SEPSET BIOSCIENCES INC.

Interim Management's Discussion and Analysis

(expressed in Canadian dollars)

For the three months and nine months ended September 30, 2021 and September 30, 2020

Dated: November 29, 2021

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INTRODUCTION

Management's discussion and analysis ("**MD&A**") is prepared as of November 29, 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 nine months ended September 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 driving the development and pathology of 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 sepsis diagnostics.

A patent for the biomarkers has been filed and inlicenced by Sepset and has been issued or approved in the following countries:

- China
- Hong Kong
- Europe

A patent for the biomarkers has been filed and inlicenced by Sepset and is in the national phase entry process in the following countries:

- Canada
- US
- Individual European Countries
- Australia
- Japan

Management expects each of these patents to be awarded within 8-12 months.

Summary of Progress Made

Sepset scientists have identified biomarkers highly associated with the development of severe (life threatening) sepsis and organ failure. Sepset's biomarkers offer a number of advantages including greater sensitivity and specificity than the SIRS criteria currently used 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's intellectual property includes 99 genes that are uniquely differentially expressed in reprogrammed human blood cells from sepsis patients, but not in inflammatory cells that occur after a routine infection. The gene expression signature is indicative of the dysfunctional host response that causes severe sepsis and typifies a type of immune suppression termed cellular reprogramming. It predicts whether early sepsis patients will develop severe, life-threatening sepsis and organ failure (& Covid-19 severe disease) at first clinical presentation. This is critical since sepsis is responsible for ~20% of all deaths on the planet, nearly 100% of deaths from severe Covid-19 infections, and considerable severe illness requiring additional hospital costs. Early appropriate treatment is critical to reduce mortality.

A meta-analysis of >1,500 patients, and subsequent multinational clinical studies by Sepset's network of collaborating clinician researchers involving >500 patients from Netherlands, Australia, Colombia and Canada 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 to 9 genes that are as effective as the original gene signature. This led to Sepset to refine its signature to just 6 genes. This set has been validated in multiple cohorts of patients, and is being transferred to a common platform available in hospital labs, enabling validation on this platform and development as a medical diagnostic test to be applied to emergency room patients prior to any sepsis diagnosis. Sepset is also in the process of in-licencing a patent for diagnosing groupings of sepsis patients (Endotypes) that will determine risk stratification and enable personalized therapy.

Current, On-Going Work

Sepset has completed the discovery phase and is in the process of validating its final gene signatures on a commercial platform. The current test is a blood test but we are also developing a test that works on nasal swabs. The Company is also completing its analysis of the largest ever Clinical Genomics study of early sepsis, namely a >500 patient prospective multi-centre (4 countries/continents) clinical study. This has enabled refinement of the signature, and correlation of clinical symptoms and outcomes with transcriptomics. Sepset is also extrapolating to additional patient populations (e.g. pediatric, cancer, pancreatitis), while its applicability to severe life threatening Covid disease has been confirmed in a >200 patient, 2-centre study.

The Company is performing a formal clinical study to enable 510(k) filing, in the process validating clinical performance on multiple clinical diagnostic platforms.

OVERALL PERFORMANCE

Financing

During the nine-month period ended September 30, 2021, the Company spent significant time planning and completing work for its 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 was given 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. On September 14, 2021, ASEP subscribed for the second unsecured convertible note of $500,000 by issuing a demand promissory note. On November 10, 2021, ASEP exercised 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. On November 12, 2021, the Company received $2,000,000 representing payment for the $500,000 demand promissory note issued for the second unsecured convertible note and $1,500,000 for payment of the remaining $2,500,000 exercise price. As payment for the Success Fee related to the option exercise, the Company allocated 1,111,111 common shares to Burton Financial Inc. with a fair value of $1,019,835. In connection with the option exercise and full payment of $2,500,000 received, the Company issued ASEP 11,155,645 common shares, representing a 50.1% fully diluted equity interest in the Company.

Research and Drug Development Agenda

During the nine-month period ended September 30, 2021, the Company's research and drug development agenda was promoted through grant-funded research to REW Hancock, the principal inventor of the company's inlicenced technology and the founder of Sepset. In particular Sepset has performed further detailed bioinformatic analysis of the first 500 sepsis patients, based on RNA-Seq transcriptomic studies on whole blood from sepsis patients at first clinical presentation in Colombia, Canada, Australia and Netherlands. These studies confirmed the accuracy, sensitivity and specificity of the cellular reprogramming predictive signature and reduce the size of the signature to 6 genes, and correlated the appearance of this signature with multiple clinical outcomes. Additional RNA-Seq studies were performed on >200 hospitalized Canadian Covid-19 patients and confirmed that the signature was also predictive in this cohort. Further analysis of early sepsis patients, inlicenced from UBC, revealed 5 different mechanistic categories termed endotypes that were analyzed in great detail and diagnostic gene pairs were identified that uniquely identified each endotype separately (i.e. one pair per endotype.

Human Resources

Sepset's first employee Dr. Peter Zhang was hired in June 2021 to perform detailed bioinformatic analyses to enable diagnostic development and the optimal markers and housekeeping genes were identified.

UBC Collaborative Research Agreement

On August 6, 2021, Sepset entered into a Collaborative Research Agreement with UBC. The 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 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.

Patent Protection

During the nine month period ended September 30, 2021, the Company continued to be involved in patent prosecution.

SELECTED FINANCIAL INFORMATION

As at September 30, 2021, the Company had a working capital surplus of $546,317 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 $74,642
2. An increase in prepaid expenses of $928
3. An increase in promissory note receivable of $500,000
4. An increase in GST receivable of $4,299
5. An increase in accounts payable and accrued liabilities of $1,581
6. An increase in payroll tax payable of $1,850
7. A decrease in loan payable of $250,000

The increase in working capital of $826,438 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 September 30, 2021 and December 31, 2020.

Financial Position as at	September 30, 2021	December 31, 2020
Cash	84,843	10,201
Prepaid expenses	928	-
Promissory note receivable	500,000	-
GST receivable	5,277	978
Computer equipment	533	-
Accounts payable and accrued liabilities	42,881	41,300
Payroll tax payable	1,850	-
Loan payable	-	250,000
Share capital	100	100

As at September 30, 2021, the Company had cash of $84,843 (December 31, 2020 - $10,201) and GST receivable of $5,277 (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 increase in the cash balance was further offset by decreases due to a payment for UBC collaborative research agreement of $43,348, and compensation costs of $21,925. The Company had total current assets at September 30, 2021 of $591,048 (December 31, 2020 - $11,179).

As at September 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 September 30, 2021, the Company had accounts payable and accrued liabilities of $42,881 (December 31, 2020 - $41,300). The increase in the accounts payable and accrued liabilities of $1,581 is mainly due to an increase in audit and

legal fees included in accounts payable of $33,606 and an offsetting decrease related to interest of $32,025 being paid out on May 14, 2021As at September 30, 2021, the Company had payroll tax payable of $1,850 (December 31, 2020 - $nil). The Company had total current liabilities at September 30, 2021 of $44,731 (December 31, 2020 - $291,300).

Share capital as at September 30, 2021 was $100 (December 31, 2020 - $100). There were no shares issued for cash in the nine-month period ended September 30, 2021. No options or warrants were issued in the nine-month period ended September 30, 2021.

DISCUSSION OF OPERATIONS

Consolidated Statement of Comprehensive Loss

	Three months ended		Nine months ended	
	September 30, 2021	**September 30, 2020**	**September 30, 2021**	**September 30, 2020**
	$	**$**	**$**	**$**
Operating expenses				
UBC contract for research	43,348	-	43,348	-
Legal and professional fees	62,571	2,002	96,289	20,207
Compensation	18,767	-	21,925	-
Business development	4,541	-	4,541	-
General & administrative	136	20	2,304	61
Interest	-	2,156	3,206	6,469
Consulting	823	-	1,383	-
Amortization	33	-	33	-
	130,219	4,178	173,029	26,737
Loss and comprehensive loss for the period	(133,219)	(4,178)	(173,029)	(26,737)

Operating Expenses
Operating expenses increased from $26,737 for the nine months ended September 30, 2020 to $173,029 for the nine months ended September 30, 2021.

Legal and Professional Fees
Legal and professional fees increased from $20,207 for the nine months ending September 30, 2020 compared to $96,289 for the nine months ending September 30, 2021. The increase of $76,082 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 nine months ending September 30, 2020 compared to $21,925 for the nine months ending September 30, 2021. The increase of $21,925 is due to a new hire in

June 2021.

General & Administrative
General & administrative costs increased from $61 for the nine months ending September 30, 2020 compared to $2,304 for the nine months ending September 30, 2021.

Interest
Interest expense decreased from $6,469 for the nine month period ending September 30, 2020 compared to $3,206 for the nine month period ending September 30, 2020. The decrease of $3,263 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 nine months ended September 30, 2021, there was a net cash outflow from operating activities of $174,792 compared to a net cash outflow of $20,419 for the nine months ended September 30, 2020, an increase in outflow of $154,373. Expressed in tabular form, the increase from the net cash used for operations is as follows:

	Nine months ended September 30, 2021	Nine months ended September 30, 2020	Change
Net loss from operations for the period	$(173,029)	$(26,737)	$(146,292)
Add items not affecting cash:			
Amortization expense	33	-	33
Change in GST receivable	(4,299)	(1,487)	(2,812)
Change in prepaid expenses	(928)	-	(928)
Change in payroll tax payable	1,850	-	1,850
Change in accounts payable and accrued liabilities	1,581	7,805	(6,224)
Net cash used for operations	$(174,792)	$(20,419)	($154,373)

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, renamed Asep Medical Holdings Inc. ("**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 Trenchant Life Sciences Investment Corp.'s, renamed Asep Medical Holdings Inc, ("**TLS**")'s profile on SEDAR (www.sedar.com)), the Company had the following related party balance and transactions:

- During the nine months ended September 30, 2021, the Company incurred $nil (September 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 September 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, ASEP 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, the Company received the first unsecured convertible note of $500,000. On September 14, 2021, ASEP subscribed for the second unsecured convertible note of $500,000 by issuing a demand promissory note. On November 10, 2021, ASEP exercised 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. On November 12, 2021, the Company received $2,000,000 representing payment for the $500,000 demand promissory note issued for the second unsecured convertible note and $1,500,000 for payment of the remaining $2,500,000 exercise price. As payment for the Success Fee related to the option exercise, the Company allocated 1,111,111 common shares to Burton Financial Inc. with a fair value of $1,019,835. In connection with the option exercise and full payment of $2,500,000 received, the Company issued ASEP 11,155,645 common shares, representing a 50.1% fully diluted equity interest in the Company.

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 nine months ended September 30, 2021 and 2020.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at September 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 September 30, 2021 are as follows:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Balance, September 30, 2021
	$	$	$	$
Assets:				
Cash	84,843	–	–	84,843
Total assets measured at fair value	84,843	–	–	84,843

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 September 30, 2021 and 2020, the Company incurred the following R&D expenses:

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	**2020**	**2021**	**2020**
Patent costs	22,947	1,652	22,947	13,206
Total expensed research and development costs	22,947	1,652	22,947	13,206

General and administration expenses

The Company incurred the following general and administrative (G&A) expenses:

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	**2020**	**2021**	**2020**
Consulting – G&A	823	-	1,383	-
Other – G&A	136	20	2,304	61
Total expensed general & administrative costs	959	20	3,687	61

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of Common shares without par value.

As at September 30, 2021, the Company had 10,000,000 issued and outstanding common shares. As of the date of this MD&A, November 29, 2021, the Company has 22,266,756 issued and outstanding common shares. The Company issued shares in November 2021 related to the exercise of the option agreement and associated Success Fee, as discussed in the "Financing" section of this MD&A.

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