

This management's discussion and analysis ("MD&A") is provided to enable the reader to assess material changes in financial condition and results of operations of BioHEP Technologies Ltd ("BioHEP" or the "Company") for the nine months ended October 31, 2018. This MD&A should be read in conjunction with the unaudited condensed interim financial statements of the Company for the nine months ended October 31, 2018, and the audited financial statements of the Company for the year ended January 31, 2018, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A complements and supplements, but does not form part of the Company's financial statements.

This MD&A contains forward-looking statements. All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language on page 9. Readers are advised to refer to the cautionary language when reading any forward-looking statements.

All dollar amounts contained herein are expressed in Canadian dollars unless otherwise indicated. This MD&A has been prepared as of December 31, 2018.

## **BUSINESS OVERVIEW**

BioHEP Ventures Ltd. was incorporated under the British Columbia Business Corporations Act as a private company on February 11, 2014. On April 11, 2014, BioHEP completed a Plan of Arrangement ("Arrangement") with Global Blockchain Technologies Corp. ("Global") (formerly Carrus Capital Corporation). Under the terms of the Arrangement, BioHEP received substantially all of Global's interest in the SB-9000 technologies with \$nil carrying value, investment in Spring Bank Pharmaceuticals Inc. ("Spring Bank") of \$1,000 and \$5,000 cash. As consideration for the SB-9000 technologies, BioHEP issued 2,845,378 common shares to Global, which was then distributed to the shareholders of Global pro-rata based on their relative shareholdings of Global. As a result of the Arrangement, the Company became a private bio-pharmaceutical reporting issuer.

On September 27, 2017 the Company closed an asset sale agreement ("Assignment Agreement") entered into on April 21, 2017 between the Company and Exro Technologies Inc. (formerly BioDE Ventures Ltd.) ("BioDE"). Under the asset sale agreement, BioDE assigned to the Company a license agreement and certain patents for \$450,000 which was paid by the Company by issuing 448,321 shares and \$1,679 cash consideration.

During the nine months ended October 31, 2018, the Company earned license fee income of \$655,641 (US\$500,000) related to a clinical development milestone from Cutanea Life Sciences Inc. pursuant to the terms of its license agreement.

## **HEPATITIS SB-9000 TECHNOLOGY**

On April 11, 2014 the Company acquired a biotechnology license related to SB-9000 (formerly known as MX-1313), for the treatment for chronic HBV infection (the "Agreement"). The Acquisition of this license included an agreement with Spring Bank Pharmaceuticals Inc. ("Spring Bank"), a U.S. development stage company, whereby Spring Bank was granted the worldwide rights to a dinucleotide analogue compound (SB-9000). As consideration related to the original license granted to Spring Bank, Spring Bank issued 250,000 Series A non-voting, convertible preferred shares of Spring Bank and 12,500 common shares of Spring Bank. The fair value of the shares was determined to be \$11.10 per share which is based on the closing price on May 6, 2016 when the 250,000 convertible preferred shares were converted to 250,000 common shares as part of a share capital restructuring and Spring Bank became publicly traded on the NASDAQ stock exchange. In addition, the Company may receive in the future, payments related to the Agreement aggregating US\$3,500,000 upon the achievement of certain clinical development milestones and royalties on net sales and sublicensing revenues. Spring Bank is responsible for all development and related patent costs.

On February 1, 2016, the Company entered into an amended and restated license agreement with Spring Bank of Milford, MA ("New Agreement"). Under the amended and restated license agreement, BioHEP granted Spring Bank an exclusive worldwide license under certain patents and know-how to make, have made, use, sell, offer to sell and import certain product candidates comprising a novel phosphorothioate dinucleotide referred to as ORI-9020 and certain related compounds, for the diagnosis and/or treatment of all viral diseases and conditions. In exchange, Company received an additional 125,000 common shares of Spring Bank and 125,000 share purchase warrants with an exercise price of USD\$16 per share, which expired unexercised on August 1, 2018.

As at October 31, 2018, deferred income tax liability of \$372,113 has been estimated using the 2018 tax rate of 27% applied to the unrealized gain to date on shares classified as available for sale. During the nine months ended October 31, 2018, deferred income tax recovery of \$91,508 was recognized in the statement of comprehensive income.

### OMIGANAN BASED TECHNOLOGIES

On September 27, 2017 the Company acquired Omiganan based technologies from BioDE. The Company's primary dermatological assets are Omiganan 1% gel (cationic peptide also known as Omigard™ and MX-226) and Omiganan for dermatological diseases (cationic peptide also known as CLS001). This technology may potentially be used for prevention of catheter-related infections (topical) and treatment of rosacea and other dermatological diseases (topical).

Two Phase III studies for Omiganan 1% gel and Phase II rosacea study for Omiganan for dermatological diseases has been completed. The technology is currently licensed by Cutanea Lifesciences Inc. ("Cutanea"). Cutanea is responsible for all development and related patent costs.

#### *Licensing Agreement – Cutanea Life Sciences Inc.*

Cutanea holds the license for the exclusive worldwide rights to develop and market CLS001 (formerly known as MX-594AN) and its analogues for dermatological indications. Pursuant to the licensing agreement, the Company is eligible to receive up to approximately US\$21,700,000 in development and commercialization milestone payments, in addition to royalties on net sales, as follows:

- US\$500,000 upon the first successful completion of a Phase 3 clinical trial (received);
- US\$500,000 upon the first successful completion of a clinical Phase 3 clinical trial with a licensed product under a Company sponsored IND;
- US\$1,000,000 upon the first acceptance for review of a Company sponsored NDA by the FDA for a licensed product;
- Additional milestones of up to US\$9,200,000 after the product receives FDA approval and approval in the EU and Japan; and
- Sales based milestones of up to US\$10,000,000 after sales of up to USD\$700,000,000 in sales is achieved.

### OTHER ASSETS

Pursuant to the terms of an Amalgamation Agreement between BioAB Strategies Ltd and Invictus MD Strategies Ltd. ("Invictus"), Invictus transferred the existing MX-2401 antibiotic assets (lipopeptide) and related contracts to the Company in exchange of \$1. This technology may potentially be used for treatment of serious Gram positive bacterial infections (intravenous). BioHEP's directors and advisors are currently considering potential alternative initiatives regarding the MX-2401 technology.

RESULTS OF OPERATIONS AND SELECTED QUARTERLY FINANCIAL DATA

Selected quarterly financial data

	Quarter ended	Revenue	Net income (loss)	Net income (loss) and comprehensive income (loss)	Basic and diluted earnings (loss) per common share
Q3/19	October 31, 2018	\$ -	\$ 453,015	\$ (875,149)	(0.05)
Q2/19	July 31, 2018	-	(114,243)	(642,069)	(0.01)
Q1/19	April 30, 2018	-	(116,288)	837,430	(0.01)
Q4/18	January 31, 2018	-	(957,464)	(1,731,796)	(0.12)
Q3/18	October 31, 2017	-	(21,860)	556,598	(0.01)
Q2/18	July 31, 2017	-	(15,725)	1,330,921	(0.00)
Q1/18	April 30, 2017	-	11,430	943,441	0.00
Q4/17	January 31, 2017	-	424,391	(837,352)	0.10

The Company sold 37,500 shares of Spring Bank in Q4/17 and 15,000 shares of Spring Bank in Q1/18 and had historically invested excess working capital in GIC investments. In Q3/19 the company received \$655,485 of revenue related to its license agreement which positively impacted net income in that quarter. Fluctuations in value of the Spring Bank shares cause significant variations in the reported quarterly comprehensive income(loss) since the fair value change is captured in unrealized gains and losses, which is recognized as part of comprehensive income (loss) as well as the deferred tax impact of the unrealized gain or loss.

The Company expects a trend of increased activity as it works to update its business strategy for management of its assets and investments.

For the three months ended October 31, 2018, compared to the three months ended October 31, 2017

During the three months ended October 31, 2018, the Company had net income of \$453,015 compared to net loss of \$21,860 in the same period last year. The \$474,875 change was primarily the result of the Company receiving US\$500,000 (CAD\$655,485) from Cutanea related to Cutanea's successful completion of a Phase 3 clinical trial. (2017 – \$nil).

During the three months ended October 31, 2018, the Company had comprehensive loss of \$875,149 compared to comprehensive income of \$556,598 for the comparative period. This is primarily the result of decrease in fair value of the marketable securities.

During the three months ended October 31, 2018, professional fees increased by \$19,076 over the comparative period to \$30,208 (2017 - \$11,132). This increase is primarily a result of an increase in investment management fees and an increase in audit support related expenses for the period.

During the three months ended October 31, 2018, transfer agent and regulatory expense increased by \$2,279 over the comparative period to \$2,948 (2017 - \$669).

During the three months ended October 31, 2018, the Company recognized a fair value loss on its available-for-sale investments of \$1,170,189 as compared to a fair value gain of \$706,049 during the three months ended October 31, 2017. This is a result of the decrease in quotes stock market price of Spring Bank shares. The deferred income tax expense of \$157,975 is also decreased from the same period last year as a result of the decrease in fair value of the related marketable securities.

For the nine months ended October 31, 2018, compared to the nine months ended October 31, 2017

During the nine months ended October 31, 2018, the Company had net income of \$222,485 compared to net loss of \$26,155 in the same period last year. The \$196,330 change was primarily the result of receiving revenue from Cutanea for successful completion of their clinical trial.

During the nine months ended October 31, 2018, the Company had comprehensive loss of \$363,848 compared to comprehensive income of \$2,830,963 for the comparative period. This is mostly the result of the decrease in value of its investments in Spring Bank Pharmaceuticals shares and the \$205,337 decrease in fair value of the Spring Bank warrants, which expired unexercised in August 2018.

During the nine months ended October 31, 2018, professional fees increased by \$41,374 over the comparative period to \$71,249 (2017 - \$29,875). This increase is primarily a result of an increase in investment management fees and an increase in audit support related expenses for the year.

During the nine months ended October 31, 2018, transfer agent and regulatory expense decreased by \$4,951 over the comparative period to \$8,729 (2017 - \$13,680). This decrease is due to the Company having an AGM during the 2017 period end, whereas, there was no such meeting in the current period.

During the nine months ended October 31, 2018, the Company recognized a fair value loss on its available-for-sale investments of \$677,840 as compared to a fair value gain of \$3,266,820 during the nine months ended October 31, 2017. This is a result of the fluctuations in market price of Spring Bank shares in the current period relative to the same period in the prior year. The decrease in the related deferred income tax expense of \$501,210 is related to the decrease in the fair value of the marketable securities.

**Selected annual information**

The selected financial information below is derived from the Company's audited financial statements for the years ended January 31, 2018, 2017 and 2016, prepared in accordance with IFRS. The Company's significant accounting policies and new accounting policies applied in the preparation of its financial statements are outlined in note 3 to the Company's audited financial statements for the years ended January 31, 2018, 2017 and 2016.

	For the year ended January 31, 2018	For the year ended January 31, 2017	For the year ended January 31, 2016
Total Revenue	\$ -	\$ -	\$ 17,270
Operating expenses	65,936	39,551	76,619
Other expenses (income)	904,612	(3,229,708)	8,148
Net (Income) loss and comprehensive loss	(1,099,164)	(3,837,384)	67,497
Basic and diluted (income) loss per share	(0.19)	(0.93)	0.02
As at	January 31, 2018	January 31, 2017	January 31, 2016
Total assets	\$ 5,945,714	\$ 4,385,406	\$ 69,978
Total non-current liabilities	491,364	231,950	-
Total liabilities	18,511	617,052	139,008

There were no distributions or cash dividends in the past three years. In the year ended January 31, 2017 the Company amended the agreement with Spring Bank and received shares in exchange for the expanded rights under the license agreement. Spring Bank successfully completed an IPO and went public in May 2016 which allowed the Company to then reliably estimate the fair value of the related marketable securities.

## OUTSTANDING SHARE DATA

As at December 31, 2018, there are:

- 9,448,708 (October 31, 2018 - 9,448,708) common shares outstanding; and
- no warrants or stock options outstanding (October 31, 2018 – Nil).

## LIQUIDITY AND CAPITAL RESOURCES

The Company has sufficient working capital to continue operations in the normal course for the foreseeable future, however it does not generate any operating revenues and may require additional financing or sell investments to remain financially solvent in future years.

The Company's financial statements for the nine months ended October 31, 2018, have been prepared on a going concern basis, which assumes that the Company will continue in operation in the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. At October 31, 2018, the Company had working capital of \$569,520 (January 31, 2018– \$169,271).

The Company's ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements.

The Company expects to be able to continue to sell Spring Bank shares if operating funds are needed. There are also risks relating to the Company's ability to realize the current market value of the Spring Bank shares in the event a sale of shares is forced upon the Company to fund operations.

During the nine months ended October 31, 2018, cash provided by operations increased by \$459,826 to \$400,250 (2017 – \$-59,576). This is primarily a result of revenue being received from Cutanea.

During the nine months ended October 31, 2017, cash provided by investing activities was \$nil. During the nine months ended October 31, 2018 the Company did not sell any investments.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements for the nine months ended October 31, 2018.

## PROPOSED TRANSACTIONS

The Company does not have any proposed transactions.

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the condensed interim financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

## APPROVAL

The Company's Board of Directors has approved the Company's condensed interim financial statements for the nine months ended October 31, 2018. The Company's Board of Directors has also approved the disclosures contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it and is available on [www.sedar.com](http://www.sedar.com).

## RELATED PARTY TRANSACTIONS

### Key management compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of the Company. As at October 31, 2018 and January 31, 2018, key management personnel were not paid any compensation, nor did they receive any employment benefits or other management incentives such as stock options.

During the nine months ended October 31, 2018, the Company incurred \$24,990 for professional fees (2017 – \$12,870) provided by Fehr & Associates, an entity controlled by the Company's Corporate Secretary and is indebted to this entity for an amount totaling \$15,511 (2017 - \$nil) which was included in accounts payable and accrued liabilities.

During the nine months ended October 31, 2018, the Company incurred \$42,898 for investment management services (2017 – \$4,000) provided by Pathfinder Asset Management Limited, an entity controlled by Douglas Johnson, an individual related to the Company because Mr. Johnson owns greater than 10% of the Company's common shares. There is \$nil due to Doug Johnson at October 31, 2018.

### Other

During the year ended January 31, 2018 notes payable of \$120,000 was converted into 4,800,000 shares of the Company and \$10,000 was paid in cash. As at October 31, 2018 there were \$nil (January 31, 2018 - \$nil, January 31, 2017 - \$130,000) notes payable outstanding owed to related parties. As a result of this issuance of shares during the year ended January 31, 2018, Douglas Johnson has assumed control of the Company through direct and indirect ownership of the Company's shares by controlling in effect over 50% of the Company's shares.

## RISKS AND UNCERTAINTIES

The Company is in the business of holding biotechnology assets and as such is exposed to a number of risks and uncertainties that are not uncommon to other similar companies. The Company has no ongoing revenue or income from operations. The Company has limited capital resources and has to rely upon the sale its assets or sale of its common shares for cash required to make new investments and to fund the administration of the Company.

These risks may not be the only risks faced by the Company. Additional risks and uncertainties not presently known by the Company or which are presently considered immaterial may also adversely impact the Company's business, results of operations, and financial performance. Please refer to the MD&A for the year ended January 31, 2018 for an expanded discussion of the risks. The most significant risks and uncertainties faced by the Company are (in no specific order) are:

- There is expressed doubt about our ability to continue as a going concern, which may hinder our ability to achieve our objectives;
- We have not completed the development of any commercial products and have no revenues from the sale of products; we may not achieve profitability;
- Even if we obtain the necessary marketing approvals, our products may not gain meaningful market acceptance, and we may not become profitable;
- Our product candidates subject us to the risk of product liability claims for which we may not be able to maintain or obtain adequate insurance coverage;
- Our assets under development by the manager require significant testing; Spring Bank may not be able to obtain the regulatory approvals or clearances necessary to commercialize products;
- Even if any of the product candidates receive regulatory approval, Spring Bank may still face development and regulatory difficulties that may delay or impair future royalties to the Company;
- Our success depends on our ability and the ability of the manager of the assets to protect our proprietary rights and operate without infringing the proprietary rights of others; we may incur significant expenses or be

prevented from developing and/or commercializing products as a result of an intellectual property infringement claim; and

- The Company's directors and officers may, from time to time, serve in similar positions with other public companies, which may put them in a conflict position from time to time.

## FINANCIAL INSTRUMENTS

At October 31, 2018 and January 31, 2018, the carrying values of cash and cash equivalents, accounts payable and accrued liabilities approximate their fair values due their short-term maturity.

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 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.

At October 31, 2018 and January 31, 2018, the Company has designated its notes payables as Level 2. The investments in Spring Bank Pharmaceuticals Inc. are designated as Level 1 and warrants from Spring Bank Pharmaceuticals Inc. are designated as Level 3.

Currency risk is the risk that the fair value of the Company's financial assets and liabilities will fluctuate due to changes in foreign exchange rates. As at October 31, 2018, the Company held 335,000 shares in a Nasdaq listed company with a market value of US\$10.05 per share. The Company therefore has exposure to fluctuations in the Canadian dollar - United States dollar exchange rate. The Company has determined that a 10% change in foreign exchange rates would affect the fair value of total assets by approximately \$440,000.

## SIGNIFICANT ACCOUNTING POLICIES

The condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's audited annual financial statements for the fiscal year ended January 31, 2018. Please refer to the audited financial statements for the year ended January 31, 2018 for additional information.

## NEW STANDARDS RECENTLY ADOPTED

The condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's audited annual financial statement for the fiscal year ended January 31, 2018, with the exception of the following:

### i. Financial instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of February 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at February 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original classification IAS 39	New classification IFRS 9
Cash and cash equivalents	FVTPL	FVTPL
Accounts receivable	Amortized cost	Amortized cost
Investments in Marketable securities	AFS	FVOCI
Investment in warrants	AFS	FVTPL
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Due to related parties	Amortized cost	Amortized cost

The Company did not restate prior periods as it recognized the effects of retrospective application to shareholders' equity at the beginning of the 2018 annual reporting period, which also includes the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated other comprehensive income on February 1, 2018.

(ii) Measurement of Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss in the period in which they arise.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition of Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss.

#### ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorization of these financial statements, the IASB and International Financial Reporting Interpretation Committee have issued a number of new and revised standards and interpretations, which are not yet effective for the relevant reporting periods. The new and revised standards are applicable to the Company. Please refer to the financial statements for additional information.

#### FORWARD-LOOKING INFORMATION OR STATEMENTS AND CAUTIONARY FACTORS THAT MAY AFFECT FUTURE RESULTS

Certain statements contained in the following MD&A constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statement of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in disputes and litigation, fluctuations in currency exchange rates; uncertainty of estimates of capital and operating costs; the need to obtain additional financing and uncertainty as to the availability and terms of future financing; and other risks and uncertainties disclosed in other information released by the Company from time to time and filed with the appropriate regulatory agencies.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward-looking statements contained herein are as of December 31, 2018, and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements in this MD&A include, but are not limited to, information or statements concerning our expectations regarding the ability to raise additional funds and find additional value in the biotechnology assets held.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and factors including: the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain; dependence on key personnel; dependence on corporate collaborations; potential delays; uncertainties related to early stage of technology and product development; uncertainties as to fluctuation of the stock market; uncertainties as to future expense levels and the possibility of unanticipated costs or expenses or cost overruns; and other risks and uncertainties which may not be described herein. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.