ASEP MEDICAL HOLDINGS INC
(formerly TRENCHANT LIFE SCIENCES INVESTMENT CORP.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Date of Report: May 30, 2022

INTRODUCTION

Management's discussion and analysis ("MD&A) is prepared as of May 30, 2022 and provides a review of the performance of ASEP Medical Holdings Inc (formerly Trenchant Life Sciences Investment Corp.) ("Asep" or the "Company") and should be read in conjunction with the Company's audited financial statements for the period ended December 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

ASEP Medical Holdings Inc. (formerly Trenchant Life Sciences Investment Corp.) (the "Company" or "ASEP") was incorporated under the British Columbia Business Corporations Act on January 20, 2021. On November 22, 2021, the Company commenced trading on the Canadian Securities Exchange (the "CSE") as a life sciences issuer under the trading symbol "ASEP". On April 19, 2022, the Company commenced trading on the OTCQB under the trading symbol "SEPSF".

The Company's head office is located at Unit 420, 730 View Street, Victoria, BC V8W 3Y7. ASEP is in the business of acquiring assets, technologies and/or businesses in area of life sciences and medical diagnostics.

In order to determine the impact early use of a diagnostic assay may have on clinical and economic outcomes, ASEP retained the services of RTI Health Solutions, the only independent, non-profit organization in the industry, whose primary objective is to provide the highest quality research and consulting services to benefit patients and improve public health. It is demonstrated that substantial savings in lives, hospital days, and costs result when a diagnostic assay, like SepsetER, becomes available to diagnose the onset of severe sepsis, enabling early treatment. The purpose of this independent assessment was to identify and verify the magnitude of these key elements.

Overall, early and appropriate antibiotic treatment is associated with an absolute decrease of 7.0% in mortality and a reduction in length of stay in the hospital of 5.85 days. Based on their analysis of the literature describing 1,141,405 sepsis hospitalizations in a year and 5,534 hospitals in the United States (US), 14.11 lives and 1,206 hospital days are saved per hospital and 79,886 lives and 6,672,375 hospital days are saved in the US. This results in a cost savings of $3.0 million to $3.9 million per hospital and $16.6 billion to $22.0 billion in the US. This third-party analysis allows us to put a figure on the potential life-saving and economic impact that might result from the commercialization of a a molecular diagnostic like SepsetER.

In parallel to the continued advancements of the company's subsidiaries, ABT Innovations Inc. ("ABT") and Sepset Biosciences Inc. ("Sepset"), the Business Development Team of ASEP is continuing a focused outreach program to identify potential clinical, manufacturing and commercialization relationships. We have identified a targeted list of companies that can potentially help us achieve our business goals as well as the ones that would have synergistic benefits from our technologies. Given that molecular diagnostics have a shorter development cycle and may result in clear overall saving (as illustrated by the RTI study mentioned above), our focus has been on potential partnerships for the Sepset^{ER} technology. As such, we have initiated contacts with a number of companies in the space. Our discussions thus far have contemplated stages of involvement and key territories including the USA, EU and Asia. We are also working on identifying potential companies that would be interested in our therapeutics technology in order to start cultivating these relationships as we move forward throughout the balance of the year.

The Company has also filed for a new provisional patent based on the recent discovery that sepsis patients can be further divided into different mechanistic groups, called endotypes. This discovery will serve as the basis for our next generation sepsis diagnostic test that will enable a personalized medicine approach for sepsis patients by providing doctors with important information regarding optimal treatment regimens.

ABT continued to make progress advancing the synthetic antibiofilm and immunomodulatory peptide technology towards clinical trials. ABT continued their collaboration with iFyber to develop peptide loaded wound dressings and are particularly engaged in identifying biocompatible and resorbable materials that facilitate sustained peptide release and potent antibiofilm activity. Prototype dressings have been evaluated in mouse and pig models of efficacy, demonstrating better antimicrobial activity than other commercially available wound care products. In addition, ABT scientists have continued to look for antibiotic candidates that work in synergy with their proprietary peptide technology that could be combined in an aqueous solution and applied as an ointment to wound sites. ABT has also initiated detailed in vivo toxicity studies in mice to characterize the mechanisms of action underlying the toxic effects of the peptides (if any) that occur at high concentrations. This information will be essential to inform future formulation studies and will reveal the optimal route of delivery for the peptides to achieve peak activity and lowest toxicity. Finally, in collaboration with the Nanomedicines Innovation Network, they have developed lipid nanoparticle formulation candidates to facilitate peptide delivery and release in vivo while mitigating issues related to aggregation and toxicity.

Sepset made progress on the design and development of their first generation in vitro diagnostic test for sepsis named Sepset^{ER}. In this time frame, the machine learning algorithm underlying Sepset^{ER} was refined and optimal housekeeping genes (whose expression levels are unaffected by sepsis status) were identified. The final PCR primers and TaqMan probe sequences were designed, synthesized and validated for their ability to amplify the six-genes in the proprietary sepsis gene signature. All testing and validation was performed on the 7500 Fast Dx RT-qPCR Instrument from Applied Biosystems, which is a widely used diagnostic platform found in many clinical diagnostic labs. An in-house prototype of the Sepset^{ER} test kit was prepared and its ability to quantify the gene expression levels from RNA samples isolated from healthy

donors was assessed. Lastly, in anticipation of engaging with the FDA for a pre-submission meeting as well as initiating a prospective clinical trial to evaluate the performance of Sepset^{ER} in a clinical setting, several contract research organizations were interviewed to identify which organization would be best suited to assist with Sepset's regulatory needs.

Private Placement Financing

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.

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

On April 16, 2021, the Company closed a private placement for 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 debentures were converted into common shares of the Company, as described below. The terms of the convertible debentures were maturity twelve months from issuance and interest rate of 8% per annum. All accrued interest payable in connection with the Convertible Debentures is to be paid in cash. As at December 31, 2021 the accrued interest payable balance was $19,288. The Convertible Debentures were converted at a price of $0.269074886904462 resulting in the issuance of 1,858,218 common shares of the Company. On conversion, the face value of the derivative liability of $429,368 and the face value of the convertible debenture of $333,333 was transferred to common shares.

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 second 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. On October 22 and October 26, 2021, the Company closed the third and fourth tranches of the Private Placement to issue 1,920,000 Special Warrants for gross proceeds of $960,000 and 640,000 Special Warrants for gross proceeds of $320,000 respectively

Amalgamation Agreement and Acquisition of 50.1% of ABT and 50.1% of Sepset

On June 3, 2021, the Company entered into the Amalgamation Agreement pursuant to which ASEP, ASEP Medical Inc., and 1295277 B.C. Ltd. 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 ASEP on the Canadian Securities Exchange (the "CSE") the resulting entity of the amalgamation, will be a wholly-owned subsidiary of ASEP will carry on the business of ASEP Medical Inc.

Upon completion of the Transaction on November 10, 2021, ASEP acquired, 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 E.W. 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 E.W. 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.

Additional Options to Acquire Remaining Interests in ABT and Sepset

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 ASEP would hold a 100% fully-diluted interest in each of ABT and Sepset. The options are exercisable for a period of three years following the acquisition of 50.1% of ABT and 50.1% of Sepset, as applicable, and each have a purchase price equal to $20,000,000.

The purchase 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.

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 purchased 50.1% of ABT, November 10, 2024.

Stock options

In July 2021, the Company adopted a stock option plan ("Plan"), which provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company stock options to purchase common shares, 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 exercise price and the term of the stock options at the time of grant. If the shares are listed on a stock exchange, then the exercise price for the options granted will not be less than the minimum prevailing price permitted by the stock exchange. If the shares are not listed, posted and trading on any stock exchange or quoted on any quotation system, the exercise price will be determined by the Board at the time of granting.

On November 18, 2021, the Company granted stock options (collectively, the "Options") to certain directors, officers, employees and consultants of the Company to purchase up to 4,540,000 common shares, pursuant to the Company's Plan. The stock options entitle the holders to acquire 4,540,000 common shares at a price of $0.50 per common share for a period of 10 years. A total of 1,490,000 stock options vested immediately upon the date of grant, 1,900,000 vest quarterly over a 12 month period and 1,150,000 stock options vest quarterly over a 24 month period. The grant date fair value of these options was $2,033,260. The stock options were valued using Black-Scholes option pricing model based on the following

assumptions: expected dividend yield of 0%, expected volatility of 100%, risk-free rate of 1.74% and expected life of 10 years.

During the year ended December 31, 2021, the Company had recognized $956,227 of share-based compensation for the vesting of these stock options. At December 31, 2021, 1,781,575 options were vested and exercisable.

As of the date of filing this MD&A, the Company has the following subsidiaries:

	Principal Activity	Location	Percentage December 31,
Asep Medical Inc.	Life Sciences	Canada	100%
ABT Innovations Inc. ("ABT")	Life Sciences	Canada	50.1%
Sepset Biosciences Inc. ("Sepset")	Life Sciences	Canada	50.1%

The Company's subsidiary, ABT, owns 100% of ABT Peptides Inc, an inactive company incorporated in British Columbia, Canada.

Selected Annual Information

	For the Period from January 20, 2021 to December 31, 2021
Total revenues	-
Loss before other expenses	$ (2,079,624)
Comprehensive income (loss)	$ (2,343,563)
Basic and diluted net loss per common share	$ (0.10)
Current assets	$ 5,754,229
Total assets	$ 30,716,132
Current liabilities	$ 144,204
Deficit	$ (2,200,086)
Non-controlling interest	$ 12,312,734
Weighted average number of shares outstanding	21,357,895
Dividends	-

Results of Operations

These results of operations should be read in conjunction with the Company's audited consolidated financial statements for the period from January 20, 2021 to December 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 December 31, 2021
Expenses	
Accretion	$ 76,389
Amortization	177,177
Compensation	81,961
Consulting	191,205
General & administrative	112,005
Interest	25,610
Patent fees	7,117
Professional fees	378,333
Research & development costs	73,599
Share based compensation	956,227
Total expenses	2,079,624
Loss before other income	(2,079,624)
Loss on derivative liability	(262,701)
Foreign exchange loss	(1,238)
Net loss for period	**$ (2,343,563)**

The Company is in the development stage and has yet to commercialize any of its technologies so has yet to generate any revenues.

The Company had operating expenses totalling $2,079,624 for the period January 20, 2021 – December 31, 2021, which are detailed as follows:

The Company recorded accretion expense of $76,389 related to the unwinding of the convertible debenture discount. The face value of the convertible debenture was $500,000 with the fair value of the derivative

component calculated using 75% of the offering price per share of the stock sold by the Company and was determined to be $166,667. The fair value of the liability component was determined to be $333,333.

The Company incurred amortization of $177,177 for the year on intangible assets, lab equipment and computer equipment.

The Company incurred compensation of $81,961 for employees of ASEP and Sepset. At December 31, 2021, Asep had 3 employees and its subsidiary, Sepset, had 1 employee.

The Company incurred consulting costs of $191,205 for the year, which is mainly related to the consulting services provided by the current CEO, previous CEO and other financial consultants.

The Company incurred $112,005 of general & administrative costs, which includes marketing costs, transfer agent & filing fees and insurance costs.

The Company incurred $25,610 in interest expense, which is related to the $500,000 convertible debentures. The convertible debentures accrued interest up to the date of conversion on November 10, 2021.

The Company incurred $7,117 in patent fees related to patent filing and maintenance fees recorded in ABT and Sepset.

The Company incurred $378,333 in professional fees, which included $235,143 in legal fees, $90,151 in accounting and audit fees for filings and financial statements related to the Company's listing on the CSE in November 2021, and $53,039 in advisory fees.

The Company incurred research & development costs of $73,599 related to the collaborative research agreements with the University of British Columbia.

The Company recognized share-based compensation of $956,227 related to the 4,540,000 stock options that were granted to certain directors, officers, employees and consultants of the Company on November 18, 2021 and vested during the period. The total value of options granted was $2,033,260.

Financial Condition, Liquidity and Capital Resources

The Company had total assets of $30,716,132 as at December 31, 2021. The current assets of the Company as of such date consisted cash of $5,290,070, GST receivable of $73,398 and prepaids and deposits of $390,761. Non-current assets of the Company consisted of equipment of $64,043 and intangible assets of $24,897,860. The Company had total current liabilities of $144,204 consisting of accounts payable of $124,916 and accrued interest of $19,288 as at December 31, 2021. The Company had working capital of $5,610,025 as at December 31, 2021.

Pursuant to the Amalgamation Agreement, the Company conducted a private placement ("Private Placement") and issued 11,731,000 special warrants ("Special Warrants") at a price of $0.50 per warrant for aggregate gross of $5,865,000 during the period ended December 31, 2021. On November 10, 2021, the Company converted 11,731,500 special warrants that were issued for total proceeds of $5,865,750 to 11,731,500 common shares.

The Company's contractual obligations at December 31, 2021 are as follows:

	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
Accounts payable and accrued liabilities	$ 112,774	$ -	$ -	$ 112,774
Payroll tax payable	12,142	-	-	12,142
Accrued interest	19,288	-	-	19,288
Total	$ 144,204	$ -	$ -	$ 144,204

The Company's audited consolidated financial statements for the period from January 20, 2021 to December 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 through an equity financing through completion of private placement(s) of common shares.

Classification of financial instruments

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

	December 31, 2021
Financial assets at FVTPL:	
Cash	$ 5,290,070
Financial assets at amortized cost:	
GST receivable	$ 73,398

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

	December 31, 2021
Financial liabilities at amortized cost:	
Accounts payable and accrued liabilities	$ 124,916
Interest payable	19,288
	$ 144,204

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

The company had no off balance sheet arrangements as at December 31, 2021.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel compensation

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.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

		December 31, 2021
CEO consulting fees	(a)	$ 59,900
Management salaries	(b)	66,667
Share based compensation	(c)	285,368
		$ 411,935

(a) CEO consulting fees consist of the following:

$20,000 paid to current CEO of the Company.

$39,900 paid to the Company's former CEO and former director.

(b) Management salaries

$30,000 paid to current Chief Business Development Officer of the Company for the period November 10, 2021 (date of amalgamation) – December 31, 2021.

$25,000 paid to current Chief Financial Officer of the Company for the period November 10, 2021 (date of amalgamation) – December 31, 2021.

$11,667 paid to current Chief Scientific Officer of the Company for the period November 10, 2021 (date of amalgamation) – December 31, 2021.

(c) Share based compensation

During the period ended December 31, 2021, the Company had recognized $285,368 of share-based compensation for the vesting of stock options for directors and officers of the Company. The terms of the options are disclosed in the "Stock Options" section of this MD&A.

CRITICAL ACCOUNTING ESTIMATES

As disclosed in the Company's audited consolidated financial statements for the period from January 20, 2021 to December 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 consolidated financial statements for the period from January 20, 2021 to December 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.

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.

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 $0.02 per share for proceeds of $130,000.

On November 9, 2021, in connection with the Amalgamation, the Company issued 25,540,626 common shares with a value of $12,770,313 to the shareholders of Asep Medical Inc.

On November 10, 2021, the Company converted 11,731,500 special warrants that were issued for total proceeds of $5,865,750 to 11,731,500 common shares .

On November 10, 2021, the Company converted the total outstanding convertible debentures of $500,000 at a conversion price of $0.269 resulting in 1,858,218 common shares being issued.

For the period ended December 31, 2021, total share issuance cost incurred were $2,801.

As at December 31, 2021, there were 56,130,344 issued and outstanding common shares.

As of the date of this MD&A and at December 31, 2021, the following securities of the Company were outstanding:

Common Shares – 56,130,344

Options – 4,540,000

Finder's warrants – 187,200

SUBSEQUENT EVENTS

On April 8, 2022, Sepset entered into a 12-month Collaborative Research Agreement with the University of British Columbia (UBC). The terms of the agreement are that Sepset prepay $549,094 for a period of services from April 8, 2022 to April 7, 2023. Asep paid the amount in full on May 2, 2022.

OTHER INFORMATION AND BOARD APPROVAL

This MD&A has been reviewed and approved by the Board of Directors of the Company.