Management's Discussion and Analysis

Telo Genomics Corp.
(formerly 3D Signatures Inc.)

For the nine months ended March 31, 2020 and 2019

For the Period Ended March 31, 2020 and 2019

*This management's discussion and analysis ("**MD&A**") of Telo Genomics Corp. (formerly 3D Signatures Inc.) (the "**Company**" or "**TELO**") for the period ended March 31, 2020 as prepared on May 26, 2020. This MD&A was prepared with reference to National Instrument 51-102 "Continuous Disclosure Obligations" of the Canadian Securities Administrators. This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2019 and the related notes, which have been prepared by management in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Financial Accounting Standards Board ("**IASB**"). Additional information regarding the Company is available on SEDAR at www.sedar.com.All amounts are expressed in Canadian dollars.*

CAUTION REGARDING FORWARD-LOOKING STATEMENTS AND RISK FACTORS

Certain statements and information in this MD&A contain forward-looking statements or forward-looking information under applicable Canadian securities legislation that may not be based on historical fact, including, without limitation, statements containing the words "believe", "may", "plan", "will", "estimate", "continue", "anticipate", "intend", "expect", "predict", "project", "potential", "continue", "ongoing", "could", "would", "seek", "target" or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words and similar expressions.

Forward-looking statements are necessarily based on estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as factors that we believe are appropriate. Forward-looking statements in this MD&A include, but are not limited to, statements relating to:

- the initiation, timing, cost, progress and success of our research and development programs;
- our ability to advance product candidates into, and successfully complete, clinical studies;
- the timing of, our decision to seek, and our ability to achieve regulatory approval for our current and future diagnostic and prognostic tests (the "**Tests**") being developed;
- our ability to achieve profitability;
- the Company's ability to establish and maintain relationships with collaborators with acceptable development, regulatory and commercialization expertise, and the benefits to be derived from such collaborative efforts;
- the implementation of our business model and strategic plans;
- our estimates of the size of the potential markets for our Tests;
- our commercialization, marketing and manufacturing capabilities and strategy;
- our ability to protect our intellectual property and operate our business without infringing upon the intellectual property rights of others;
- the therapeutic benefits, effectiveness and safety of our Tests;
- the rate and degree of the market acceptance and clinical utility of our future products, if any;
- our expectations regarding market risk, including interest rate changes and foreign currency fluctuations;

- the release of the provision against the value of the intangible assets;
- our expectations that clinical results will be detailed and published in peer-reviewed papers and journals;
- our ability to engage and retain the employees required to grow our business; and
- estimates of our expenses, future revenue, capital requirements and our need for additional financing.

Such forward-looking statements reflect our current views with respect to future events, are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions that, while considered reasonable by TELO as of the date of such statements, are inherently subject to significant medical, scientific, business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause our actual results, performance, achievements, prospects or opportunities to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. In making the forward-looking statements included in this MD&A, the Company has made various material assumptions, including, but not limited to: (i) obtaining positive results from the Company's clinical studies; (ii) obtaining regulatory approvals for the Company's Tests; (iii) assumptions regarding general business and economic conditions; (iv) the Company's ability to successfully develop the Tests; (v) that our current positive relationships with third parties will be maintained; (vi) the availability of financing on reasonable terms; (vii) the Company's ability to attract and retain skilled staff; (viii) assumptions regarding market competition; (ix) the products and technology offered by the Company's competitors; and (x) the Company's ability to protect patents and proprietary rights.

In evaluating forward-looking statements, current and prospective shareholders should specifically consider various factors, including the risks outlined in this MD&A under the heading "*Risks and Uncertainties*". Should one or more of these risks or uncertainties, or a risk that is not currently known to us, materialize, or should assumptions underlying the forward-looking statements contained herein prove incorrect, actual results may vary materially from those described herein. All forward-looking statements herein are made as of the date of this MD&A and we do not intend, and do not assume any obligation, to update these forward-looking statements except as required by applicable securities laws. Investors are cautioned that forward-looking statements are not guarantees of future performance and are inherently uncertain. Accordingly, investors are cautioned not to put undue reliance on forward-looking statements.

OVERVIEW OF THE COMPANY

Telo Genomics (TELO) is a biotech company that is pioneering the most comprehensive telomere platform in the industry, with powerful applications and prognostic solutions. These include liquid biopsies and related less-invasive technologies in oncology and neurological diseases. Liquid biopsy is a rapidly growing field of significant interest to the medical community for being less invasive and therefore more easily repeatable than traditional diagnostic approaches. By combining our team's considerable expertise in quantitative analysis of 3D telomeres with molecular biology and artificial intelligence to recognize disease-associated genetic instability, TELO is developing products that has the potential to substantially improve day-to-day care for patients; serving the needs of pathologists, clinicians, academic researchers and drug developers.

Our technology is based on the three-dimensional analysis of telomeres, the protective caps at the ends of chromosomes. The benefits of TELO's proprietary technology have been substantiated in over 150 peer-reviewed publications and in 25 clinical studies involving more than 3,000 patients with multiple cancers and Alzheimer's disease. TELO benefits from over twenty years of foundational and translational research conducted by the company's founder Dr. Sabine Mai from the University of Manitoba, where she holds multiple prestigious positions.

TELO's technology employs a multi-step process that starts with a wet lab protocol, comprising 3-dimensional (3D) fluorescence in-situ hybridization (*FISH*) and immune staining, conducted on a minimally invasive biopsy including liquid biopsy or other methods. The wet lab protocol is followed by 3D image acquisition using 3D fluorescence microscopy techniques. The acquired images are then used to identify target cells for TELO proprietary analysis. The data point generated from TELO proprietary analysis is based on the quantification of 6 parameters related to the telomeres and collected from each individual cells. TELO analytics is then applied to create a report and a TeloView® Score. The Company's TeloView® analysis goes beyond other two-dimensional telomere measurements as a result of its incorporation of the multi-modal and structural parameters of a genome's content and configuration, which are identified and factored into the TeloView® Score. As a result it gives important information about the stage of a given disease, the rate of progression of the disease, how the disease will respond to various therapies, and a drug's efficacy and toxicity for that disease.

TELO's proprietary software platform was developed and prototyped in-house, and was scaled and validated by CIMTEC, a respected Canadian imaging-software developer. The TeloView® platform is designed to inform clinicians and patients with respect to precision medicine and to best manage an individual's disease based on their unique TeloView® Score.

The Company intends to continuously improve the efficiencies and scaling of its laboratory procedures for capturing, processing, and imaging samples of interest through the implementation of automation, machine learning and artificial intelligence (AI) in the entire workflow of the TELO tests.

TELO's lead application, TELO-MM is being developed as a diagnostic/prognostic application to provide important, actionable information to medical professionals in the treatment of Multiple myeloma at various stages of the disease. Multiple myeloma is a deadly form of blood cancer.

On December 19, 2019 TELO announced a research collaboration with the Mayo Clinic in Minnesota, to conduct clinical studies to evaluate and validate the Company's TELO-MM utility to address to clinical unmet needs in the multiple myeloma disease management. One is to validate the test can predict the progression of patients with pre-cursors myeloma to full stage multiple myeloma. The other is to evaluate the test ability to predict patient response to first-line therapy. Both are considered import areas for improving the treatment and outcomes for patients with multiple myeloma.

TELO has secured intellectual property protection in various jurisdictions around the world and owns patents and pending patent applications in the United States, Canada and the EU. The scope of the IP covers the core technology and specific applications of the technology. In addition to the patents and pending patent application, TeloView® is protected as a trademark in the USA, Canada, Europe and Israel.

TELO has assembled a team of Directors, Management and Advisors with successful track records in science and technology, financing, and the development and commercialization of biomedical products. The team is currently developing the Company's commercialization strategy focusing on the United States as the primary target market. Collectively TELO is evaluating different models of licensing and commercial partnerships within the US. Also under consideration, TELO tests could be launched directly as laboratory-developed tests (LDT) in the US and sold via distributors, lab partners or Telo Genomics sales reps to cancer centers. Reimbursement will be established with the help of experienced reimbursement experts based in the US.

In addition, the company is planning to assess potential licensing opportunities for core and non-core clinical applications in the US, Europe and Asia.

The company is also seeking to engage in collaborations with biopharmaceutical companies geared towards improving their drug-screening capabilities and developing companion diagnostics that identify or monitor appropriate patients for a given therapeutic based on TELO's platform tests. TELO will pursue such arrangements with biopharmaceuticals companies to potentially diversify future revenue streams and to

provide incremental opportunities to develop the Tests into companion diagnostics.

TELO's registered and records office is located at 1200-750 West Pender St. Vancouver, BC V6C 2T8, and its corporate head office is located at MaRS Centre, South Tower, 101 College Street, Suite 200, Toronto, Ontario M5G 1L7.

CURRENT CORPORATE DEVELOPMENTS AND GOING CONCERN

On December 20, 2019 TELO announced that it has signed a collaboration agreement with the Mayo clinic to validate its TELO-MM tests for multiple myeloma. The collaboration is to be divided into two parts. The first, is to predict the progression of multiple myeloma precursors to full stage multiple myeloma and the second, is to predict patient responses to first-line therapy at the point of diagnosis. Both are considered important inflection points in the treatment of multiple myeloma.

On December 05, 2019 the Company announced that Mr. Guido Baechler had taken on the role of Lead Director on its Board of Directors. Mr. Baechler joined the Company's board of directors at the last AGM and will now head TELO's board committees tasked to develop and refine the Company's corporate strategy, including commercialization & partnerships.

Mr. Baechler has over 25 years of experience working with emerging technologies in the life sciences and medical diagnostics industries. He has global experience in both start-up and leading multinational organizations. Most recently, he served as president, chief executive officer, and director of Singulex, Inc. Prior to Singulex; Mr. Baechler worked at Roche Diagnostics in both the U.S. and Europe where he held leadership and executive positions at both Roche Diagnostics Europe and Roche Molecular Diagnostics.

On May 13, 2020 and November 28, 2019, the Company granted incentive stock options to various directors, officers, employees and consultants of the Company to purchase up to an aggregate of 500,00 and 2,100,000 common shares, respectively of the Company pursuant to the Company's stock option plan. The stock options are exercisable at a price of $0.15 per share for a period of five years

On November 25, 2019 the company announced that it has closed an oversubscribed $1,735,500 non-brokered private placement and converted to equity secured and non-secured debts in the amount of $1,054,885, and completed a 5:1 share consolidation.

The Company issued a total of 17,355,000 units at a price of $0.10 per unit under the offering. Each unit issued under the offering consisted of one post-consolidation common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional post-consolidation common share at a price of $0.20 per share for a period of 12 months from the date of issuance.

Further, the Company issued an aggregate of 6,628,850 units to secured creditors, 500,000 units to certain unsecured creditors and 3,420,000 post-consolidation common shares to various unsecured creditors to settle outstanding debt totaling $1,054,885.

Each unit issued under the debt settlement to secured creditors consisted of one post-consolidation common share of the Company and one non-transferable common share purchase warrant, with each warrant entitling the holder to acquire one additional post-consolidation common share at a price of $0.20 per share for a period of 24 months from the date of issuance. Each unit of the 500,000 units issued to certain unsecured creditors consisted of one post-consolidation common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional post-consolidation common share at a price of $0.20 per share for a period of 12 months from the date of issuance. Each unit issued under the debt settlement to unsecured creditors consisted of one post-consolidation common share of the Company.

The securities issued pursuant to the secured debt settlement and the 500,000 units issued to certain unsecured creditors are subject to a statutory four month hold period ending on March 23, 2020 in accordance with applicable securities laws.

The 3,420,000 post-consolidation shares issued to the various unsecured creditors pursuant to the debt settlement are also subject to additional three year resale restrictions pursuant to which these securities will become available for resale in 15% tranches every 6 months, with the last release occurring on November 22, 2022.

On October 11, 2019, the Company announced the terms of a non-brokered private placement for gross proceeds of up to $1,300,000 (the "**Offering**") through the issuance of up to 13,000,000 units at a price of $0.10 per unit. In addition, the Company has an over-allotment option to sell up to an additional 5,000,000 units at the offering price. Concomitant with the announcement of the terms of the non-brokered private placement the company announced its intention to settle up to $1,000,000 of debt.

Throughout Fiscal year 2019 and 2020 the Company was successfully raised $630,000 in the form of senior secured debt financing, which allowed the Company to fulfill its corporate obligations and maintain its assets.

On September 06, 2019 the Company announced that it has secured C$350,000 worth of secured promissory notes. The funds will be used as general working capital and for other corporate purposes. The promissory notes are repayable in the event of a third-party claim, action, suit, or proceeding against the Company or its subsidiary for an amount in excess of $15,000 before any court of competent jurisdiction. The promissory notes mature on August 30, 2020, and bear an annual interest rate of 10%. The notes are secured against the assets of the Company and are proposed to rank *pari passu* with its other senior debt.

On July 11, 2019, the Company announced that it has secured C$50,000 worth of promissory notes from lenders. The funds will be used for general working capital and other corporate purposes. The promissory notes are repayable on demand or will otherwise mature on September 12, 2019, and bear an annual interest rate of 10%. The notes are secured against the assets of the Company ranking *pari passu* with its other senior debt.

On April 08, 2019 the Company announced that the Company's Board of Directors has approved the Company name change to Telo Genomics Corp effective April 01, 2019. During the Company Shareholders annual and special meeting, the Company Shareholders have voted favorably on a resolution to change the Company name and authorized the Board of Directors to execute when appropriate

The Company's Board of Directors has determined that a share consolidation and name change will assist the Company in its rebranding, reorganization and refinancing objectives.

Concomitant with the name change the Company has changed its trading symbol on Toronto Stock Exchange Ventures to **TELO** and launched a new website www.telogenomicscorp.com. The Company's mailing address and phone numbers remained unchanged.

On March 01, 2019 the Company announced that it has secured C$95,000 worth of promissory notes from lenders. The funds will be used for general working capital and other corporate purposes. The promissory notes are repayable on demand or will otherwise mature on September 12, 2019, and bear an annual interest rate of 10%. The notes are secured against the assets of the Company ranking *pari passu* with its other senior debt.

A director of the Company loaned an amount of $12,500 to the Company. The loan transaction with the director constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 -- *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company is relying on the exemptions from the formal valuation requirements and minority shareholder approval requirements of MI 61-101 contained in Section 5.5(a) and Section 5.7(1)(a) in respect of the related party transaction on the basis that the fair market value of the transaction does not exceed more than 25% of the Company's market capitalization. The Company will be filing a material change report in respect of the related party transaction on SEDAR less than 21 days prior to the closing of the transaction due to the fact that the

Company wished to close the transaction as soon as practicable to enable it to use the funds for short-term cash requirements.

On February 28, 2019 during the annual general and special meeting held by the company, the shareholders have elected Mr. Guido Baechler and Mr. Richard Savage as incoming Directors on the Company's Board. The shareholders have also elected Mr. Hugh Rogers as Chairman of Board, Dr. Sabine Mai and Mr. Ryan Cheung as Directors. Since September 2018 the Company's Board of Directors included Mr. Hugh Rogers as Chairman and Dr. Sabine Mai and Mr. Ryan Cheung as Directors.

QUARTERLY AND ANNUAL PERFORMANCE

The Company recorded a net loss of $321,422 and $907,998 for the three and nine months ended March 31, 2020 compared to a net loss of $114,447 and $869,726 for the comparable periods.

Factors contributing to the overall nine months ended increased net loss comprises an increase in salaries and fees relating to research and development and administration, and consulting fees relating to increased corporate and research activity.

The Company incurred research and development costs of $150,117 and $302,220 during the three and nine months ended March 31, 2020, respectively compared to a $52,561 and $132,702 from comparable periods. The Company is focused on specific research and development activities and has increased such activity over the prior periods.

The Company incurred general and administrative costs of $171,305 and $605,778 during the three and nine months ended March 31, 2020, respectively compared to $61,886 and $737,024 from the comparable periods. Various debt settlements and debt forgiveness amounts reduced the overall net loss for the six months ended period, in addition, there was a decrease in stock-based compensation expense recognized in the current period. For the three months period, there was an overall increase in net loss due to increase professional fees for the period.

SELECTED ANNUAL FINANCIAL INFORMATION

For the year ended June 30	**2019**	**2018**	**2017**
	$	$	$
Net loss for the year	(1,074,192)	(4,694,618)	(9,913,401)
Basic/Diluted loss per share	(0.02)	(0.08)	(0.21)
Total assets	262,668	429,515	3,112,767

SELECTED QUARTERLY FINANCIAL INFORMATION AND QAURTERLY ANALYSIS

The following table sets forth consolidated financial information for the periods indicated.

	Three months ended			
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Revenue	$ -	$ -	$ -	$ -
Research and development	150,117	106,286	45,816	64,072
General and administration	171,305	341,647	92,827	119,723
Finance (income) expense, net	-	-	-	-
Net loss	(321,422)	(447,933)	(138,643)	(204,466)
Basic loss per share	(0.00)	(0.03)	(0.01)	(0.01)
Diluted loss per share	(0.00)	(0.03)	(0.01)	(0.01)

	Three Months Ended			
	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Revenue	$ -	$ -	$ -	$ -
Research and development	52,561	9,001	71,140	206,128
General and administration	61,886	167,022	508,116	814,777
Finance expense, net	-	-	-	(3,629)
Net loss	(114,447)	(176,023)	(579,256)	(1,155,981)
Basic loss per share	(0.00)	(0.01)	(0.02)	(0.10)
Diluted loss per share	(0.00)	(0.01)	(0.02)	(0.10)

Variations in the Company's net losses and expenses for the periods above resulted primarily from the following factors:

- Revenue. The Company has not earned revenue to date as it is in the pre-revenue research and development stage.
- Research and development and general and administrative expenses trended downwards due to working capital preservation activities.

DISCUSSION OF OPERATIONS

TELO intends to develop and commercialize a portfolio of genomics-based tests to enable precise disease stratification, predictive prognostics and convenient patient monitoring to healthcare professionals, drug developers and clinical researchers. Our technology is based on the three-dimensional analysis of telomeres and has been substantiated in over 150 peer-reviewed publications and in 25 clinical studies involving more than 3,000 patients with multiple cancers and Alzheimer's disease. TELO benefits from over twenty years of foundational and translational research conducted by the company's founder Dr. Sabine Mai.

The Company's primary focus in 2020 will be in developing its lead application TELO-MM – which is a prognostic genomics-based test that can be used in important stages of multiple myeloma to provide important actionable information to healthcare professionals.

TELO announced on December 20, 2019 that it has signed a collaboration agreement with the Mayo clinic to validate its TELO-MM tests for multiple myeloma. The collaboration studies will be led by Dr. Shaji Kumar, MD, and were designed to include two retrospective phases with the potential of a third prospective phase.

For each phase, TELO's analytics will be employed to: 1) predict the progression of multiple myeloma precursors to full stage multiple myeloma, and 2) predict patient responses to first-line therapy at the point of diagnosis. The first phase of the studies is planned to launch within the first quarter of 2020.

The Company is also conducting extensive discussions with stakeholders to develop its commercialization strategy for the TELO tests in the United States as a primary target market. Collectively the Company's Management, Directors and Advisors are evaluating different models of licensing and commercial partnerships within the US based clinical laboratories. TELO tests can potentially be launched as laboratory developed tests (LDT) in the US and sold via distributors, lab partners or TELO Genomics sales reps to cancer centers

The Company management and Directors conducted discussion meetings and workshops to evaluate the technology current workflow and enhancing automation in its workflow. The Company will conduct consultation with major technology providers in the industry to compare and evaluate automation solution that involve machine learning and artificial intelligence solutions to its workflow.

TELO clinical development operations are conducted in the Company's laboratories housed within the MaRS Discovery District in Toronto, Ontario. TELO laboratories include the wet lab laboratory equipped with the required cutting-edge equipment to allow TELO independently conduct in house the entire TELO tests workflow. TELO laboratories also includes a state of the art image acquisition facility equipped with 3 image acquisition fluorescent microscopes with 3D imaging capabilities, and 7 image processing and analysis stations.

The MaRS Discovery District is a non-profit innovation hub that houses over 1,200 Canadian science and technology companies focused on the commercialization of biomedical technologies and solutions.

Development Programs and Timelines

Multiple Myeloma (TELO-MM®)

Based on a recently peer-reviewed publication by Dr. Sabine Mai, Founder and Director of the Company, using TELO's analytical telomere technology, the Company identified multiple myeloma as its lead indication.

Background:

Multiple myeloma (MM) is a cancer that forms in a type of white blood cell called a plasma cell. It also causes cancer cells to accumulate in bone marrow where they crowd out healthy cells. Symptoms can include bone pain, frequent infections and nausea. It is a deadly disease. MM is preceded by an asymptomatic expansion of plasma cells, recognized as monoclonal gammopathy of undetermined significance (MGUS) or smoldering MM (SMM). Patients with MGUS or SMM are generally not treated but monitored to make sure they have not evolved to full blown MM. A diagnostic/prognostic test that could predict which patients will become positive for MM would be very useful in management of the disease. Once patients do have MM, it is rarely cured but can go into remission with treatment. Another important diagnostic/prognostic application would be to accurately predict which patients are at the highest risk of relapse, to increase monitoring and to initiate follow-on treatment. MM has a 5–year survival rate of 43% for stage III and 83% for stage II, with a life expectancy of 8-10 years.

Program Status:

The Company has designed in collaboration with Dr. Shaji Kumar, MD, Mayo clinic and Dr. Kenneth Anderson, MD, Harvard school of medicine, studies to advance two potential TELO-MM tests to the clinic. These studies are the primary initiative for the use of proceedings of the recently closed private placement. The studies aim to confirm the early clinical utility established by the proof of concept studies conducted in

Dr. Mai's laboratory. The studies pertaining to the two potential TELO-MM tests will be run in sequence on archived samples from previously diagnosed patients. The aim of these studies is to determine whether the TeloView® assay can differentiate subgroups of patients who:

i. will progress from SMM to MM sooner and are candidates for earlier treatment intervention;
ii. will relapse early after initial treatment with common first-line combinatory chemotherapy and are candidates for alternative forms of therapy or directed towards appropriate clinical trials

The validation of each test includes three stages. Stages 1 & 2 of each of the two TELO-MM tests will be conducted on retrospective specimens to avoid the lengthy process of recruiting patients prospectively and facilitate a quick turnaround in collecting the study results. In this setting, TELO has the opportunity to analyze existing patient samples and immediately match the TeloView® results to the follow-up clinical data (which patient's disease progressed or did not progress, and whether the patient responded to treatment or not). The final stage of validation will be conducted prospectively. Stage III of the development of each test can be conducted while the test has been licensed to a third party based on positive results from stages I&II.

In Q3 of Fiscal 2020 the TELO-MM standard operating procedure (SOP) was optimized to the specimen type expected to be received from the Mayo clinic. The SOP was locked and an internal analytical validation was conducted. The results of the internal analytical validation showed high consistency in performing the locked SOP. The Company has also secured all the required resources and reagents for launching the first stage of the TELO-MM clinical validation study, which is expected to be launched within Q4 of Fiscal year 2020.

Hodgkin's Lymphoma (TELO-HL)

Background:

Hodgkin's lymphoma ("**HL**") is a cancer affecting all ethnicities and ages. According to the Statistics and Epidemiology and End Results Program of the National Cancer Institute of the USA there are two peaks of incidence for HL: people in their late 20's, and again in those over 55 years of age. HL is a highly curable cancer with a five-year survival rate of over 85%. Over 95% of all HL cases fall into four categories, collectively referred to as "classical HL". These cases of HL are diagnosed by the presence of precursor Hodgkin and especially abnormal Reed-Sternberg cells in the lymphatic system (the network of vessels that help drain waste products from infection and cell metabolism in the body). The World Health Organization estimates there are 66,000 new cases of HL globally per year (1,000 in Canada, 8,300 in the United States, and 12,000 in the European Union), with over 200,000 people in the United States currently living with HL. HL affects men (56% of new cases) slightly more frequently than women (44%). The five and ten-year survival rates are 86% and 80%, respectively, with a range between 93% and 77% survival depending on the stage of disease at the time of diagnosis. While global figures are unavailable, with an estimated incidence rate of HL at 2.8 per 100,000 per year (in industrialized countries), there may be as many as 200,000 new cases of HL globally per year. As the developing world gains access to better diagnostics and care, ways to identify affordable treatment options become increasingly important.

Though several options are available for HL patients, care plans are generally established based on disease grading and staging, without further means of personalizing treatment. Most new HL patients are first treated with a cocktail of ABVD (doxorubicin/Adriamycin, bleomycin, vinblastine, dacarbazine) chemotherapy, administered every 2-4 weeks for 2-8 cycles and monitored by PET-CT scanning, at an average total cost of approximately USD$25,000 per patient according to the American Cancer Society. Unfortunately, 10-20% of patients fail to respond sufficiently within the first year of ABVD chemotherapy. For most patients with relapsed or refractory HL ("**RRHL**"), the secondary line of therapy is generally high-dose salvage chemotherapy (with drugs other than ABVD), along with autologous stem cell transplantation

("**ASCT**"). Radiation treatment may also be added in some cases (for combined modality therapy). According to a study published by Shah et al in the Journal of Biology of Bone Marrow Transplantation in 2015, the average cost of ASCT in North America can range from approximately USD$175,000 - USD$300,000, including the cost of hospitalization and post-surgical care. If the patient fails to respond to this treatment, more recent options for further treatment have become available, including the antibody-drug conjugate brentuximab vedotin (BV). Costs of treatment with BV most often include accompanying ASCT, at costs that can range from approximately USD$300,000 - USD$420,000. Another class of new therapies are the PD-1 inhibitors nivolumab and pembrolizumab, at costs ranging from approximately USD$100,000 – USD$150,000 per patient, per year (as assessed by Saltz and Bach, writing in the Journal of American Drug Benefits in 2015). The mean cost of treating a first-line responding patient in the U.S. (over 60 months) is approximately USD$89,000, whereas the mean cost for treating RRHL is currently over approximately USD$400,000, a cost that may, in the future, rise as new, more expensive therapies are introduced to clinicians.

The Company believes that the introduction of TELO-HL to the treatment regimen may allow doctors to identify likely responders and non-responders to the first line therapy, at the same time as they are diagnosed. If doctors were able to make such identification at this state, this may give clinicians, patients, and payors clinically actionable information to guide their treatment and reimbursement decisions. Identifying patients who are unlikely to respond to standard therapy may provide clinicians with greater confidence to (i) avoid unnecessary toxicity and complications while their disease continues to worsen, and (ii) to direct their patients towards alternate treatments or enrollment in appropriate trials. Identifying patients who are likely to respond to less-expensive existing treatments may also give clinicians and patients confidence they are doing all that they can, and may provide assistance to health systems and payors they are allocating their resources accordingly.

Program Status:

Further development of TELO-HL is dependent on the Company ability to raise and/ or allocate capital towards the Hodgkin's Lymphoma initiative.

Prostate Cancer (TELO-PC)

***Background*:**

The prostate is a gland located beneath the bladder, containing 30 – 50 small sacs responsible for producing a fluid that forms part of the semen. The Statistics and Epidemiology and End Results Program of the National Cancer Institute of the USA confirms that PCa is a highly-treatable disease, with over 95% five-year survival rate. According to the World Health Organization (WHO), nearly 1.1 million new cases of PCa are diagnosed annually around the world (including 161,000 in the United States, 21,000 in Canada, and 390,000 in the European Union). Access to prostate-specific antigen (PSA) testing in blood, for both early detection and monitoring, has produced a large increase in PCa incidence rates in the developed world. According to a study published by Drazer et al in the Journal of Clinical Oncology in 2015, there are nearly 35 million PSA tests performed annually in the U.S., 30% of which are repeat tests. When a man presents with a high PSA level, he is directed to either undergo an MRI scan to confirm the results of the PSA test, or a transrectal ultrasonography ("**TRUS**") guided biopsy. During the biopsy procedure, 6-12 cores are collected from the prostate gland in an attempt to capture a representative sampling of the entire organ's status, which are the examined by a pathologist for potential diagnosis of PCa. A Gleason score, ranging from 2 to 10, is assigned to indicate the tissue's pathology and how likely it is that a tumor will spread. The lower the Gleason score, the less likely a tumor will spread. Men scoring high enough to be suspected of clinically significant prostate cancer may then be directed to have ablation therapy, or to have their prostate partially or completely removed surgically. Post-surgical tissue can be assessed by a pathologist more accurately to determine the true grade of the cancer.

According to the National Centre for Health Statistics in the USA, approximately 138,000 prostatectomy surgeries are performed in the U.S. annually. Based on a study conducted by Stark et al and published in the Journal of Clinical Oncology in 2014, approximately 56% of men diagnosed with prostate cancer are assessed pre-surgery as Gleason 7, and 29% as Gleason 6. Gleason 6 and 7 are considered medium grade PCa. High grade PCa (Gleason scores 8-10) accounts for approximately 15% of all prostate cancer patients. The success rate of curing cancer by removing the prostate is measured by 5-year PSA relapse–free survival rates. According to the Statistics and Epidemiology and End Results Program of the National Cancer Institute of the USA the 5-year PSA relapse-free survival rates range from 55%–71% and 10-year prostate cancer–specific survival rates range from 72%–92%. Quality of life is a major factor deterring the use of prostatectomy. The American Cancer Society reports that 25% of men experience frequent urine leakage or no bladder control at six months after prostatectomy; however, this number drops to less than 10% by three years. Furthermore, nearly all men suffer some degree of erectile dysfunction following the surgery, for at least 6 months. Men younger than 60 years have higher likelihood of regaining their erectile function within 3 years.

Commenting in a 2014 Medscape article, Gerald Chodak, MD has observed the cost for prostate surgery ranges widely in North America, anywhere from $10,000 up to $135,000. Physician fees also vary, from $4,000 up to $19,000 (averaging around $8,000). In the U.S., 20 – 25% of men assessed as having intermediate risk PCa (Gleason 7) on biopsy are found to have less significant cancer when the pathology examination is completed on the entire post-surgical prostate.

Current biomarkers for PCa offer inconsistent information for an individual patient. A study conducted in 2017 by Wei L et al and published in the European Journal of Urology compared the results of the Oncotype Score (Genomic Health), Prolaris (Myriad) and Decipher Score (Genome Dx) performed on four patients, and highlighted the variability between the results of these three prognostic tests. This represents an important opportunity for better testing which could avoid the complications, cost, and quality of life impacts of unnecessary surgeries. The Company believes that TeloView® analysis could assist in fulfilling this need for better testing if performed at various time points in the course of the disease in order to predict progression to more aggressive PCa, better inform the potential need for surgery, and monitor disease progression over time.

Program Status:

TELO is applying TeloView® in two applications to PCa that seek to predict the most effective treatment plan for an individual patient, through its participation in the PRECISE trial. PRECISE is the first randomized, multicenter study focused on biopsy naive patients (approximately 450 men) with a clinical suspicion of prostate cancer. Following men for up to 24 months, this prospective study is principally designed to compare cancer detection rates and monitoring efficacy between TRUS-guided biopsy and MRI-targeted biopsy. PRECISE will incorporate the Company's blood-based tests into the original biopsy focused investigation as a correlative biomarker, as well as grant access to biopsy tissue for additional TELO analyses. The Company's participation seeks to establish a baseline of genomic instability for prostate cancer patients, provide follow-up monitoring information, and generate essential data for developing several blood-based clinical tests for the personalized assessment and treatment of prostate cancer patients. The Company seeks to facilitate personalized treatment decisions for each individual prostate cancer patient that can meet several clinical needs:

This study is ongoing with the biological samples collected for TeloView® analysis being processed at Dr. Mai's academic laboratory at the University of Manitoba, in collaboration with ScreenCell (Paris, France), the Canadian Urology Research Consortium (CURC), led by Dr. Laurence Klotz, Professor, University of Toronto and TELO.

Regulatory Process

The Company's participation in clinical studies is not impacted by a single regulatory process, but rather the Company and its collaborators must secure various ethics approvals and patient consents to access biological specimens and personal medical information. The Company is exploring various arrangements to make the tests in the Company's pipeline available to patients and their healthcare providers in Canada, the United States and various other jurisdictions. Federal regulations issued by the Centers for Medicare & Medicaid Services govern the laboratory requirements for standards and certifications. In general terms, the CLIA regulations establish quality standards for laboratory testing performed on specimens from humans, such as blood, body fluid and tissue, for the purpose of diagnosis, prevention, treatment of disease, or assessment of health. Laboratories must adhere to the standards of CLIA, and may deliver their own LDTs provided they fulfill the requirements of an authorized accreditation body such as the CAP.

The commercialization of tests as In-vitro Diagnostic Devices ("**IVDD's**") would require the Company to seek regulatory approval from Health Canada, the FDA and other national oversight bodies if the Company elects to market its Tests as IVDDs. At this point in time, the Company has not decided whether it will seek IVDD status and regulatory approval from Health Canada and the FDA for any of its Tests.

LIQUIDITY AND CAPITAL RESOURCES

The Company's Tests are at an early stage of development, and, accordingly, the Company does not generate cash from operations and finances its operations by raising capital through equity issuances and other means.

Sources and Uses of Cash

As at March 31, 2020, the Company had cash resources of $1,010,904, compared to $19,495 as at June 30, 2019. As at March 31, 2020, the Company had working capital of $852,557compared to working capital deficit of $1,224,570 as at June 30, 2019.

Funding Requirements

As the Company does not currently earn revenue, it is required to finance its operating expenditures and capital costs. Operational activities were financed by previous capital raises.

The Company expects to finance its ongoing development costs by issuing equity to prospective investors that have expressed an interest in becoming shareholders of the Company and is currently in discussions with such investors. The Company will consider investments through public or private financings. The Company's development programs are modular and can be scaled to accommodate the Company's financing strategy and timing.

Contractual Obligations

The Company has entered into an operating lease for office space in Winnipeg (the "**Winnipeg Lease**") and a license agreement for lab and office space in Toronto (the "**Toronto Lease**"). The term of the Winnipeg Lease is five years commencing on June 20, 2016 and the term of the Toronto Lease is one year and 16 days commencing on April 15, 2017. Both agreements have the option to extend at the lessee's request; however, the Toronto Lease also requires the lessor's prior written approval before it can be extended. Included within the Winnipeg Lease is an early termination option (the "**Option to Terminate**") allowing for, upon six (6) months written notice, the ability to terminate the lease after the conclusion of the third year of the lease. The monthly expenditure for the Toronto Lease is $6,450 plus applicable taxes and the minimum monthly expenditure for the Winnipeg Lease is $1,050 plus applicable taxes and additional rent relating to portion of building operating costs for years 1-3 and minimum rent of $1,093.75 in years 4-

5 plus applicable taxes and additional rent relating to portion of building operating costs, should the Company not utilize its Option to Terminate.

The Company entered into an arrangement to sublease (the "**Sublease arrangement**") the office space in Winnipeg, which included commitments of $6,615 for the remainder of the fiscal year ending June 30, 2018 and $13,230 for the fiscal year ending June 30, 2019. In concurrence with the Sublease arrangement, the Company has entered into an arrangement with the proprietor in which the Company may be required to reimburse the proprietor for any payment deficiencies of the new tenant until June 19, 2021.

The Company renewed its agreement (the "**MaRS Renewal**") for lease of office and laboratory space at MaRS Discovery District for a period of one year, effective May 1, 2018 (the "**Term**"). In accordance with the MaRS renewal, the Company has committed to payments of $8,069 per month during the Term. On April 25, 2019 the Company has renewed its agreement for lease of office and laboratory space with MaRS Discovery District for one year effective May 01, 2019. In accordance with the renewal the Company has committed to payments of $8,069 per month for the first six months of the year from May 01, 2019 till October 31, 2019, and $8,865 per month for the latter six month of the year from November 01, 2019 till April 31, 2020.

Liquidity Risk

The Company manages liquidity risk through maintaining sufficient cash to finance its operations and seeking financing from existing shareholders and outside investors as required. If the Company will have a working capital deficiency, it may not be able to pay continuing obligations as they become due such as the lease payments in *"Contractual Obligations"* above. The Company intends to satisfy its continuing operating expenditures through existing cash on hand and under future equity offerings. Using the proceeds from the recently completed non-brokered private placement financing is directed toward the validation and commercialization of its lead application TELO-MM test, for further implementation of automation, machine learning and artificial intelligence to its technology workflow, other working capital and general corporate purposes. The Company will continue to be dependent on raising capital through equity issuances and other means, including the pursuit of non-dilutive grant funding, as required until and unless it achieves the commercialization of its tests and generates profit from its operations. If financing is not available on reasonable terms as a result of external factors, such as disruptions in the capital markets, the Company's liquidity may be affected.

OUTSTANDING SHARE CAPITAL

As of the date of this document, the Company had 41,210,153 common shares issued and outstanding, 3,269,737 share purchase options issued and outstanding, and 16,544,350 share purchase warrants issued and outstanding.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

As at March 31, 2020, and in the normal course of business, the Company has obligations to make future payments representing contracts and other commitments that are known and committed as follows:

Contractual obligations payment due to April 30, 2020	
2019	$ 34,780

The Company has entered into sublease agreements which offset its obligation under other agreements. Should these agreements not be fulfilled, the Company would be obligated to pay approximately $12,600 in 2019 and $13,125 in 2020 and 2021.

RELATED PARTY TRANSACTIONS

Key personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Chairman of Board of Directors, the Chief Executive Officer, Chief Financial Officer and the Lead Director are considered key personnel.

In addition to monetary compensation, the Company also provides non-cash benefits and participation in the Stock Option Plan. The following table details the compensation to key management personnel and directors:

		March31, 2020		March 31, 2019
Salaries, fees and short-term benefits	**$**	**157,897**	$	204,000
Stock-based compensation		**255,476**		-
	$	**415,373**	$	204,000

As at March 31, 2020, the Company has $23,315 (2019 - $219,390) recorded within accounts payable and accrued liabilities relating to amounts payable to key management personnel. See Note 8 for additional related party balances.

During the year ended June 30, 2019, the Company paid $11,878 in fees to former key management personnel that resigned early in the year. $39,137 in stock-based compensation expenses were also incurred with former key management personnel. See Note 9 (b) of the financials statements for additional stock-based compensation issued to former key management personnel

INTERNAL CONTROLS OVER FINANCIAL REPORTING

As a result of the Company's limited administrative staffing levels, internal controls which rely on segregation of duties in many cases are not possible. To help mitigate the impact of this, the Company is highly reliant on the performance of compensating procedures and senior management's review and approval.

As a venture issuer, the Company is not required to certify the design and evaluation of the Company's disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), and as such has not completed such an evaluation.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR, as defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings,* may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances.
Information about key assumptions and estimation uncertainties that have a risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year are as follows:

- Estimates of inputs into the valuation of stock based compensation
- Measurement and period of use of intangible assets
- Estimates of future enacted corporate tax rates
- Recognition of government assistance

The Company is a research and development stage company and as such is primarily dependent on the funding of new investors to continue as a going concern. In the future, the Company's ability to continue as a going concern will be dependent upon its ability to attain profitable operations and generate funds therefrom, and to continue to obtain borrowings from third parties sufficient to meet current and future obligations and/or restructure the existing debt and payables.

CHANGES IN OR ADOPTION OF ACCOUNTING POLICIES

The Company's principal accounting policies are outlined in the Company's annual audited financial statements for FY 2018. The Company is currently reviewing its accounting policies and is determining the method the Company expects to use to adopt them and the impact of these accounting policies on its business.

Accounting Standards issued but not yet effective

The Company has not yet applied the following new standards, interpretations and amendments to standards that have been issued as at June 30, 2019 but are not yet effective. Unless otherwise stated, the Company does not plan to early adopt any of these new or amended standards and interpretations.

IFRS 16 Leases
On January 13, 2016, the IASB issued new IFRS 16 Leases. The new standard will replace IAS 17 Leases and is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that also apply IFRS 15 Revenue from Contracts with Customers. The Company is currently assessing the impact of this standard on its financial statements.

Recently adopted standards due to accounting policy changes

New standard IFRS 9 "Financial Instruments"
This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets.

The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. This new standard does not have a significant impact on the Company's financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

TELO has no material undisclosed off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on its results of operations, financial condition, revenues or expenses, liquidity, capital expenditures or capital resources that is material to investors.

PROPOSED TRANSACTIONS

At present, there are no proposed asset or business acquisitions or dispositions.

FINANCIAL INSTRUMENTS AND RISKS AND FINANCIAL RISK MANAGEMENT

(i) Market risk

The Company is exposed to foreign exchange risk, the risk that the fair value of future cash flows for financial instruments will fluctuate because of changes in foreign exchange rates, due to its United States dollar denominated cash and accounts payable and accrued liabilities. A 5% appreciation or deterioration of the Canadian dollar against the United States dollar would result in an increase and decrease, respectively in the Company's net income of approximately $10,000 as at December 31, 2019. The Company is not exposed to any significant interest risk as it does not have any variable rate borrowings.

(ii) Credit risk

Credit risk is the potential that customers or a counterparty to a financial instrument fail to meet their obligation to the Company. The Company believes this risk to be low as there are no trade receivables as no revenues have been earned to December 31, 2019. Additionally, amounts receivable are primarily composed of government remittances receivable in which the Company believes the collection risk is low. Additionally, the Company mitigates credit risk by holding all cash in a chartered bank.

(b) Risks arising from financial instruments

(iii) Liquidity risk

Liquidity risk is the risk the Company will encounter difficulties in meeting its financial obligations as they become due. The Company manages liquidity risk through cash management. In managing liquidity risk, the Company maintains access to equity markets, the availability of which is dependent on market conditions. The Company monitors its requirements regularly and believes there may not be sufficient funding for the foreseeable future. All financial liabilities are current and due within the next twelve months.

(c) Capital management

The Company's objective when managing capital is for the Company to safeguard the entity's ability to continue as a going concern, so that it can continue to explore and develop its research to ultimately provide returns for shareholders and benefits for other stakeholders.

The Company sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets as with consideration of externally imposed capital requirements. In order to maintain or adjust the capital structure, the Company may issue new shares or attempt to obtain debt financing.

The Company's management of capital as at June 30, 2019 consists of only the remaining cash at year end.

RISKS AND UNCERTAINTIES

Early Stage Development and Scientific Uncertainty

TELO's tests are at an early stage of development. Significant additional investment in development and validation, technology transfer to clinical settings and regulatory submissions of such tests is required prior to commercialization. There can be no assurance that any such tests will actually be approved. The development and regulatory processes may require access to inputs and resources or the achievement of certain outcomes which may not be available to the Company in sufficient amounts or in a timely fashion to allow the Company to complete the development or receive regulatory approval of any product or process. A commitment of substantial time and resources is required to conduct research and clinical trials

if the Company is to complete the development of any test or process. It is not known whether any of these test or process candidates will meet applicable health regulatory standards and obtain required regulatory approvals, whether such tests can be produced in commercial quantities at reasonable costs and be successfully marketed or if the Company's investment in any such tests will be recovered through sales or royalties.

No Assurance of Successful Deployment of Tests
The Company must demonstrate each test's safety and efficacy in humans through extensive clinical testing. Safety in humans is not an issue or concern in the case of the current tests because they are non-invasive and performed on blood or tissue samples provided by patients. Questions about general safety must be addressed in any and every application for approval. One of the principle objectives of clinical trials is to show efficacy; that a test reliably provides accurate and useful information. The Company may experience numerous unforeseen events during, or as a result of, the testing process that could delay or prevent the commercialization of any tests, including the following: decreased demand for the tests; impairment of business reputation; withdrawal of clinical trial participants; costs of related litigation and substantial monetary awards to patients or other claimants; loss of revenues; and the inability to commercialize the tests.

Negative Cash Flow from Operations
The Company has continued negative cash flow from operations. The Company anticipates having negative cash flows in future periods and, accordingly, the Company may be required to raise additional funds through the issuance of additional securities to satisfy the Company's general working capital requirements. The Company expects to continue to incur net losses unless and until such time as one or more of its Tests enter into commercial production and generate sufficient revenue to fund continuing operations, or until such time as the Company is able to offset its expenses against the sale of one or more of its Tests, if applicable. The development of the Company's Tests to commercialization will require the commitment of substantial financial resources. The amount and timing of such expenditures will depend on a number of factors, including the results of the Company's current and future studies and clinical trials, the ability of the Company to receive third party and regulatory approvals of its Tests, the rate at which operating losses are incurred and the execution of any sale or licensing agreements with strategic partners, some of which are beyond the Company's control. There is no assurance that the Company will be profitable in the future.

Expense Reduction Efforts
The Company intends to implement certain expense reduction measures to reduce general and administrative expenditures with the goal of increasing efficiencies across its organization. There can be no assurance that these expense reduction efforts will be achieved or will be otherwise successful. As a result, the Company may need to implement further cost reduction efforts across its operations, including suspending or curtailing planned programs and activities, which could materially affect its business, results of operations and future prospects, or complete future equity financings, which may result in dilution to existing shareholders.

Dependence on Collaborative Partners, Licensors and Others
The Company's activities will require it to enter into various arrangements with corporate and academic collaborators, licensors, licensees and others for the research, development, clinical testing, manufacturing, marketing and commercialization of its tests. TELO intends to attract corporate partners and enter into additional research collaborations. There can be no assurance, however, that the Company will be able to establish such additional collaborations on favorable terms, if at all, or that its current or future collaborations will be successful. Failure to attract commercial partners for the provision of its tests to patients may result in the Company incurring substantial clinical testing, manufacturing and commercialization costs prior to realizing any revenue from test sales or result in delays or program discontinuance if funds are not available in sufficient quantities.

Should any collaborative partner fail to develop, manufacture or commercialize successfully any test to which it has rights, or any partner's test to which the Company may have rights, the Company's business may be adversely affected. The failure of a collaborative partner to continue to participate in any particular program could delay or halt the development or commercialization of tests generated from such program. In addition, there can be no assurance that the collaborative partners will not pursue other technologies or develop alternative tests, either alone or in collaboration with others, including the Company's competitors, as a means for developing treatments for the diseases targeted by the Company's programs.

Clinical Trials Recruitment
Clinical trials for TELO's Tests require that TELO identify and procure patient samples for retrospective analysis or enroll patients with the disease under investigation. TELO may not be able to access sufficient patient samples for retrospective analysis or enroll a sufficient number of patients to complete the clinical trials in a timely manner. Procuring samples and patient enrollment is a function of many factors including, but not limited to, design of the study protocol, size of the patient population, eligibility criteria for the study, the perceived risks and benefits of the therapy under study, the patient referral practices of physicians and the availability of clinical trial sites. If TELO has difficulty procuring patient samples or enrolling a sufficient number of patients to conduct the clinical trials as planned, TELO may need to delay or terminate ongoing clinical trials.

Uncertainties Related to Clinical Trials and Test Development
There is no assurance that the Company's R&D programs will result in commercially viable Tests and in the commercially viable provision of Tests to patients. To achieve profitable operations, TELO must successfully develop, out-license, gain regulatory approval and market its proposed Tests. To obtain regulatory approvals for the Tests being developed and to achieve commercial success, clinical trials must demonstrate that the Tests are reliable for human use and that they demonstrate reproducible outcomes in terms of accuracy and specificity. The Company can make no assurances that any future Tests or clinical trials, if undertaken, will yield favorable results.

Development Costs and Timing
The Company may be unable to initiate or complete the development of its tests on the Company's currently expected timeline, or at all. The timing for the completion of the studies for the Company's tests will depend on the Company's ability to secure funding for these studies and tests, which, in the case of the Company's myeloma and lung cancer studies, will require funding beyond the Company's existing cash and cash equivalents and the net proceeds from any future equity offerings. In addition, if regulatory authorities require additional time or studies to assess the safety or efficacy of the Tests, the Company may not have or be able to obtain adequate funding to complete the necessary steps for the approval of its Tests. Additional delays may result if regulatory authorities recommend non-approval or place restrictions on approval. Moreover, the Company may experience delays, or be unable to commence clinical trials or studies, as a result of delays in obtaining approvals from applicable hospital ethics committees and internal review boards, or the failure of such bodies to provide such approvals.

Studies required to demonstrate the safety and efficacy of the Company's Tests are time consuming, expensive and together take many years to complete. In addition, approval policies, regulations or the type and amount of clinical data necessary to gain approval may change during the course of the Tests' clinical development and may vary among jurisdictions. The Company has not obtained regulatory approval for its Tests and it is possible that none of its Tests or any test it seeks to develop in the future will ever obtain regulatory approval. Delays in regulatory approvals or rejections of applications for regulatory approval in Canada, the United States, Europe and other markets may result from a number of factors, many of which are outside the Company's control.

The lengthy and unpredictable approval process, as well as the unpredictability of future clinical trial results, may result in the Company's failure to obtain regulatory approval to market any of its Tests, which would significantly harm the Company's business, results of operations and prospects.

Lack of Demand
A failure in the demand for TELO's Tests to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Additional Financing Requirements and Access to Capital
The ongoing economic slowdown and downturn of global capital markets has generally made the raising of capital by equity or debt financing more difficult. Access to financing has been negatively impacted by ongoing global economic risks. The Company will require substantial additional funds for further research and development, planned clinical testing, regulatory approvals, the establishment of manufacturing capabilities and, if necessary, the marketing and sale of its Tests. The Company may attempt to raise additional funds for these purposes through public or private equity or debt financing, collaborations with other therapeutic companies, government grants or other sources. There can be no assurance that additional funding or partnerships will be available on terms acceptable to the Company and which would foster the successful commercialization of the Company's Tests. If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of the Company's Common Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital or to pursue business opportunities, including potential acquisitions. If adequate funds are not obtained, the Company may be required to reduce, curtail or discontinue operations.

Reliance on Key Personnel
The Company is dependent on certain members of its management and scientific staff as well as consultants and contractors, the loss of services of one or more of whom could adversely affect the Company. The contributions of the existing management team to the immediate and near term operations of the Company are likely to be of central importance. In addition, the Company's ability to manage growth effectively will require it to continue to implement and improve its management systems and to recruit and train new employees. There can be no assurance that the Company will be able to successfully attract and retain skilled and experienced personnel. In addition, an inability to hire, or the increased costs, of new personnel including members of executive management, could have a material adverse effect on the Company's business, financial condition and results of operations.

Use of Proceeds
Although the Company has set out its intended use of proceeds in its press releases, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company's business, including the Company's ability to achieve its stated business objectives.

Competition
The biotechnology industry is highly competitive, and includes companies with significantly greater financial, technical, human, research and development and marketing resources than TELO. There are companies that compete with TELO's efforts to discover, validate and commercialize diagnostic and prognostic Tests. TELO's competitors may discover and develop products in advance of TELO or products that are more effective than those developed by TELO. As a consequence, TELO's current and future technologies and Tests may become obsolete or uncompetitive, resulting in adverse effects on revenue, margins and profitability. Potential competitors of the Company have or may develop product development capabilities or financial, scientific, marketing and human resources exceeding those of the Company. The Company believes that its ability to compete effectively depends upon many factors both within and beyond the Company's control, including:

• the usefulness, ease of use, performance and reliability of TELO's Tests compared to its competitors;

• the timing and market acceptance of TELO's Tests, including developments and enhancements to TELO's Tests;

• TELO's ability to monetize its Tests;

• the selection of licensing partners for its Tests with the necessary skills and resources to drive uptake;

• TELO's marketing and selling efforts;

• TELO's financial condition and results of operations;

• changes mandated by legislation, regulatory authorities or litigation;

• acquisitions or consolidations within TELO's industry, which may result in more formidable competitors;

• TELO's ability to attract, retain and motivate talented employees;

• TELO's ability to cost-effectively manage and grow its operations; and

• TELO's reputation and brand strength relative to that of its competitors.

Slow Acceptance of Tests
The marketplace may be slow to accept or understand the significance of the Company's technology due to its unique nature and the competitive landscape. If the Company is unable to promote, market and sell its Tests and secure relationships with partners and purchasers, the Company's business and financial condition will be adversely affected.

Lack of Test Revenues and History of Losses
To date, TELO has not recorded any revenues. TELO expects to incur additional losses during the periods of research and development, clinical testing and application for regulatory approval of its proposed Tests. The Company will incur losses unless and until such time as payments from corporate collaborations, Test sales or royalty payments generate sufficient revenues to fund its continuing operations.

Limited Operating History
The Company has a limited operating history and, in particular, no history of revenue generation. The Company was incorporated on May 25, 2011 and has yet to generate a profit from its operating activities. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. Although the Company anticipates earning revenue in the future, it will also incur substantial expenses in the establishment of its business.

To the extent that such expenses do not result in revenue gains that are adequate to sustain and expand its business, the Company's long-term viability may be materially and adversely affected.

Government Regulations
Biotechnology companies operate in a high-risk regulatory environment. The development and sale of diagnostic and prognostic tests is governed by numerous statutes and regulations in the United States, Canada and other countries where the Company intends to market its Tests. The subject matter of such legislation includes controlled research and testing procedures, the production of preclinical and clinical data prior to marketing approval as well as regulation of marketing activities, notably advertising and labelling.

The process of completing clinical testing and obtaining required approvals is likely to take several years and require the expenditure of substantial resources. Furthermore, there can be no assurance that

regulators will not require modification to any submissions which may result in delays or failure to obtain regulatory approvals. Any delay or failure to obtain regulatory approvals could adversely affect the ability of the Company to utilize its technology, thereby adversely affecting operations. There is no assurance that the Company will be able to timely and profitably provide its Tests while complying with all of the applicable regulatory requirements.

Rapid Technological Change
The biotechnology industry is characterized by rapid and substantial technological change. There can be no assurance that developments by others will not render the Company's proposed Tests or technologies noncompetitive, or that the Company will keep pace with technological developments. Competitors have developed or are developing technologies that could be the basis for competitive tests. In addition, alternative forms of diagnosis and prognosis may be competitive with the Company's Tests.

There is no assurance that the Company will earn profits in the future, or that profitability will be sustained. There is no assurance that future revenues will be sufficient to generate the funds required to continue the Company's business development and marketing activities. If the Company does not have sufficient capital to fund its operations, it may be required to reduce its sales and marketing efforts or forego certain business opportunities.

Software
The Company's Tests incorporate software that is highly technical and complex. The Company's software may now or in the future contain undetected errors, bugs or vulnerabilities. Some errors in the Company's software codes may only be discovered after the codes have been released. Any errors, bugs or vulnerabilities discovered in the Company's codes after release could result in damage to the Company's reputation, loss of users, loss of revenue or liability for damages, any of which could adversely affect the Company's business and financial results.

Risks Associated with International Operations
The Company intends to market and distribute its Tests and services in Canada and the United States and may distribute its Tests and services in other markets. There are inherent risks in operating in different geographic markets including but not limited to (i) differing laws governing the importation, marketing and distribution of the Company's Tests or services; (ii) risks associated with exchange rate differentials across the Company's markets, which can lead to fluctuations in demand, revenue and net income; and (iii) differing levels of consumer, business and overall market acceptance of the Company's brand, Tests or services and the demand for the foregoing. The foregoing risks could have an adverse effect on the operations, strategy, business and profitability of the Company.

No Assurance of Active Trading Market
There can be no assurances that an active trading market in the Company's Common Shares on the markets through which the Common Shares trade will be sustained.

Value of Securities
The value of the Company's Common Shares may be reduced for a number of reasons, many of which are outside the control of the Company, including:

- general economic and political conditions in Canada, the United States and globally;
- governmental regulation of the biotechnology, health care and pharmaceutical industries;
- the failure to achieve desired outcomes by the Company or its collaborators;
- the failure to obtain industry partner and other third party consents and approvals, when required;
- stock market volatility and market conditions;

- competition for, among other things, capital and skilled personnel;
- the need to obtain required approvals from regulatory authorities;
- revenue and operating results failing to meet expectations in any particular period;
- investor perception of the biotechnology, health care and pharmaceutical industries;
- limited trading volume of the Company's Common Shares;
- announcements relating to the Company's business or the businesses of the Company's competitors; and
- the Company's ability or inability to raise additional funds.

Dilution to Shareholders
TELO has granted in the past, and may grant in the future, to some or all directors, officers, employees and consultants, options to purchase Common Shares and other stock-based awards as non-cash incentives to those persons, and has issued, and may issue in the future, Common Share purchase warrants in the course of financings. The issuance of Common Shares upon the exercise of the Company's outstanding stock options and Common Share purchase warrants will result in dilution to the interests of shareholders, and may reduce the trading price of the Common Shares. Moreover, the issuance of additional stock options or Common Share purchase warrants, and the exercise of these securities for Common Shares, may have an adverse effect on the interests of shareholders and the market price of the Common Shares.

Any additional issuance of Common Shares or a decision to acquire other businesses through the sale of equity securities may dilute investors' interests, and investors may suffer dilution in their net book value per Common Share depending on the price at which such securities are sold. Such issuances may cause a reduction in the proportionate ownership and voting power of all other shareholders. The dilution may result in a decline in the price of the Company's Common Shares.

Litigation
The Company or its directors and officers may be subject to a variety of civil or other legal proceedings, with or without merit. From time to time in the ordinary course of its business, the Company may become involved in various legal proceedings, including commercial, employment and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Company's business, operating results or financial condition

Protection of Intellectual Property Rights
There is no guarantee that TELO's patent rights comprise all of the rights that the Company needs to be entitled to freely use and commercialize its Tests. If third party patents or patent applications contain claims infringed by the Company's technology and these claims are valid, TELO may be unable to obtain licenses to these patents at a reasonable cost, if at all, and may also be unable to develop or obtain alternative technology. If such licenses cannot be obtained at a reasonable cost, the business could be significantly impacted. Further, the enforceability of the patents owned by the Company may be challenged and the Company's patents could be partially or wholly invalidated following challenges by third parties.

If a third party accuses the Company of infringing its intellectual property rights, or if a third party commences litigation against the Company for the infringement of patent or other intellectual property rights, the Company may incur significant costs in defending such action, whether or not it ultimately prevails. Typically, patent litigation in the pharmaceutical and biotechnology industry is expensive. Costs that the Company incurs in defending third party infringement actions would also include the diversion of management's and technical personnel's time. In addition, parties making claims against the Company may be able to obtain injunctive or other equitable relief that could prevent the Company from further developing

discoveries or commercializing its Tests. In the event of a successful claim of infringement against the Company, it may be required to pay damages and obtain one or more licenses from the prevailing third party. If it is not able to obtain these licenses at a reasonable cost, it could encounter delays in Test introductions and the loss of substantial resources while it attempts to develop alternative Tests. Defense of any lawsuit or failure to obtain any of these licenses could prevent the Company or its partners from commercializing available Tests and could cause it to incur substantial expenditure. The Company also relies on its trade secrets, which include information relating to the manufacture, development and administration of its Tests. The protective measures that the Company employs may not provide adequate protection for its trade secrets. This could erode the Company's competitive advantage and materially harm its business. The Company cannot be certain that others will not independently develop the same or similar technologies on their own, gain access to trade secrets, disclose such technology or that the Company will be able to meaningfully protect its trade secrets and unpatented knowhow and keep them secret.

Reliance on Third Parties

The Company will rely on independent clinical investigators, contract research organizations and other third-party service providers to assist it in managing, monitoring and otherwise carrying out clinical trials. TELO is reliant on or has contracted with, and plans to continue to contract with, certain third parties to provide certain services, including site selection, enrolment, monitoring and data management services. Although TELO depends heavily on these parties, TELO does not control them and, therefore, cannot be assured that these third parties will adequately perform all of their contractual obligations to TELO. If TELO's third-party service providers cannot adequately fulfill their obligations to TELO on a timely and satisfactory basis, if the quality or accuracy of clinical trial data is compromised due to failure by third parties to adhere to TELO's protocols or regulatory requirement or if such third parties otherwise fail to meet deadlines, TELO's development plans may be delayed or terminated.

No Sales, Marketing or Distribution Experience

TELO has limited sales, marketing or distribution experience. The Company intends to rely heavily on third parties to launch and market its Tests, if approved. However, if the Company elects to develop internal sales, distribution and marketing capabilities, it will need to invest significant financial and management resources. For Tests where the Company decides to perform sales, marketing and distribution functions itself, the Company could face a number of additional risks, including: (i) that it may not be able to attract and build a significant marketing or sales force; (ii) that the cost of establishing a marketing or sales force may not be justifiable in light of the revenues generated by any particular Test; and (iii) that direct sales and marketing efforts may not be successful. If the Company is unable to develop its own sales, marketing and distribution capabilities, it will not be able to successfully commercialize its Tests, if approved, without reliance on third parties.

Potential Product Liability

There is no assurance that unforeseen adverse events or defects will not arise in the Company's Tests. Adverse events could expose the Company to product liability claims or litigation, resulting in the removal of the regulatory approval for the relevant Tests or monetary damages being awarded against the Company. In such event, the Company's liability may exceed the Company's insurance coverage.

Volatility of Share Price, Absence of Dividends and Fluctuation of Operating Results

Market prices for the securities of biotechnology companies, including diagnostic and prognostic product companies have historically been highly volatile. Factors such as the fluctuation of the Company's operating results, announcements of technological innovations, patents or new commercial products by the Company or its competitors, results of clinical testing, regulatory actions or public concern over the safety of therapeutic products and other factors could have a significant effect on the share price or trading volumes for the Company's Common Shares. TELO has not paid dividends to date and does not expect to pay dividends in the foreseeable future.

Conflict of Interest
Certain of the directors and senior officers of the Company may, from time to time, be employed by or affiliated with organizations which have entered into agreements or will enter into agreements with TELO. As disputes may arise between these organizations and TELO, or certain of these organizations may undertake or have undertaken research with competitors of TELO, there exists the possibility for such persons to be in a position of conflict. Any decision or recommendation made by these persons involving TELO will be made in accordance with his or her duties and obligations to deal fairly and in good faith with TELO and such other organizations. In addition, as applicable, such directors and officers will refrain from voting on any matter in which they have a conflict of interest.

Reporting Issuer Status
As a reporting issuer, the Company is subject to reporting requirements under applicable securities law and stock exchange policies. Compliance with these requirements increases legal and financial compliance costs, makes some activities more difficult, time consuming and costly and increases demand on existing Company systems and resources. Among other things, the Company is required to file annual, quarterly and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. In order to maintain and, if required, improve disclosure controls and procedures and internal controls over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Company's business and results of operations. The Company may need to hire additional employees to comply with these requirements in the future, which would increase its costs and expenses.

Use and Storage of Personal Information and Compliance with Privacy Laws
The Company may receive, store and process personal information and other customer or patient data, including addresses, telephone numbers and images of government identification. As a result, the Company must comply with the numerous federal, provincial and local laws in Canada and abroad relating to the collection, use, disclosure, storage and safeguarding of personal information. Any failure or perceived failure by the Company to comply with its privacy policies, privacy-related obligations to customers or other third parties or privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or other customer data, may result in governmental enforcement actions, fines or litigation.

Forward-Looking Statements May Prove Inaccurate
Investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com.