**BIOMARK DIAGNOSTICS INC.**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended June 30, 2021 and 2020

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

## NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor. The accompanying unaudited condensed consolidated interim financial statements have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for review of condensed consolidated interim financial statements by an entity's auditor.

**BIOMARK DIAGNOSTICS INC.**
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

| | Note | June 30, 2021 | March 31, 2021 |
|---|---|---|---|
| | | $ | $ |
| **ASSETS** | | | |
| Current | | | |
| Cash | | 681,582 | 877,678 |
| Prepaid expenses | | 25,829 | 18,165 |
| Amount receivable | | 23,409 | 27,166 |
| | | 730,820 | 923,009 |
| Long-term investments | 5 | 3,200 | 3,200 |
| Right-of-use asset | 6 | 24,143 | 26,730 |
| | | 758,163 | 952,939 |
| **LIABILITIES** | | | |
| Current | | | |
| Accounts payable and accrued liabilities | | 8,853 | 27,124 |
| Lease liability | 6 | 9,830 | 9,708 |
| Due to related parties | 4 | 764,316 | 885,585 |
| | | 782,999 | 922,417 |
| Long-term lease liability | 6 | 15,260 | 18,009 |
| Long-term government loans | 7 | 92,756 | 91,607 |
| | | 891,015 | 1,032,033 |
| **SHAREHOLDERS' DEFICIENCY** | | | |
| Share capital | 8 | 7,121,490 | 6,876,090 |
| Share subscriptions received (receivable) | 8 | - | 3,000 |
| Contributed surplus | | 1,625,029 | 1,632,429 |
| Deficit | | (8,879,371) | (8,590,613) |
| | | (132,825) | (79,094) |
| | | 758,163 | 952,939 |

Nature and Operations and Going Concern (Note 1)
Commitments (Note 11)

Approved by the Board on August 30, 2021

*"Rashid Ahmed"*
Rashid Ahmed, Director

*"Dr. Bram Ramjiawan"*
Dr. Bram Ramjiawan, Director

**BIOMARK DIAGNOSTICS INC.**
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

| | Note | Three months ended June 30, 2021 | Three months ended June 30, 2020 |
|---|---|---|---|
| | | $ | $ |
| Revenue | | - | - |
| Expenses: | | | |
| Consulting fees | 4 | 85,050 | 82,500 |
| Depreciation on right-of-use asset | 6 | 2,587 | 2,976 |
| Research and other | | 33,272 | 4,800 |
| Professional fees | | 21,179 | 11,289 |
| Office and miscellaneous | | 13,206 | 5,459 |
| Interest and bank charge | | 1,820 | - |
| Insurance | | 1,742 | - |
| Filing and transfer agent fees | | 134,309 | 6,674 |
| Travel | | 1,777 | 4,886 |
| Share-based compensation | 8 | - | 12,602 |
| Total operating expenses | | 294,942 | 131,186 |
| Other (income) loss: | | | |
| Foreign exchange (gain) loss | | 1,316 | |
| (Gain) loss on settlement of debt | | - | (2,615) |
| Government grants | | (7,500) | |
| Total Other (income) loss | | (6,184) | (2,615) |
| Net loss and comprehensive loss | | (288,758) | (128,571) |
| Basic and diluted loss per share | | $ (0.00) | $ (0.00) |
| Weighted average number of common shares outstanding | | 72,313,729 | 71,295,696 |

**BIOMARK DIAGNOSTICS INC.**
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

| | Three months ended | |
|---|---|---|
| | June 30, 2021 | June 30, 2020 |
| | $ | $ |
| Cash flows from Operating Activities | | |
| Net loss | (288,758) | (128,571) |
| Items not affecting cash: | | |
| Share-based compensation | - | 12,602 |
| Depreciation on right-of-use asset | 2,587 | 2,976 |
| (Gain) loss on settlement debt | - | (2,615) |
| Interest accretion on long term government loan | 1,149 | |
| | (285,022) | (115,608) |
| Changes in non-cash working capital items related to operations: | | |
| Amounts receivable | 3,757 | (2,399) |
| Amounts receivable | (7,664) | - |
| Accounts payable and accrued liabilities | (18,271) | (39,126) |
| Cash used in operating activities | (307,200) | (157,133) |
| Investing Activities | | |
| Purchase of investments | - | (3,200) |
| Cash used by investing activities | - | (3,200) |
| Financing Activities | | |
| Advances from related parties | - | 86,625 |
| Repayment of advances to related parties | (121,269) | (31,266) |
| Repayment of lease liability | (2,627) | (3,664) |
| Exercise of warrants | 235,000 | - |
| Share subscriptions received | - | 2,000 |
| Cash provided by financing activities | 111,104 | 53,695 |
| Change in cash | (196,096) | (106,638) |
| Cash, beginning | 877,678 | 611,803 |
| Cash, ending | 681,582 | 505,165 |

**BIOMARK DIAGNOSTICS INC.**
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

| | Number of Shares | Share Capital | Share Subscriptions Received | Contributed Surplus | Deficit | Total |
|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | $ |
| Balance, March 31, 2020 | 72,313,729 | 5,433,171 | (144,668) | 1,768,793 | (7,496,423) | (439,127) |
| Share subscriptions received | - | - | 2,000 | - | - | 2,000 |
| Share based compensation | - | - | - | 12,602 | - | 12,602 |
| Comprehensive loss | - | - | - | - | (128,571) | (128,571) |
| Balance, June 30, 2020 | 72,313,729 | 5,433,171 | (142,668) | 1,781,395 | (7,624,994) | (553,096) |
| Share subscriptions received | - | - | 145,668 | | - | 145,668 |
| Share-based compensation | - | - | - | 382,879 | - | 382,879 |
| Exercise of options | 2,550,000 | 972,244 | | (389,745) | - | 582,499 |
| Exercise of warrants | 1,920,500 | 470,675 | - | (142,100) | - | 328,575 |
| Comprehensive loss | - | - | - | - | (965,619) | (965,619) |
| Balance, March 31, 2021 | 76,784,229 | 6,876,090 | 3,000 | 1,632,429 | (8,590,613) | (79,094) |
| Share subscription received | - | - | - | - | - | - |
| Exercise of warrants | 1,190,000 | 245,400 | (3,000) | (7,400) | - | 235,000 |
| Comprehensive loss | - | - | - | - | (288,758) | (288,758) |
| Balance, June 30, 2021 | 77,974,229 | 7,121,490 | - | 1,625,029 | (8,879,371) | (132,852) |

## 1. Nature and Operations and Going Concern

BioMark Diagnostics Inc. ("BioMark Diagnostics" or the "Company") was incorporated on June 19, 2014 under the Business Corporation Act of British Columbia. The head office of the Company is 130 – 3851 Shell Rd, Richmond, British Columbia, V6X 2W2. The ultimate parent of BioMark Diagnostics is BioMark Technologies Inc. ("BTI"), which is located at the same address as the Company.

The Company is developing its advanced stage cancer diagnostic business. Biomark Diagnostics' cancer diagnostics technology platform leverages "Omics" and machine learning which allows for early cancer detection. BioMark Diagnostics is currently focused on bringing its cancer diagnostic kits and detection solution to commercialization standards. The Company is currently listed for trading on the Canadian Securities Exchange under the symbol "BUX", OTC Market under the symbol "BMKDF" and Frankfurt Stock Exchange under the symbol "20B".

These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period of time. As at June 30, 2021, the Company had accumulated deficit of $8,879,371. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. The Company's ability to continue its operations is uncertain and is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors and generating profitable operations in the future.

These consolidated financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a forced liquidation. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This has impacted the Company in terms of delays in clinical trials, the conduct of additional research, business development, delays in establishing potential partnerships and realizing milestone payments. It is not possible for the Company to predict the duration or magnitude of the results of the outbreak and its effects on the Company's business or ability to raise funds. Management continues to monitor the situation and adjust the operating strategy accordingly.

## 2. Basis of Preparation

*Statement of Compliance*
These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. These condensed consolidated interim financial statements should be read in conjunction with the Company's financial statements for the year ended March 31, 2021.

## 2. Basis of Preparation (continued)

*Basis of Measurement and Consolidation*
The consolidated interim financial statements have been prepared on a going concern basis and are based on historical costs, except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below.

These consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries, Biomark Cancer Systems Inc. ("Biomark Cancer") and BioMark Diagnostic Solutions Inc. ("BioMark Diagnostic Solutions") and BioMark Cancer Diagnostics USA Inc. ("BioMark Cancer Diagnostics USA"). BioMark Cancer was incorporated on February 27, 2014, under the Business Corporation Act of British Columbia. BioMark Diagnostic Solutions was incorporated on August 17, 2020, under the Business Corporation Act of Quebec. BioMark Cancer Diagnostics USA was incorporated on January 2, 2019, in the State of Delaware, United States. All material inter-company balances and transactions have been eliminated upon consolidation.

The consolidated interim financial statements are presented in Canadian dollars, unless otherwise noted, which is also the functional currency for the Company and its wholly owned subsidiaries.

## 3. Summary of Significant Accounting Policies

*Significant Estimates and Assumptions*
The preparation of these consolidated interim financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The more significant areas are as follows:

- the estimates and assumptions used in the share-based payments

*Significant Judgements*
The preparation of consolidated interim financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. Actual results may differ from these estimates.

Significant areas where management's judgment has been applied include:

- Classifying categories of financial assets and financial liabilities in accordance with IFRS 9, Financial Instruments;
- Evaluating if the criteria for recognition of provisions and contingencies are met in accordance with IAS 37, Provisions, Contingent liabilities and Contingent assets; and
- The assessment of the Company's ability to continue as a going concern, which is described in Note 1.

*Cash and cash equivalents*
The Company considers unrestricted cash on hand, in trust, in banks, in term deposits and commercial paper with original maturities of three months or less as cash and cash equivalents.

## 3. Significant Accounting Policies (continued)

*Comprehensive loss*
Comprehensive loss is the change in the Company's shareholders' equity that results from transactions and other events from other than the Company's shareholders. Other comprehensive income/loss includes items that would not normally be included in comprehensive loss but excluded from net loss, such as unrealized gains and losses on investments measured as fair value through other comprehensive income ("FVOCI").

*Loss per share*
The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

*Share issue costs*
Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise, they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to expenses.

*Research and development*
Research costs are expensed as incurred. Development costs are expensed as incurred unless they meet certain criteria for deferral and amortization. The Company assesses whether it has met the relevant criteria for deferral and amortization at each reporting date.

*Share-based compensation*
Stock options granted to employees, consultants or directors are measured at fair value at the grant date and expensed over the vesting period with a corresponding increase to contributed surplus. Upon the exercise of the stock options, consideration paid together with the amount previously recognized in contributed surplus is recorded as an increase to share capital.

*Warrants issued in equity financing transactions*
The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate resource properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are assigned value based on the residual value method and included in the share warrant reserve. Warrants that are issued as payment for an agency fee or other transactions costs are accounted for as share-based payments.

## 3. Significant Accounting Policies (continued)

*Impairment of tangible and intangible assets*
At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. In addition, intangible assets with an indefinite life are tested for impairment annually. The recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

*Financial instruments*
The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value plus, in the case of financial assets not at fair value through profit and loss ("FVTPL"), directly attributable transaction costs.

Financial assets are subsequently measured at either:

(i) amortized cost;
(ii) fair value through other comprehensive income ("FVTOCI"); or
(iii) at fair value through profit or loss ("FVTPL").

Financial liabilities are initially measured at fair value less, in the case of financial liabilities not at FVTPL, directly attributable transaction costs. Financial liabilities are subsequently measured at amortized cost.

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

| | IFRS 9 Classification |
|---|---|
| **Financial assets** | |
| Cash and cash equivalents | Amortized cost |
| | |
| **Financial liabilities** | |
| Accounts payable | Amortized cost |
| Due to related parties | Amortized cost |
| Lease liabilities | Amortized cost |
| Long-term government loans | Amortized cost |

IFRS 9 uses an expected credit loss impairment model. The impairment model is applicable to financial assets measured at amortized cost where any expected future credit losses are provided for, irrespective of whether a loss event has occurred as at the reporting date.

**3. Significant Accounting Policies** (continued)

*Impairment*
Financial assets
Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against the assets impaired. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

*Revenue recognition*
The Company earns revenue from the licensing of its intellectual property to other parties.

Licenses for the Company's intellectual property provide the customer with a right to use the intellectual property as they exist when made available to the customer. Revenue from licenses is recognized upfront at the point in time when the intellectual property is made available to the customer and upon the achievement of subsequent milestones as set out in the contract. At present, the Company does not have any licensing agreements where updates or services are provided for no additional charge.

*Government Grants*
Grants from the government are initially recognised at their fair value and accounted using the income approach. Accordingly, grants are recorded in other income in the period in which income is earned provided where there is a reasonable assurance that the grant will be received, and the group will comply with all attached conditions.

*Provisions*
Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

*Income taxes*
Income tax on profit or loss comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the period-end date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except for temporary differences in assets and liabilities arising in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, transactions relating to investments in jointly controlled entities to the extent that they will not reverse in the foreseeable future, and transactions arising on the initial recognition of goodwill. Deferred tax is recognized at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

## 3. Significant Accounting Policies (continued)

*Income taxes (continued)*

A deferred tax assets is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

*Leases*

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. The Company uses a rate of 5% as the incremental borrowing rate for its office lease. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term.

(Stated in Canadian Dollars)

## 3. Significant Accounting Policies (continued)

*Adoption of new pronouncements*

A number of amendments to standards and interpretations applicable to the Company are not yet effective for the year ended March 31, 2021 and have not been applied in preparing these consolidated financial statements nor does the Company expect these amendments to have a significant effect on its consolidated financial statements.

*Classification of Liabilities as Current or Non-current – Amendments to IAS 1*
*(Effective January 1, 2022 [possibly deferred to January 1, 2023])*

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to January 1, 2023.

The following improvements were finalized in May 2020:
• IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.

• IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

## 4. Related Parties Transactions and Balances

During the period ended June 30, 2021, the Company has the following transactions with and balances owed to BTI:

| | June 30, 2021 | June 30, 2020 |
|---|---|---|
| | $ | $ |
| Owing to BTI | 94,548 | 138,982 |

BTI holds approximately 52.59% of the common shares of the Company as at June 30, 2021 (2020 - 56.7%). The CEO owns more than 10% interest in the Company.

(Stated in Canadian Dollars)

## 4. Related Parties Transactions and Balances - (continued)

### Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members. Short-term key management compensation consists of the following:

| | June 30, 2021 | June 30, 2020 |
|---|---|---|
| | $ | $ |
| **Transactions** | | |
| Consulting fees: | | |
| CEO and a company controlled by the CEO | 60,000 | 60,000 |
| Interim CFO | 25,050 | 22,500 |
| | 85,050 | 82,500 |

As at June 30, 2021, the Company has $663,946 (2020 - $746,446) due to the CEO and $5,823 (2020 - $125,895) due to the Interim Chief Financial Officer ("CFO"). The balances due to related parties are unsecured, non-interest bearing and without fixed repayment terms.

Additionally, on April 1, 2021, the Company entered into an Independent Contractor Agreement (the "Agreement") with the CEO of the Company. According to the Agreement, the Company shall pay the CEO $20,000 with applicable tax per calendar month, to be paid monthly or in such other instalments and at such other times as the Consultant and the Company may mutually agree in writing. The Company shall pay all reasonable business and out-of-pocket expenses actually and properly incurred by the CEO from time to time in furtherance of or in connection with the Services including, but not limited to, all reasonable travel and other business expenses. The CEO will be entitled to a cash bonus in the amount of $250,000 upon the Company achieving a market capitalization of at least $75 million USD over a period of 30 trading days. According to the Agreement, the Company engaged CEO service to provide important services that include develop and direct the corporate strategy, resource allocation, review acquisitions or partnerships, drive or generate revenue growth, hire, and retain staff as necessary, support in capital raise rounds, manage past relationships and build business and collaborations. The Company has not compensated the CEO with a cash bonus based on these trading price calculations.

## 5. Long-Term Investments

On June 3, 2020, the Company entered into a license agreement with Bio-Stream Diagnostics Inc. ("Bio-Stream") to provide Bio-Stream with the right to use one of its patents registered to the Company for a one-time cash fee of $10. Bio-Stream was incorporated in the province of Alberta on June 1, 2020 by the Company, Stream - ML Technologies Inc., Merogenomics Inc., and Gamble Technologies Limited. The Company initially obtained 45% of Bio-Stream's issued and outstanding common shares upon incorporation, and the Company's CEO has been appointed as one of the four directors. In July 2021 Bio-Stream acquired a new technology based on bio-sensor platform which will reduce the company's ownership percentage in Bio-Stream to less than 35%. Bio-Stream was formed to focus on developing and providing a low-cost, rapid COVID-19 antigen-based detection solution.

(Stated in Canadian Dollars)

## 6. Right-of-use Asset and Lease Liability

| | Office Lease |
|---|---|
| **Cost:** | $ |
| At March 31, 2020 | 18,851 |
| Additions during the year | 31,041 |
| Disposals during the year | (18,851) |
| At March 31, 2021 | 31,041 |
| **Accumulated Depreciation:** | $ |
| At March 31, 2020 | 11,906 |
| Depreciation for the year | 11,256 |
| Disposals during the year | (18,851) |
| At March 31, 2021 | 4,311 |
| At June 30, 2021 | 6,898 |
| **Net book value:** | $ |
| At March 31, 2020 | 6,945 |
| **At March 31, 2021** | 26,730 |
| Depreciation for the period | (2,587) |
| **At June 30, 2021** | 24,143 |

Depreciation of the right-of-use asset is calculated using the straight-line method over the remaining lease term.

### Lease Liability

| | Office Lease |
|---|---|
| | $ |
| Lease liability recognized as at April 1, 2019 | 22,610 |
| Lease payments made | (15,150) |
| Interest on lease liability | 1,204 |
| At March 31, 2020 | 8,664 |
| Additions during the year | 31,041 |
| Lease payments made | (12,773) |
| Interest on lease liability | 785 |
| **At March 31, 2021** | 27,717 |
| Lease payment made | (2,951) |
| Interest on lease liability | 323 |
| **At June 30, 2021** | 25,089 |
| | |
| Short-term portion of lease liability at March 31, 2021 | 9,829 |
| Long-term portion of lease liability at March 31, 2021 | 15,260 |

(Stated in Canadian Dollars)

## 7. Long-Term Loans

| | **CEBA COVID-19 Relief Line of Credit** | **RRRF** | **Total** |
|---|---|---|---|
| Balance at March 31, 2020 | $- | $- | $- |
| Proceeds from loans | 60,000 | 40,000 | 100,000 |
| Fair value measurement adjustment – classified as government grants | (5,036) | (3,357) | (8,393) |
| Fair value of proceeds from loans at inception – March 31, 2021 | 54,964 | 36,643 | 91,607 |
| Interest accretion | 689 | 460 | 1,149 |
| **Balance at June 30, 2021** | **55,653** | **37,103** | **92,756** |

On July 27, 2020, the Company entered into an agreement to fund operations and project costs of the business with the Government of Canada under the Regional Relief and Recovery Fund (RRRF). The Company was advanced an interest free contribution of $40,000. No repayments on the advance are due until December 31, 2022. If the Company repays 75% of the advance by December 31, 2022, the remaining 25% of the advance will be forgiven under the terms of the agreement. Repayments of the Contribution can be made at any time at the discretion of the Company. Shall the contribution not be repaid by December 31, 2022, the balance owing will become due in 36 monthly payments commencing January 31, 2023 and ending December 31, 2025. Any amounts owing at December 31, 2025 will become immediately due bearing interest at the average bank rate plus 3%.

On August 18, 2020, the Company entered into a loan with a major Canadian bank by way of a Government sponsored COVID-19 relief line of credit under the Canada Emergency Business Account (CEBA). The revolving line of credit is interest free and due on December 31, 2022, up to a maximum of $60,000. There is no repayment schedule inherent in the agreement outside of the above due date and the line of credit is interest free until December 31, 2022. If the Company repays 75% of the aggregate amount advanced on or before December 31, 2022, the remaining 25% will be forgiven. Any amounts owing subsequent to December 31, 2022, can be extended to December 31, 2025 at an interest rate of 5% per annum. The Company has drawn on the line of credit in full as at March 31, 2021.

Both advances noted above are interest free and are discounted to their fair value at the inception of the loan. The discounted portion is accounted for as other income in the current year. Interest on the loan is charged using the effective interest rate method and recorded as interest accretion.

Contractual payments of long-term debt payable are as follows as at June 30, 2021:

| | $ |
|---|---|
| 2022 | - |
| 2023 | 100,000 |
| 2024 | - |
| 2025 | - |
| 2026 | - |
| 2027 and thereafter | - |
| Total | 100,000 |

## 8. Share Capital

a) Authorized
Unlimited common shares, without par value.

b) Issued

Common shares issued and outstanding – see consolidated Statements of Changes in Deficiency

On April 19, 2019, the Company closed a non-brokered private placement of 2,000,000 units at $0.10 per unit for total consideration of $200,000, of which $7,400 has been allocated to the share purchase warrants using the residual value method. Each unit is composed of one common share and one share purchase warrant. Each warrant will entitle the holder to acquire one share at a price of $0.20 per share for a period of two years. Of the 2,000,000 units, 370,000 units were issued to settle outstanding debt with the CEO of $37,000.

On June 17, 2019, the Company issued 1,000,000 common shares at $0.165 per share to settle outstanding debt with the CEO and interim CFO of $150,000, a loss on settlement of debt in the amount of $15,000 has been recognized.

On December 13, 2019, the Company closed a private placement of 2,031,157 units at $0.30 per unit for total consideration of $609,347 of which $81,246 has been allocated to the share purchase warrants using the residual value method. Each unit is composed of one common share and one-half share purchase warrant. Each warrant will entitle the holder to acquire one common share at a price of $0.45 per share for a period of two years. In connection with the private placement, the Company paid finder's fees of $9,600 cash and issued 32,000 share purchase warrants at a fair value of $4,845.

On December 13, 2019, the Company issued 200,000 units consisting of one common share and one-half share purchase warrant for the settlement of $60,000 of outstanding debt with the CEO and interim CFO. Each warrant will entitle the holder to acquire one common share at a price of $0.45 per share for a period of two years. The Company has allocated $8,000 to the share purchase warrants using the residual value method.

During the year ended March 31, 2020, the Company issued 19,998 common shares at a price per share of $0.30 for a total amount of $5,999 to consultants for services.

During the year ended March 31, 2020, the Company issued 2,047,455 common shares from the exercise of share purchase warrants for gross proceeds of $307,119, of which $120,000 was receivable at year-end.

During the year ended March 31, 2021, the Company issued 2,550,000 common shares from the exercise of share options for gross proceeds of $582,500.

During the year ended March 31, 2021, the Company issued 1,920,500 common shares from the exercise of share purchase warrants for gross proceeds of $328,575.

On April 15, 2021, the Company issued 1,190,000 common shares from the exercise of share purchase warrants for gross proceeds of $235,000

(Stated in Canadian Dollars)

**8. Share Capital** (continued)

c) Stock Options:

The Company's current stock option plan (the "New Stock Option Plan") was last approved by the shareholders on December 20, 2019. Pursuant to the Existing Plan, the maximum number of common shares of the Company which may be authorized for reservation for the grant of options from time to time shall be 10% of the Company's then issued and outstanding common shares. The plan provides for the granting of options to directors, employees and consultants. The Board of Directors determines the features of the awards, including the exercise price, the term and vesting provisions, provided no stock options will have a term exceeding five years.

On December 31, 2019, the Company granted 3,735,000 stock options to directors, officers, consultants and employees. These options can be exercised at $0.30 per share until December 31, 2024. The fair value of the stock options is $847,282.

On December 31, 2019, the Company granted 60,000 stock options to consultants. These options can be exercised at $0.30 per share until December 31, 2021. The fair value of the stock options is $8,613.

On June 9, 2020, the Company granted 150,000 stock options to consultants. These options can be exercised at $0.30 per share until June 9, 2022. The fair value of the stock options is $12,602.

On March 2, 2021, the Company granted 2,100,000 stock options to consultants. These options can be exercised at $0.25 per share until March 2, 2023. The fair value of the stock options is $382,879.

The Company used the Black-Scholes option pricing model with weighted average assumptions and resulting values for grants as follows:

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Assumptions: | | |
| Weighted average share price | $0.24 | $0.30 |
| Weighted average risk-free interest rate *(%)* | 0.25% | 1.69% |
| Expected life *(years)* | 2.00 years | 4.96 years |
| Weighted average expected volatility *(%)* | 154% | 222% |
| Expected dividend | Nil | Nil |
| Expected forfeiture rate | Nil | Nil |

The weighted average fair value of each option granted was $0.18 (2020 - $0.23).

(Stated in Canadian Dollars)

**8. Share Capital** (continued)

c) Stock Options: (continued)

Information regarding the Company's outstanding share purchase options is summarized below:

| | Expiry date | Number of options outstanding | Weighted Average Exercise price |
|---|---|---|---|
| Balance, March 31, 2019 | | 4,675,000 | $0.22 |
| Granted | December 31, 2021 | 60,000 | $0.30 |
| Granted | December 31, 2024 | 3,735,000 | $0.30 |
| Expired | October 31, 2019 | (3,325,000) | $0.25 |
| Balance, March 31, 2020 | | 5,145,000 | $0.26 |
| Granted | June 9, 2022 | 150,000 | $0.30 |
| Granted | March 2, 2023 | 2,100,000 | $0.25 |
| Exercised | September 15, 2020 | (550,000) | $0.15 |
| Exercised | March 2, 2023 | (2,000,000) | $0.25 |
| Expired | September 15, 2020 | (550,000) | $0.15 |
| Cancelled | June 9, 2022 | (100,000) | $0.30 |
| Balance, June 30, 2021, and March 31, 2021 | | 4,195,000 | $0.29 |

The number of options exercisable as at June 30, 2021 was 4,195,000 (2020 – 5,295,000 options).

d) Warrants:

Information regarding the Company's outstanding warrants is summarized below:

| | Expiry date | Number of warrants outstanding | Number of warrants exercisable | Weighted Average Exercise price |
|---|---|---|---|---|
| Balance, March 31, 2019 | | 5,461,955 | 5,461,955 | $0.15 |
| Expired | June 29, 2019 | (2,304,000) | (2,304,000) | $0.15 |
| Exercised | June 29, 2019 | (1,110,955) | (1,110,955) | $0.15 |
| Exercised | September 20, 2019 | (936,500) | (936,500) | $0.15 |
| Issued | April 19, 2021 | 2,000,000 | 2,000,000 | $0.20 |
| Issued | December 14, 2021 | 1,147,579 | 1,147,579 | $0.45 |
| Balance, March 31, 2020 | | 4,258,079 | 4,258,079 | $0.25 |
| Exercised | October 4, 2020 | (1,110,500) | (1,110,500) | $0.15 |
| Exercised | April 19, 2021 | (810,000) | (810,000) | $0.20 |
| Balance, March 31, 2021 | | 2,337,579 | 2,337,579 | $0.32 |
| Exercised | April 19, 2021 | (1,190,000) | (1,190,000) | $0.20 |
| Balance, June 30, 2021 | | 1,147,579 | 1,147,579 | |

The number of warrants exercisable as at June 30, 2021 was 1,147,579 (2020 – 4,258,079 warrants).

## 9. Financial Instruments

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – Inputs that are not based on observable market date.

No financial assets were measured at fair value in 2021 and 2020.

*Credit risk*
The Company is not exposed to credit risk.

*Interest rate risk*
Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

*Liquidity risk*
The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

The Company intends to meet its current obligations in the following year with funds to be raised through private placements, shares for debt, loans and related party loans. See Note 1.

## 10. Capital Risk Management

The Company defines its capital as shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its technologies and to maintain a flexible capital structure for its projects for the benefit of its shareholders. As the Company is in the development stage, its principal source of funds is from the issuance of common shares.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash. The Company is not subject to externally imposed capital requirements.

## 11. Commitments

a) The Company is committed to an office lease for its office in Richmond, British Columbia expiring on October 2023. Minimum lease payments of $11,805 annually are required until October 2023.

b) The Company is committed to an Independent Contractor Agreement with the CEO and CFO as described in Note 4.