**BIOMARK DIAGNOSTICS INC.**
Quarterly Report
December 31, 2015

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### 1.1 Date of Report: February 24, 2016

***The following management's discussion and analysis ("MD&A") should be read together with the condensed consolidated interim financial statements and accompanying notes for the three months period ended December 31, 2015, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.***

***This MD&A includes certain statements that may be deemed "forward-looking statements". Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "project", "predict", "potential", "could", "might", "should" and other similar expressions. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.***

### 1.2 Overall Performance

**Nature of Business and Overall Performance**

BioMark Diagnostics Inc. was incorporated under the Business Corporation Act of British Columbia on June 19, 2014. The head office of the Company is 165-10551 Shellbridge Way, Richmond, British Columbia, V6X 2W8.

**Background**

We are a Canadian based company that has purchased all the assets related to, and will continue to develop, an advanced stage cancer diagnostic business. Our cancer diagnostics technology was initially licensed from the University of Manitoba in Canada in 2006 by Bux Group and was subsequently assigned to BioMark Technologies Inc ("BTI"), with whom we completed an asset purchase agreement on September 29, 2014, described in detail below under "Significant Acquisitions and Dispositions". The diagnostic technology has developed to date into a metabolomics-based diagnostic assay that allows for cancer detection, monitoring and prognosis for treatment.

We are currently focused on bringing our cancer diagnostic kits and detection system up to commercialization standards and we hope to commence export once clinical trials and regulatory acceptance are obtained from Health Canada and other applicable regulatory agencies. Phase 3 clinical trial approval was granted by Health Canada in July, 2012, and the trials commenced at Saint Boniface Research Centre in October, 2013, and expanded to one additional site in Bangladesh. The Phase 3 study focus is on breast, prostate, lung and gastrointestinal cancers. We hope that the multi-site study will aid in accelerating trial completion by mid 2016.

On September 29, 2014, BioMark Cancer Systems Inc. ("BCS"), completed an Asset Purchase Agreement with BTI to purchase the rights, title and interest in and to BTI's advanced stage cancer diagnostic business (the "Diagnostic Business") including all related research, technologies and products, and the corresponding intellectual property rights and moral rights thereto.

Pursuant to the Asset Purchase Agreement, we obtained numerous assets relating to the Diagnostic Business. These include: five patents relating to the cancer diagnostic technology, registered or applied for in jurisdictions around the world; all of the diagnostic products, such as assays, kits, technology and detection systems, and any prototypes thereof; a real property lease for office premises; all of the tangible property; all of the know-how; all of the books and records, including all research, clinical studies and trial data, patient lists, plans, manuals and applications; a number of material contracts relating to the Diagnostic Business; all inventory allocated or assigned to the Diagnostic Business as of the closing of the Asset Purchase Agreement; the internationally registered BioMark™ trademarks to which BTI held transfer rights prior to the closing of the Asset Purchase Agreement; the intellectual property rights relating to several governmental and university partnerships; and all governmental approvals required for the lawful operation of the Diagnostic Business, to the extent transferable to BCS under the applicable laws.

BCS assumed some limited liabilities pursuant to the Asset Purchase Agreement relating to the transferred contracts and property lease, as well as to the operation and conduct of the Diagnostic Business after the closing of the Asset Purchase Agreement. BCS also assumed liability for BTI's accounts payable arising out of, relating to or incurred in connection with the Diagnostic Business as they stood at signing, and up to the closing of the Asset Purchase Agreement.

As a result of the Asset Purchase Agreement, to ensure continued involvement of persons possessed of scientific knowledge relating to the Diagnostic Business, BCS intends to enter into several independent contractor's agreements with key individuals involved with the research, technology and development of the Diagnostic Business.

**Plan of Arrangement**

On October 30, 2014, the Company executed an Arrangement Agreement ("Arrangement") which was entered into among Luger Minerals Corp ("Luger"), Noor Energy Corporation. ("Noor"), BioMark, and Kyle Stevenson, the controlling shareholder of Noor (the "Controlling Shareholder").

According to the Arrangement, Luger acquired from Noor all of the issued and outstanding shares of BioMark (the "Purchase Shares") for consideration of $5,000. BioMark and the shareholders of Luger then completed a one-for-one share exchange pursuant to which Luger became a wholly-owned subsidiary of BioMark. In addition, Noor issued 1,000 of its common shares to BioMark in exchange for 370,000 shares of BioMark, of which the Controlling Shareholder of Noor agreed to forgo 60,000 BioMark shares to which he would otherwise be entitled to, which were cancelled in October 2014.

As a result of the Arrangement, the shareholders of Luger own a majority of the issued and outstanding shares of BioMark. Accordingly, this transaction will be accounted for as a reverse acquisition. On October 15, 2014, Luger changed its name to BioMark Cancer Systems Inc.

On October 30, 2014, the Company issued 90,000 common shares to settle debt of $22,500.
On October 30, 2014, the Company issued 310,000 common shares pursuant to the terms of the Arrangement agreement.

On October 30, 2014, the Company completed the share exchange with the shareholders of Luger and 47,335,040 common shares were issued and outstanding pursuant to the terms of the Arrangement agreement.

On October 31, 2014, the Company granted 4,490,000 stock options to directors and officers and consultants exercisable at $0.25 per share expiring five years from the date of grant. Stock options granted to directors and officers of the Company (3,320,000) vest at 25% at the date of grant and 25% every six months thereafter. Stock options granted to consultants (1,170,000) vest at 33.33% every 6 month from the date of grant.

On November 3, 2014, the Company commenced trading on the CSE under the trade symbol "BUX".

The Company is focused on the research, development and commercialization of its novel Acetylated BioMarker Assay ("ABA") Red Alert technology (the "Technology"). The Technology is a patented screening technology that is used to determine the amount of cancer in the body ("Tumour Burden"), has broad applications and is suited for determining the presence of solid tumours as well as predicting tumour response to treatment and monitoring.

The Technology works by screening for the acetylated form of a Health Canada and Food and Drug Administration ("FDA") approved drug (amantadine) which is given to patients prior to measurement in body fluids using liquid chromatography - tandem mass spectrometry ("LC MS/MS"). The amantadine acetylation is performed by an enzyme, spermidine/spermine N-acetyltransferase ("SSAT"). This is the basis of determining Tumour Burden. The Technology is designed to provide information that is highly sensitive, reliable and specific for early stage 'red alerts' for solid tumours. Our current diagnostic assay involves hospital or commercial laboratory-based testing using our internally-developed standard for LC-MS/MS, for which an Investigational Testing Authorization was approved by Health Canada. Pursuant to the Asset Purchase Agreement we acquired the first generation acetyl amantadine enzyme-linked immunosorbent assay ("ELISA") kits, and the necessary validation and selected tests are now being conducted to meet technical and regulatory standards. We are also in the process of developing point-of-care ("POC") immunochromatography test ("ICT") kits and an infrared ("IR") Raman-based detection system, which provides metabolite detection using a proprietary spectrometry technology. Diagnostic testing costs associated with our products are expected to decrease significantly upon the launch of our ELISA kits, POC ICT kits and the Raman system, in comparison to the LC MS assay tests.

### 1.3 Results of Operations

As a result the parties who controlled the Diagnostic Business before the Asset Purchase Agreement and the Arrangement continued to control BioMark Diagnostics Inc., including the Diagnostic Business, after the Asset Purchase Agreement and the Arrangement. The business consisting of the Diagnostic Business is deemed to have issued shares in exchange of the listing status of BioMark Diagnostics Inc. As a result, no value has been allocated to the 39,937,500 shares issued to BTI.

The resulting consolidated statements of financial position are presented as a continuance of the BioMark Cancer Systems Inc. (formerly Luger Minerals Corp. and comparative figures presented in the financial statements after the Arrangement are those of the BioMark Cancer Systems Inc .

The Company has generated revenues in the amount of $nil for the three months ended December 31, 2015 and has a negative operating cash outflows in the amount of $493,556 for the three month period ended December 31, 2015. The Company has recorded a loss of $260,892 for the three months ended December 31, 2015.

**SUMMARY OF QUARTERLY RESULTS**

The following table summarizes quarterly results for the past eight quarters:

| | December 31, 2015 | September 30, 2015 | June 30, 2015 | March 31, 2015 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Total Revenue | - | 4,410 | - | - |
| Expenses | 260,892 | 236,597 | 209,292 | 824,516 |
| Net Loss | 260,892 | (232,187) | (209,292) | (824,516) |
| Loss per Share | (0.005) | (0.005) | (0.007) | (0.10) |

| | December 31, 2014 | September 30, 2014 | June 30, 2014 | March 31, 2014 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Total Revenue | - | - | - | - |
| Expenses | 2,059,839 | 51,406 | 65,999 | 15,083 |
| Net Loss | (2,059,839) | (51,406) | (65,999) | (15,083) |
| Loss per Share | (0.07) | (0.010) | (0.011) | - |

### 1.4 Liquidity

The Company has total assets of $44,464 as at December 31, 2015 consisting of cash, amounts receivable and prepaid expenses and has a negative working capital of $509,043 in which the majority amount is supported by BioMark Technologies per agreement. (See Note 4 of the financial statements)

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on funding through future equity issuances and through short term debt instrument in order to finance ongoing operations. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all. See subsequent event for additional information.

### 1.5 Share Capital

As at December 31, 2015, the Company had 49,403,416 common shares issued and outstanding.

### 1.6 Share Purchase Warrants

As at December 31, 2015, the Company had 759,188 shareholder warrants issued and outstanding. On February 18, 2015, the Company completed a Non-Brokered Private Placement at a price of $0.50 per unit for proceeds of $750,000, resulting in the issuance of 1,500,000 common shares and 750,000 warrants. Each warrant will entitle the holder to purchase an additional common share at an exercise price of $0.80 per share for a period of 12 months following the issuance of the warrants.

### 1.7 Stock Options

The Company has reserved 4,490,000 common shares under its 2014 Amended Stock Option Plan. The plan provides for the granting of options to directors, employees and consultants. Stock options granted generally have varying expiry terms of up to five years and vesting periods determined at the discretion of the directors.

During the period, there were 4,490,000 stock options granted to directors, consultants and employees. As at December 31, 2015, the Company had outstanding 4,490,000 stock options with a weighted average remaining contractual life of 3.83 years and with a weighted average exercise price of $0.25 per share.

### 1.8 Capital Resources

The Company does not have any other commitments for material capital expenditures.

### 1.10 Off Balance Sheet Arrangements

There is no off-balance sheet arrangements to which the Company is committed.

### 1.11 Transactions with Related Parties

During the period ended December 31, 2015, the Company entered into the following transactions with related parties:

a) For the three-month period December 31, 2015, directors, officers and consultants of the company provided consulting services to the company value at $48,000. These charges are included in corporate and professional services and wages.

b) For the three-month period December 31, 2015, the Company recognized $29,509 of the stock-based compensation for stock option held by directors and officers. This amount is included in stock-based compensation expense.

### 1.12 Fourth Quarter

N/A

### 1.13 Proposed Transaction/Subsequent events

Subsequent to December 31, 2015:

(a) On February 16, 2016, the Company announced that it has completed the internal standards for its assay to meet both Health Canada and FDA requirements for the 200 patient trial completed in Fall of 2015.

### 1.14 Critical Accounting Estimates

*Critical Estimates and Assumptions*

The preparation of the condensed 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.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and the recoverability and measurement of deferred tax assets.

The most significant judgments in applying the Company's financial statements is the classification of financial instruments and the going concern assumption.

### 1.15 Changes in Accounting Policies

Accounting standards issued but not yet applied

The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements. The Company is currently evaluating the potential impacts of these new standards and does not anticipate any material changes to the financial statements upon adoption of this new and revised accounting pronouncement.

- IFRS 9 – *Financial Instruments* (effective January 1, 2018) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.

### 1.16 Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, accounts receivable, accounts payable and due to a related party.

The Company's financial instruments are exposed to the following risks:

Credit risk

The Company is exposed to credit risk with respect to its loan receivable. To reduce the credit risk of the loan receivable, the Company regularly reviews the collectability. Currently there is no indication that the loan will not be fully recoverable.

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.

***Fair value***

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

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

## 1.17 Other MD&A Requirements

A. For more information about the Company, see www.sedar.com. The Company has not filed an AIF Annual Information Form.

B. Information required in the following section of National Instrument 51-102, if applicable:

i) Section 5.3 – *Additional Disclosure for Venture Issuers without Significant Revenue*

An analysis of material components of the Company's general and administrative expenses is disclosed in the Statement of Comprehensive Loss forming part of the Financial Statements for the period ended December 31, 2015 to which this MD&A relates.

ii) Section 5.4 - *Disclosure of Outstanding Share Data*

a. Authorized:

Unlimited common shares without par value

b. Common Shares Issued:

| | Number | Amount |
|---|---|---|
| Balance, December 31, 2015 | 49,403,416 | $ 2,520,762 |
| Balance, February 24, 2016 | 50,619,416 | $ 2,520,762 |

As at February 24, 2016 and December 31, 2015, there were 24,000,000 common shares held in escrow.

c. Stock options:

As at the date of the MDA, there are 4,490,000 stock options outstanding to acquire up to 4,490,000 common shares at $0.25 per share exercisable until October 31, 2019. As at February 24, 2016 and December 31, 2015, 3,270,000 options were vested and exercisable.

(iiii) Section 5.7 – *Additional Disclosure for Reporting Issuers with Significant Equity Investees*.

Not applicable.

C. Disclosure required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings.*

Not applicable.

## Risk Factors

The Company is focused on more select market introduction and development of all its product lines while instituting cost control of product development. The failure to generate future sales in the Company's main products could have a significant and adverse affect on the Company.

Additionally, the Company is engaging in prototype development, conducting additional clinical research related to technology positioning, protocol development and regulatory submissions. Negative clinical trials along with regulatory non approval or delays could adversely affect sales, product commercialization and could have a major impact on the Company.

BioMark's success will depend in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse affect on the Company. BioMark does not anticipate having key person insurance in effect for management. However, the Company will institute an insurance policy that provides directors and officers a minimum of $2 million liability coverage in the coming quarters. The contributions of these individuals to the immediate operations of BioMark are of central importance. In addition, there can be no assurance that BioMark will be able to continue to attract and retain all personnel necessary for the development and operation of its business.

The Company has incurred a net loss for the period ended December 31, 2015 of $260,892 and has a deficit of $3,592,609 as at December 31, 2015. Management is continuing efforts to attract additional equity, capital investors and has implemented cost control measures to maintain adequate levels of working capital. Nevertheless, there can be no assurance provided with respect to the successful outcome of these ongoing actions. If the Company is unable to obtain additional financing on reasonable terms, the Company may be required to curtail or reduce its operations to continue as a going concern.

In addition, the Company's limited working capital could affect the Company's ability to seize upon opportunities requiring investment, or to reinvest in its products in a timely manner.