MED BIOGENE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

INTRODUCTION

The following management discussion and analysis of the financial condition and results of operations ("MD&A") of Med BioGene Inc. (the "Company" or "MBI") has been prepared by management, in accordance with the requirements of National Instrument of 51-102 as of November 06, 2020 and should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and nine months period ended September 30, 2020 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The following should also be read in conjunction with the annual audited consolidated financial statements and the related MD&A for the year ended December 31, 2019, and all other disclosure documents of the Company. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com and the Company's website at www.medbiogene.com.

All financial information in this MD&A related to 2020 and 2019 has been prepared in accordance with IFRS and all dollar amounts are quoted in US dollars, the reporting currency of the Company, unless noted otherwise.

FORWARD-LOOKING INFORMATION

Certain information in this MD&A contains forward-looking information and statements ("forward-looking information") of MBI under applicable Canadian and United States legislation. Words such as "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "will," "would" and similar expressions are intended to identify forward-looking information, although not all forward-looking information contains these identifying words. Forward looking information includes, but is not limited to, that with respect to the timing, completion and/or results of clinical trials or studies, the timing for commercialization of any products, future profits, future product revenues, future shareholder value, future operations and plans, the completion and use of proceeds from transactions or financings and the prospects for negotiating partnerships or collaborations and their timing. This forward-looking information is only a prediction based upon MBI's current expectations, and actual events or results may differ materially. MBI may not actually achieve the plans, intentions or expectations disclosed in its forward-looking information. Forward-looking information is subject to known and unknown risks and uncertainties and is based upon uncertain assumptions that could cause a MBI's actual results and the timing of events to differ materially from those anticipated in such forward-looking information. You are cautioned not to place undue reliance on this forward-looking information, which speak only as of the date of this MD&A. MBI's forward-looking information does not reflect the potential impact of any future partnerships, collaborations, acquisitions, mergers, dispositions, joint ventures or investments that MBI may make. All forward-looking information herein is qualified in its entirety by this cautionary statement and MBI undertakes no obligation to revise or update any such forward-looking information as a result of new information, future events or otherwise after the date of this MD&A, other than as required by applicable law. Each trademark, trade name or service mark of any entity appearing in this MD&A belongs to its holder.

GOING CONCERN UNCERTAINTY

It is believed that MBI's ability to continue as a going concern and achieve its business objectives is dependent upon obtaining significant additional financing. On November 28, 2016, MBI announced a termination and settlement of the prior commercialization and licensing agreement (as amended, the "Commercialization Agreement") with Helomics™ Corporation. This terminates the original licensing agreement put in place in 2011 by prior MBI management and relieves MBI of all the encumbrances associated with this agreement.

Subsequent to this termination, a realistic assessment of the potential value of the Company's intellectual property concluded that it was negligible due to the development of less invasive, and more cost effective, prognostic procedures.

As a result MBI continues to operate in as lean a manner as possible to conserve cash reserves while exploring other business opportunities related to non-medical technologies. The Company anticipates that it will develop other licensing partners for new technologies in order to maintain operations. Management's intention is to implement much simpler licensing agreements in the future than were previously in place, with stronger mechanisms to ensure royalty streams begin sooner and are less cluttered by encumbrances and other setoffs. Such relationships will also depend on the willingness of the new licensing partners to entertain such terms in the final agreement.

If MBI needs to raise additional funds through the sale of equity or debt securities or the merger or sale of MBI, the sale of such additional equity and debt securities may result in dilution to MBI shareholders, or it may not be available in amounts or on terms acceptable to MBI. If additional capital is required and not obtained, MBI may be forced to cease operations.

BUSINESS

MBI was initially a life science company focused on commercializing a prognostic genomic-based test for non-small-cell lung cancer ("NSCLC"). This intellectual property was believed to hold promise, but was subsequently found to not be cost effective. Consequently, MBI is now focusing on the commercialization of technologies in a number of industrial sectors which offer much lower entry costs, and broader general acceptance in other markets.

RESULTS OF OPERATIONS

For the nine months ended September 30, 2020 and 2019

Including certain expenses accrued but not incurred, as further described below, MBI recorded a net loss of $42,512 ($0.00 per share) for the nine months ended September 30, 2020 compared to net loss of $60,196 ($0.01 per share) for the nine months ended September 30, 2019.

The Company did not generate any revenue during the periods ended September 30, 2020 and 2019. The results are consistent with management`s expectations for the periods.

<u>Expenses</u>

General and administrative expenses consist of consulting fees, public company costs, facilities and office operations expenses, and professional fees.

Actual general and administrative expenses were $9,082 for the three months ended September 30, 2020 compared to $19,708 for the three months ended September 30, 2019. The results are consistent with management's expectations for the periods.

A summary of general and administrative expenses for the three months ended September 30, 2020 and 2019 is as follows:

	Three months ended September 30, 2020	2019
Facilities and operations	$ 3,318	$ 2,579
Professional fees	5,358	13,621
Public company costs	406	3,508
	9,082	19,708

Actual general and administrative expenses were $45,512 for the nine months ended September 30, 2020 compared to $60,196 for the nine months ended September 30, 2019. The results were consistent with management's expectations for the periods.

A summary of general and administrative expenses for the nine months ended September 30, 2020 and 2019 is as follows:

	Nine months ended September 30, 2020	2019
Facilities and operations	$ 9,657	$ 8,231
Professional fees	27,772	35,737
Public company costs	5,083	11,536
Consulting fees	-	4,692
	42,512	60,196

MBI does not utilize derivative instruments. While MBI does incur expenses denominated in U.S. dollars, MBI purchases foreign currency as required on the spot market. At present, management believes that the timing and size of such U.S. dollar transactions does not warrant active hedging; however, as the business develops in the future, some limited hedging activity may be undertaken.

MBI invests its cash reserves in liquid and highly secure investments. MBI does not hold any investments in asset backed commercial paper. Presently all of MBI's cash reserves are held on deposit with a major Canadian chartered bank. MBI does not guarantee any third party obligations and has not entered into any off-balance sheet arrangements.

<u>Other comprehensive income (loss)</u>

Other comprehensive income (loss) results from the foreign exchange translation adjustments in MBI's condensed consolidated interim financial statements resulting from exchange rate differences between its functional currency, which is Canadian dollars, and its reporting currency, which is U.S. dollars.

SUMMARY OF QUARTERLY RESULTS
FOR THE THREE MONTHS ENDED:

	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Revenue	$ -	$ -	$ -	$ -
Total expenses	9,082	17,912	15,519	8,181
Net loss	(9,082)	(17,912)	(15,519)	(8,181)
Total assets	4,895	10,073	15,303	13,152
Net income (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)

	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Revenue	$ -	$ -	$ -	$ -
Total expenses	19,708	23,631	16,857	9,201
Net loss	(19,708)	(23,631)	(16,857)	(9,201)
Total assets	33,026	177,906	9,883	3,465
Net income (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)

CONTRACTUAL OBLIGATIONS

With the cessation of attempts to commercialize the company's medical intellectual property, MBI has no contractual obligations.

On November 28, 2016, the Company and Helomics™ signed a settlement agreement which terminated the Commercialization Agreement dated April 15, 2011. Helomics™ paid a lumpsum amount to the Company as a part of the settlement agreement which has been included as other income in the statement of comprehensive income (loss) for the year ended December 31, 2016. All other debts, setoffs, and other residual obligations from MBI back to Helomics™ were waived in full as a result of the settlement agreement.

RELATED PARTY TRANSACTIONS

During the period ended September 30, 2020, the Company:

(i) paid or accrued $6,432 (2019 – $8,652) and $6,652 (2019 – $6,771) for accounting fees to a firm where a director of the Company is a partner and to an officer of the Company respectively;

Related party transactions are reflected as part of general and administrative expense. Amounts owing to these related parties (including former management and directors of the Company) as at September 30, 2020 were $45,904 (December 31, 2019 – $9,392). These amounts are non-interest bearing and due on demand.

NEW ACCOUNTING STANDARDS ADOPTED EFFECTIVE JANUARY 1, 2020

The Company was not required to adopt any new accounting standards during the period ended September 30, 2020.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2020, MBI had cash totalling $627 and a working capital deficiency of $79,613, compared to cash of $10,965 and a working capital deficiency of $37,267 at December 31, 2019.

Cash used in operating activities was $10,504 for the nine months ended September 30, 2020 compared to cash used in operating activities of $139,395 for the nine months ended September 30, 2019. The cash used in operating activities consisted mainly of professional fees, payments to third parties and company operating costs.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Capital disclosure

The Company considers share capital, warrants, and equity reserves as capital. The Company's objectives when managing its capital structure are to provide sufficient capital to advance the commercialization of its products, meet the Company's obligations as they come due, and provide for the potential acquisition of additional intellectual property rights related to products within the Company's strategic plans.

The Company's officers and senior management take full responsibility for managing the Company's capital and do so through quarterly meetings and regular review of financial information. The Company's Board of Directors is responsible for overseeing this process.

The Company monitors its capital structure and may make adjustments to it in light of changes in the Company's operating performance, changes in economic conditions and the risk characteristics of the underlying assets. When adjustments to the capital structure are considered appropriate, such changes may include the issuance of new shares, issuance of new debt, or re-purchasing of shares for cancellation.

The Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the period ended September 30, 2020. The method used by the Company to manage its capital has been the issuance of new share capital. Management does not foresee any changes to this in the future, however this cannot be assured.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and cash equivalents and government contribution receivable. At present, the Company holds its cash in Canadian rated financial institutions and will only consider investment of excess cash in highly rated government and corporate debt securities or guaranteed certificates from Canadian chartered banks. The Company has established guidelines, including diversification, credit ratings and maturities, to ensure safety and liquidity of its cash. These guidelines are periodically reviewed by the Company's audit committee and modified to reflect changes in market conditions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. To the extent that the Company does not believe it has sufficient liquidity to meet its current obligations, the Board of Directors considers securing additional funds through issuances of equity and debt or partnering transactions. The Board of Directors approves the Company's annual operating and capital budgets as well as any material transactions outside the ordinary course of business. Management regularly reviews these budgets and maintains short-term cash flow forecasts. At September 30, 2020, the

Company's current liabilities including accounts payable and due to related parties were $84,508 (December 31, 2019 - $50,419).

Market risk

Market risk is the risk that changes in foreign exchange rates, interest rates and equity prices will affect the Company's future cash flows or valuation of its financial instruments. The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. Foreign currency risk is limited to the portion of the Company's business transactions denominated in currencies other than the Canadian dollar, primarily expenses for consulting, research and development work incurred in US dollars. The Company believes that the results of operations and cash flows would be affected by a sudden change in foreign exchange rates, but would not impair or enhance its ability to pay its US dollar denominated obligations. The Company does not currently view its exposure to US dollars as a significant risk due to the limited volume of transactions it conducts in this currency.

The Company is subject to interest rate risk on its cash and cash equivalents and believes its results of operations, financial position and cash flows would not be significantly affected by a sudden change in market interest rates relative to the investment interest rates due to the short-term nature of the investments. Excess cash is invested in highly rated investment securities at fixed interest rates with varying terms to maturity but generally with maturities of nine months or less from the date of purchase.

As at September 30, 2020, the Company held no cash equivalents. The Company does not invest in equity instruments of other corporations.

Changes in the Company's share price could impact its ability to raise additional capital.

Fair value hierarchy

Financial instruments recognized at fair value on a recurring basis in the consolidated statement of financial position must be classified into one of the three following fair value hierarchy levels:

Level 1 – measurement based on quoted prices (unadjusted) observed in active markets for identical assets and liabilities;

Level 2 – measurement based on inputs other than quoted prices included in Level 1, that are observable for the asset and liability;

Level 3 – measurement based on inputs that are not observable (supported by little or no market activity) for the asset or liability.

The Company's financial instrument carrying amounts and fair values by levels per the fair value hierarchy (there were no changes from the prior year) are as follows:

	Fair Value Level	September 30, 2020	December 31, 2019
Financial assets			
Cash	1	$ 627	$ 10,965

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Changes in Internal Control over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim consolidated financial statements and the audited annual consolidated financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

RISKS AND UNCERTAINTIES

Prospects for companies in the technology development and commercialization sector generally may be regarded as uncertain given the nature of the industry and, accordingly, investments in such companies should be regarded as highly speculative. Readers should carefully consider the risk factors and other information included herein. The risks and uncertainties described herein are not the only ones applicable. Additional risks and uncertainties not presently known to MBI or currently deemed immaterial may also impair the financial results of MBI. If any of the risks referred to herein or incorporated by reference herein actually occur, MBI's business, financial condition or results of operations could be materially adversely affected.

MBI's near-term financial success and the market price of the common shares will depend upon successful commercialization of one or more the products its licensed products, and MBI will need to generate sufficient revenues from this to achieve profitability.

For the foreseeable future, MBI expects to derive substantially all of its revenues, if any, from the commercialization of one or more of the products it intends to license. There can be no assurances that the commercialization will happen within an acceptable time period, if at all. If MBI is unable to successfully commercialize the products, MBI's future licensing revenues and ability to achieve profitability will be impaired, and the market price of the common shares could decline significantly.

MBI may take longer than expected to achieve successful commercialization of the licensed products and at within such time that MBI expects, if at all.

Successful commercialization of the products will depend upon securing a partnership with a company or organization who can leverage their commercial experience and infrastructure relating to sales and marketing. This may take longer than expected to and such partnership may not result in the benefits that MBI expects, if at all.

Should a potential partner commercialize one or more of the licensed products, they may not gain acceptance within the marketplace, this could have a material impact on MBI's licensing revenues and business.

If the products fail to gain market acceptance, MBI's ability to generate licensing revenue would be impaired, which could have a material impact on its business, financial condition and operations.

Fluctuations in exchange rates could result in foreign currency exchange losses.

Substantially all of MBI's expenses are currently denominated in Canadian dollars, while a portion of its expenses are denominated in foreign currencies, primarily in U.S dollars. Fluctuations in exchange rates, particularly those involving the U.S. dollar, may affect MBI's costs. Where MBI's operations conducted in Canadian dollars are reported in U.S. dollars, such fluctuations could result in changes in reported results which do not reflect changes in the underlying operations. As substantially all of its current expenses are denominated in Canadian dollars, any potential future appreciation of the Canadian dollar against the U.S. dollar could adversely affect MBI's results of operations. The fluctuation of foreign exchange rate affects the value of these monetary assets and liabilities denominated in U.S. dollars. Generally, an appreciation of the Canadian dollar against the U.S. dollar results in a foreign exchange loss for monetary assets denominated in U.S. dollars, and a foreign exchange gain for monetary liabilities denominated in U.S. dollars. On the contrary, a devaluation of the Canadian dollar against the U.S. dollar results in a foreign exchange gain for monetary assets denominated in U.S. dollars and a foreign exchange loss for monetary liabilities denominated in U.S. dollars. MBI has not entered into any hedging transactions to reduce its exposure to foreign currency exchange risk. While MBI may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and it may not be able to successfully hedge all or part of its exposure or at all.

MBI's common shares have historically been thinly traded and shareholders may be unable to sell at or near ask prices or at all if they desire to liquidate their shares.

MBI's common shares are currently listed on the TSX Venture Exchange and have historically been "thinly-traded", meaning that the number of persons interested in purchasing its common shares at or near bid prices at any given time may be relatively small. This situation is attributable to a number of factors, including the fact that MBI is currently a pre-revenue-stage company which is relatively unknown to stock analysts, stock brokers, institutional investors and others in the investment community that generate or influence sales volume, and that even if MBI came to the attention of such persons, they tend to be risk-averse and would be reluctant to follow a pre-revenue-stage company such as MBI or purchase or recommend the purchase of MBI's common shares until such time as it generates revenue. As a consequence, there may be periods of several days or more when trading activity in MBI's common shares is minimal, as compared to a seasoned issuer that has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price. MBI cannot give assurances that a broader or more active public trading market for our common shares will develop or be sustained. As a result, shareholders may be unable to sell their common shares at or above their purchase price if at all, which may result in substantial losses to them.

SHAREHOLDER'S EQUITY AND OUTSTANDING SHARE DATA

The authorized share capital of MBI consists of an unlimited number of common shares. MBI had outstanding common shares, stock options, and warrants (exercise prices, which are in Canadian dollars, have been converted to U.S. dollars at the September 30, 2020 rate of U.S. $1.00 = C$1.36).

On December 19, 2017, the Company effected a previously approved one-for-ten consolidation of all its issued and outstanding common shares. All share and per-share data presented in the Company's consolidated financial statements and notes have been retrospectively restated to reflect the share consolidation unless otherwise noted. The exercise price and number of common shares issuable pursuant to all outstanding stock options and warrants have been adjusted in accordance with the consolidation ratio.

On June 12, 2019, the Company completed a non-brokered private placement for 4,500,000 units ("Units") at $0.05 per Unit for gross cash proceeds of $169,135 (CAD$225,000). Each Unit consists of one common share and one transferrable common share purchase warrant. Each warrant will entitle the holder to purchase an additional share at a price of $0.05 for a five-year term. The Company incurred share issuance costs of $4,903 (CAD$6,523).

As at the date of this report, the Company had the following outstanding:

- 13,257,838 common shares
- Stock options:

Number of options	Exercisable	Exercise price	Expiry date
375,000	375,000	CAD $0.50	November 19, 2025
775,000	775,000	CAD $0.50	January 3, 2027
100,000	100,000	CAD $0.50	February 17, 2027
1,250,000	1,250,000		

Warrants:

Number of warrants	Exercisable	Exercise price $	Expiry date
100,000	100,000	CAD $0.65	May 12, 2021
4,500,000	4,500,000	CAD $0.05	June 12, 2024

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

CONTINGENCIES

There are no contingent liabilities.

IMPACT OF COVID-19

The Board of Directors of Med Biogene Inc. is of the opinion that COVID-19 and the associated disruptions within society in Canada and the U.S., will have little or no impact on the Company current operation. However, given that the COVID-19 situation is still in a state of flux, the Board is unable to make predictions about how future pandemic developments may affect the North American industry.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the condensed consolidated 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 condensed consolidated interim financial statements.

OTHER MD&A REQUIREMENTS

Additional disclosure of the Company's technical reports, material change reports, news releases and other information can be obtained on SEDAR at www.sedar.com.

DIRECTORS AND OFFICERS

Dr. Iain Weir-Jones, *Chief Executive Officer, Chairman of the Board*
Ibrahim Ghobrial, *Chief Financial Officer, Corporate Secretary*
Dr. Terence W. Friedlander, M.D., *Director*
Toby Weir-Jones, *Director*
David Diebolt, *Director*
Shumsheer Sidhu, *Director*