipated events, except as required by applicable laws.

COMPANY OVERVIEW

The Company was incorporated under the *Business Corporations Act* (British Columbia) on April 23, 2015. The Company's registered and records office address is Suite 1750 – 1055 West Georgia Street, Vancouver,

British Columbia, Canada V6E 3P3. The Company's head office is located at 420 – 730 View Street, Victoria, British Columbia, Canada V8W 3Y7. The Company is not currently listed on any securities exchange and presently operates as a private entity.

The Company is a preclinical biotechnology company with a vision to be a leader in the management of sepsis. Its lead product will be to develop a quick and more accurate blood-based test for doctors in the emergency room to identify sepsis and predict sepsis severity to reduce cases of misdiagnosis and improve triage of patients with sepsis.

The Company's founder, Dr. Robert E.W. Hancock is a leading microbiologist in Canada and has researched and taught at the University of British Columbia for more than 40 years. Dr. Hancock has published more than 800 papers and reviews, is a highly cited author in Microbiology and listed in the top 250 most cited authors in the world with more than 114,000 citations and an h-index of 169, and has 72 patents awarded. In recognition of his work, Dr. Hancock has received numerous awards and honours including: the Prix Galien (Highest Award for Canadian Pharmaceutical Research and Innovation), the Killam Prize (Canada Council's prize for Health Research), Michael Smith CIHR Researcher of the Year, the ICAAC Aventis Antimicrobial Research Award (leading award worldwide for antimicrobial research) and in 2001 he was inducted as an Officer of the Order of Canada (Canada's second highest honour). Dr. Hancock has had a major role in translating university discoveries into new treatments and diagnostics and is the co-founder of Migenix Biotech, Inimex Pharmaceuticals, ABT Innovations, Sepset Biotherapeutics, and the Centre for Drug Research and Development (now Ad Mare), and has experience across the continuum of commercialization.

Sepsis Overview

Sepsis is a syndrome typified by life-threatening organ dysfunction due to a dysfunctional and dysregulated host response to infection. Evidence suggests that most Covid-19 deaths are caused by sepsis (Lancet 395:1054-62, 2020). Many who survive severe sepsis, both from Covid-19 and in the general population suffer from post sepsis syndrome. These survivors will experience recurrent infections, persistent immunosuppression, and major neurological, cardiovascular complications severely impacting the patients' quality of life. Pre-COVID19, Sepsis caused the hospitalization of more than 18 million people around the world every year, including 30,000 Canadians, with a staggering 30% mortality rate. Sepsis is more common that heart attack and claims more lives than any cancer.

It is important to diagnose sepsis as early as possible, since for every hour that diagnosis is delayed allowing the use of appropriate antibiotics there is a 7.6% increased risk of death. It is equally important to diagnose the lack of sepsis since this enables hospitals to spare use of their most potent antibiotics (thus reducing pressure for antibiotic resistance) as well as keeping patients out of the very-expensive intensive care unit (ICU).

Pre-COVID19, the total cost of treating sepsis in Canada amounts to $325 million annually. In the US, sepsis is the most expensive and resource intensive disease to treat (number of hospital admissions for sepsis increased up to 3-fold over the last decade).

Sepsis was declared a Global Health Priority by the World Health Organization in 2017. Sepset diagnostic tool will serve the existing market of sepsis cases as well as the COVID19 market.

Sepset Molecular Diagnostic Overview

Sepset first in class diagnostic assay for the early and rapid diagnosis of sepsis is based on the detection of a unique signature of sepsis based on the immune response rather than the presences of a pathogen

This novel technology represents tremendous commercial potential as sepsis is one of the most expensive conditions for hospitals to treat and current methods of diagnosis (including blood cultures) can take over 24 hours and are not fully predictive.

Intellectual Property

The Company's technology is based on major discoveries regarding the immune dysfunction evident in sepsis.

The Company has shown, and filed for patent protection, that a gene expression signature of endotoxin tolerance/cellular reprogramming (CR; associated with an inability to respond to bacterial signatures or immune amnesia) is present at first clinical presentation and predicts an eventual diagnosis of sepsis as well as organ failure (AUC >80%) (eBiomedicine 1:64–71, 2014).

This has profound implications for the development of diagnostics.

A patent for the biomarkers has been filed and is in the national phase entry process for the following countries:

- Canada
- US
- Europe
- Australia
- Japan
- China
- Europe

Management expects each of these patents to be awarded within 12 months.

Summary of progress made

Sepset has identified biomarkers highly associated with development of sepsis and organ failure. Sepset's biomarkers offer a number of advantages including greater sensitivity and specificity than the SIRS criteria to identify or rule out patients with sepsis, much earlier recognition of sepsis at a time when patients are admitted to the emergency department, and a reliable diagnosis for physicians to determine the most appropriate treatment to improve survival (i.e. use of the sepsis treatment on the right patients).

Sepset scientists have identified 99 genes that are uniquely expressed in reprogrammed human blood cells, but not inflammatory cells. The gene signature is indicative of a host response for immunosuppression and reflects mortality and organ failure in sepsis (& Covid-19 severe disease) at first clinical presentation.

A meta-analysis of >600 patients, and further multinational clinical studies by Sepset network of researchers involving >300 patients from Netherlands, Australia, Colombia and Canada (with another 200 currently being sequenced from Canada, USA and Australia) have demonstrated that expression of the CR gene signature can predict severe sepsis in these patients, and machine learning approaches have revealed multiple sub-signatures of 6-9 genes that are as effective as the original 31 gene signature.

As such, Sepset has refined the set of 31 genes differentiated between suspected sepsis patients who did, or did not, go on to develop sepsis. The output is a final 6-9 gene signature that is being validated.

Sepset can also diagnose groupings of sepsis patients (Endotypes) enabling personalized therapy.

Current, on-going work

Sepset has completed the discovery phase and is in the process of validating its final gene signatures. Our final (6-9) gene signature is being validated in multicenter study using RNA-Seq and multiplex PCR approach.

We are in process of undertaking the largest ever Clinical Genomics study of early sepsis >500 patient prospective multi-centre clinical study to confirm data obtained to date, as well as refine the signature, correlate clinical symptoms with transcriptomics, and extrapolate to additional patient populations (e.g. pediatric, cancer, pancreatitis). Recruitment is ongoing in 5 continents.

Next, we will carry a formal clinical trial study to validate clinical utility (Biomarker assay on clinical platform).

Funding

All financing to date is non-dilutive, consisting largely of research grants (~$7.7M).

OVERALL PERFORMANCE

During 2020, the Company spent the last half of the year planning for potential financing arrangements and eventual go-public transaction to fund future clinical studies, device filing related costs, and continued clinical development, with minimal operational and general & administrative costs. In 2020 Sepset was strongly involved in patent prosecution through its management agreement with CDRD Ventures Inc. Its research and drug development agenda was promoted through grant funded research to REW Hancock; in particular the first 500 sepsis patients were analyzed by performing RNA-Seq transcriptomic studies on whole blood from sepsis patients at first clinical presentation in Colombia, Canada, Australia and Netherlands. The purpose of these studies was to confirm our cellular reprogramming predictive signature and to reduce the size of the signature to enable it to fit into clinical diagnostic platforms. Analysis demonstrated the first data indicating that early sepsis patients fit into 5 different mechanistic categories termed endotypes and that two of these endotypes demonstrated higher overall severity. Dr. Hancock was also awarded one of the first CIHR rapid Covid grants and initiated RNA-Seq studies on Covid-19 and other sepsis patients from the ICU.

SELECTED ANNUAL INFORMATION

The following table sets out selected annual financial information for the financial years ended December 31, 2018, 2019 and 2020. The financial data has been audited in accordance with Canadian Auditing Standards for the financial years ended December 31, 2020 and 2019.

	Year ended December 31,	
	2020	**2019**
Total Assets	11,179	50,506
Total Liabilities	291,300	287,178
Net loss and comprehensive loss	(43,449)	(54,346)
Basic and diluted loss per share	(0.00)	(0.01)
Weighted average number of shares outstanding	10,000,000	10,000,000

Total Assets

Total Assets decreased from $50,506 at December 31, 2019 to $11,179 at December 31, 2020. The decrease of $39,092 is mainly due to a decrease in the cash balance related to the Company's spending on operational expenses during the year.

Total Liabilities

Total liabilities increased from $287,178 at December 31, 2019 to $291,300 at December 31, 2020. The increase of $4,122 is mainly due to an increase in accounts payable related to patent costs.

Net Loss

Net loss decreased from $54,346 for the year ending December 31, 2019 to $43,449 for the year ending December 31, 2020. The $10,897 decrease in the net loss is mainly due to a decrease in patent costs for the year ending December 31, 2020.

DISCUSSION OF OPERATIONS

	Year ended December 31, 2020 $	Year ended December 31, 2019 $	Increase (Decrease) $	Increase (Decrease) %
Assets				
Current				
Cash	10,201	48,293	(38,092)	(79)
GST receivable	978	2,213	(1,235)	(56)
	11,179	50,506	(39,327)	(78)
Liabilities				
Current				
Accounts payable and accrued liabilities	41,300	37,178	4,122	11
Loans payable	250,000	250,000	-	-
	291,300	287,178	4,122	1
Shareholders' Equity (Deficiency)				
Share capital	100	100	-	-
Deficit	(280,221)	(236,772)	(43,449)	18
	(280,121)	(236,672)	(43,449)	18
	11,179	50,506	(39,327)	(78)

	Year ended December 31, 2020 $	Year ended December 31, 2019 $	Increase (Decrease) $	Increase (Decrease) %
Research revenue	-	40,625	(40,625)	(100)
Operating expenses				
Consulting	-	43,750	(43,750)	(100)

Interest & bank charges	9,684	11,268	(1,584)	(14)
General & administrative	3,267	59	3,208	5437
Professional fees	30,498	39,894	(9,396)	(24)
	43,449	94,971	(51,522)	(54)
Loss and comprehensive loss for year	(43,449)	(54,346)	10,897	(20)

Revenue

The Company earned $nil in revenue for the year ending December 31, 2020 compared to $40,625 for the year ending December 31, 2019. The Company's revenue in 2019 was related to government funding which was not received for the year ending December 31, 2020.

The Company has operated at a loss since inception and has continued its research and development initiatives on an annual basis. Without significant revenues, the Company has relied on shareholder loans and government funding to fund most of its continuing operations.

Operating Expenses

Operating expenses for the year ended December 31, 2020 were $43,449 compared to $94,971 for the year ended December 31, 2019. The decrease of $51,522 is mainly due to a decrease in consulting fees and patent costs.

Consulting Fees

Consulting fees decreased from $43,750 for the year ended December 31, 2019 to $nil for the year ended December 31, 2020. The decrease was due to the Company not requiring consulting services in fiscal 2020.

Professional Fees

Professional fees decreased by $9,396 from $39,894 for the year ended December 31, 2019 to $30,498 for the year ended December 31, 2020. The decrease was due to a decrease in patent filing activities and associated costs.

LIQUIDITY AND CAPITAL RESOURCES

Sepset is a development stage company that had $nil revenue for the year ending December 31, 2020 and $40,625 revenue for the year ending December 31, 2019. To date, the Company has had negative operating cash flows each year, which are expected to continue in the near future. As a development stage company, Sepset requires significant additional investment for research and development, clinical testing and regulatory submissions prior to commercialization. Since inception, the Company has financed its cash requirements primarily through shareholder loans and non-dilutive funding. To date, the Company has not entered into any debt arrangements or incurred any debts outside of shareholder loans and the Notes (as defined below). The Company's ability to continue as a going concern is dependent upon obtaining additional investment capital and grant monies.

Based on the foregoing, the Company will continue to pursue various funding options and opportunities; however, no assurances can be made that it will be successful in raising additional investment capital, to continue as a going concern. If the Company is not able to raise capital, it will have to reduce its cash requirements by eliminating or deferring spending on research, development and corporate activities.

For the year ended December 31, 2020, there was a net cash outflow from operating activities of $38,092 compared to a net cash outflow of $29,189 for the year ended December 31, 2019, an increase in outflow of $8,903. Expressed in tabular form, the increase from the net cash used for operations is as follows:

Decrease in net loss from operations for the period	$10,897
Decrease in change in GST receivable	($4,010)
Decrease in change in accounts payable and accrued liabilities	($15,790)
Increase in net cash used for operations	($8,903)

As at December 31, 2020, the Company had a working capital deficiency of $280,121 compared to $236,672 at December 31, 2019, resulting in an increase in working capital deficiency of $43,449. This increase in working capital deficiency is a result of:

1. An decrease in cash of $38,092
2. An decrease in GST receivable of $1,235
3. An increase in accounts payable and accrued liabilities of $4,122

The increase in the working capital deficit is primarily due to the Company continuing research and development efforts during the year ending December 31, 2020 with no revenue earned for the year.

OFF-BALANCE SHEET ARRANGEMENTS

As disclosed in the Company's audited financial statements for the years ended December 31, 2020 and 2019 (as are available on Trenchant Life Sciences Investment Corp.'s ("**TLS**") profile on SEDAR (www.sedar.com)), the Company had the following off-balance sheet arrangements:

The Company entered into a license agreement with Dr. Robert E.W. Hancock, a shareholder and director of the Company, and other inventors of the intellectual property for Sepsis diagnostic on February 15, 2017. In consideration of the license, the Company will pay the parties, collectively, a royalty equal to 2% of revenue and 10% of sublicensing revenue. The contract term ends on the earlier of (a) 20 years; or (b) the expiry of the last patent licensed under the agreement.

TRANSACTIONS BETWEEN RELATED PARTIES

As disclosed in the Company's audited financial statements for the years ended December 31, 2020 and 2019 (as are available on TLS's profile on SEDAR (www.sedar.com)), the Company had the following related party balance and transactions:

- During the year ended December 31, 2020, the Company incurred $nil (2019 - $nil) in short-term benefits to key management personnel and entities over which they have control or significant influence; and
- As at December 31, 2020, $250,000 (2019 – $250,000) in loans payable were due to CDRD Ventures Inc., a significant shareholder of the Company. The interest on the loan is calculated semi-annually, at the Royal Bank of Canada prime rate plus one percent per annum. As at December 31, 2020, the loan is unsecured and due on demand. As at December 31, 2020, interest of $29,000 (2019 - $19,125) was accrued on this loan and has been classified in accounts payable and accrued liabilities. This loan was repaid in full on May 14, 2021.

FOURTH QUARTER

The Company did not experience any events or circumstances in the fourth quarter that impacted the financial condition, performance or cash flows.

PROPOSED TRANSACTIONS

On May 14, 2021 (the "**Effective Date**"), the Company entered into an option agreement (the "**Option Agreement**") with ASEP Medical Inc. ("**ASEP**"). Under Option Agreement, the Company has the option (the "**Option**") to acquire 50.1% of the common shares of Sepset (the "**Sepset Shares**") in exchange for aggregate cash consideration of $2,500,000.

Pursuant to the terms of the Option Agreement, ASEP agreed to subscribe for, and the Company agreed to issue, unsecured convertible notes of the Company (the "**Notes**") in the aggregate principal amount of up to $2,500,000 in five equal tranches of $500,000 on or prior to each of the dates (the "**Note Subscription Date**") set forth below: (a) $500,000 on the Effective Date; (b) $500,000 on the four month anniversary of the Effective Date; (c) $500,000 on the eight month anniversary of the Effective Date; (d) $500,000 on the twelve month anniversary of the Effective Date; and (e) $500,000 on the last Business Day prior to the sixteen month anniversary of the Effective Date.

Notwithstanding the foregoing, ASEP is not obligated to subscribe for any Notes where a Note Subscription Date occurs after the exercise date of the Option. The Notes are unsecured, non-interest bearing and repayable on the Maturity Date, being the earlier of the Expiry Date, September 14, 2022 and the Breach Date, the date on which the Option Agreement is breached due to ASEP's failure to fund the Notes on the Note Subscription Dates.

The Notes can be converted by ASEP at any time up to the Maturity Date and will be automatically converted, subject to there not being an occurrence of an event of default, into such number of shares on the Maturity Date as determined in accordance with the Automatic Conversion Calculation (as defined below), and the Note(s) shall be terminated, and the total aggregate principal amount shall be automatically applied towards satisfaction of ASEP's payment for such shares. The number of Sepset Shares to be determined by the Company on the Expiry Date, Breach Date or Default Date, as applicable, is calculated by dividing (A) by (B), and then rounding the quotient of such equation down to the nearest whole number, where (A) is the product obtained by multiplying: (a) the aggregate number of Sepset Shares that are issued and outstanding, as of the Expiry Date, Breach Date or Default Date, as applicable, on a fully diluted basis assuming conversion of all outstanding convertible securities of the Company other than the Notes, with (b) the product obtained by 10.02 multiplied by the number of Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, and where (B) is the product obtained by subtracting: (c) the product obtained by 10.02 multiplied by the number of Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, from (d) 100 (the "**Automatic Conversion Calculation**"). On May 14, 2021, ASEP subscribed for the $500,000 note referred to in (a) above.

In addition, pursuant to the terms of the Option Agreement, all of the shareholders of the Company granted ASEP, subject to the exercise of the Option, an option (the "**Additional Option**") to acquire the remaining 49.9% equity interest in the capital of the Company from each of the shareholders of the Company (excluding ASEP), resulting in ASEP, after exercise of the Additional Option, holding a 100% equity interest in the capital of the Company. ASEP may exercise the Additional Option at any time prior to the third anniversary of the exercise by ASEP of the Option upon payment of an aggregate $20,000,000 (the "**Additional Option Exercise Price**") payable pro rata to each of the shareholders of the Company (excluding ASEP). The Additional Option Exercise Price is payable as follows:

a. if ASEP's shares (including any shares of any assignee of ASEP, including without limitation, TLS) are listed on a recognized stock exchange, the Additional Option Exercise Price shall be payable to the shareholders of the Company (excluding ASEP), on a pro rata basis: (A) in cash, as to an aggregate minimum of $5,000,000; and (B) in shares of ASEP (or its assignee) as to the balance of the Additional Option Exercise Price remaining after deduction of the cash portion advance under part (A), with such shares to be issued based on the 20-day volume-weighted average trading price of ASEP (or its assignee) ending on the trading day preceding the date on which ASEP provides notice to the Company that it is exercising the Additional Option; or

b. if ASEP's shares are not listed on a recognized stock exchange, the Additional Option Exercise Price shall be payable in cash, on a pro rata basis, as to the full $20,000,000.

Upon payment of the exercise price for the Option by ASEP to the Company, or advance of the funds as subscription for the Notes, the Company shall have adequate finances to identify a marketing and development partner to assist in completing pre-clinical studies, identify the most effective diagnostic markers and housekeeping genes for diagnosis of severe sepsis, perform preliminary studies testing both doped (with the relevant diagnostic genes) samples and clinical samples, design and file for Investigational New Drug (IND) approval, recruit hospitals/clinicians for the Company's clinical trial, perform the clinical trials and file for approval. The Company will also develop its endotypes markers for a second diagnostic test and manage the prosecution of its patents in various countries.

All required corporate approvals relating to the Option, including shareholder approval, has been obtained.

CHANGES IN ACCOUNTING POLICIES

The Company had no changes to accounting policies for the years ended December 31, 2020 and December 31, 2019.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial Instruments

Financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit and loss (FVTPL).

Measurement – initial recognition

All financial assets and financial liabilities are initially recorded on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All financial asset and liabilities are initially recorded at fair value, net of attributable transaction costs, except for those classified as fair value through profit or loss ("**FVTPL**"). Subsequent measurement of financial assets and financial liabilities depends on the classifications of such assets and liabilities.

Classification – financial assets

Amortized cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and that the contractual terms of the financial assets give rise on specified

date to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequent to initial recognition at amortized cost.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effect interest method, and is recognized in Interest and other income, on the statements of comprehensive loss.

The Company currently has no financial assets designated as amortized cost.

*Fair value through other comprehensive income ("**FVTOCI**"):*

Financial assets that are held within a business model whose objective is to hold financial assets in order to both collect contractual cash flows and selling financial assets, and that the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Upon initial recognition of equity securities, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate its equity securities that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other OCI. The cumulative gain or loss is not reclassified to profit or loss on disposal of the instrument; instead, it is transferred to retained earnings.

The Company currently has no financial assets designated as FVTOCI.

Fair value through profit or loss (FVTPL):

By default, all other financial assets are measured subsequently at FVTPL. The Company's cash is designated as FVTPL.

Classification – financial liabilities

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using the effective interest method.

Financial liabilities at amortized cost include accounts payable and loans payable.

Financial liabilities classified FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized in the statements of loss and comprehensive loss. The Company does not have any financial liabilities at FVTPL.

The Company has no hedging arrangements and does not apply hedge accounting.

Impairment

The Company recognizes a loss allowance for expected credit losses on its financial assets when necessary. The amount of expected credit losses in updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The Company conducts research and development (R&D) activities related to its sepsis diagnostic tool. During the years ended December 31, 2020 and December 31, 2019, the Company incurred the following R&D expenses:

Expensed research and development costs

	For the year ending December 31,	
	2020	**2019**
Consulting – R&D	-	43,750
Professional fees – patent costs	22,496	30,708
Total expensed research and development costs	22,496	74,458

General and administration expenses

The Company incurred the following general and administrative (G&A) expenses:

	For the year ending December 31,	
	2020	**2019**
Interest and bank charges	9,684	11,268
Professional fees – G&A	8,002	9,186
Other – G&A	3,267	59
Total expensed general & administrative costs	22,496	74,458

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of Common shares without par value.

As of the date of this MD&A, the Company has 10,000,000 issued and outstanding Common shares. In accordance with the Option Agreement, the Company granted the Option to ASEP.

RISK FACTORS

Risks Related to the Company

Management of the Company defines risk as the evaluation of probability that an event might happen in the future that could negatively affect the financial condition and/or results of operations of Company. The following section describes specific and general risks that could affect the Company. The following descriptions of risk do not include all possible risks as there may be other risks of which management is currently unaware. Moreover, the likelihood that a risk will occur or the nature and extent of its consequences if it does occur, is not possible to predict with certainty, and the actual effect of any risk or its consequences on the business could be materially different from those described below and elsewhere in this Prospectus.

The Company will be a development stage company with little operating history, a history of losses and the Company cannot assure profitability.

As the Company will be in the pre-revenue phase, it is extremely difficult to make accurate predictions and forecasts of its finances. This is compounded by the fact the Company intends to operate in the health sciences industry, which is rapidly transforming. There is no guarantee that the Company's products or services will be attractive to potential consumers.

Lack of Operating Cash Flow

The Company does not currently have a source of operating cash flow and this trend is expected to continue for the foreseeable future. The Company's failure to achieve profitability and positive operating cash flows could have a material adverse effect on its financial condition and results of operations. If the Company sustains losses over an extended period of time, it may be unable to continue its business. Further research and preclinical or clinical development of the Company's therapies and products will require the commitment of substantial financial resources. It may be several years before the Company may generate any revenues from operations, if at all. There can be no assurance that the Company will realize revenue or achieve profitability.

Uncertainty about the Company's ability to continue as a going concern.

The Company is in the development stage and will seek additional capital, joint ventures, partnerships and other business arrangements to expand its business opportunities in the life sciences industry. The Company's ability to continue as a going concern is dependent upon its ability in the future to execute on its business opportunities and achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity and debt, will be sought to finance the operations of the Company; however, there can be no certainty that such funds will be available on acceptable terms. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management.

The Company's actual financial position and results of operations may differ materially from management's expectations. As a result, the Company's revenue, net income and cash flow may differ materially from the Company's projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions

and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

If the company experiences delays or difficulties in the enrollment of volunteers or patients in the clinical studies, receipt of necessary regulatory approvals could be delayed or prevented.

Clinical studies for molecular diagnostics require identification and enrollment of a large number of volunteers or eligible patients. The Company may not be able to enroll sufficient volunteers or eligible patients to complete clinical studies in a timely manner or at all. Patient enrollment is a function of many factors, including the following: design of the protocol, size of the patient population, eligibility criteria for the study in question, perceived risks and benefits of the molecular diagnostic under study, availability of competing diagnostics, efforts to facilitate timely enrollment in clinical trials, patient referral practices of physicians, and availability of clinical trial sites. If the Company has difficulty enrolling sufficient volunteers or patients to conduct its clinical trials as planned, they may need to delay, forego or terminate ongoing clinical trials. This may have a material adverse effect on the Company's financial condition or results of operations.

If completed prospective clinical studies fails to demonstrate test sensitivity and specificity for the intended use, the company will not be able to obtain approval.

The Company's potential product candidates are still in development and as such, have a high risk of failure. If Health Canada does not approve the company Clinical Trial Applications, studies cannot begin.

Lack of supporting clinical data.

The sensitivity and specificity of the Company's developmental products are not yet supported by clinical data and the medical community has not yet developed a large body of peer reviewed literature that supports the sensitivity and specificity of the Company's potential products. If future studies call into question the sensitivity and specificity of the Company's potential products, the Company's business, financial condition, and results of operations could be adversely affected.

The Company has an unproven market for its product candidates.

The Company believes that the anticipated market for its potential products and technologies if successfully developed will continue to exist and expand. These assumptions may prove to be incorrect for a variety of reasons, including competition from other products and the degree of commercial viability of the potential product.

Earlier studies are not necessarily predictive of future results.

Laboratory studies demonstrating test stability (shelf life and storage conditions), specificity, interfering substances, precision/reproducibility, analytical sensitivity might provide negative or inconclusive results. Any data and the clinical results obtained for the Company's technology may not predict results from studies in larger numbers of subjects drawn from more diverse populations or in the commercial setting, and also may not predict the ability of these products to achieve their intended goals, or to do so safely.

An inability to obtain raw materials or product supply could have a material adverse impact on the Company's business, financial condition and results of operations.

Raw materials and supplies are generally available in quantities to meet the Company's needs. The Company will be dependent on third-party manufacturers for the products that it markets. An inability to obtain raw materials or product supplies could have a material adverse impact on the Company's business, financial condition and results of operations.

The Company will be highly dependent on key personnel.

Although the Company is expected to have experienced senior management and personnel, the Company will be substantially dependent upon the services of a few key technical personnel, particularly Dr. Robert E.W. Hancock, Dr. Fadia Saad and Dr. Evan Haney as well as certain other medical research professionals engaged for the successful operation of the Company's businesses. Phase I of the Company's research and development is planned to be completed by qualified professionals and is expected to concentrate on diagnosis of sepsis. The loss of the services of any of these personnel could have a material adverse effect on the business of the Company. The Company may not be able to attract and retain personnel on acceptable terms given the intense competition for such personnel among high technology enterprises, including biotechnology, and healthcare companies, universities and non-profit research institutions. If the Company loses any of these persons, or is unable to attract and retain qualified personnel, the business, financial condition and results of operations may be materially and adversely affected.

The Company may not succeed in completing the development of its products, commercializing their products or generating significant revenues.

Since commencing operations, the Company has focused on the research and development of a diagnostic technologies for sepsis and organ failure. The Company's ability to generate revenues and achieve profitability depends on the Company's ability to successfully complete the development of its products, obtain market and regulatory approval and generate significant revenues. The future success of the Company's business cannot be determined at this time, and the Company does not anticipate generating revenues from product sales for the foreseeable future. In addition, the Company will face a number of challenges with respect to its future commercialization efforts, including, among others, that:

- the Company may not have adequate financial or other resources to complete the development of its various products or medical therapies, including two stages of clinical development that are necessary in order to commercialize such products or medical therapies;
- the Company may not be able to manufacture its products in commercial quantities, at an adequate quality or at an acceptable cost;
- the Company may never receive FDA or Health Canada approval for its intended products or medical therapies;
- the Company may not be able to establish adequate sales, marketing and distribution channels;
- healthcare professionals and patients may not accept the Company's product candidates;
- technological breakthroughs in sepsis treatment and prevention may reduce the demand for the Company's product candidates;
- changes in the market for sepsis treatment, new alliances between existing market participants and the entrance of new market participants may interfere with the Company's market penetration efforts;

- third-party payors may not agree to reimburse patients for any or all of the purchase price of the Company's products, which may adversely affect patients' willingness to purchase the Company's product candidates;

- uncertainty as to market demand may result in inefficient pricing of the Company's product candidates;

- the Company may face third-party claims of intellectual property infringement;

- the Company may fail to obtain or maintain regulatory approvals for product candidates in the Company's target markets or may face adverse regulatory or legal actions relating to the Company's product candidates even if regulatory approval is obtained; and

- the Company is dependent upon the results of ongoing clinical studies relating to the Company's product candidates and products of its competitors. The Company may fail in obtaining positive results.

If the Company is unable to meet any one or more of these challenges successfully, the Company's ability to effectively commercialize its product candidates could be limited, which in turn could have a material adverse effect on the Company's business, financial condition and results of operations.

Probable lack of business diversification.

Because the Company will be focused on developing its business ancillary to the life sciences industry, and potentially directly in the life sciences industry, the prospects for the Company's success will be dependent upon the future performance and market acceptance of the Company's intended products, processes, and services. Unlike certain entities that have the resources to develop and explore numerous product lines, operating in multiple industries or multiple areas of a single industry, the Company does not anticipate the ability to immediately diversify or benefit from the possible spreading of risks or offsetting of losses. Again, the prospects for the Company's success may become dependent upon the development or market acceptance of a very limited number of products, processes or services.

The Company expects to incur significant ongoing costs and obligations related to its investment in infrastructure, growth, regulatory compliance and operations.

The Company expects to incur significant ongoing costs and obligations related to its investment in infrastructure and growth and for regulatory compliance, which could have a material adverse impact on the Company's results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company. The Company's planned efforts to grow its business may be costlier than the Company expects, and the Company may not be able to increase its revenue enough to offset its higher operating expenses. The Company may incur significant losses in the future for a number of reasons, and unforeseen expenses, difficulties, complications and delays, and other unknown events. If the Company is unable to achieve and sustain profitability, the market price of the Common Shares may significantly decrease.

There is no assurance that the Company will turn a profit or generate immediate revenues.

There is no assurance as to whether the Company will be profitable, earn revenues, or pay dividends. The Company anticipates that it will continue to incur substantial expenses relating to the development and initial operations of its business.

The payment and amount of any future dividends will depend upon, among other things, the Company's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

The Company may be unable to adequately protect its proprietary and intellectual property rights.

The Company's ability to compete may depend on the superiority, uniqueness and value of any intellectual property and technology that it may develop. To the extent the Company is able to do so, to protect any proprietary rights of the Company, the Company intends to rely on a combination of patent, trademark, copyright and trade secret laws, confidentiality agreements with its employees and third parties, and protective contractual provisions. Despite these efforts, any of the following occurrences may reduce the value of any of the Company's intellectual property:

- issued patents, trademarks and registered copyrights may not provide the Company with competitive advantages; the Company's efforts to protect its current intellectual property rights may not be effective in preventing misappropriation of any its products or intellectual property;

- the Company's efforts may not prevent the development and design by others of products or marketing strategies similar to or competitive with, or superior to those the Company develops;

- another party may assert a blocking patent and the Company would need to either obtain a license or design around the patent in order to continue to offer the contested feature or service in its products; or

- the expiration of patent or other intellectual property protections for any assets owned by the Company could result in significant competition, potentially at any time and without notice, resulting in a significant reduction in sales. The effect of the loss of these protections on the Company and its financial results will depend, among other things, upon the nature of the market and the position of the Company's products in the market from time to time, the growth of the market, the complexities and economics of manufacturing a competitive product and regulatory approval requirements but the impact could be material and adverse.

The Company may be forced to litigate to defend its intellectual property rights, or to defend against claims by third parties against the Company relating to intellectual property rights.

The Company may be forced to litigate to enforce or defend its intellectual property rights, to protect its trade secrets or to determine the validity and scope of other parties' proprietary rights. Any such litigation could be very costly and could distract its management from focusing on operating the Company's business. The existence and/or outcome of any such litigation could harm the Company's business.

The Company may become subject to litigation, including for possible product liability claims, which may have a material adverse effect on the Company's reputation, business, results from operations, and financial condition.

The Company may be named as a defendant in a lawsuit or regulatory action. The Company may also incur uninsured losses for liabilities which arise in the ordinary course of business, or which are unforeseen, including, but not limited to, employment liability and business loss claims. Any such losses could have a material adverse effect on the Company's business, results of operations, sales, cash flow or financial condition.

The Company will face competition from other companies where it will conduct business that may have higher capitalization, more experienced management or may be more mature as a business.

An increase in the companies competing in this industry could limit the ability of the Company's potential of expanding its operations. Current and new competitors may have better capitalization, a longer operating history, more expertise and able to develop higher quality equipment or products, at the same or a lower cost. The Company will not be able to provide assurances that it will be able to compete successfully against current and future competitors. Competitive pressures that the Company may face could have a material adverse effect on its business, operating results and financial condition.

If the Company is unable to attract and retain key personnel, it may not be able to compete effectively in the health sciences market.

The Company's success will depend upon its ability to attract and retain key management, including the Company's proposed Chief Executive Officer, Chief Financial Officer, and technical experts. The Company will attempt to enhance its management and technical expertise by continuing to recruit qualified individuals who possess desired skills and experience in certain targeted areas. The Company's inability to retain employees and attract and retain sufficient additional employees or engineering and technical support resources could have a material adverse effect on the Company's business, results of operations, sales, cash flow or financial condition. Shortages in qualified personnel or the loss of key personnel could adversely affect the financial condition of the Company, results of operations of the business and could limit the Company's ability to develop and market its therapeutic treatments and medical diagnostic products. The loss of any of the Company's senior management or key employees could materially adversely affect the Company's ability to execute the Company's business plan and strategy, and the Company may not be able to find adequate replacements on a timely basis, or at all.

The industry of the Company is experiencing rapid growth and consolidation that may cause the Company to lose key relationships and intensify competition.

The health sciences industry and businesses ancillary to and directly involved with health sciences businesses are undergoing rapid growth and substantial change, which has resulted in an increase in competitors, consolidation and formation of strategic relationships. Acquisitions or other consolidating transactions could harm the Company in a number of ways, including by losing strategic partners if they are acquired by or enter into relationships with a competitor, losing customers, revenue and market share, or forcing the Company to expend greater resources to meet new or additional competitive threats, all of which could harm the Company's operating results.

The Company cannot guarantee that it will meet its business objectives and obtain future financing.

There is no guarantee that the Company will be able to achieve its business objectives. The continued development of the Company will require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

The Company's anticipated officers and directors may be engaged in a range of business activities that could result in conflicts of interest.

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in the industries in which the Company may operate and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each director is required to declare and refrain from voting on any matter in which such director may have a conflict of interest in accordance with the procedures set forth in applicable laws.

The Company's Employees, Contractors and Consultants could engage in Fraudulent or Illegal Activity.

The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Company that violates government regulations or laws that require the true, complete and accurate reporting of financial information or data. It may not always be possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Company's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Company's operations, any of which could have a material adverse effect on the Company.

In certain circumstances, the Company's reputation could be damaged.

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web- based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding the Company and its proposed activities, whether true or not. Although the Company plans to operate in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Company will ultimately not have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects

SCHEDULE I

PRO FORMA FINANCIAL STATEMENTS

[*See Attached*]

Pro-forma Consolidated Financial Statements

TRENCHANT LIFE SCIENCES INVESTMENT CORP.
(TO BE RENAMED ASEP MEDICAL HOLDINGS INC.)

August 31, 2021

Expressed in Canadian dollars

(Unaudited)

TRENCHANT LIFE SCIENCES INVESTMENT CORP.
(TO BE RENAMED ASEP MEDICAL HOLDINGS INC.)

Pro-forma Consolidated Statement of Financial Position – unaudited
Expressed in Canadian dollars

	Trenchant Life Sciences Investment Corp.	ASEP Medical Inc.	Sepset Biosciences Inc.	ABT Innovations Inc.	Note 3	Pro-forma adjustments	Pro-forma consolidated
	(August 31, 2021)	(June 30, 2021)	(June 30, 2021)	(June 30, 2021)			
ASSETS							
Current assets							
Cash	$ 3,848,304	$ 547,443	$ 180,841	$ 304,150	a,b,c	$ 2,405,086	$ 7,285,824
GST receivable	-	44,841	2,581	4,182		-	51,604
Accounts receivable	-	1,669	-	-		-	1,669
Prepaids and deposits	-	6,740	-	2,500		-	9,240
	3,848,304	600,693	183,422	310,832		2,405,086	7,348,337
Non current assets							
Equipment	-	4,081	-	-			4,081
Intangible assets	-	9,551	-	-	e	11,778,301	11,787,852
Notes receivable	-	1,000,000	-	-	f	(1,000,000)	-
	-	1,013,632	-	-	-	10,778,301	11,791,933
	$ 3,848,304	$ 1,614,325	$ 183,422	$ 310,832		$ 13,183,387	$ 19,140,270
LIABILITIES							
Current liabilities							
Accounts payable and accrued liabilities	$ 240,032	$ 26,105	$ 6,353	$ 10,373		$ -	$ 282,863
Accrued interest	11,178	73,736	-	-	a,b	(84,914)	-
Convertible debt	-	1,596,820	-	-	b	(1,596,820)	-
Derivative liability	500,000	400,741	-	-	a,b	(900,741)	-
Special warrant subscriptions	90,000				c	(90,000)	-
	841,210	2,097,402	6,353	10,373		(2,672,475)	282,863
Non current liabilities							
Notes payable	-	-	500,000	500,000	f	(1,000,000)	-
	841,210	2,097,402	506,353	510,373		(3,672,475)	282,863
SHAREHOLDERS' EQUITY (DEFICIT)							
Share capital (note 4)	137,699	303,000	100	209	a,b,c,d,e	18,832,754	19,273,762
Warrant reserves (note 4)	3,285,750				c	(3,285,750)	-
Deficit (note 4)	(416,355)	(786,077)	(323,031)	(199,750)	b,d,e	1,308,858	(416,355)
	3,007,094	(483,077)	(322,931)	(199,541)		16,855,862	18,857,407
	$ 3,848,304	$ 1,614,325	$ 183,422	$ 310,832		$ 13,183,387	$ 19,140,270

The accompanying notes are an integral part of this pro-forma consolidated statement of financial position.

TRENCHANT LIFE SCIENCES INVESTMENT CORP.
(TO BE RENAMED AESP MEDICAL HOLDINGS INC.)
Pro-forma Consolidated Statement of Loss – unaudited
For the twelve-month period ended August 31, 2021
Expressed in Canadian dollars

	Trenchant Life Sciences Investment Corp.	ASEP Medical Inc. (note 5(a))	Sepset Biosciences Inc. (note 5(b))	ABT Innovations Inc. (note 5(c))	Note 3	Pro-forma adjustments	Pro-forma consolidated
Expenses							
Accretion	$ -	$ 337,980	$ -	$ -		$ -	$ 337,980
Compensation	-	118,179	3,158	-		-	121,337
Consulting	158,810	384,878	560	228		-	544,476
General and administrative	5,356	51,713	394	193		-	57,656
Interest	17,500	73,799	8,578	-		-	99,877
Patent	-	-		7,288		-	7,288
Professional fees	234,689	92,765	51,010	45,024	d	1,019,835	1,443,323
UBC license and research contract	-	-	-	16,969		-	16,969
	416,355	1,059,314	63,700	69,702		1,019,835	2,628,906
Loss before other income	(416,355)	(1,059,314)	(63,700)	(69,702)		(1,019,835)	(2,628,906)
Commission income	-	5,978	-	-		-	5,978
Gain (loss) on extinquishment of debt	-	-	-	-	b	(31,439)	(31,439)
Unrealized gain (loss) on derivative liability	-	267,259	-	-		-	267,259
Net loss for period	$ (416,355)	$ (786,077)	$ (63,700)	$ (69,702)		$ (1,051,274)	$ (2,387,108)
Net loss attribuatble to:							
Shareholders	$ (416,355)	$ (786,077)	$ (31,914)	$ (34,921)		$ (542,376)	$ (1,811,643)
Non-controlling interest	-	-	(31,786)	(34,781)		(508,898)	(575,465)
	$ (416,355)	$ (786,077)	$ (63,700)	$ (69,702)		$ (1,051,274)	$ (2,387,108)
Loss per share - basic and fully diluted							$ (0.04)
Weighted average number of shares outstanding - basic and fully diluted (note 4)							56,130,344

1. Proposed Transaction

Trenchant Life Sciences Investment Corp. (to be renamed ASEP Medical Holdings Inc.)

Trenchant Life Sciences Investment Corp. (to be renamed ASEP Medical Holdings Inc.) ("**TLS**" or the "**Company**") was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) ("**BCBCA**") on January 20, 2021. TLS is a private British Columbia ("**BC**") corporation in the business of acquiring assets, technology or businesses in life sciences and medical diagnostics.

ASEP Medical Inc.

ASEP Medical Inc. ("**ASEP**") was incorporated pursuant to the provisions of the BCBCA under the name "1261038 B.C. Ltd." on August 12, 2020. On April 20, 2021, ASEP filed a notice of alteration changing its name from "1261038 B.C. Ltd" to "ASEP Medical Inc." ASEP is a private BC corporation in the business of investing in the health care sector.

Sepset Biosciences Inc.

Sepset Biosciences Inc. ("**Sepset**") was incorporated pursuant to the provisions of the BCBCA on April 23, 2015. Sepset is a private BC corporation that is a preclinical biotechnology company with a vision to be a leader in the management of sepsis. Its lead product will be to develop a quick and more accurate blood-based test for doctors in the emergency room to identify sepsis and predict sepsis severity to reduce cased of misdiagnosis and improve rage of patents with sepsis.

ABT Innovations Inc.

ABT Innovations Inc. ("**ABT**") was incorporated under the BCBCA on July 3, 2015. ABT is a private BC corporation that is in the business of developing and commercializing the use of multiple peptide products (small proteins) for applications in any number of areas, including inflammatory medications to vaccine adjuvants. ABT operates together with the University of British Columbia ("**UBC**") through a worldwide, exclusive License Agreement dated April 24, 2017 that allows ABT, subject to certain restrictions, the ability to use and sublicense core technology developed through research carried out by Dr. Robert E. Hancock, in the UBC Department of Microbiology and Immunology.

The Transaction

On June 3, 2021, TLS entered into an Amalgamation Agreement (the "**Amalgamation Agreement**") with ASEP and 1295277 B.C. Ltd. ("**SubCo**") Pursuant to which the Company, ASEP and 1295277 B.C. Ltd. agreed to combine their respective business by was of a three-cornered amalgamation under the provisions of the BCBCA (the "**Transaction**"). Upon completion of the Transaction, Amalco, the resulting entity of the amalgamation between ASEP and SubCo (the "**Amalgamation**"), will be a wholly-owned subsidiary of the Company and TLS will carry on the business of ASEP.

The Option Agreements

In connection with the Transaction, and prior to entry of the Amalgamation Agreement, ASEP entered into each of the following Option Agreements on May 14, 2021.

1. Proposed Transaction – Continued

ABT Option Agreement

According to the terms and conditions of an option agreement dated May 14, 2021 (the "**ABT Option Agreement**") among ASEP, ABT and all of the shareholders of ABT other than UBC, ABT granted ASEP an option (the "**ABT Option**") to purchase a 50.1% fully-diluted equity interest in ABT, in consideration for an aggregate of $2,500,000 (the "**ABT Option Purchase Price**"). In connection with the ABT Option, ASEP agreed advance to ABT certain funds up to a maximum aggregate amount equal to the ABT Option Purchase Price in up to five equal tranches by way of non-interest bearing, unsecured, convertible promissory notes (collectively, the "**ABT Notes**") issuable on each of the dates set forth below (each, an "**ABT Note Subscription Date**"):

(a) $500,000 on the date of entry of the ABT Option Agreement;

(b) $500,000 on the four-month anniversary of the ABT Option Agreement;

(c) $500,000 on the eight-month anniversary of the ABT Option Agreement;

(d) $500,000 on the twelve-month anniversary of the ABT Option Agreement; and

(e) $500,000 on the last business day prior to the sixteen-month anniversary of the ABT Option Agreement.

The ABT Notes are convertible into Class A Common Voting shares of ABT (each, an "**ABT Share**") up to and until the maturity date, and will be automatically converted, subject to there not being an occurrence of an event of default under the terms of the ABT Option Agreement by ASEP, into such number of ABT Shares as determined in accordance with the ABT Automatic Conversion Calculation (as define below), whereby the number of ABT Shares to be issued the upon automatic conversion of the ABT Notes is determined by dividing (A) by (B), and then rounding the quotient of such equation down to the nearest whole number, where (A) is the product obtained by multiplying: (a) the aggregate number of ABT Shares that are issued and outstanding, as of the Expiry Date, Breach Date or Default Date (as such terms are defined in the ABT Notes), as applicable, on a fully diluted basis assuming conversion of all outstanding convertible securities of ASEP other than the ABT Notes, with (b) the product obtained by 10.02 multiplied by the number of ABT Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, and where (B) is the product obtained by subtracting: (c) the product obtained by 10.02 multiplied by the number of ABT Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, from (d) 100 (the "**ABT Automatic Conversion Calculation**").

Any ABT Notes outstanding on the exercise date shall be terminated and the then total aggregate principal amount in funds advanced by ASEP to ABT pursuant to such ABT Notes shall be automatically applied towards satisfaction of ASEP's payment of the ABT Option Purchase Price to the extent of the value of the funds advanced, and the difference between such amount and the ABT Option Purchase Price shall be payable by or on behalf of ASEP to ABT in cash in order to exercise the ABT Option.

If ASEP does not pay the applicable ABT Note subscription price to ABT on any of the ABT Note Subscription Dates in accordance with terms and conditions of the ABT Option Agreement, then the ABT Option will be deemed to have terminated effective as of the breach date, and all outstanding ABT Notes on such breach date will, as of the breach date, convert automatically into ABT Shares in accordance with the ABT Option Agreement.

Notwithstanding the foregoing, if all the conditions to the completion of the Transaction have been satisfied by the Company and ASEP prior to the September 14, 2022, then ASEP must forthwith, and in any event prior to the completion of the Amalgamation contemplated by the Amalgamation Agreement, exercise the ABT Option and pay the ABT Option Purchase Price to ABT.

1. Proposed Transaction – continued

Sepset Option Agreement

According to the terms and conditions of an option agreement dated May 14, 2021 (the "**Sepset Option Agreement**") among ASEP, Sepset and the shareholders of Sepset, Sepset granted ASEP an option (the "**Sepset Option**") to purchase a 50.1% fully-diluted equity interest in Sepset, in consideration for an aggregate of $2,500,000 (the "**Sepset Option Purchase Price**"). In connection with the Sepset Option, ASEP shall advance to Sepset certain funds up to a maximum aggregate amount equal to the Sepset Option Purchase Price in up to five equal tranches by way of non-interest, unsecured, bearing convertible promissory notes (collectively, the "**Sepset Notes**") issuable on each of the dates set forth below (each, a "**Sepset Note Subscription Date**"):

(a) $500,000 on the date of entry of the Sepset Option Agreement;

(b) $500,000 on the four month anniversary of the Sepset Option Agreement;

(c) $500,000 on the eight month anniversary of the Sepset Option Agreement;

(d) $500,000 on the twelve month anniversary of the Sepset Option Agreement; and

(e) $500,000 on the last Business Day prior to the sixteen month anniversary of the Sepset Option Agreement.

The Sepset Notes are convertible into common shares of Sepset (each, a "**Sepset Share**") up to and until the maturity date, and will be automatically converted, subject to there not being an occurrence of an event of default under the terms of the Sepset Option Agreement by ASEP, into such number of Sepset Shares as determined in accordance with the Sepset Automatic Conversion Calculation (as define below), whereby the number of Sepset Shares to be issued the upon automatic conversion of the Sepset Notes is determined by dividing (A) by (B), and then rounding the quotient of such equation down to the nearest whole number, where (A) is the product obtained by multiplying: (a) the aggregate number of Sepset Shares that are issued and outstanding, as of the Expiry Date, Breach Date or Default Date (as such terms are defined in the Sepset Notes), as applicable, on a fully diluted basis assuming conversion of all outstanding convertible securities of ASEP other than the Sepset Notes, with (b) the product obtained by 10.02 multiplied by the number of Sepset Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, and where (B) is the product obtained by subtracting: (c) the product obtained by 10.02 multiplied by the number of Sepset Notes outstanding as of the Expiry Date, Breach Date, or Default Date, as applicable, from (d) 100 (the "**Sepset Automatic Conversion Calculation**").

Any Sepset Notes outstanding on the exercise date shall be terminated and the then total aggregate principal amount in funds advanced by ASEP to Sepset pursuant to such Sepset Notes shall be automatically applied towards satisfaction of the ASEP's payment of the Sepset Option Purchase Price to the extent of the value of the funds advanced, and the difference between such amount and the Sepset Option Purchase Price shall be payable by or on behalf of ASEP to Sepset in cash in order to exercise the Sepset Option.

If ASEP does not pay the applicable Sepset Note subscription price to Sepset on any of the Sepset Note Subscription Dates in accordance with terms and conditions of the Sepset Option Agreement, then the Sepset Option will be deemed to have terminated effective as of the breach date, and all outstanding Sepset Notes on such breach date will, as of the breach date, convert automatically into Sepset Shares in accordance with the Sepset Option Agreement.

Notwithstanding the foregoing, if all the conditions to the completion of the Transaction have been satisfied by the Company and ASEP prior to the September 14, 2022, then ASEP must forthwith, and in any event prior to the completion of the Amalgamation contemplated by the Amalgamation Agreement, exercise the Sepset Option and pay the Sepset Option Purchase Price to Sepset.

1. Proposed Transaction – continued

Acquisition of ABT and Sepset

Through ASEP, TLS intends to acquire a 50.1% fully-diluted equity interest in each of ABT and Sepset by exercising, respectively, the ABT Option and Sepset Option in accordance with the terms and conditions of the Option Agreements between ASEP and each of ABT and Sepset. The Company intends to use a portion of the proceeds of the Special Warrant Financing to exercise the Options following issuance of the Final Receipt for the Prospectus and prior to the Resulting Issuer Shares becoming listed for trading on the CSE.

2. Basis of presentation

The unaudited pro-forma consolidated financial statements of the Company (hereinafter referred to as the "**Resulting Issuer**") is prepared as if the Transactions described above had occurred on August 31, 2021.

The unaudited pro-forma consolidated financial statements is not necessarily indicative of the Resulting Issuer's consolidated financial position and results of operations on the closing of the Transaction had it closed on the dates assumed herein.

The unaudited pro-forma consolidated financial statements been compiled from information derived from and should be read in conjunction with the following information, prepared in accordance with IFRS.

- Audited financial statements of Trenchant Life Sciences Investment Corp. for the period from January 20, 2021(date of incorporation) to August 31, 2021;
- Audited financial statements of ASEP Medical Inc. for the period from the date of incorporation on August 12, 2020 to December 31, 2020;
- Audited financial statements of ABT Innovations Inc. for the years ended December 31, 2020 and 2019;
- Audited financial statements of Sepset for the years ended December 31, 2020 and 2019;
- Unaudited interim financial statements of ASEP Medical Inc. for the six months ended June 30, 2021;
- Unaudited interim financial statements of ABT Innovations Inc. for the six months ended June 30,2021; and,
- Unaudited interim financial statements of Sepset Biosciences Inc. for the six months ended June 30, 2021.

3. Pro-forma assumptions and adjustments

The unaudited pro-forma consolidated financial statements gives effect had the Transaction been completed on August 31, 2021. Consequential adjustments to the consolidated statements of financial position and loss are based on the transactions described below.

(a) Conversion of each TLS Debenture into equity of the Company through the issuance of 1,858,218 TLS Shares, Cash payment of interest on the TLS Debentures of $11,178 on the date of conversion of the TLS Debentures.

(b) Conversion of the ASEP Debenture in the aggregate principal amount of $2,029,000 into equity through the issuance of 7,540,626 ASEP Shares and recognition of loss upon extinguishment of $31,439. Cash payment of interest on the ASEP Debentures of $73,736 to investors on the date of conversion of the ASEP Debentures.

Expressed in Canadian dollars

3. Pro-forma assumptions and adjustments - continued

(c) The receipt of gross aggregate proceeds of $5,865,750 from the Company's special warrant (each, a "**Special Warrant**") financing of 11,731,500 Special Warrants at a price of $0.50 per Special Warrant and, in connection therewith, the issuance of an aggregate of 11,731,500 TLS Shares upon their due exercise in accordance with the terms and conditions of the certificates representing the Special Warrants.

(d) Allocation of 1,111,111 Sepset Shares for payment of Success Fee to Burton Financial Inc. on closing of the Transaction with a fair value of $1,019,835.

(e) TLS's completion of its amalgamation transaction with ASEP pursuant to the terms of the Amalgamation Agreement dated June 3, 2021. The Transaction was completed by way of a share exchange between the shareholders of ASEP and TLS. In exchange for 100% of the issued and outstanding common shares of ASEP, the shareholders of ASEP will receive an aggregate of 25,540,626 TLS common shares. It has been assumed the Transaction closed on August 31, 2021 and TLS has been identified as the acquirer. Accordingly, the business combination has been accounted for the using the acquisition method in accordance with IFRS 3, as control of ASEP will transfer to TLS and ASEP, ABT and Sepset each meet the definition of a business. Accordingly, as a result of the Transaction, the pro-forma consolidated statement of financial position has been adjusted for the elimination of ASEP, Sepset and ABT's share capital and ASEP, Sepset and ABT's accumulated deficits. The consideration transferred in the acquisition has been measured at fair value using the share price in the financing in Note 3(c). Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The acquisition by TLS of ASEP, Sepset and ABT for share consideration. The aggregate purchase price being $12,770,313 and the allocation of the consideration for purposes of the pro-forma consolidated statement of financial position is as follows:

	Total
Net assets (liabilites) acquired:	
Assets	$ 2,108,579
Liabilities	(1,116,567)
Net assets (liabilities) acquired	$ 992,012
Consideration given:	
Common shares	$ 12,770,313
Net assets (liabilities) acquired	(992,012)
Intangible asset acquired	$ 11,778,301

The intangible asset acquired consists of intellectual property.

(f) Termination of Sepset and ABT Notes totaling $1,000,000.

Expressed in Canadian dollars

4. Pro-forma shareholders' equity (deficit)

As a result of the Transactions and the pro-forma assumptions and adjustments, the shareholders' equity (deficit) of the Resulting Issuer as at August 31, 2021 is comprised of the following:

	Common shares		Deficit	Shareholder's Equity (Deficit)
	Number	Amount		
Balance - August 31, 2021	17,000,000	$ 137,699	$ (416,355)	$ (278,656)
Pro-forma adjustments				
Conversion of TLS Debenture - note 3(a)	1,858,218	500,000	-	500,000
Conversion of Special Warrant - note 3(c)	11,731,500	5,865,750	-	5,865,750
ASEP's shares exchanged pursuant to the Transaction-notes 3(b)	7,540,626	3,770,313	-	3,770,313
ASEP's shares exchanged pursuant to the Transaction -note 3(e)	18,000,000	9,000,000	-	9,000,000
Balance - August 31, 2021	56,130,344	$ 19,273,762	$ (416,355)	$ 18,857,407

5. Pro-forma consolidated statement of loss

The unaudited pro-forma statement consolidated of loss for TLS gives effect to the acquisition of ASEP, Sepset and ABT as if it occurred on January 20, 2021. The statement of loss for each of ASEP, Sepset and ABT included in the consolidated statement of loss are for the twelve- month period ended August 31, 2021.

(a) ASEP Medical Inc. - unaudited

	Six months ended June 30, 2021	Twelve months ended December 31, 2020	Six months ended June 30, 2020	Twelve months ended June 30, 2021
Expenses				
Accretion	$ 326,108	$ 11,872	$ -	$ 337,980
Compensation	118,179	-	-	118,179
Consulting fees	384,878	-	-	384,878
General and administrative	23,805	27,908	-	51,713
Interest expense	71,306	2,493	-	73,799
Professional fees	90,207	2,558	-	92,765
	1,014,483	44,831	-	1,059,314
Loss before other income	(1,014,483)	(44,831)	-	(1,059,314)
Commission income	-	5,978	-	5,978
Unrealized gain (loss) on derivative liability	267,259	-	-	267,259
Net loss for period	$ (747,224)	$ (38,853)	$ -	$ (786,077)

Expressed in Canadian dollars

5. Pro-forma consolidated statement of loss - continued

(b) Sepset Biosciences Inc. - unaudited

	Six months ended June 30, 2021	Twelve months ended December 31, 2020	Six months ended June 30, 2020	Twelve months ended June 30, 2021
Expenses				
Compensation	$ 3,158	$ -	$ -	$ 3,158
Consulting fees	560	-	-	560
General and administrative	2,168	3,267	(5,041)	394
Interest expense	3,206	9,684	(4,312)	8,578
Professional fees	33,718	30,498	(13,206)	51,010
Total expenses and net loss for period	$ 42,810	$ 43,449	$ (22,559)	$ 63,700

(c) ABT Innovations Inc. - unaudited

	Six months ended June 30, 2021	Twelve months ended December 31, 2020	Six months ended June 30, 2020	Twelve months ended June 30, 2021
Expenses				
Consulting fees	$ 228	$ -	$ -	$ 228
General and administrative	90	372	(269)	193
Patent costs	2,443	7,857	(3,012)	7,288
Professional fees	43,750	1,274	-	45,024
UBC license and research contract	2,500	18,594	(4,125)	16,969
Total expenses and net loss for period	$ 49,011	$ 28,097	$ (7,406)	$ 69,702

ABT Innovations Inc. - unaudited

	Six months ended June 30, 2021	Twelve months ended December 31, 2020	Six months ended June 30, 2020	Twelve months ended June 30, 2021
Expenses				
Consulting fees	$ 228	$ -	$ -	$ 228
General and administrative	90	372	(269)	193
Patent costs	2,443	7,857	(3,012)	7,288
Professional fees	43,750	1,274	-	45,024
UBC license and research contract	2,500	18,594	(4,125)	16,969
Total expenses and net loss for period	$ 49,011	$ 28,097	$ (7,406)	$ 69,702

6. Income taxes

The effective income tax rate applicable to the consolidated operations is 27%.

SCHEDULE J

AUDIT COMMITTEE CHARTER

[*See Attached*]

TRENCHANT LIFE SCIENCES INVESTMENT CORP.
(to be renamed ASEP Medical Holdings Inc.)
(the "Company")

AUDIT COMMITTEE CHARTER

This Charter establishes the composition, the authority, roles and responsibilities and the general objectives of the Company's audit committee (the "**Audit Committee**"), or its Board of Directors (the "**Board**") in lieu thereof. The roles and responsibilities described in this Charter must at all times be exercised in compliance with the legislation and regulations governing the Company and any subsidiaries.

1. Composition

(a) *Number of Members*. The Audit Committee must be comprised of a minimum of three directors of the Company, a majority of whom will be independent. Independence of the board members will be as defined by applicable legislation.

(b) *Chair*. If there is more than one member of the Audit Committee, members will appoint a chair of the Audit Committee (the "**Chair**") to serve for a term of one (1) year on an annual basis. The Chair may serve as the chair of the Audit Committee for any number of consecutive terms.

(c) *Financially Literacy*. All members of the audit committee will be financially literate as defined by applicable legislation. If upon appointment a member of the Audit Committee is not financially literate as required, the person will be provided with a period of three months to acquire the required level of financial literacy.

2. Meetings

(a) *Quorum*. The quorum required to constitute a meeting of the Audit Committee is set at a majority of members.

(b) *Agenda*. The Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to all Audit Committee members for members to have a reasonable amount of time to review the materials prior to the meeting.

(c) *Notice to Auditors*. The Company's auditors (the "**Auditors**") will be provided with notice as necessary of any Audit Committee meeting, will be invited to attend each such meeting and will receive an opportunity to be heard at those meetings on matters related to the Auditor's duties.

(d) *Minutes*. Minutes of the Audit Committee meetings will be accurately recorded, with such minutes recording the decisions reached by the committee.

3. Roles and Responsibilities

The roles and responsibilities of the Audit Committee include the following:

External Auditor

The Audit Committee will:

(a) *Selection of the external auditor*. Select, evaluate and recommend to the Board, for shareholder approval, the Auditor to examine the Company's accounts, controls and financial statements.

(b) *Scope of Work*. Evaluate, prior to the annual audit by the Auditors, the scope and general extent of the Auditor's review, including the Auditor's engagement letter.

(c) *Compensation*. Recommend to the Board the compensation to be paid to the external auditors.

(d) *Replacement of Auditor*. If necessary, recommend the replacement of the Auditor to the Board of Directors.

(e) *Approve Non-Audit Related Services*. Pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries.

(f) *Direct Responsibility for Overseeing Work of Auditors*. Must directly oversee the work of the Auditor. The Auditor must report directly to the Audit Committee.

(g) *Resolution of Disputes*. Assist with resolving any disputes between the Company's management and the Auditors regarding financial reporting.

Consolidated Financial Statements and Financial Information

The Audit Committee will:

(h) *Review Audited Financial Statements*. Review the audited consolidated financial statements of the Company, discuss those statements with management and with the Auditor, and recommend their approval to the Board.

(i) *Review of Interim Financial Statements*. Review and discuss with management the quarterly consolidated financial statements, and if appropriate, recommend their approval by the Board.

(j) *MD&A, Annual and Interim Earnings Press Releases, Audit Committee Reports*. Review the Company's management discussion and analysis, interim and annual press releases, and audit committee reports before the Company publicly discloses this information.

(k) *Auditor Reports and Recommendations*. Review and consider any significant reports and recommendations issued by the Auditor, together with management's response, and the extent to which recommendations made by the Auditor have been implemented.

Risk Management, Internal Controls and Information Systems

The Audit Committee will:

(l) *Internal Control.* Review with the Auditors and with management, the general policies and procedures used by the Company with respect to internal accounting and financial controls. Remain informed, through communications with the Auditor, of any weaknesses in internal control that could cause errors or deficiencies in financial reporting or deviations from the accounting policies of the Company or from applicable laws or regulations.

(m) *Financial Management*. Periodically review the team in place to carry out financial reporting functions, circumstances surrounding the departure of any officers in charge of financial reporting, and the appointment of individuals in these functions.

(n) *Accounting Policies and Practices*. Review management plans regarding any changes in accounting practices or policies and the financial impact thereof.

(o) *Litigation*. Review with the Auditors and legal counsel any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the consolidated financial statements.

(p) *Other*. Discuss with management and the Auditors correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Company's financial statements or disclosure.

Complaints

(q) *Accounting, Auditing and Internal Control Complaints.* The Audit Committee must establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters.

(r) *Employee Complaints*. The Audit Committee must establish a procedure for the confidential transmittal on condition of anonymity by the Company's employees of concerns regarding questionable accounting or auditing matters.

4. Authority

(a) *Auditor.* The Auditor, and any internal auditors hired by the company, will report directly to the Audit Committee.

(b) *To Retain Independent Advisors*. The Audit Committee may, at the Company's expense and without the approval of management, retain the services of independent legal counsels and any other advisors it deems necessary to carry out its duties and set and pay the monetary compensation of these individuals.

5. Reporting

The Audit Committee will report to the Board on:

(a) the Auditor's independence;

(b) the performance of the Auditor and any recommendations of the Audit Committee in relation thereto;

(c) the reappointment and termination of the Auditor;

(d) the adequacy of the Company's internal controls and disclosure controls;

(e) the Audit Committee's review of the annual and interim consolidated financial statements;

(f) the Audit Committee's review of the annual and interim management discussion and analysis;

(g) the Company's compliance with legal and regulatory matters to the extent they affect the financial statements of the Company; and

(h) all other material matters dealt with by the Audit Committee.

SCHEDULE K

STOCK OPTION PLAN

[*See Attached*]

TRENCHANT LIFE SCIENCES INVESTMENT CORP.
(TO BE RENAMED ASEP MEDICAL HOLDINGS INC.)

INCENTIVE STOCK OPTION PLAN

PART 1
INTERPRETATION

1.1 Definitions. In this Plan, the following words and phrases shall have the following meanings:

(a) "**Affiliate**" means a company that is a parent or Subsidiary of the Company, or that is controlled by the same person as the Company;

(b) "**Board**" means the board of directors of the Company or any committee thereof duly empowered and authorized to grant Options under this Plan;

(c) "**Change of Control**" means the occurrence of any one of the following events:

(i) there is a report filed with any securities commission or securities regulatory authority in Canada, disclosing that any offeror (as the term "offeror" is defined in Section 1.1 of Multilateral Instrument 62-104 – *Take-Over Bids and Issuer Bids*) has acquired beneficial ownership of, or the power to exercise control or direction over, or securities convertible into, any shares of capital stock of any class of the Company carrying voting rights under all circumstances (the "**Voting Shares**"), that, together with the offeror's securities would constitute Voting Shares of the Company representing more than 50% of the total voting power attached to all Voting Shares of the Company then outstanding,

(ii) there is consummated any amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction involving the Company: (1) in which the Company is not the continuing or surviving corporation, or (2) pursuant to which any Voting Shares of the Company would be reclassified, changed or converted into or exchanged for cash, securities or other property, other than (in each case) an amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction involving the Company in which the holders of the Voting Shares of the Company immediately prior to such amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction have, directly or indirectly, more than 50% of the Voting Shares of the continuing or surviving corporation immediately after such transaction,

(iii) any person or group of persons shall succeed in having a sufficient number of its nominees elected as directors of the Company such that such nominees, when added to any existing directors of the Company, will constitute a majority of the directors of the Company, or

(iv) there is consummated a sale, transfer or disposition by the Company of all or substantially all of the assets of the Company,

provided that an event shall not constitute a Change of Control if its sole purpose is to change the jurisdiction of the Company's organization or to create a holding company, partnership or trust that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such event;

(d) "**Company**" means Trenchant Life Sciences Investment Corp. (to be renamed ASEP Medical Holdings Inc.);

(e) "**Consultant**" means an individual or Consultant Company, other than an Employee, Director or Officer, that:

(i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate, other than services provided in relation to a distribution of securities,

(ii) provides such services under a written contract between the Company or an Affiliate,

(iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate, and

(iv) has a relationship with the Company or an Affiliate that enables the individual to be knowledgeable about the business and affairs of the Company;

(f) "**Consultant Company**" means for an individual Consultant, a company or partnership of which the individual is an employee, shareholder or partner;

(g) "**CSE**" means the Canadian Securities Exchange;

(h) "**Director**" means a director of the Company or a Subsidiary;

(i) "**Disability**" means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent the Optionee from permanently:

(i) being employed or engaged by the Company, an Affiliate or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or an Affiliate, or

(ii) acting as a director or officer of the Company or an Affiliate,

and "**Date of Disability**" means the effective date of the Disability as determined by the Board in its sole and unfettered discretion;

(j) "**Eligible Person**" means a bona fide Director, Officer, Employee or Consultant, or a corporation wholly owned by such Director, Officer, Employee or Consultant;

(k) "**Employee**" means:

(i) an individual who is considered an employee of the Company or an Affiliate under the Income Tax Act (and for whom income tax, employment insurance and CPP deductions must be made at source);

(ii) an individual who works full-time for the Company or an Affiliate providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or

(iii) an individual who works for the Company or an Affiliate on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;

(l) "**Exchange**" means the CSE or any other stock exchange on which the Shares are listed for trading;

(m) "**Exchange Policies**" means the policies, bylaws, rules and regulations of the Exchange governing the granting of options by the Company, as amended from time to time;

(n) "**Exercise Price**" means the amount payable per Share on the exercise of an Option, as determined in accordance with the terms hereof;

(o) "**Expiry Date**" means 5:00 p.m. (Vancouver time) on the day on which an Option expires as specified in the Option Agreement therefor or in accordance with the terms of this Plan;

(p) "**Grant Date**" for an Option means the date of grant thereof by the Board;

(q) "**Income Tax Act**" means the *Income Tax Act* (Canada), as amended from time to time;

(r) "**Insider**" has the meaning ascribed thereto in the Securities Act;

(s) "**Investor Relations Activities**" means any activities or communications, by or on behalf of the Company or a shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:

(i) the dissemination of information or preparation of records in the ordinary course of business of the Company:

(A) to promote the sale of products or services of the Company, or

(B) to raise public awareness of the Company,

that cannot reasonably be considered to promote the purchase or sale of

securities of the Company,

(ii) activities or communications necessary to comply with the requirements of:

(A) applicable Securities Laws,

(B) the Exchange, or

(C) the bylaws, rules or other regulatory instruments of any self-regulatory body or exchange having jurisdiction over the Company; or

(iii) activities or communications that may be otherwise specified by the Exchange;

(t) "**Option**" means the right to purchase Shares granted hereunder to an Eligible Person;

(u) "**Option Agreement**" means the stock option agreement between the Company and an Eligible Person whereby the Company provides notice of grant of an Option to such Eligible Person;

(v) "**Optioned Shares**" means Shares that may be issued in the future to an Eligible Person upon the exercise of an Option;

(w) "**Optionee**" means the recipient of an Option hereunder, their heirs, executors and administrators;

(x) "**Officer**" means any senior officer of the Company or an Affiliate;

(y) "**Plan**" means this incentive stock option plan, as amended from time to time;

(z) "**Securities Act**" means the *Securities Act* (British Columbia), as amended from time to time;

(aa) "**Securities Laws**" means the applicable acts, policies, bylaws, rules and regulations of the securities commissions governing the granting of Options by the Company, as amended from time to time;

(bb) "**Shares**" means the common shares in the capital of the Company, provided that, in the event of any adjustment pursuant to Section 4.7, "Shares" shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment; and

(cc) "**Subsidiary**" has the meaning ascribed thereto in the Securities Act.

1.2 Gender. Throughout this Plan, whenever the singular or masculine or neuter is used, the same shall be construed as meaning the plural or feminine or body politic or corporate, and *vice-versa* as the context or reference may require.

1.3 Currency. Unless otherwise indicated, all dollar amounts referred to in this Plan are in Canadian funds.

1.4 Interpretation. This Plan will be governed by and construed in accordance with the laws of the Province of British Columbia without giving effect to any choice or conflict of law provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

PART 2
PURPOSE

2.1 Purpose. The purpose of this Plan is to attract and retain Directors, Officers, Employees and Consultants and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company through Options granted under this Plan.

PART 3
GRANTING OF OPTIONS

3.1 Establishment of Plan. This Plan is hereby established to recognize contributions made by Eligible Persons and to create an incentive for their continuing assistance to the Company and its Affiliates.

3.2 Eligibility. Options to purchase Shares may be granted hereunder to Eligible Persons from time to time by the Board.

3.3 Options Granted Under the Plan. All Options granted under the Plan will be evidenced by an Option Agreement in such form determined by the Board setting forth the number of Optioned Shares, the term of the Option, the vesting terms, if any, the Exercise Price and such other terms as determined by the Board.

3.4 Terms Incorporated. Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Agreement made hereunder. In the event of any discrepancy between this Plan and an Option Agreement, the provisions of this Plan shall govern.

3.5 Limitations on Shares Available for Issuance. Unless authorized by the shareholders of the Company in accordance with applicable Securities Laws, the number of Shares reserved for issuance under this Plan, together with all of the Company's other previously established or proposed stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, as applicable, shall not exceed 10% of the total number of issued Shares of the Company (calculated on a non-diluted basis) at the time an Option is granted.

3.6 Options Not Exercised. In the event an Option granted under the Plan expires unexercised, is terminated or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be available again for an grant under this Plan.

3.7 Acceleration of Unvested Options. If there is a Change of Control, then all outstanding Options, whether fully vested and exercisable or remaining subject to vesting provisions or other limitations on exercise, shall be exercisable in full.

3.8 Powers of the Board. The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to:

(a) allot Shares for issuance in connection with the exercise of Options;

(b) grant Options hereunder;

(c) subject to appropriate shareholder and regulatory approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the written consent of all applicable Optionees, alter or impair any Option previously granted under the Plan;

(d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do; and

(e) may in its sole discretion amend this Plan (except for previously granted and outstanding Options) to reduce the benefits that may be granted to Eligible Persons (before a particular Option is granted) subject to the other terms hereof.

PART 4
TERMS AND CONDITIONS OF OPTIONS

4.1 Exercise Price. The Board shall establish the Exercise Price at the time each Option is granted, subject to the following conditions:

(a) if the Shares are listed on an Exchange, then the Exercise Price for the Options granted will not be less than the minimum prevailing price permitted by the Exchange;

(b) if the Shares are not listed, posted and trading on any stock exchange or quoted on any quotation system, then the Exercise Price for the Options granted will be determined by the Board at the time of granting; and

(c) in all other cases, the Exercise Price shall be determined in accordance with the applicable Securities Laws and Exchange Policies.

4.2 Term of Option. The Board shall establish the Expiry Date for each Option at the time such Option is granted, subject to the following conditions:

(a) the Option will expire upon the occurrence of any event set out in Section 4.6 and at the time period set out therein; and

(b) the Expiry Date cannot be longer than the maximum exercise period as determined by the applicable Securities Laws and Exchange Policies.

4.3 Automatic Extension of Term of Option. The Expiry Date will be automatically extended if the Expiry Date falls within a blackout period during which the Company prohibits Optionees from exercising their Options, provided that:

(a) the blackout period has been formally imposed by the Company pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information (as defined in applicable Securities Laws and Exchange Policies);

(b) the blackout period expires upon the general disclosure of the undisclosed material information and the expiry date of the affected Options is extended to no later than ten (10) business days after the expiry of the blackout period; and

(c) the automatic extension will not be permitted where the Optionee or the Company is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Company's securities.

4.4 Vesting of Options.

(a) No Option shall be exercisable until it has vested. The Board shall establish a vesting period or periods at the time each Option is granted to an Eligible Person, subject to the compliance with applicable Securities Laws and Exchange Policies.

(b) If no vesting schedule is specified at the time of grant and the Optionee is not performing Investor Relations Activities, the Option shall vest immediately.

4.5 Non Assignable. Subject to Section 4.6, all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

4.6 Termination of Option. Unless the Board determines otherwise, the Options will terminate in the following circumstances:

(a) Termination of Services For Cause. If the engagement of the Optionee as a Director, Officer, Employee or Consultant is terminated for cause (as determined by common law), any Option granted hereunder to such Optionee shall terminate and cease to be exercisable immediately upon the Optionee ceasing to be a Director, Officer, Employee or Consultant by reason of termination for cause;

(b) Termination of Services Without Cause or Upon by Resignation. If the engagement of the Optionee as a Director, Officer, Employee or Consultant of the Company is terminated for any reason other than cause (as determined by common law), disability or death, or if such Director, Officer, Employee, or Consultant resigns, as the case may be, the Optionee may exercise any Option granted hereunder to the extent that such Option was exercisable and had vested on the date of termination until the date that is the earlier of (i) the Expiry Date, and (ii) the date that is 30 days after the effective date of the Optionee ceasing to be a Director, Officer, Employee or Consultant for such reason or because of such resignation;

(c) Death. If the Optionee dies, the Optionee's lawful personal representatives, heirs or executors may exercise any Option granted hereunder to the Optionee to the extent

such Option was exercisable and had vested on the date of death until the earlier of (i) the Expiry Date, and (ii) one year after the date of death of such Optionee;

(d) Disability. If the Optionee ceases to be an Eligible Person due to his Disability, or, in the case of an Optionee that is a company, the Disability of the person who provides management or consulting services to the Company or to an Affiliate, the Optionee may exercise any Option granted hereunder to the extent that such Option was exercisable and had vested on the Date of Disability until the earlier of (i) the Expiry Date, and (ii) the date that is one year after the Date of Disability; and

(e) Changes in Status of Eligible Person. If the Optionee ceases to be one type of Eligible Person but concurrently is or becomes one or more other type of Eligible Person, the Option will not terminate but will continue in full force and effect and the Optionee may exercise the Option until the earlier of (i) the Expiry Date, and (ii) the applicable date set forth in Sections 4.6(a) to 4.6(d) above where the Optionee ceases to be any type of Eligible Person. If the Optionee is an Employee, the Option will not be affected by any change of the Optionee's employment where the Optionee continues to be employed by the Company or an Affiliate.

4.7 Adjustment of the Number of Optioned Shares. The number of Optioned Shares subject to an Option will be subject to adjustment in the events and in the manner following:

(a) Following the date an Option is granted, the exercise price for and the number of Optioned Shares which are subject to an Option will be adjusted, with respect to the then unexercised portion thereof, in the events and in accordance with the provisions and rules set out in this Section 4.7, with the intent that the rights of Optionees under their Options are, to the extent possible, preserved and maintained notwithstanding the occurrence of such events. Any dispute that arises at any time with respect to any adjustment pursuant to such provisions and rules will be conclusively determined by the Board, and any such determination will be binding on the Company, the Optionee and all other affected parties.

(b) If there is a change in the outstanding Shares by reason of any share consolidation or split, reclassification or other capital reorganization, or a stock dividend, arrangement, amalgamation, merger or combination, or any other change to, event affecting, exchange of or corporate change or transaction affecting the Shares, the Board shall make, as it shall deem advisable and subject to the requisite approval of the relevant regulatory authorities, appropriate substitution and/or adjustment in:

(i) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to this Plan;

(ii) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to any outstanding unexercised Options, and in the exercise price for such shares or other securities or property; and

(iii) the vesting of any Options, including the accelerated vesting thereof on conditions the Board deems advisable, and if the Company undertakes an arrangement or is amalgamated, merged or combined with another

corporation, the Board shall make such provision for the protection of the rights of Optionees as it shall deem advisable.

(c) If the outstanding Shares are changed into or exchanged for a different number of shares or into or for other securities of the Company or securities of another company or entity, in a manner other than as specified in Section 4.6(b), then the Board, in its sole discretion, may make such adjustment to the securities to be issued pursuant to any exercise of the Option and the exercise price to be paid for each such security following such event as the Board in its sole and absolute discretion determines to be equitable to give effect to the principle described in Section 4.7, and such adjustments shall be effective and binding upon the Company and the Optionee for all purposes.

(d) No adjustment provided in this Section 4.7 shall require the Company to issue a fractional share and the total adjustment with respect to each Option shall be limited accordingly.

(e) The grant or existence of an Option shall not in any way limit or restrict the right or power of the Company to effect adjustments, reclassifications, reorganizations, arrangements or changes of its capital or business structure, or to amalgamate, merge, consolidate, dissolve or liquidate, or to sell or transfer all or any part of its business or assets.

PART 5
COMMITMENT AND EXERCISE PROCEDURES

5.1 Option Agreement. Upon grant of an Option hereunder, an authorized director, officer or agent of the Company will deliver to the Optionee an Option Agreement detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof.

5.2 Manner of Exercise. An Optionee who wishes to exercise his Option, in its entirety or any portion thereof, may do so by delivering:

(a) a notice of exercise to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and

(b) cash, a certified cheque or a bank draft payable to the Company for the aggregate Exercise Price for the Optioned Shares being acquired.

5.3 Subsequent Exercises. If an Optionee exercises only a portion of the total number of his Options, then the Optionee may, from time to time, subsequently exercise all or part of the remaining Options until the Expiry Date.

5.4 Delivery of Certificate and Hold Periods. As soon as practicable after receipt of the Notice of Exercise described in Section 5.2 and payment in full for the Optioned Shares being received by the Company, the Company will or will direct its transfer agent to issue a certificate to the Optionee for the appropriate number of Optioned Shares. Such certificate issued may bear a

legend stipulating any resale restrictions required under applicable Securities Laws and Exchange Policies.

5.5 Withholding. The Company may withhold from any amount payable to an Optionee, either under this Plan or otherwise, such amount as it reasonably believes is necessary to enable the Company to comply with the applicable requirements of any federal, provincial, local or foreign law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to options (the "**Withholding Obligations**"). The Company may also satisfy any liability for the Withholding Obligations, on such terms and conditions as the Company may determine in its discretion, by:

(a) requiring an Optionee, as a condition to the exercise of any Options, to make such arrangements as the Company may require so that the Company can satisfy the Withholding Obligations including, without limitation, requiring the Optionee to remit to the Company in advance, or reimburse the Company for, the Withholding Obligations; or

(b) selling on the Optionee's behalf, or requiring the Optionee to sell, Optioned Shares acquired by the Optionee under the Plan, or retaining any amount which would otherwise be payable to the Optionee in connection with any such sale.

PART 6
AMENDMENTS

6.1 Amendment of the Plan. The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate the Plan with respect to all Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of the Plan will be subject to shareholder approval, if applicable, and any necessary regulatory approvals. If this Plan is suspended or terminated, the provisions of this Plan and any administrative guidelines, rules and regulations relating to this Plan shall continue in effect for the duration of such time as any Option remains outstanding.

6.2 Amendment of Outstanding Options. The Board may amend any Option with the consent of the affected Optionee and the Exchange, if required, including any shareholder approval required by the Exchange Policies or applicable Securities Laws.

6.3 Amendment Subject to Approval. If the amendment of an Option requires shareholder or regulatory approval, such amendment may be made prior to such approvals being given, but no such amended Options may be exercised unless and until such approvals are given.

PART 7
GENERAL

7.1 Exclusion from Severance Allowance, Retirement Allowance or Termination Settlement. If the Optionee retires, resigns or is terminated from employment or engagement with the Company or Affiliate, the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Optioned Shares, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

7.2 Employment and Services. Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

7.3 No Rights as Shareholder. Nothing contained in this Plan nor in any Option granted thereunder shall be deemed to give any Optionee any interest or title in or to any Shares or any rights as a shareholder of the Company or any other legal or equitable right against the Company whatsoever other than as set forth in this Plan and pursuant to the exercise of any Option in accordance with the provisions of the Plan and the Option Agreement.

7.4 No Representation or Warranty. The Company makes no representation or warranty as to the future market value of Optioned Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Optioned Shares issuable thereunder or the tax consequences to a Optionee. Compliance with applicable Securities Laws as to the disclosure and resale obligations of each Optionee is the responsibility of such Optionee and not the Company.

7.5 Other Arrangements. Nothing contained herein shall prevent the Board from adopting other or additional compensation arrangements, subject to any required approval.

7.6 No Fettering of Discretion. The awarding of Options under this Plan is a matter to be determined solely in the discretion of the Board. This Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Shares or any other securities in the capital of the Company or any of its Affiliates other than as specifically provided for in this Plan.

PART 8
EFFECTIVE DATE OF PLAN

8.1 Effective Date. This Plan shall become effective upon its approval by the Board.

CERTIFICATE OF ASEP MEDICAL HOLDINGS INC.

DATED: November 9, 2021

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia, Alberta, Ontario, New Brunswick and Saskatchewan.

"Rudy Mazzocchi" "
Rudy Mazzocchi
Chief Executive Officer and Director

"Jennifer Gretchen"
Jennifer Gretchen
Chief Financial Officer and Corporate Secretary

On Behalf of the Board of Directors

"Dr. Robert E.W. Hancock"
Dr. Robert E.W. Hancock
Chief Operating Officer and Director

"Timothy Murphy"
Timothy Murphy
Director

CERTIFICATE OF ASEP MEDICAL INC.

DATED: November 9, 2021

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia, Alberta, Ontario, New Brunswick and Saskatchewan.

"Rudy Mazzocchi"
Rudy Mazzocchi
Director

"Dr. Robert E.W. Hancock"
Dr. Robert E.W. Hancock
Director

On Behalf of the Board of Directors

"Rudy Mazzocchi"
Rudy Mazzocchi
Director

"Dr. Robert E.W. Hancock"
Dr. Robert E.W. Hancock
Director

CERTIFICATE OF ABT INNOVATIONS INC.

DATED: November 9, 2021

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia, Alberta, Ontario, New Brunswick and Saskatchewan.

"Dr. Robert E.W. Hancock"
Dr. Robert E.W. Hancock
Director

On Behalf of the Board of Directors

"Dr. Robert E.W. Hancock"
Dr. Robert E.W. Hancock
Director

CERTIFICATE OF SEPSET BIOSCIENCES INC.

DATED: November 9, 2021

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia, Alberta, Ontario, New Brunswick and Saskatchewan.

"Dr. Robert E.W. Hancock"
Dr. Robert E.W. Hancock
Director

On Behalf of the Board of Directors

"Dr. Robert E.W. Hancock"
Dr. Robert E.W. Hancock
Director

CERTIFICATE OF THE PROMOTER

DATED: November 9, 2021

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia, Alberta, Ontario, New Brunswick and Saskatchewan.

Per: *"Dr. Robert E.W. Hancock"*
Dr. Robert E.W. Hancock

SCHEDULE B

FORM 2A LISTING STATEMENT DISCLOSURE – ADDITIONAL INFORMATION

14. CAPITALIZATION

14.1 Issued Capital

The following tables provide information about the capitalization of the Company as of the date of this Listing Statement:

Issued Capital[(1)]	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total Outstanding **(A)**	**56,130,344**	**56,138,344**	**100%**	**100%**
Held by Related Persons or employees of the Company or Related Person of the Company, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Company (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Company upon exercise or conversion of other securities held) **(B)**	32,664,552	32,664,552	58.20%	58.20%
Total Public Float (A-B)	**23,465,792**	**23,473,792**	**41.80%**	**41.80%**
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in shareholder agreement and securities held by control block holders **(C)**	11,527,201	11,527,201	20.54%	20.53%
Total Tradeable Float (A-C)	**44,603,143**	**44,611,143**	**79.46%**	**79.47%**

(1) Figures are reported to the best of the knowledge of management of the Company.

Public Securityholders (Registered)

The following table sets forth information regarding the number of registered "public securityholders" of the Company, being persons other than persons enumerated in section (B) of the *Issued Capital* table above:

Size of Holding	Number of Holders	Total Number of Securities
1 – 99 securities	-	-
100 – 499 securities	-	-
500 – 999 securities	123	61,500
1,000 – 1,999 securities	-	-
2,000 – 2,999 securities	-	-

3,000 – 3,999 securities	-	-
4,000 – 4,999 securities	-	-
5,000 or more securities	123	23,404,292
TOTAL:	**245**	**23,465,792**

Public Securityholders (Beneficial)

The following table sets forth information regarding the number of beneficial "public securityholders" of the Company[(1)], being persons other than persons enumerated in section (B) of the *Issued Capital* table above who either: (i) hold securities in their own name as registered Shareholders; or (ii) hold securities through an intermediary where the Company has been given written confirmation of shareholdings:

Size of Holding	Number of Holders	Total Number of Securities
1 – 99 securities	-	-
100 – 499 securities	-	-
500 – 999 securities	123	61,500
1,000 – 1,999 securities	-	-
2,000 – 2,999 securities	-	-
3,000 – 3,999 securities	-	-
4,000 – 4,999 securities	-	-
5,000 or more securities	123	23,404,292
TOTAL:	**226**	**23,465,792**

Non-Public Securityholders (Registered)

For the purposes of this chart, "non-public securityholders" are persons enumerated under (B) in the Issued Capital table above.

Size of Holding	Number of Holders	Total Number of Securities
1 – 99 securities	-	-
100 – 499 securities	-	-
500 – 999 securities	-	-
1,000 – 1,999 securities	-	-
2,000 – 2,999 securities	-	-
3,000 – 3,999 securities	-	-
4,000 – 4,999 securities	-	-

5,000 or more securities	12	32,664,552
TOTAL:	**12**	**32,664,552**

Convertible Securities

14.2 Convertible / Exchangeable Securities

The following table summarizes the outstanding securities convertible into common shares in the Company's authorized capital as of the date of this Listing Statement:

Description of Security (include conversion/exercise terms, including conversion/exercise price)	Number of convertible/exchangeable securities outstanding[(1)]	Number of listed securities issuable upon conversion/exercise[(1)]
Warrants[(1)]	8,000	8,000

(1) Consists of 8,000 Broker Warrants exercisable into one additional Common Share at a price of $0.50 per Broker Warrant Share for a period of 12 months, subject to an acceleration provision whereby if, for at least twenty (20) consecutive trading days, the volume weighted average price at which the Common Shares trade on the CSE (or such other recognized Canadian stock exchange on which the Common Shares are listed for trading at the relevant time) each day is or exceeds $1.00 per Share, the Company may issue a notice via news release to the holders of such Broker Warrants and, in such case, the Broker Warrants will expire on the 30th day after the news release was disseminated by the Company.

14.3 Other Listed Securities

The Company has no other listed securities reserved for issuance that are not included in items 14.1 or 14.2.

SCHEDULE C

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, ASEP Medical Holdings Inc. hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to ASEP Medical Holdings Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia this 12th day November, 2021.

"Rudy Mazzocchi"
RUDY MAZZOCCHI
Chief Executive Officer and Director

"Jennifer Gretchen"
JENNIFER GRETCHEN
Chief Financial Officer and Corporate Secretary

"Robert E.W. Hancock
DR. ROBERT E.W. HANCOCK
Chief Operating Officer and Director

"Timothy Murphy"
TIMOTHY MURPHY
Director