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 year ended January 31, 2020. This MD&A should be read in conjunction with the Company's audited financial statements for the year ended January 31, 2020, 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 10. 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 June 16, 2020.

BUSINESS OVERVIEW

BioHEP Technologies 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. The technology is currently licensed by Cutanea Lifesciences Inc. ("Cutanea"). Amortization cost was $175,556 for the year ended January 31, 2020 (January 31, 2019 - $NIL) for carrying value of $274,444 (January 31, 2019 - $450,000) as at January 31, 2020.

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, the 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 January 31, 2020, deferred income tax asset of $173,491 (January 31, 2019 – liability of $447,743) has been estimated using the 2020 tax rate of 27% (2019 – 27%) applied to the unrealized gain to date on shares classified as FVTPL and FVTOCI. During the year ended January 31, 2020, deferred income tax expense of $563,171 (January 31, 2019 recovery - $45,050) 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 was licensed to Cutanea Lifesciences Inc. ("Cutanea") until March 25, 2019 when Cutanea entered into a Share purchase and Transfer Agreement with Biofrontera Newderm LLC, Biofrontera AG, and Maruho Co., Ltd., Japan ("Maruho"), pursuant to which the license agreement was assigned to Maruho. As at January 31, 2020, the technology was licensed to Maruho. Maruho is responsible for all development and related patent costs.

Licensing Agreement – Maruho Co., Ltd., Japan

Maruho 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 by BioDE);
- US$500,000 upon the first successful completion of a clinical Phase 3 clinical trial with a licensed product under a Company sponsored IND (received);
- 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 US$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 FINANCIAL DATA

Selected annual information

The selected financial information below is derived from the Company's audited financial statements for the years ended January 31, 2020, 2019, and 2018, 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, 2020, 2019, and 2018.

For the year ended	January 31, 2020	January 31, 2019	January 31, 2018
Total Revenue	$ -	$ 655,485	$ -
Operating expenses	(270,934)	(126,784)	(65,936)
Other income (expenses)	63,490	14,435	(904,612)
Net income (loss)	(170,601)	397,309	(983,619)
Comprehensive income (loss)	(3,555,963)	108,645	1,099,164
Basic and diluted earnings (loss) per share	(0.02)	0.04	(0.19)

As at	January 31, 2020	January 31, 2019	January 31, 2018
Total assets	$ 2,028,971	$ 6,156,614	$ 5,945,714
Total non-current liabilities	-	447,743	491,364
Total liabilities	40,450	612,130	509,875

There were no distributions or cash dividends in the past three years. In the year ended January 31, 2019, US$500,000 (CAD$655,485) was received from Cutanea related to the completion of a payment milestone.

For the year ended January 31, 2020, compared to the year ended January 31, 2019

During the year ended January 31, 2020, the Company had net loss of $170,601 compared to net income of $397,309 in the same period last year. The 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 in 2019.

During the year ended January 31, 2020, the Company had comprehensive loss $3,555,963 compared to comprehensive income of $108,645 for the year ended January 31, 2019. This is primarily the result of decrease in fair value of the Springbank marketable securities which had stopped phase IIb clinical trials of its leading development drug due to unsatisfactory results.

During the year ended January 31, 2020, management fees decreased by $28,813 over the comparative period to $30,920 (2019 - $59,733).

During the year ended January 31, 2020, amortization expenses increased by $175,556 over the comparative period to $175,556 (2019 - $NIL) due to the amortization of the biotechnology asset. As the patents involved start expiring in August 2022 and all are expired the 19th November 2022, therefore the carrying value is being amortized proportionately until expiry.

During the year ended January 31, 2020, there was an impairment of investments of $130,989 (2019 - $205,509). This impairment was due the changes in value related to the Delcath shares and Springbank investments.

During the year ended January 31, 2020, the Company recognized a fair value loss of $3,948,533 on its FVTOCI investments as compared to a fair value loss of $333,714 during the year ended January 31, 2019. This is a result of a decrease in the stock market price of Spring Bank shares.

During the year ended January 31, 2020, the Company recognized gain on sale of investments $190,286 as compared $NIL during the year ended January 31, 2019. This is a result of a sale of stocks.

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
Q4/20	January 31, 2020	$ -	$ (406,025)	$(1,036,223)	$ (0.04)
Q3/20	October 31, 2019	-	(100,871)	(772,092)	(0.01)
Q2/20	July 31, 2019	-	477,303	(363,937)	0.05
Q1/20	April 30, 2019	-	(141,008)	$ (1,383,711)	(0.02)
Q4/19	January 31, 2019	-	174,825	472,493	0.01
Q3/19	October 31, 2018	655,485	453,015	(559,199)	0.05
Q2/19	July 31, 2018	-	(114,243)	(642,079)	(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)

The Company sold 37,500 shares of Spring Bank in Q4/17,15,000 shares in Q1/18 and 80,000 shares in Q4/2020 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 Shares held in its portfolio 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. In Q4/19, the Company acquired 500,000 shares of Acasti Pharma Inc. ("Acasti") and recognized an unrealized gain on marketable securities of $216,098. In Q1/20, there was a decrease in the market value of the Shares held in its portfolio and Acasti shares of $1,436,651 and $124,257, respectively. The Company sold 250,000 shares of Acasti in Q2/20, 125,000 shares of Acasti in Q3/20, and 125,000 shares of Acasti in Q4/20

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

OUTSTANDING SHARE DATA

As at June 16, 2020, there are:

- 9,448,708 common shares outstanding (January 31, 2020 - 9,448,708); and
- No warrants or stock options outstanding (January 31, 2020 – 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 ongoing operating revenues and may require additional financing or sale of investments to remain financially solvent in future years.

The Company's audited financial statements for the year ended January 31, 2020, 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 January 31, 2020, the Company had working capital of $1,118,784 (January 31, 2019– $773,518).

The Company currently has adequate cash and liquid securities to meet all its business requirements. At January 31, 2020, the Company had cash and cash equivalents of $955,769 and accounts payable and accrued liabilities of $19,242. All accounts payable and accrued liabilities are due within 90 days, interest expense is due annually and taxes are due within two months of year end

The Company's ability to continue its operations on a longterm basis is dependent on its success in identifying and benefiting from continued investment and trading with its portfolio and/or other financing arrangements.

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

During the year ended January 31, 2020, cash used by operations increased by $754,859 to $222,099 (2019 - $532,760 provided by operating activities). This is primarily a result of the revenue received from Cutanea in 2019.

During the year ended January 31, 2020, cash provided by investing activities was $957,151 (2019 - cash used by investing activities was – $484,275). This is a result of sale of Acasti Pharma Inc. and Springbank shares in 2020.

During the year ended January 31, 2020, cash used in financing activities was $nil (2019 - $nil).

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements for the year ended January 31, 2020.

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 audited financial statements for the year ended January 31, 2020. 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.

RELATED PARTY TRANSACTIONS

Key management personnel are persons responsible for planning, directing and controlling the activities of the Company. During the year ended January 31, 2020 and 2019, key management personnel were not paid any compensation, nor did they receive any employment benefits or other incentives such as stock options.

During the year ended January 31, 2020, the Company incurred $15,903 for professional fees (January 31, 2019 – $33,440) provided by an entity controlled by the Company's Corporate Secretary and is indebted to this entity at January 31, 2020 for an amount of $NIL (January 31, 2019 - $4,189), included in accounts payable.

During the year ended January 31, 2020, the Company incurred $12,500 for consulting fees (January 31, 2019 – $NIL) provided by an entity controlled by a director.

During the year ended January 31, 2020, the Company incurred $30,920 for management fees (January 31, 2019 – $59,733) provided by an entity controlled by an insider of the Company. At January 31, 2020, there is $1,000 included in accrued liabilities due to this entity (January 31, 2019 - $4,000).

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 companies with passive investments. The Company has no ongoing revenue or income from operations. Although the Company has received significant revenue in the past from licensing payments, such payments are dependent on developmental drug products successfully passing specific regulatory Phases or commercial acceptance and there can be no certainty such payments may be realized in the future. In the long term the Company has to rely upon the sale of its investment 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. 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

The Company's ability to realize the inherent value of its assets is dependent on the third party management of its assets successfully advancing its technologies to market through the drug development and approval processes and ultimately achieving future profitable operations, the outcome of which cannot be predicted at this time, or in the alternative being able to sell the assets for proceeds equal to their carrying value or greater.

We have no committed sources of additional capital. In the future we may need to raise additional capital through equity financings or asset sale. Additional equity financings could result in significant dilution to shareholders. Funds may not be available to us in the future on favorable terms, if at all, and we may be required to delay, reduce the scope of, or eliminate research and development efforts and the patent protection for our product candidates.

There are risks relating to the Company's ability to realize the current market value of the Shares held in its portfolio in the event a sale of shares is required to fund Company operations. An operational requirement to sell shares may result in a forced sale that is not based on investment analysis. In addition, low trading values may cause the Company to compromise on price to realize the necessary funds.

We have not completed the development of any commercial products and have no revenues from the sale of products; we may not achieve profitability

We have not completed the development of any commercial products. We do not anticipate that we will generate revenue from the sale of products in the foreseeable future.

There can be no assurance that any of our product candidates, managed by others, will meet applicable health regulatory standards, obtain required regulatory approvals, be capable of being produced in commercial quantities at reasonable costs, be successfully marketed or that the investment made in such product candidates will be recouped through sales or related royalties. Products that may result from our research and development programs are not expected to be commercially available for a number of years, if at all, and it will be a number of years, if ever, before we will receive revenues from commercial sales of such products. There can be no assurance that we will ever achieve profitability. As a result, an investment in our common shares involves a high degree of risk and should be considered only by those persons who can afford a total loss of their investment.

Even if we obtain the necessary marketing approvals, our products may not gain meaningful market acceptance, and we may not become profitable

The managers of our assets may not be able to contend successfully with competitors. The biotechnology and pharmaceutical industries are highly competitive and subject to significant and rapid technological change as researchers learn more about diseases and develop new technologies and treatments. Our current and potential competitors generally include major multinational pharmaceutical companies, biopharmaceutical firms, specialty pharmaceutical companies, universities and other research institutions.

Many of our competitors, either alone or together with their collaborators, have substantially greater financial resources and larger research, development and regulatory staffs than ours and the company who manages our assets. There can be no assurance that competitors will not develop more effective or more affordable products, or achieve earlier patent protection or product commercialization than us and our corporate collaborators,

If product candidates fail to gain market acceptance, we may be unable to earn sufficient return on our assets to continue our business. If product candidates do not become widely accepted by physicians, patients, third-party payors and other members of the medical community, it is unlikely that we will ever 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

Inherent in the use of our product candidates in clinical trials, as well as in the manufacturing and distribution in the future of any approved products, is the risk of financial exposure to product liability claims and adverse publicity in the event that the use of such products results in personal injury or death. There can be no assurance that we will not experience losses due to product liability claims in the future.

Our assets under development by the manager require significant testing; Spring Bank not be able to obtain the regulatory approvals or clearances necessary to commercialize products

We are currently not authorized to market any products in any jurisdiction. The preclinical testing and clinical trials of our product candidates and the manufacturing, labelling, sale, distribution, export or import, marketing, advertising and promotion of any new products are subject to regulation by federal, state and local governmental authorities in the United States, principally by the FDA, and by similar agencies in other countries. Any product that the manager develops must receive all relevant regulatory approvals or clearances before it may be marketed and sold in a particular country. The regulatory process, which includes extensive preclinical studies and clinical trials of each product to establish its safety and efficacy, is uncertain, can take many years and requires the expenditure of substantial resources. Data obtained from preclinical and clinical activities are susceptible to varying interpretations which could delay, limit or prevent regulatory approval or clearance. We may experience unforeseen events during, or as a result of, the testing process that could delay or prevent commercialization of our product candidates, including the following:

The clinical trials of our assets under development may not be completed on schedule and the regulatory authorities may not ultimately approve any of our product candidates for commercial sale. If we fail to adequately demonstrate the safety and efficacy of a product under development, this would delay or prevent regulatory approval of the product candidate, which could prevent us from achieving profitability.

In addition, delays or rejections may be encountered based upon changes in regulatory policy during the period of product development and/or the period of review of any application for regulatory approval or clearance for a product. Delays in obtaining regulatory approvals or clearances would adversely affect the marketing of any products derived from our assets. There can be no assurance that, even after such time and expenditures, any required regulatory approvals or clearances will be obtained for any products developed from our assets.

Even if any of the product candidates receives regulatory approval, Spring Bank may still face development and regulatory difficulties that may delay or impair future royalties to the Company

If the managers of our assets obtain regulatory approval for any of our product candidates, they will continue to be subject to extensive regulation by the FDA, other federal authorities, certain state agencies and regulatory authorities elsewhere. These regulations will impact many aspects of operations and the drug manufacturer's operations including manufacture, record keeping, quality control, adverse event reporting, storage, labelling, advertising, promotion, sale and distribution, export and personnel. The FDA and state agencies may conduct periodic inspections to assess compliance with these requirements. The manager of the asset will be required to conduct post-marketing surveillance of the product. We also may be required to conduct post-marketing studies. Spring Bank's failure to comply with applicable FDA and other regulatory requirements, or the later discovery of previously unknown problems, may result in restrictions including:

- delays in commercialization;
- refusal by the FDA or other similar regulatory agencies to review pending applications or supplements to approved applications;
- product recalls or seizures;
- warning letters;
- suspension of manufacturing;
- withdrawals of previously approved marketing applications;
- fines and other civil penalties;
- injunctions, suspensions or revocations of marketing licenses;
- refusals to permit products to be imported to or exported from the United States; and
- criminal prosecutions.

Post-approval marketing laws and regulations in other jurisdictions generally provide for the same types of sanctions that may be imposed in the United States.

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

Our success will depend in part on our ability and that of the managers of the assets to obtain and enforce patents and maintain trade secrets, both in the United States and in other countries.

Patent law relating to the scope and enforceability of claims in the fields in which we operate is still evolving. The patent positions of biotechnology and biopharmaceutical companies, including us, is highly uncertain and involves complex legal and technical questions for which legal principles are not firmly established. The degree of future protection for our proprietary rights, therefore, is highly uncertain. In this regard there can be no assurance that patents will issue from any of the pending patent applications. In addition, there may be issued patents and pending applications owned by others directed to technologies relevant to our or our corporate collaborators' research, development and commercialization efforts. There can be no assurance that our or our corporate collaborators' technology can be developed and commercialized without a license to such patents or that such patent applications will not be granted priority over patent applications filed by us or one of our corporate collaborators.

Our commercial success depends significantly on our ability to operate without infringing the patents and proprietary rights of third parties, and there can be no assurance that our and our corporate collaborators' technologies and products do not or will not infringe the patents or proprietary rights of others.

There can be no assurance that third parties will not independently develop similar or alternative technologies to ours, duplicate any of our technologies or the technologies of our corporate collaborators or our licensors, or design around the patented technologies developed by us, our corporate collaborators or our licensors. The occurrence of any of these events would have a material adverse effect on our business, financial condition and results of operations.

Litigation may also be necessary to enforce patents issued or licensed to us or our corporate collaborators or to determine the scope and validity of a third party's proprietary rights. We could incur substantial costs if litigation is required to defend ourselves in patent suits brought by third parties, if we participate in patent suits brought against or initiated by our corporate collaborators or if we initiate such suits, and there can be no assurance that funds or resources would be available in the event of any such litigation. An adverse outcome in litigation or an interference to determine priority or other proceeding in a court or patent office could subject us to significant liabilities, require disputed rights to be licensed from other parties or require us or our corporate collaborators to cease using certain technology or products, any of which may have a material adverse effect on our business, financial condition and results of operations.

Certain of 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.

Certain of BioHEP's directors and officers may, from time to time, serve as directors or officers of other companies involved in similar businesses to the Company and, to the extent that such other companies may participate in the same ventures in which the Company may seek to participate, such directors and officers may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such conflicts of the Company's directors and officers may result in a material and adverse effect on BioHEP's results of operations and financial condition.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in forward-looking statements.

FINANCIAL INSTRUMENTS

At January 31, 2020 and January 31, 2019, 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.
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	Level 1	Level 2	Level 3	Total
January 31, 2020				
Cash and cash equivalents	$ 955,769	$ -	$ -	$ 955,769
Marketable securities	200,111	-	-	200,111
Investments	421,802	-	-	421,802
	$ 1,577,682	$ -	$ -	$ 1,577,682
January 31, 2019				
Cash and cash equivalents	$ 220,717	$ -	$ -	$ 220,717
Marketable securities	700,373	-	-	700,373
Investments	4,768,709	-	-	4,768,709
	$ 5,689,799	$ -	$ -	$ 5,689,799

Fair values of the Company's financial instruments, which consist of cash, accounts receivable, accounts payable, accrued liabilities, and income taxes payable, approximate their carrying value due to the relatively short-term maturity of these investments.

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 January 31, 2020, the Company held 255,000 shares in a NASDAQ listed company with a market value of US$1.25 per share, 413,000 US T bills with market value of 412,093 USD, 250 shares with value US$309.52 per share and cash US $301,784. 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 $146,887.

SIGNIFICANT ACCOUNTING POLICIES

The 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, 2020. Please refer to the audited financial statements for the year ended January 31, 2020 for additional information.

NEW STANDARDS RECENTLY ADOPTED

The 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, 2020, with the exception of the following:

In January 2016, the IASB issued IFRS 16 - Leases ("IFRS 16") which replaces IAS 17 - Leases ("IAS 17") and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset. Control is considered to exist if the customer has the right to obtain substantially all of the economic benefits from the use of an identified asset and the right to direct the use of that asset. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to the current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. The Company will apply IFRS 16 on its effective date of February 1, 2019 retrospectively, with the cumulative effect of initially applying the standard as an adjustment to retained earnings and no restatement of comparative information. The Company has elected to measure its right of use assets at amounts equal to the associated lease liabilities; as such, the adjustment to retained earnings will be $nil. The Company does not expect there will be a material impact to the Statements of Operations or the Statements of Cash Flows as the Company has no lease obligations at January 31, 2020.

IFRIC 23 - Uncertainty over Income Tax Treatments (the "Interpretation") sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires an entity to determine whether uncertain tax positions are assessed separately or as a group; and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings. If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings. If no, the entity should reflect the effect of uncertainty in determining its accounting tax position. The Interpretation is effective for annual periods beginning on or after February 1, 2019. Entities can apply the Interpretation with either full retrospective application or modified retrospective application without restatement of comparatives retrospectively or prospectively. The Company does not expect the application of the Interpretation will have a significant impact on the Company's financial statements.

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 not applicable to the Company.

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 June 16, 2020, 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.

Vancouver, BC June 16, 2020