STAGEZERO LIFE SCIENCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three month period ended March 31, 2023 and 2022
[Expressed in US dollars unless otherwise noted]

The following discussion and analysis ("MD&A") provides management's perspective on the financial position and results of operations of StageZero Life Sciences Ltd. ("StageZero Life Sciences" or the "Company") on a consolidated basis for the three-month periods ended March 31, 2023 and 2022, and it should be read in conjunction with the audited consolidated financial statements for the three month period ended March 31, 2023 and 2022, which have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and using the accounting policies described therein. While the presentation currency of the consolidated enterprise remains United States dollars (USD) the functional currency of Clinics Operations Ltd is Great Britain Pounds (GBP). The most recent audited consolidated financial statements and annual information form ("AIF") are available on SEDAR at www.sedar.com and on the StageZero Life Sciences website: www.stagezerolifesciences.com.

The audit committee of the board of directors (the "Audit Committee") and the board of directors (the "Board") have reviewed and approved the contents of this MD&A, which was current as at May 15, 2023.

The use of "Company" and "StageZero Life Sciences" in all forms refers to StageZero Life Sciences Ltd. and its subsidiaries, unless otherwise noted. The use of "our", "we" and "us" in this document refers to StageZero Life Sciences or its management. Our registered offices are located in Richmond Hill, Ontario, Canada, near Toronto, and we have the following wholly owned subsidiary companies, StageZero Holdings Inc., which owns 100% of our US subsidiaries, StageZero Life Sciences Inc., Care Oncology Inc. and SZ Physician Holdings, Inc. In addition, Clinics Operations Limited in the UK is owned by StageZero Life Sciences, Ltd.

FORWARD-LOOKING STATEMENTS AND GOING CONCERN UNCERTAINTY

This MD&A contains certain forward-looking statements identified by words such as "believe", "anticipate", "estimate", "expect", "intend", "may", "will", "would" and similar expressions as well as negative variations thereof, although not all forward-looking statements contain these identifying words. There are a number of risks, uncertainties and other factors that could cause our actual results to differ materially from those indicated or implied by forward-looking statements. See "Risk Factors". We cannot guarantee the outcome of plans, intentions or expectations disclosed in forward-looking statements and you should not place undue reliance on these forward-looking statements. Any forward-looking statements represent our estimates at the time such statements are made only, and they should not be relied upon as representing our estimates as at any subsequent date. We do not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Specifically, this MD&A contains forward-looking statements regarding (i) our ability to secure new financing on reasonable terms and continue to operate as a going concern; (ii) the success and profitability and our ability to support the commercialization of our product and in-licensed tests; (iii) the impact of the trading patterns in our share price; (iv) the impact of dilution on existing shareholders given the nature of new financings which we obtain; (v) the impact of regulators' actions, including the Toronto Stock Exchange and the Ontario Securities Commission on our business; (vi) the success of our collaborations and strategic partnerships to generate sufficient revenue to support our operations; (vii) the demand for our products; (viii) our ability to obtain any necessary regulatory approvals for our products and processes; (ix) the likelihood of our products gaining reimbursement by third-party payers, such as private health insurers, managed-health organizations and state-sponsored health insurance plans for each jurisdiction in which our products are offered; (x) our ability to protect our competitive position through patents, trade secrets, trademarks, know-how and other intellectual property rights; (xi) our compliance with privacy laws; (xii) our sales, marketing and distribution strategy; (xiii) our ability to manage corporate growth, commercial expansion and interruptions of operations; (xiv) changes to key personnel; (xv) changes to foreign exchange rates; (xvi) changes in interest rates; (xvii) litigation; (xviii) material weakness in financial controls; (xix) fluctuations in quarterly results; (xx) the current enterprise value assigned by the market; and (xxi) general business and economic conditions.

In developing the forward-looking statements in this MD&A, we have applied several material assumptions, including those related to general business and economic conditions as well as our ability to attract new financing on reasonable terms.

As there can be no certainty as to the outcome of the above matters, there is material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

BUSINESS

StageZero Life Sciences is a vertically integrated healthcare company devoted to improving the early detection and management of cancer and other chronic diseases through leading-edge molecular diagnostics and clinical interventions.

On September 2, 2021, the Company acquired 100% of the shares of Clinics Operations Limited ("COL"), a company incorporated in the United Kingdom ("UK") and, through the Company's newly incorporated subsidiaries CareOncology Inc.("COI") and CareOncology Physicians ("COP"), the operating assets of Health Clinics USA Corp., both from Health Clinics Limited ("HCL"), the ultimate parent of both entities

COI and COL (collectively "CareOncology") offers telemedicine-based clinical services globally with a focus in the US and the UK through three specific clinical programs, the CareOncology Protocol (TREAT), COC Plus and AVRT.

StageZero Life Sciences, Inc. is focused on developing and commercializing proprietary molecular diagnostic tests for early detection of diseases and for personalized health management, with an initial focus on cancer-related indications. We have developed a powerful approach to identifying unique RNA-based biomarkers from whole blood. We call this proprietary platform technology the Sentinel Principle®. It has the ability to detect virtually any disease or medical condition from a simple blood sample. The science behind the Sentinel Principle® led to the development of our first commercial product, ColonSentry®, a blood-based test for assessing an individual's current risk of having colorectal cancer. Our newest program called Aristotle®, also developed using the Sentinel Principle®, is the first mRNA-based multi-cancer detection panel using a single sample of blood and focuses on detecting cancer early, when interventions can often be most effective.

StageZero Life Sciences, through its Sentinel Principle®, is one of the founders of the Liquid Biopsy principle. The Sentinel Principle® is an award-winning technology developed by StageZero Life Sciences based on the scientific observation that gene signatures among components circulating in the blood reflect, in a detectable way, what is occurring throughout the body. This is a result of the constant and dynamic interaction of blood with cells, tissues, and organs of the human body. Many clinical studies have demonstrated that gene expression profiles from blood can be used to develop personalized signatures capable of differentiating patients with cancer from healthy patients across a broad spectrum of pathologies. ColonSentry® and Aristotle® specifically measure gene expression in white blood cells. Tumors are known to affect the gene expression profiles of circulating white blood cells. This occurs due to a unique interaction between tumor cells and the immune system that has been referred to as "immunoediting." Immunoediting is the response of the immune system to a tumor and comprises three stages: elimination (in which the immune system identifies cancerous and/or precancerous cells and attempts to eradicate them), equilibrium (in which the surviving tumor cells begin mutating rapidly), and escape (in which tumor cells proliferate uncontrollably, leading to tumor progression). Each of these stages induces leukocyte gene expression changes that constitute a unique, detectable molecular signature.

We offer early cancer diagnostics and risk stratification via Aristotle, our multi-cancer panel for the detection of multiple discrete cancers from a single sample of blood as well as individual tests for colorectal, prostate and breast cancers, through several novel, molecular diagnostic platforms at our wholly owned CAP accredited and CLIA certified high-complexity laboratory in Richmond, Virginia. The Company continues to focus our commercialization strategy on the adoption of our proprietary cancer tests with clinical integrated networks, physician groups, employers, and consumers. See Liquid Biopsy Testing below.

The Company initiated COVID-19 testing in April 2020, had high volume until early 2022 and now provides a walk in facility in Richmond VA. See COVID Tests below.

With the acquisition and integration of CareOncology, StageZero Life Sciences 'business expanded to include two new clinical offerings that facilitate revenue accumulation and acceleration beyond lab-based testing. The Company expanded its offering to include programs geared towards early detection (AVRT) and treatment (TREAT and COC Plus.). During Q1, 2023 the Company further refined its program offerings to better meet the needs of current patients and the requests from new patients, and introduced the COC Protocol 2, in the US and Canada, which allows the COC oncologists and patients to more actively track their progress on the Protocol.

Early cancer screening is not only important, but identification of attendant risk factors and then introduction of risk factor modification programs are essential.

StageZero/CareOncology has been positioned for exactly this purpose:

- Aristotle, the first ever mRNA multi-cancer panel for simultaneously screening for multiple cancers from a single sample of blood, to screen for cancer today;

- the CareOncology metabolic pathway screen, researched and developed for screening for those risk factors that contribute to developing cancer tomorrow;

- the CareOncology Risk Factor Modification programs to guide risk reduction for patients that flag positive (initially demonstrated in the glioblastoma study publication [2]), with oversight from experienced metabolic oncologists that are linked via telehealth.

AVRT is a patient-centric, personalized care plan that specializes in identifying and treating the early warning signs of cancer and other chronic diseases. Created by the physicians and scientists who developed the COC Protocol, AVRT uses similar approaches to detect and target the inflammatory and metabolic pathways that have been demonstrated to increase the risk of developing cancer and other chronic diseases.

The Metabolic Pathway Panel & Risk Modification Program
As obesity, diabetes, chronic inflammation, and insulin resistance are known risk factors for the development of many cancers, the physicians and scientists who developed the ground-breaking COC Protocol have established a program that addresses these early warning signs. The program identifies and targets the inflammatory and metabolic pathways and includes:

- A Metabolic Pathway Panel which specifically identifies metabolic and inflammatory health markers that are proven precursors for developing cancer

- An in-depth consultation with a metabolic oncologist

- Risk Modification that may involve specific evidence-based medications and supplements and lifestyle guidance and coaching.

Access to a digital health platform that captures all information and recommendations in an easy-to-understand format and provides bespoke information to improve patient understanding and provide simple, practical guidance on how to optimize metabolic health in a proportionate, tolerable manner.

TREAT, based on the METRICS Study (NCT02201381)[1], is a clinically researched and personalized therapeutic regimen administered by experienced oncologists and intended for patients diagnosed with cancer of any type or at any stage, as an adjuvant therapy along with conventional cancer treatment. TREAT employs the patented COC Protocol[2] that intends to interrogate the interconnected intracellular pathways involved in cancer cell growth, proliferation, apoptosis, and angiogenesis, by focusing on metabolic pathways.

1. Agrawal S., Vamadevan P., Maziboku N., Bannister R., Swery R., Wilson S., Edwards S., Front. Pharmacol., 27 June 2019 | https://doi.org/10.3389/fphar.2019.00681
2. Care Oncology Protocol is protected by United States Patent US9622982B2
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In May 2022, the Company added the COC Plus Program. COC Plus is a new physician led program centered on nutrition and other health interventions to help address a patient's specific cancer and is designed to be used alongside standard of care. See CareOncology Consultation Programs below.

Liquid Biopsy Testing and Clinical Consultation Programs

STAGEZERO LIFE SCIENCES LIQUID BIOPSY TESTING PROGRAMS

Our flagship test, Aristotle, a multi-cancer panel for the detection of multiple discrete cancers from a single sample of blood is being offered singly, or in combination with the AVRT program through CareOncology, our clinic business.

Even with the introduction of Aristotle, there remains high interest in cancer tests intended to detect the risk of specific tumor types. ColonSentry®, is a proprietary test offered through our wholly owned CAP accredited and CLIA certified high-complexity laboratory in Richmond, Virginia. In addition, we offer early cancer diagnostics and risk stratification for prostate and breast cancers through several novel, molecular diagnostic platforms.

Aristotle®
Aristotle is the frst multiple discrete cancer diagnostic test from a single sample of blood with high specificity and sensitivity. The Female panel test has been validated for ovarian, breast, endometrial, cervical, colorectal, bladder stomach, liver, and nasopharyngeal cancers. The Male panel test has been validated for prostate, colorectal, bladder, stomach, liver, and nasopharyngeal cancers. The ability to facilitate early diagnosis of multiple cancers via an affordable, patient-friendly test will impact management of cancer at the population level in a way that has not been achievable until now. Aristotle is accessed via AVRT, our physician-driven interventional program for the detection of the early risk of cancer.

ColonSentry®
The ColonSentry® test assesses an individual's current risk, or probability, of having colorectal cancer through a convenient, and revolutionary, blood test. Colorrectal cancer ("CRC") is among the leading causes of cancer-related deaths in the United States, claiming more than 50,000 lives per year. Although CRC is a preventable and treatable form of cancer when detected early, people often delay or avoid being tested until symptoms appear. Patient discomfort with common test options like colonoscopies or stool-based tests continues to drive high non-compliance with recommended screening guidelines, resulting in late-stage diagnosis of CRC when treatment options are limited, and outcomes are poorer.

The American Cancer Society's 80-by-18 initiative had a multi-partner goal to improve colorectal cancer screening rates to 80% in the eligible population by the end of 2018. At present, less than 60% of the eligible population has been screened and screening levels have further decreased with the advent of COVID-19 lock-downs. Novel efforts to improve screening through risk stratification tools are essential to getting the 'unscreened' population to be screened, traditionally done through colonoscopy (90% of the screened population) or stool-based (10%) procedures. ColonSentry®, as a blood-based risk stratification test, helps primary care physicians and gastroenterologists facilitate the discussion about colon cancer screening with the eligible population who have refused to undergo other tests such as colonoscopies or stool-based procedures.

Prostate Health Index ("PHI")
The PHI test, licensed from Beckman, is a convenient blood test that is three times more specific in detecting prostate cancer than the prostate-specific antigen ("PSA") test. While the PSA test is currently the most widely used screening test for prostate cancer, it is generally recognized that PSA results can often indicate the possibility of prostate cancer when none is present. The PSA test is based on the fact that men with higher levels of PSA are more likely to have prostate cancer. However, higher levels of PSA can also be caused by a benign enlargement or inflammation of the prostate, leading to many false positives for cancer and ultimately unnecessary, invasive biopsies with an increased

potential for patient harm. The PHI test helps physicians distinguish prostate cancer from benign conditions by using three different PSA markers (PSA, free PSA and pro2 PSA) as part of a sophisticated calculation to determine the probability of cancer more reliably in patients with elevated PSA levels.

BreastSentry™
In October 2014, we in-licensed two blood-based biomarker assays—pro-NT and pro-ENK—intended to aid physicians in identifying those women who are at risk for developing breast cancer. These assays were developed by Sphingotec GmbH, known for the discovery and development of biomarker assays.

BreastSentry™ measures the fasting plasma levels of Neurotensin (pro-NT) and Enkephalin (pro-ENK), which are highly predictive of a woman's risk for developing breast cancer. Various longitudinal studies have shown that elevated levels of pro-NT and decreased levels of pro-ENK are strong, independent risk factors for the development of breast cancer. The combined test levels have been incorporated into a sophisticated algorithm in order to provide an additional level of personal data to create an enriched, personalized score. BreastSentry™ is used to determine a woman's risk for developing breast cancer relative to the risk in an average risk population.

Breast cancer is the second leading cause of cancer deaths in women in the United States and is exceeded only by lung cancer.

Many breast cancer cases are not due to genetic inheritance and, unlike other blood tests on the market that look for genetic indicators for the possibility of developing breast cancer, pro-NT and pro-ENK are biomarkers that, when measured in a convenient blood test, indicate the current level of a woman's risk for breast cancer. The tests may be particularly applicable to those 50% of women who have dense breast tissue and where mammograms have less utility. BreastSentry™ has been validated as a laboratory developed test.

COVID-19 Tests
Due to the Company's extensive knowledge of mRNA testing and its CLIA certified, CAP accredited laboratory, it was uniquely positioned to offer testing for the SARS-CoV-2 virus. Beginning in April 2020, the Company offered several types of COVID-19 tests: PCR, antibody and antigen tests. The PCR and antigen tests identify an active infection. The antibody tests identify antibodies in the blood that are indicative of a recent or past infection.

By utilizing current relationships and in-house expertise that was created for our cancer screening tests, the Company was able to pivot to serve a substantial need. The path to returning to an ordinary lifestyle relies heavily on vaccines and testing. We were pleased to be able to contribute by offering COVID testing solutions.

Initial interest came from small to large employers, municipalities and health care systems. The Company decided to focus on delivering testing to frontline workers via employers, utilizing our Telehealth platform. Our marketing channels for our cancer screening tests focus on healthcare groups, large employers, physician groups and individuals. The Company approached COVID-19 testing in the same way, thereby relying upon established operational efficiencies.

Requests for testing came from the Mercer VIP Program, the County of Maricopa, Arizona, Udo Test, healthcare systems, national airlines, steel and manufacturing companies as well as Fortune 500 companies, amongst others.

The Company offers a full Respiratory Panel for differentiation of COVID and 20 other pathogens.

CAREONCOLOGY CONSULTATION PROGRAMS

TREAT

The TREAT program is a clinically researched protocol that interrogates the interconnected intracellular pathways involved in cancer cell growth, proliferation, apoptosis, and angiogenesis, by focusing on metabolic pathways. Our patented COC protocol can be used adjuvant to standard of care therapy, or for patients in remission.

The TREAT program is available in the US, the UK and globally via the Company's CareOncology clinic business.

AVRT

The AVRT program is uniquely designed for early detection of cancer and other chronic diseases. It involves physician consultation and monitoring to identify the early warning signs of cancer, and where necessary, intervening with therapies. The program was created by the physicians and scientists who developed the ground- breaking COC Protocol. AVRT uses a similar approach by identifying and targeting the inflammatory and metabolic pathways that may increase the risk of developing cancer and chronic disease.

A number of tests may be performed as part of the AVRT program, including but not limited to the Company's Aristotle test. The Company has developed a strategy to deepen, broaden and expand the AVRT program over the months and years to come.

The AVRT program is available via the Company's CareOncology clinic business.

The Metabolic Pathway Panel & Risk Modification Program
As obesity, diabetes, chronic inflammation, and insulin resistance are known risk factors for the development of many cancers, the physicians and scientists who developed the ground-breaking COC Protocol have established a program that addresses these early warning signs. The program identifies and targets the inflammatory and metabolic pathways and includes:

- A Metabolic Pathway Panel which specifically identifies metabolic and inflammatory health markers that are proven precursors for developing cancer
- An in-depth consultation with a metabolic oncologist
- Risk Modification that may involve specific evidence-based medications and supplements and lifestyle guidance and coaching.

Access to a digital health platform that captures all information and recommendations in an easy-to-understand format and provides bespoke information to improve patient understanding and provide simple, practical guidance on how to optimize metabolic health in a proportionate, tolerable manner.

COC Plus

COC Plus is a new physician led program centered on nutrition and other health interventions to help address a patient's specific cancer and is designed to be used alongside standard of care.

Created by the physicians and scientists who developed the groundbreaking COC Protocol, COC Plus is centered on nutrition, supplements and other health interventions specifically designed to impact key blood biomarkers proven to influence cancer prognosis. The specialty lab panel and subsequent interventions developed by our team are not routinely ordered by oncologists or family physicians.

Our COC Plus Program includes:

- A very specific set of blood tests to assess your metabolic and inflammatory status and guide our recommended interventions.
- Comprehensive physician guidance from an experienced metabolic oncologist to map your interventional strategy.
- A Road Map to address any health issues with nutrition, supplements, and other strategies intended to improve health outcomes.
- Like the COC protocol, this program is designed to be adjunctive to standard-of-care treatments, not replace them.

COMMERCIAL ACTIVITIES

The Company has a clinical reference laboratory specializing in personalized blood-based tests to find, understand and treat cancers, which operates from a single facility in Richmond, Virginia. Also, throughout the COVID pandemic we provided COVID-19 testing. Our laboratory is capable of servicing the entire United States, Canada, and Europe. To broaden our reach the Company has developed, and begun to launch, a strategy to facilitate specimen collection and serve a broader population of patients. As a specific strategic initiative that is dependent upon regional collaborations, this initiative is a key focus of management and an essential element to providing patients in the US, Canada and Europe access to our laboratory-developed tests.

The Company offers its programs TREAT, COC Plus, Metabolic Pathway Panel and AVRT via its CareOncology clinic business, utilizing its Telehealth network. Mental Health support and nutritional guidance programs are in development.

With the onset of the COVID-19 pandemic and with the change in access to physicians and clinics, most testing switched to COVID, especially PCR-based tests. Throughout the pandemic the Company had contracted with a diverse set of customers ranging from small employers with a few hundred employees, to large employers with 50,000+ employees. Additionally, StageZero serviced multiple healthcare groups as well as diverse groups in the entertainment, hospitality and travel industries. Furthermore, StageZero established retail relationships with Rexall and Sobeys, thereby allowing consumers to access PCR-based COVID testing through our arrangement with more than 700 retail stores across Canada. Building upon our experience in establishing these relationships management is focused on leveraging this experience as we deploy Aristotle and our clinical programs. As COVID has receded as a primary focus, attention has shifted back to cancer and early detection.

Cancer is the #1 catastrophic cost for self-funded healthcare plans. Early cancer detection:

- markedly reduces costs
- markedly improves employee 5-year survival rates

In addition:

- 40+% of cancers are avoidable with risk modification programs.
- Telehealth and metabolic oncologist oversight is critical.
- 64% of workers covered under self-insured/self-funded plans = 100 million workers
- Companies with 500+ employees are the largest group
- Aristotle screens for multiple cancers; the AVRT panel highlights risk factors.

The focus is on these Primary Growth Areas:

High-Risk Populations/Self-Funded Employer Plans: Early detection of cancer, as well as risk stratification into normal, high and "raised" risk, is of critical importance to individuals with potential risk factors and workers exposed to carcinogens. The Company continues to market solutions to individual consumers and high-risk employer partners. We also continue to meet with regional medical clinics, self-funded employer plans and others. We remain encouraged by the amount of interest in our solutions.

TeleMedicine - Patient Directed Clinical Consultation and Testing: The global telehealth market was valued at US$62.5 billion in 2020 and some predict it to reach US$475.6 billion by 2026[3]. Currently, 74% of employers in the United States now offer telemedicine as a covered benefit. Americans ages 45-54 and 65+ are most likely to delay recommended monitoring due to convenience factors, access and wait times. On average, it takes approximately twenty-one (21) days for a new patient to see a primary care provider and 66% of consumers are willing to use Telehealth to get faster service and cost savings. According to the National Business Group on Health Plan Design Survey, the number of large employers offering telemedicine is increasing.

[3] Facts & Factors –Global Telehealth Market, June 29 2021

Flat Fee, Up-front Model: The typical path to commercialization of new, novel diagnostics is often lengthy and involves many steps, with limited uptake and adoption. By offering the StageZero Life Sciences diagnostic testing portfolio to high-risk individuals/groups/employers and via telemedicine, we expect to be able to shorten this cycle, thereby driving adoption and increasing utilization of our solutions. By engaging with StageZero Life Sciences to provide blood-based, early cancer risk stratification tests, an individual or employer has access to early-detection technologies and, as a result of our recent acquisition of CareOncology, a holistic solution involving our clinical consultation and monitoring programs. This provides a unique continuum of care that intends to improve outcomes and reduce overall healthcare costs. StageZero Life Sciences charges for each processed sample/consultation up-front and therefore realizes the benefit of reducing the typical working capital constraints associated with a payor model.

FINANCING ACTIVITIES AND CAPITAL STRUCTURE

On March 3, 2022, the Company closed a private placement of its common shares ("Common Shares") and warrants to purchase Common Shares ("Warrants") with an institutional investor for gross proceeds of $1,476,160 (CAD$1.87 million) (the "Private Placement"). Net with cash finder's fee and expense allowance totaling $123,655 and clearing fee $15,961, the net proceeds Company received is $1,336,544. Pursuant to the Private Placement, the Company issued 10,000,000 Common Shares and Warrants to purchase up to an aggregate of 10,000,000 Common Shares at a purchase price of CAD$0.187 per Common Share and associated Warrant. Each Warrant will entitle the holder to purchase one Common Share at an exercise price of CAD$0.2206 per Common Share for a period of four years following the issuance date. Pursuant to the private placement, the Company issued 800,000 broker warrants that was in the amount of $112,230 by using Black–Scholes model. The above share issuance cost was allocated to reduce the share capital and warrants liabilities in the amount of $136,667 and $115,060 respectively.

On August 18, 2022, the Company closed a private placement of units (each a "Unit") for gross proceeds of $137,255 (CAD$177,000) (the "Private Placement"). Each Unit is composed of (i) a $1,000 unsecured convertible debenture ("Debenture"), bearing interest at a rate of 8% per annum, having a term of eighteen (18) months from the date of issuance and is convertible into common shares ("Common Shares") of the Company, at a conversion price of $0.11 per Common Share, and (ii) 9090 Common Share purchase warrants (each a "Warrant"). Each Warrant is exercisable into one (1) Common Share of the Company at an exercise price of CAD$0.15 per Common Share for a period of eighteen (18) months from the date of issuance of the Units. Securities issued pursuant to the Offering are subject to a statutory hold period lasting four (4) months and a day after the issuance of the securities. The net proceeds of the Private Placement will be used to accelerate the Company's Global Growth Strategy and further support the commercialization of Aristotle® , AVRT and TREAT.

On November 21, 2022, the Company announced that it had entered into a capital commitment agreement with GEM Global Yield Fund LLC SCS ("GEM") for a Cdn$25 million Capital Commitment. Proceeds raised from the investment will be used for working capital and general corporate purposes, but especially to expand collaborations with employers, clinic and healthcare systems, and the insurers who support them. In December 2022, the Company issued 4,731,328 common shares and 4,731,328 warrants and received $206,004 (Cdn$280,000) under the agreement. The commitment by GEM will provide funding up to CDN$25 million. The fee charged by GEM for the $25 million commitment is 2% or $500,000, which can be paid to them over the period that the funding is drawn down. The fee can be paid either in cash or by issuing additional shares up to a maximum of 15% of each draw until the fee has been fully paid. In Q1 2023, the Company received $246,042 (CDN $337,045) from GEM and issued 3,590,331 shares at prices from CDN $0.0618 to $0.1107, and 566,890 shares in lieu of the Commitment Fee.

On September 2, 2021, the Company acquired 100% of the shares of Clinics Operations Limited ("COL"), a company incorporated in the United Kingdom ("UK") and, through the Company's newly incorporated subsidiaries Care Oncology Inc.("COI") and Care Oncology Physicians ("COP"), the operating assets of Health Clinics USA Corp., both from Health Clinics Limited ("HCL"), the ultimate parent of both entities.

The consideration was comprised of: 12,500,000 shares issued on the date of closing, September 2, 2021; 2,500,000 shares that were issued upon the successful acquisition of a Care Quality Commission ("CQC") license by COL (the "CQC Consideration"), October 22, 2021; and contingent consideration consisting of 8,000,000 common shares. The

shares are subject to a Lock Up Agreement that restricts the Holders' ability to sell those shares, releasing one third on four months from the closing date, one third on eight months and the final third on the anniversary.

StageZero was obligated to issue 8,000,000 common shares to Health Clinics Limited contingent upon the achievement of certain milestones and StageZero shareholder approval. While shareholder approval was received on December 9, 2021, at a special meeting, Health Clinics did not meet the milestones and therefore did not receive the 8,000,000 contingent common shares.

OUTLOOK

The heart of the Company's mission is to improve health outcomes through early detection and intervention. We are uniquely positioned to provide consumers with actionable clinical data for cancer risk detection and intervention. ColonSentry, was the first blood-based, early colorectal cancer diagnostic test to be developed from the Sentinel Principle platform. ColonSentry was validated in both a 9,000-patient prospective study and a 100,000 patient post-marketing study. This study confirmed the strength of the science that underlies the Sentinel Principle platform. Aristotle, our next-generation diagnostic test, can test for multiple cancers from a single sample of blood, with data to date indicating high sensitivity and specificity across a variety of tumor types. The Sentinel Principle platform is therefore proven, not promised.

Access to non-invasive and convenient blood-based tests that can detect disease at its earliest stages is truly innovative, especially when multiple diseases can be detected from a single sample of blood. Aristotle does that, in this case, for multiple cancers and thereby facilitates earlier diagnosis at the population health level. This has implications for self-funded employer plans that have employees in high-risk environments (Fire fighters, oil and gas, coal and chemical plants, pilots and flight attendants, drivers), large healthcare systems, especially those with outreach programs and benefit plans, the military, as well as individual States that have specific populations that need to be screened.

In the first three months of 2023, the following KPI's were achieved:

- Launched COC Protocol 2 in the US and Canada. Initial uptake very positive.
- METRICS Study Informs Expansion of StageZero's New Care Oncology Protocol 2; establishes pathway to METRICS II and Glioblastoma addition to Aristotle.
- COC clinics on path to full profitability by end Q3
- Initiating mental health support program for Care Oncology employers and patients . Launch in Q2.
- Scaled up Aristotle/AVRT early cancer testing with Fire Fighters in the Greater Toronto Area.
- Aristotle Employer programs gaining traction.

Continuing through the next twelve months, the Company will be focusing on the following:

- Drive revenue growth by significantly increasing spend against promotion.
- Position Aristotle + AVRT as the #1 program for early cancer detection for employers with at-risk workforces.
- Fully implement partnerships with key employer groups using Aristotle + AVRT.
- Present data and analysis with respect to at-risk workforces to demonstrate benefit of Aristotle + AVRT
- Broaden relationships with key oncologists and clinics to enhance the reach of CareOncology/Aristotle with a strong focus on Laboratory Systems and HealthCare Systems in multiple key cities.
- Continue to **broaden a**nd deepen Aristotle eg Colorectral Cancer staging, addition of Glioblastoma.
- Partner and launch in key geographic regions world-wide
- Initiate multi-center METRICS II Study

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Liquidity risk

Liquidity risk represents the contingency that the Company is unable to gather the funds required with respect to our financial obligations at the appropriate time and under reasonable conditions. The Company attempts to manage this risk to ensure that it always has sufficient liquidity to be able to honor our current and future financial obligations under normal conditions and in exceptional circumstances. Financing strategies to ensure the management of this risk include accessing the capital markets through the issuance of equity or debt securities.

The Company's ability to continue as a going concern depends upon its ability to achieve profitable operations and raise additional capital. In the past three years, the Company has earned limited revenue. During the nine months in 2022 and 2021, the Company completed a series of common share, structured notes payable, capital commitment, common share and warrant and convertible debenture financings. The Company expects to continue to pursue further financings as planned or until adequate cash flow from operations occurs.

Credit risk
The Company's financial assets that are exposed to credit risk consist primarily of cash and cash equivalents and royalty and other receivables.

Market risk
Market risk comprises foreign exchange rate risk and interest rate risk.

Foreign exchange rate risk
The Company operates in the Canada, the United States, and United Kingdom, and transacts business primarily with US partners and suppliers. During the three month period ended March 31, 2023, a 5% appreciation (depreciation) in the Cdn$ to US dollar foreign exchange rate, with all else being equal, would have affected net income by approximately $128,706 [December 31, 2022 – $59,294]; in the UK GBP to US dollar foreign exchange rate, with all else being equal, would have affected net income by approximately $6,852 [December 31, 2022 – $19,618].

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

SELECTED FINANCIAL INFORMATION

The following table sets forth selected financial information for the periods indicated:

Consolidated statements of financial position

	Period ended	
	March 31, 2023	December 31, 2022
(in thousands of dollars)	**$**	$
Cash	**36**	16
Total current assets	**299**	266
Total non-current assets	**385**	434

Total assets	**684**	701
Total current liabilities	**8,009**	7,026
Total non-current liabilities	**1,651**	1,177
Total liabilities	**9,660**	8,204
Total shareholders' (deficiency) equity	**(8,977)**	(7,503)
Total liabilities and shareholders' (deficiency) equity	**684**	701

Results of operations for the three months ended March 31, 2023 and 2022

	Three months ended March 31,	
	2023	2022
(in thousands of US dollars, except per-share amounts)	**$**	$
Revenue		
Total revenues	**779**	1,321
Cost of revenue	**642**	1,361
Gross profit	**137**	(40)
Expenses		
Research and Development	**61**	127
Sales and Marketing	**76**	487
General and administrative	**1,254**	1,984
Loss/(Gain) from revaluation of warrants	**409**	(1,318)
Loss/(Gain) from revaluation of Contingent Consideration	**-**	(772)
Change in fair value of convertible debenture	**8**	-
Finance costs	**140**	43
Total expenses	**1,948**	550
Total loss and comprehensive loss, net of tax, for the period	**(1,811)**	(591)
Basic and diluted loss per common share	**(0.02)**	(0.01)

[Expressed in US dollars, unless otherwise noted]

For the year ended March 31, 2022, we reported a consolidated net loss of $1.8 million, or $0.02 loss per common share, as compared with a consolidated net loss of $0.6 million, or $0.01 loss per common share for the same period in 2022.

Cost of revenue

	Three months ended March 31,		(Decrease)
	2023	2022	Increase
	$	$	$
Direct labour	**332,545**	387,285	(54,739)
Direct materials	**96,523**	466,790	(370,266)
Indirect labour	**76,863**	171,385	(94,522)
Overhead	**136,495**	335,807	(199,312)
Total cost of revenue	**642,427**	**1,361,266**	(718,839)

Total cost of revenue decreased by 53% for the three months ended March 31, 2023, compared with the same period in 2022.

General and Administrative Expenses

	Three months ended March 31,		(Decrease)
	2023	2022	Increase
	$	$	$
Salary and Benefit	**535,160**	901,464	(366,304)
Share-based compensation	**65,163**	54,274	10,889
Public entity costs	**68,060**	98,545	(30,485)
Professional fees	**261,174**	537,382	(276,208)
Depreciation	**8,625**	9,218	(593)
Foreign exchange loss	**(32,307)**	2,665	(34,972)
Other office-related costs	**348,273**	380,745	(32,472)
Total general and administrative expenses	**1,254,148**	**1,984,293**	(730,145)

Total general and administrative expenses decreased for the three months ended March 31, 2023, compared with the same period in 2022 mainly due to the reorganization of the Company's infrastructure.

Finance costs

Finance costs for the three months ended March 31, 2023 were $139,841 as compared with $43,192 in 2022, an increase primarily due to increased interest costs in 2023.

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Finance costs for the three months ended March 31, 2023 and 2022 are as follows:

	Three-month period ended March 31	
	2023	2022
	$	$
Interest on note payable to HDL	**29,411**	26,260
Interest on note payable to shareholder and director	**3,042**	2,500
Interest on convertible debenture	**7,138**	-
Interest costs on lease liability	**6,244**	14,432
Other interest costs	**94,006**	-
	139,841	43,192

USE OF PROCEEDS

The Company began the period with $0.02 million in available funds. During the period ended March 31, 2023, $0.2 million of the funding was used in support of operations. During the same period, we received proceeds of $0.05 million from issuance of notes payable; and $0.3 million from short-term loan offset by a $0.07 million repayment of lease liability. The Company closed the period with $0.04 million in available funds.

The planned use of proceeds from financings continues to be the expansion of StageZero's telehealth platform, increased digital marketing of our products, product launches (notably, Aristotle® and AVRT), research and development to broaden and deepen the capabilities of Aristotle and for general corporate purposes. The COVID-19 pandemic and associated business challenges, as well as the subsequent opportunity to introduce COVID-19 testing, directed the Company to add COVID-19 tests to StageZero's product line up in 2020, scale up its laboratory in Richmond and launch COVID-19 testing via StageZero's existing telehealth system.

EBITDA and Adjusted EBITDA

Earnings before interest, taxes, depreciation, and amortization ("EBITDA") and adjusted earnings before interest, taxes, depreciation, and amortization ("Adjusted EBITDA") are not recognized performance measures under IFRS. EBITDA and Adjusted EBITDA do not have standardized meanings under IFRS and therefore may not be comparable to similar measures presented by other issuers. The term EBITDA consists of net income (loss) and excludes interest, finance costs, taxes, depreciation, and amortization. Adjusted EBITDA also excludes share-based compensation, impairment of assets, revaluation of warrants, changes in fair value of conversion debenture and public entity costs. EBITDA and Adjusted EBITDA are included as supplemental disclosures because Management believes that these disclosures provide a better assessment of the Company's continuing operations by eliminating non-cash costs and costs or gains that are not recurring.

The following is the Adjusted EBITDA and a reconciliation of the Company's net income (loss) to EBITDA and Adjusted EBITDA for the three-month period ended March 31, 2023:

	Three months ended March 31, 2023
Adjusted EBITDA	
(in thousands of dollars)	

[Expressed in US dollars, unless otherwise noted]

Revenue	**779**
Cost of revenue	**642**
Gross profit	**137**
Expenses	
Research and development	**61**
Sales and marketing	**76**
General and administrative costs	**1,254**
Total Expenses	**1,391**
Adjusted EBITDA	**(1,254)**

Reconciliation of EBITDA and Adjusted EBITDA	
Net loss and comprehensive loss for period	**(1,812)**
Interest	**126**
Finance costs	**140**
EBITDA	**(1,672)**
Revaluation of warrants	**408**
Change in fair value of convertible debenture	**8**
Non-cash charges	**2**
Adjusted EBITDA	**(1,254)**

LIQUIDITY AND CAPITAL RESOURCES

Adequacy of financial resources

The Company has earned limited revenue. The Company has been able to raise planned funds through private placements or other methods of financing, which have contributed to the Company's current financial position. Throughout the pandemic COVID-19 testing contributed to the financial and operational growth of the Company. However, as expected, the demand for COVID-19 testing has decreased in recent months and our cancer focused laboratory and clinical offerings have been driving our business growth. Further details of financings completed, and challenges addressed from 2022 to 2023 are discussed in the notes to the financial statements for the three-month period ended March 31, 2023 and 2022.

There can be no assurance that additional funding will be available on acceptable terms or at all, when and if required. If adequate funds are not available when required, the Company may have to substantially reduce or eliminate planned expenditures or delay programs designed to expand its commercial business. As there can be no certainty as to the resolution of the above matters, there is material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. – see FORWARD LOOKING STATEMENTS AND GOING CONCERN UNCERTAINTY (Page 2)

As at March 31, 2023, our cash balance was 0.04 million [December 31, 2022 – $0.02 million]. We had a working capital deficit $7.8 million [December 31, 2022 – working capital deficit $6.8 million] and a deficit of $125 million [December 31, 2022 – $123 million].

OFF-BALANCE SHEET ARRANGEMENTS

We do not engage in off-balance sheet accounting to structure any of our financial arrangements and do not have any interests in unconsolidated special-purpose or structured finance entities.

CONTRACTUAL OBLIGATIONS

The Company adopted IFRS 16 on January 1, 2019, which requires the recognition of assets and liabilities for all leases, unless the lease term is less than 12 months or the underlying asset has a low value.

On December 5, 2017, the Company renegotiated the lease of its premises effective January 1, 2018 to September 30, 2023. The property and office space lease bears interest at an estimated rate of 14.4%. The lease liability as at March 31, 2023 is $132,349 (December 31, 2022 – 193,756).

The Company's lease consists of office space with lease terms that will expire in September 2023 with a right to renew. The Company currently does not have leases with variable lease payments, residual value guarantees, or leases not yet commenced to which the Company is committed. Lease liabilities have been measured by discounting future lease payments using our incremental borrowing rate as rates implicit in the leases were not readily determinable. The weighted-average rate applied was 14%. The landlord keeps $25,000 as security according to leasing agreements.

RELATED-PARTY TRANSACTIONS

Related party transactions are described in Note 10 of the financial statements for the three-month periods ended March 31, 2023 and 2022.

SELECTED QUARTERLY FINANCIAL DATA

Selected quarterly financial data for our last eight fiscal quarters follows:

in thousands of dollars, except per-share amounts	2023	2022				2021		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues	779	676	799	998	1,321	1,502	684	405
Net gain (loss)	(1,812)	(9,498)	(45)	(1,282)	(590)	(2,295)	(2,222)	4,330
Basic and diluted loss per common share	(0.02)	(0.09)	0.00	(0.01)	(0.01)	(0.03)	(0.03)	0.06

RESPONSIBILITIES, CONTROLS AND POLICIES

Management's responsibility for financial reporting

Evaluation of disclosure controls and procedures

Our Chairman and CEO and the Consultant to the CEO are responsible for establishing and maintaining disclosure controls and procedures for the Company. As such, we maintain a set of disclosure controls and procedures designed to ensure that information required to be disclosed in filings is recorded, processed, summarized, and reported within the time periods specified by the Canadian Securities Administrators rules and forms. In designing and evaluating the

disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Our Chairman and CEO, and Consultant to the CEO have evaluated our disclosure controls and procedures as at December 31, 2022 and have concluded that disclosure controls and procedures are effective.

Management's report on internal controls over financial reporting

Our Chairman and CEO, and Consultant to the CEO are responsible for establishing and maintaining effective internal controls over financial reporting. Our internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Because of their inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Our Chairman and Chief Executive Officer, and Consultant to the CEO evaluated the effectiveness of our internal controls over financial reporting as at March 31, 2023 and identified the material weakness outlined below.

Material weakness

The material weaknesses we identified in our internal controls over financial reporting at March 31, 2023 were as follows: We did not have sufficient accounting resources with relevant technical accounting skills to address issues related to the financial statement close process. Because of the size of the Company and its staff complement, we were not able to sufficiently design internal controls to provide the appropriate level of oversight regarding the financial record-keeping and review of the Company's financial reporting. This weakness will continue to be addressed through 2023. See "Changes in Internal Controls Over Financial Reporting" below.

In making this assessment, management used the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in *Internal Control – Integrated Framework (2013).*

Consistent with our stage of development, we continue to rely on risk-mitigating procedures during our financial closing process in order to provide comfort that the financial statements are presented fairly in accordance with IFRS.

Changes in internal controls over financial reporting

Our Chairman and Chief Executive Officer, and Consultant to the CEO have evaluated whether there were changes to our internal controls over financial reporting during the period ended March 31, 2023 that have materially affected or are reasonably likely to materially affect our internal controls over financial reporting. No such changes were identified through evaluation of the Company. As the Company continues to improve its internal controls over financial reporting, we have engaged outside consultants, expert in the valuation of complex financial instruments and have begun monthly reviews of the Company's detailed accounting records, and reviews of processes in place at the Company. In light of the remediation occurring, our internal controls are expected to evolve, full remediation will be realized upon implementation of planned changes.

RISKS AND UNCERTAINTIES

The information presented in the "Financial Instruments and Financial Risk Management Objectives and Policies" section presented on pages 9 to 12 and under the heading "Risk Factors" on pages 36 to 47 of our Annual Information Form for the year ended December 31, 2022 has not changed materially since December 31, 2021.

Additional information relating to StageZero Life Sciences can be found on SEDAR at www.sedar.com or on our website at www.stagezerolifesciences.com.