

**BIOMARK DIAGNOSTICS INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
March 31, 2015 and 2014  
(Stated in Canadian Dollars)



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## INDEPENDENT AUDITORS' REPORT

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To the Shareholders of  
Biomark Diagnostics Inc.

We have audited the accompanying consolidated financial statements of Biomark Diagnostics Inc. which comprise the consolidated statements of financial position as at March 31, 2015, and the consolidated statements of comprehensive loss, cash flows and changes in equity for the year then ended and the related notes comprising a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained based on our audit is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Biomark Diagnostics Inc. as at March 31, 2015, and its consolidated financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### **Emphasis of Matter**

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Biomark Diagnostics Inc. to continue as a going concern.

### **Other Matter**

The financial statements of Biomark Cancer Systems Inc. (formerly Luger Minerals Corp.) for the period from incorporation on February 27, 2014 to March 31, 2014 were audited by another auditor who expressed an unmodified opinion on those statements on October 6, 2014.

*/s/ Manning Elliott LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS  
Vancouver, British Columbia  
July 14, 2015

**BIOMARK DIAGNOSTICS INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**MARCH 31, 2015 AND 2014**  
(Stated in Canadian Dollars)

	Note	2015 (Note 1) \$	2014 (Note 1) \$
<b>ASSETS</b>			
Current			
Cash		196,235	92,000
Amounts receivable		30,875	-
Prepaid expenses		3,225	-
		230,335	92,000
<b>LIABILITIES</b>			
Current			
Accounts payable and accrued liabilities		47,293	5,083
Due to a related party	4	35,081	-
		82,374	5,083
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	5	2,420,072	102,000
Share subscriptions received	10(b)	100,000	-
Contributed surplus	5	518,127	-
Deficit		(2,890,238)	(15,083)
		147,961	86,917
		230,335	92,000

Nature and Operations and Going Concern (Note 1)

Commitments (Note 9)

Subsequent Events (Note 10)

Approved by the Board on July 14, 2015

“Rashid Ahmed”  
Rashid Ahmed, Director

“Dr. Bram Ramjiawan”  
Dr. Bram Ramjiawan, Director

**BIOMARK DIAGNOSTICS INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
(Stated in Canadian Dollars)

		Year ended March 31, 2015 (Note 1)	Period from incorporation on February 27, 2014 to March 31, 2014 (Note 1)
	Note	\$	\$
Expenses:			
Consulting fees	4	535,425	-
Listing fees	1	1,281,973	-
Office and miscellaneous		79,122	3,500
Professional fees		214,085	11,583
Research and other		211,036	-
Share-based compensation	5	483,423	-
Travel		79,291	-
		2,884,355	15,083
Other income		9,200	-
Net loss and comprehensive loss		(2,875,155)	(15,083)
Basic and diluted loss per share		\$ (0.11)	\$ -
Weighted average number of common shares outstanding		25,657,457	4,900,000

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

**BIOMARK DIAGNOSTICS INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Stated in Canadian Dollars)

	Note	Year ended March 31, 2015 (Note 1)	Period from incorporation on February 27, 2014 to March 31, 2015 (Note 1)
		\$	\$
Operating Activities			
Net loss		(2,875,155)	(15,083)
Items not affecting cash:			
Listing expenses		1,225,204	-
Stock-based compensation		483,423	-
		(1,166,528)	(15,083)
Changes in non-cash working capital items related to operations:			
Amounts receivable		(30,875)	-
Prepaid expenses		(3,225)	-
Accounts payable and accrued liabilities		93,710	5,083
Cash used in operating activities		(1,106,918)	(10,000)
Financing Activities			
Advances from related parties		35,081	-
Issue of common shares, net of issuance costs		1,076,072	102,000
Share subscriptions received		100,000	-
Cash provided by financing activities		1,211,153	102,000
Increase in cash		104,235	92,000
Cash, beginning		92,000	-
Cash, ending		196,235	92,000
Supplemental Disclosure of Cash Flow Information:			
Cash paid during the period:			
Interest		-	-
Income taxes		-	-
Non-cash transaction			
Shares issued for IP	1	-	-
Shares issued for debt settlement	5	51,500	-

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

**BIOMARK DIAGNOSTICS INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Stated in Canadian Dollars)

	<b>Number of Shares</b>	<b>Share Capital</b>	<b>Share Subscriptions Received</b>	<b>Contributed Surplus</b>	<b>Deficit</b>	<b>Total</b>
		\$	\$	\$	\$	\$
Balance at incorporation, February 27, 2014	-	-	-	-	-	-
Shares issued for cash	6,600,000	102,000	-	-	-	102,000
Comprehensive loss	-	-	-	-	(15,083)	(15,083)
Balance, March 31, 2014	6,600,000	102,000	-	-	(15,083)	86,917
Shares issued for cash	500,000	10,000	-	-	-	10,000
Shares return for cancellation	(2,200,000)	(34,704)	-	34,704	-	-
Shares issued for assets	40,000,000	-	-	-	-	-
	44,900,000	77,296	-	34,704	(15,083)	96,917
Shares cancelled upon listing	(44,900,000)	-	-	-	-	-
Shares reissued to Biomark Cancer shareholders	44,900,000	1,147,704	-	-	-	1,147,704
Shares issued to Noor Energy Corporation	310,000	77,500	-	-	-	77,500
Shares issued for cash at \$0.25	2,035,040	508,760	-	-	-	508,760
Shares issued for cash at \$0.50	1,242,000	621,000	-	-	-	621,000
Share issue costs	-	(63,688)	-	-	-	(63,688)
Shares issued for debt settlement	148,000	51,500	-	-	-	51,500
Share subscriptions received	-	-	100,000	-	-	100,000
Stock-based compensation	-	-	-	483,423	-	483,423
Comprehensive loss	-	-	-	-	(2,875,155)	(2,875,155)
Balance, March 31, 2015	48,635,040	2,420,072	100,000	518,127	(2,890,238)	147,961

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

## **BIOMARK DIAGNOSTICS INC.**

Notes to Consolidated Financial Statements

For the year ended March 31, 2015 and

Period from incorporation on February 27, 2014 to March 31, 2014

(Stated in Canadian Dollars)

### **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 165 – 10551 Shellbridge Way, Richmond, British Columbia, V6X 2W8. The ultimate parent of Biomark Diagnostics is Biomark Technologies Inc. (“Biomark Technologies”), which is located at the same address as the Company.

#### Asset Purchase Agreement

On September 5, 2014 and amended on September 8 and 18, 2014, Luger Minerals Corp. (“Luger”) entered into an Asset Purchase Agreement with Biomark Technologies, Rashid Ahmed Bux (“Rashid”) and Bux Investments Ltd. (“Bux”) to acquire and transfer certain assets, properties and rights (collectively “IP”) to Luger for the following consideration:

- i) Issuance of 40,000,000 common shares of Luger to Biomark Technologies (issued on September 29, 2014);
- ii) Loan forgiveness of the balance due from Biomark Technologies;
- iii) Assumption of all expenses incurred by Biomark Technologies for this transaction.

#### Plan of Arrangement

During the year, the Company entered into an Arrangement Agreement (“Arrangement”) with Luger, Noor Energy Corporation (“Noor”) and Kyle Stevenson, the controlling shareholder of Noor (the “Controlling Shareholder”). Under the Arrangement, the following transactions took place on October 30, 2014:

- i) Luger acquired from Noor, which is a company listed on the Canadian Stock Exchange (“CSE”), all of the issued and outstanding shares of Noor’s wholly owned subsidiary, Biomark Diagnostics (the “Purchase Shares”), for consideration of \$5,000.
- ii) Each outstanding Luger common share was then exchanged for one Biomark Diagnostics common share, such that Luger became a wholly-owned subsidiary of Biomark Diagnostics.
- iii) Noor issued 1,000 of its common shares to Biomark Diagnostics in exchange for 370,000 common shares of Biomark Diagnostics. Out of the 370,000 shares, the Controlling Shareholder of Noor agreed to forgo 60,000 common shares, which were cancelled in October 2014.

Following the completion of the Arrangement, Biomark Diagnostics applied for a listing on the CSE. On November 3, 2014, the Company commenced trading on the CSE under the trade symbol “BUX”.

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**1. Nature and Operations and Going Concern (continued)**

As a result of the above noted transactions, the parties who controlled the IP before the Asset Purchase Agreement and the Arrangement continued to control Biomark Diagnostics Inc., including the IP. The historical costs of the IP were not identifiable or recognized prior to these transactions. As a result, no value has been allocated to the 40,000,000 shares issued to Biomark Technologies. The resulting financial statements are presented as a continuance of Luger and comparative figures presented in the financial statements after the Arrangement are those of Luger.

On October 15, 2014, Luger, now the wholly-owned subsidiary of Biomark Diagnostics Inc. changed its name to Biomark Cancer Systems Inc. ("Biomark Cancer").

For accounting purposes, the transaction is considered to be outside the scope of IFRS 3 *Business Combinations* since Biomark Diagnostics was inactive prior to the Arrangement and did not constitute a business. The Arrangement is accounted for in accordance with IFRS 2 *Share-based Payment* whereby the Biomark Cancer is deemed to have issued shares in exchange for its listing status at the fair value of the consideration received by the original shareholders of Biomark Diagnostics.

The fair value of all the consideration given and charged to listing expense was comprised of:

	Number of common shares	\$
Shares issued to Biomark Cancer shareholders	4,900,000	1,147,704
Shares issued to Noor, net	310,000	77,500
Cash paid to Noor		5,000
Other listing expenses		51,769
<b>Total listing expense</b>		<b>1,281,973</b>

The fair value of the common shares issued to Biomark Cancer shareholders in the amount of \$1,147,704 included in the listing expense is comprised 4,900,000 common shares at \$0.25 per share, less the share capital of Biomark Cancer prior to the Arrangement. The fair value of the shares issued to Noor for \$77,500 was based on \$0.25 per share, less the value of the 60,000 shares which will be forgone by the Controlling Shareholder. Therefore, no value has been recorded for the 60,000 shares. The fair value of \$0.25 per share was based on the fair value from the concurrent private placement.

Concurrent with the closing of the Arrangement, the Company placed 40,000,000 of the common shares, representing the shares issued in connection with the Asset Purchase Agreement, into escrow. These shares are subject to a 36-month escrow release period from the completion of the Arrangement with 10% released upon completion of the Arrangement and 15% of such escrowed shares released on the 6, 12, 18, 24, 30 and 36 month anniversaries of the completion of the Arrangement. As at March 31, 2015, there were 36,000,000 common shares held in escrow.



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**1. Nature and Operations and Going Concern (continued)**

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 March 31, 2015, the Company had accumulated deficit of \$2,890,238. 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. In the event that additional financial support is not received or operating profits are not generated, the carrying values of the Company's assets may be adversely affected.

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.

**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.

The financial statements were authorized for issue by the Board of Directors on July 14, 2015.

*Basis of Measurement and Consolidation*

The consolidated financial statements have been prepared on an accrual 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. The consolidated financial statements are presented in Canadian dollars which is also the functional currency for both Biomark Diagnostics and Biomark Cancer.

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Biomark Cancer. Biomark Cancer was incorporated on February 27, 2014 under the Business Corporation Act of British Columbia. All material inter-company balances and transactions have been eliminated upon consolidation.

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**3. Significant Accounting Policies**

*Significant Estimates and Assumptions*

The preparation of these consolidated financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments, assumptions used in valuing shares in listing expense and share-based payment calculations and the recoverability and measurement of deferred tax assets.

*Significant Judgements*

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

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

- Assessment of the acquisition of assets or business relating to the Asset Purchase Agreement involves significant judgement on the future operation of the Company;
- Classifying categories of financial assets and financial liabilities in accordance with IAS 39, Financial instruments: recognition and measurement;
- 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.

*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 available-for-sale investments.

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

*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.

*Intellectual properties*

Intellectual properties consist of patents and trademarks acquired from Biomark Technologies. 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.

*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. The recoverable amount is the higher of fair value less costs to sell 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.

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

*Impairment of tangible and intangible assets (continued)*

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*

Financial assets

Financial assets are classified into one of four categories:

- a) Fair value through profit or loss ("FVTPL");
- b) Held-to-maturity ("HTM");
- c) Loans and receivables; and
- d) Available for sale ("AFS").

Financial assets at fair value through profit or loss ("FVTPL")

A financial asset is classified at FVTPL if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management strategy. Attributable transaction costs are recognized in profit or loss when incurred. FVTPL are measured at fair value, and changes are recognized in profit or loss. The Company classified its cash and cash equivalents as FVTPL.

Held-to-maturity ("HTM")

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the asset is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in other comprehensive income or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market. Such assets are initially recognized at fair value plus any direct attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method, less any impairment losses. The Company classified its amounts receivable as loans and receivables.

Available for sale ("AFS")

Non-derivative financial assets not included in the above categories are classified as AFS. They are carried at fair value with changes in fair value recognized directly in other comprehensive income/loss. Where a decline in the fair value of an AFS financial asset constitutes objective evidence of impairment, the amount of the loss is removed from other comprehensive income/loss and recognized in profit or loss.

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

*Financial instruments (continued)*

Financial liabilities

Financial liabilities are classified into one of two categories:

- a) Fair value through profit or loss; and
- b) Other financial liabilities.

*Fair value through profit or loss*

This category comprises of derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with the changes in fair value recognized in profit or loss.

*Other financial liabilities*

This category includes liabilities which are recognized at amortized cost. The Company classified its accounts payable and due to related parties as FVTPL, which are measured at amortized cost.

*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.

Non-financial assets

Non-financial assets with finite lives are tested for impairment when events or changes in circumstances indicate that their carrying amounts may not be recoverable. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment. Any impairment loss is recognized in earnings or the results of discontinued operations, as appropriate, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating units" or "CGUs"). The Company evaluates impairment losses other than goodwill impairment, for potential reversals, when events or changes in circumstances warrant such consideration.

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

*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.

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.

*New accounting standards issued but not yet effective*

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

New accounting standards effective for annual periods on or after January 1, 2015:

**IAS 1 – Presentation of Financial Statements**

In December 2014, the IASB issued an amendment to address perceived impediments to preparers exercising their judgment in presenting their financial reports. The changes clarify that materiality considerations apply to all parts of the financial statements and the aggregation and disaggregation of line items within the financial statements.

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

New accounting standards effective for annual periods on or after January 1, 2015: (continued)

**IFRS 15 – Revenue from Contracts with Customers**

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programs, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The standard is effective for annual periods beginning on or after January 1, 2017.

**IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets**

In May 2014, the IASB issued amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. The amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

New accounting standards effective for annual periods on or after January 1, 2018:

**IFRS 9 - Financial Instruments**

In November 2009, as part of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013 the standard was revised to add the new general hedge accounting requirements. The standard was finalized in July 2014 and was revised to add a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income (FVOTCI) category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics test.

The extent of the impact of adoption of these standards and interpretations on the consolidated financial statements of the Company has not been determined.

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**4. Related Parties Transactions and Balances**

During the year ended March 31, 2015, the Company has the following transactions with Biomark Technologies:

	\$
Company expenses paid by Biomark Technologies	439,773
Loan receivable written off in accordance to the Asset Purchase Agreement	(48,692)
Amounts paid to Biomark Technologies	(356,000)
<b>Balance payable, March 31, 2015</b>	<b>35,081</b>

The expenses paid by Biomark Technologies represent costs incurred, plus applicable taxes, for the Asset Purchase Agreement described in Note 1.

**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:

	Year ended March 31, 2015	Period from incorporation on February 27, 2014 to March 31, 2014
	\$	\$
<b>Transactions</b>		
Consulting fees:		
Chief Executive Officer ("CEO") and a company controlled by the CEO	194,481	-
Chief Financial Officer ("CFO") and a company controlled by the CFO	57,940	-
Biomark Technologies Inc.	18,398	-
	<b>270,819</b>	<b>-</b>
Share-based compensation:		
CEO	183,067	-
CFO	21,197	-
Directors	33,723	-
	<b>237,987</b>	<b>-</b>



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**4. Related Parties Transactions and Balances (continued)**

**Key Management Compensation (continued)**

On May 14, 2014, the Company entered into an Independent Contractor Agreement (the "Agreement") with the CEO of the Company. According to the Agreement, the CEO will provide consulting services to the Company for one year with a compensation of \$240,000 per year plus benefits. In addition, the CEO will be paid a cash bonus equivalent to 30% of the annual salary at the end of each year if the trading price of the Company shares increased by more than 30% from the trading price at the beginning of the year. For the purpose of this calculation, the starting trading price is \$0.25 per share. The CEO will also be granted stock options for 1,000,000 shares at a price of \$0.25 per share (granted). Finally, if the Company's market capitalization exceeds \$200 million USD, the CEO will be paid an additional cash bonus of \$500,000.

In addition, on May 14, 2014, the Company also entered a General Service Agreement (the "Service Agreement") with Biomark Technologies Inc., a company that holds approximately 82% of the common shares of the Company as at March 31, 2015. Both Biomark Diagnostics and Biomark Technologies are controlled by the CEO of the Company. According to the Service Agreement, the Company engaged Biomark Technologies to provide services of research and development, quality management, IP refinement, training, territorial business development, supplier review and related functions (the "Services"). The Company will pay management fees equivalent to cost plus a 25% administration fee to Biomark Technologies and payable upon completion of the Services. For the year ended March 31, 2015, the Company paid \$18,398 to Biomark Technologies as administration fees.

**5. Share Capital**

a) Authorized  
Unlimited common shares, without par value.

b) Issued

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

The following transactions were incurred in Biomark Cancer prior to the Plan of Arrangement:

On February 27, 2014, Biomark Cancer issued 2,000,000 common shares at a price of \$0.005 per share for total proceeds of \$10,000.

On March 31, 2014, Biomark Cancer issued 4,600,000 common shares at a price of \$0.02 per share for total proceeds of \$92,000.

On April 29, 2014, Biomark Cancer issued 500,000 common shares at \$0.02 per share for total consideration of \$10,000.

On May 12, 2014, 2,200,000 common shares of Biomark Cancer were returned for cancellation for \$nil consideration. Accordingly, a gain of \$34,704 was recorded in the contributed surplus.

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

b) Issued (continued)

The following transactions were incurred in Biomark Diagnostics on and after the Plan of Arrangement:

Concurrent to the Arrangement described in Note 1, the Company closed a private placement of 2,125,040 common shares at \$0.25 per share for total consideration of \$531,260, of which 90,000 common shares were issued as a settlement of \$22,500 of debt. There was no gain or loss on the debt settlement. The Company incurred \$17,700 in share issuance costs.

On February 18, 2015, the Company closed a private placement of 1,300,000 units at \$0.50 per unit for total consideration of \$650,000, of which 58,000 units were issued to settle debts of \$29,000. Each unit is composed of one common share and one-half of a purchase warrant. Each warrant will entitle the holder to acquire one share at a price of \$0.80 per share for a period of two years. The expiry of the warrants may be accelerated if the closing price of the Company is greater than \$1.00 for 10 consecutive days. There was no value allocated to these warrants. The Company incurred share issue cost of \$45,988.

c) Stock Options:

The Company has reserved 4,490,000 common shares under its 2014 Stock Option Plan. 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 October 31, 2014, the Company granted 4,490,000 stock options to directors, officers, consultants, and employees. Stock options outstanding at March 31, 2015 will expire on October 31, 2019. Stock options granted to directors and officers of the Company (3,320,000 options) vest at 25% at the date of grant and 25% every six months thereafter. Stock options granted to consultants (1,170,000 options) vest at 33.33% every 6 month from the date of grant. As of March 31, 2015, there were 4,490,000 stock options outstanding and 830,000 stock options were vested and exercisable at \$0.25 per option. The weighted average life remaining for these options was 4.59 years and weighted average exercise price was \$0.25 per option.

The fair value of the share-based compensation from vested options recognized during the year ended March 31, 2015 was \$483,423. The Company used the Black-Scholes option pricing model with weighted average assumptions and resulting values for grants as follows:

	<b>2015</b>
<b>Assumptions:</b>	
Share price	\$0.30
Weighted average risk free interest rate (%)	1.46%
Expected life (years)	5.0 years
Weighted average expected volatility (%)	79%
Expected dividend	Nil
Expected forfeiture rate	Nil

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

c) Stock Options: (continued)

The weighted average fair value of each option granted was \$0.19.

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

	Expiry date	Number of options outstanding	Number of options exercisable	Exercise price
Balance, March 31, 2014	-	-	-	-
Granted	October 31, 2019	4,490,000	830,000	\$0.25
Balance, March 31, 2015		4,490,000	830,000	\$0.25

d) Warrants:

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

	Expiry date	Number of warrants outstanding	Number of warrants exercisable	Exercise price
Balance, March 31, 2014	-	-	-	-
Granted	January 2, 2016	151,000	151,000	\$0.80
Granted	February 18, 2016	499,000	499,000	\$0.80
Balance, March 31, 2015		650,000	650,000	\$0.80

The weighted average life remaining for these warrants was 0.86 years and weighted average exercise price was \$0.80 per warrant.

e) Contributed Surplus:

	\$
Balance, February 27, 2014 and March 31, 2014	-
Shares return for cancellation	34,704
Share-based compensation	483,423
Balance March 31, 2015	518,127

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**6. Financial Instruments**

*Classification*

The Company has classified its cash as FVTPL, amounts receivable as loans and receivables and are measured at amortized cost with a subsequent measurement reduction for allowances for doubtful accounts or provisions for impairment. Accounts payable and due to related parties are classified as other financial liabilities.

The following table summarizes the carrying values of the Company's financial instruments:

	2015	2014
	\$	\$
FVTPL (i)	196,235	92,000
Loans and receivables (ii)	4,589	-
Other financial liabilities (iii)	82,374	-

- (i) Cash
- (ii) Amounts receivable, excluding GST recoverable
- (iii) Accounts payable and due to related parties

*Fair values*

The Company's financial instruments include cash, amounts receivable, accounts payable and due to related parties. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature.

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

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

The following table sets forth the Company's financial assets measured at fair value on a recovering basis by level within the fair value hierarchy:

	Level 1	Level 2	Level 3	March 31, 2015
	\$	\$	\$	\$
Cash	196,235	-	-	196,235

**Credit risk**

The Company is exposed to credit risk with respect to its accounts receivable. To reduce the credit risk of the loan receivable, the Company regularly reviews the collectability.

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**6. Financial Instruments (continued)**

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.

**7. 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 stakeholders. 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.

**8. Income taxes**

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2015	2014
Combined statutory tax rate	26%	26%
	\$	\$
Expected income tax recovery at statutory rate	747,517	3,922
Share-based compensation	(125,670)	-
Other	16,539	-
Net change in deferred tax assets not recognized	(638,386)	(3,922)
Income tax expense	-	-

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**8. Income taxes (continued)**

Significant components of the Company's deferred income tax assets and liabilities are shown below:

	2015	2014
	\$	\$
Non-capital loss carry forward	629,061	3,922
Share issuance costs	13,247	-
	642,308	3,922
Deferred tax assets not recognized	(642,308)	(3,922)
Net deferred income tax assets	-	-

As at March 31, 2015, the Company has non-capital losses carried forward of approximately \$2,404,000 (2014 - \$15,000) which are available to offset future years' taxable income. These losses expire as follows:

	\$
2034	15,000
2035	2,404,000
	2,419,000

In assessing the likelihood of realization of deferred tax assets, management considers whether it is probable that some portion of all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of the deferred tax asset considered realizable could change materially in the near term based on future taxable income the carry forward period.

**9. Commitments**

- a) The Company is committed to an office lease for its office in Richmond, British Columbia expiring on October 2016. Minimum lease payments of \$25,962 annually are required until October 2016.
- b) On February 6, 2015, the Company entered into an agreement with a Caro Capital LLC ("Caro"), a Florida corporation, of which Caro will provide services for management consulting and public relations. The term of the agreement was six months. The Company is committed to issue 500,000 common shares and pay Caro \$2,500 per month. On April 20, 2015, the Company issued 500,000 common shares.
- c) The Company is committed to an Independent Contractor Agreement with the CEO as described in Note 4.
- d) The Company is committed to a General Service Agreement with Biomark Technologies Inc. as described in Note 4.

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**10. Subsequent Events**

- a) On April 20, 2015, the Company issued 500,000 common shares as described in Note 9(b).
- b) On June 3, 2015, the Company issued 178,376 common shares at \$0.50 per share for total proceeds of \$89,188. As at March 31, 2015, the Company received \$100,000 for this subscription. The remaining \$10,812 was refunded to the subscriber after the share issuance.
- c) On April 8, 2015, the Company entered into an office lease for premises in Surrey, British Columbia for the period from May 1, 2015 through May 1, 2016. Minimum lease payments of \$19,503 annually are required under the lease agreement.
- d) On May 3, 2015, 6,000,000 common shares were released from escrow.