

**Lexagene Holdings Inc.**  
**(former Wolfeye Resource Corp.)**  
**Consolidated Financial Statements**  
**For The Six Months Ended September 30, 2016**  
**(Unaudited)**

**Expressed in Canadian Dollars**

These unaudited condensed consolidated interim financial statements of Lexogene Holdings Inc. for the six months ended September 30, 2016 have been prepared by management and approved by the Board of Directors. These unaudited condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

Lexagene Holdings Inc.  
Consolidated statements of financial position  
(Expressed in Canadian Dollars)  
(Unaudited)

	Notes	September 30, 2016	March 31, 2016
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 168,801	\$ 8,527
Receivables		3,929	1,553
Short-term loan	3	188,259	25,000
Prepaid		2,574	4,533
		363,563	39,613
<b>TOTAL ASSETS</b>		<b>\$ 363,563</b>	<b>\$ 39,613</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables and accrued liabilities	4, 6	\$ 225,106	\$ 107,156
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
Share capital	5	3,820,111	3,738,111
Share subscriptions received	5	298,325	-
Share-based payment reserve	5	274,247	274,247
Deficit		(4,254,226)	(4,079,901)
<b>TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		<b>138,457</b>	<b>(67,543)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 363,563</b>	<b>\$ 39,613</b>

Nature and continuance of operations (Note 1)  
Subsequent event (Note 11)

Lexagene Holdings Inc.  
Consolidated statements of loss and comprehensive loss  
(Expressed in Canadian Dollars)  
(Unaudited)

	Notes	Three months ended		Six months ended	
		September 30,		September 30,	
		2016	2015	2016	2015
<b>Expenses</b>					
Administration	6	\$ 15,000	\$ 10,000	\$ 30,000	\$ 10,000
Consulting fees	6	15,000	15,000	30,000	20,000
Management fees	6	3,000	2,000	3,000	3,500
Office and miscellaneous		337	721	404	1,049
Professional fees		23,832	865	61,486	7,595
Rent		-	3,000	-	3,000
Transfer agent, filing fees and shareholder relations		32,810	4,320	44,930	6,806
Travel		3,539	4,427	3,539	4,427
		(93,518)	(40,333)	(173,359)	(56,377)
<b>Other items</b>					
Write-off of accounts payable			12,019	-	12,019
Foreign exchange		(966)	-	(966)	-
		(966)	12,019	(966)	12,019
<b>Net loss and comprehensive loss</b>		<b>\$ (94,484)</b>	<b>\$ (28,314)</b>	<b>\$(174,325)</b>	<b>\$ (44,358)</b>
<b>Net loss per share – basic and diluted</b>		<b>\$ (0.01)</b>	<b>\$ (0.003)</b>	<b>\$ (0.02)</b>	<b>\$ (0.005)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>		<b>9,828,420</b>	<b>9,170,268</b>	<b>9,592,946</b>	<b>8,765,896</b>

See accompanying notes to the consolidated financial statements

Lexagene Holdings Inc.  
Consolidated statement of changes in equity  
(Expressed in Canadian Dollars)  
(Unaudited)

Share capital						
Notes	Number of shares	Amount	Share-based payment reserve	Deficit	Total	
<b>Balance at March 31, 2015</b>	<b>7,170,260</b>	<b>3,639,461</b>	<b>274,247</b>	<b>\$ (3,885,024)</b>	<b>28,684</b>	
Comprehensive loss:						
Loss for the period	-	-	-	(44,358)	(44,358)	
Transactions with owners, in their capacity as owners, and other transfers:						
Shares issued for cash – private placement	2,000,000	100,000	-	-	100,000	
Share issue costs	-	(1,350)	-	-	(1,350)	
<b>Balance at September 30, 2015</b>	<b>9,170,260</b>	<b>\$ 3,738,111</b>	<b>\$ 274,247</b>	<b>\$ (3,929,382)</b>	<b>\$ 82,976</b>	
<b>Balance at March 31, 2016</b>	<b>9,170,260</b>	<b>\$ 3,738,111</b>	<b>\$ 274,247</b>	<b>\$ (4,079,901)</b>	<b>\$ (67,543)</b>	
Comprehensive loss:						
Loss for the period	-	-	-	(174,325)	(174,325)	
Shares issued for exercise of warrants	5 1,025,000	82,000	-	-	82,000	
Share subscriptions received		298,325	-	-	298,325	
<b>Balance at September 30, 2016</b>	<b>10,195,260</b>	<b>\$ 4,118,436</b>	<b>\$ 274,247</b>	<b>\$ (4,254,226)</b>	<b>\$ 138,457</b>	

See accompanying notes to the consolidated financial statements

Lexagene Holdings Inc.  
Consolidated statements of cash flows  
Six months ended September 30,  
(Expressed in Canadian Dollars)  
(Unaudited)

	2016	2015
<b>Operating activities</b>		
Loss for the period	\$ (174,325)	\$ (44,358)
Changes in non-cash working capital items:		
Receivables	(2,376)	9,022
Short-term loan	(163,259)	(25,000)
Prepaid	1,959	(9,024)
Trade payables and accrued liabilities	117,950	(61,739)
<b>Net cash flows used in operating activities</b>	<b>(220,051)</b>	<b>(131,099)</b>
<b>Financing activity</b>		
Proceeds on issuance of common shares for exercised warrants	82,000	98,650
Share subscriptions received	298,325	-
<b>Net cash flows from financing activity</b>	<b>380,325</b>	<b>98,650</b>
Change in cash	160,274	(32,449)
Cash, beginning	8,527	105,485
<b>Cash, ending</b>	<b>\$ 168,801</b>	<b>\$ 73,036</b>

## **1. Nature and continuance of operations**

Lexagene Holdings Inc. (the “Company”) was incorporated on April 26, 2007, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in North America. The Company is a Tier 2 Mining Issuer listed and trading on the TSX Venture Exchange (“TSX-V”).

The head office, principal address, records office and registered address of the Company are located at 750 West Pender Street, Suite 303, Vancouver, British Columbia, Canada, V6C 2T7.

Effective November 17, 2015, the Company entered into a definitive share exchange agreement to acquire all of the issued and outstanding securities (the “Acquisition”) of Bionomics Diagnostics Inc. (“BDI”), an arm's-length private British Columbia company operating in the biomedical device space (the “BDI Agreement”) (Note 5).

These consolidated financial statements have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at September 30, 2016, the Company is not able to finance day to day activities through operations, raising significant doubt about its ability to continue as a going concern. The Company’s continuation as a going concern is dependent upon its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or private placement of common shares.

## **2. Significant accounting policies and basis of preparation**

These unaudited condensed interim consolidated financial statements were approved and authorized for issue on November 28, 2016 by the directors of the Company.

These unaudited condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee.

These unaudited condensed interim consolidated financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended March 31, 2016.

### 3. BDI Agreement

In accordance with the BDI Agreement, the shareholders of BDI will receive 17,000,000 common shares in the capital of the Company in exchange for the common shares of BDI (the "BDI Shares") at a price of \$0.25 per share on a pro-rata basis. Following the Share Exchange, the Company will be engaged in commercializing a proprietary pathogen detection technology for the food safety testing industry and the in vitro diagnostics testing industry.

The transaction will result in the shareholders of BDI acquiring control of the Company. Therefore, the transaction will be accounted for as an acquisition of the Company by BDI and treated as a reverse take-over ("RTO"). As the Company does not meet the definition of a business as defined by International Financial Reporting Standards ("IFRS") 3, it will be accounted for as a share-based payment transaction in accordance with IFRS 2.

During the year ended March 31, 2016 the Company advanced BDI \$25,000 as a non-interest bearing loan toward BDI's transaction expenses, which is refundable if the parties agree to terminate the transaction or regulatory authority does not permit the transaction to proceed.

The completion of the Acquisition is subject to material conditions precedent to be fulfilled, including due diligence, the negotiation and execution of a definitive agreement and TSX-V approval within 150 days following the execution of the Interim Agreement. After entering into a definitive agreement, should the Company not proceed with the transaction contemplated, the Company shall pay a break fee of \$25,000, which may be satisfied by off-setting such break fee from the \$25,000 advance.

### 4. Trade payables and accrued liabilities

	September 30, 2016	March 31, 2016
Trade payables	\$ 77,026	\$ 6,102
Accrued liabilities	148,080	101,054
	\$ 225,106	\$ 107,156

### 5. Share capital

#### (a) Authorized share capital

Unlimited number of common shares without par value.

#### (b) Issued share capital

At September 30, 2016 there were 10,195,260 issued and fully paid common shares (March 31, 2016 – 9,170,260).

#### **Six months ended September 30, 2016**

During the six months ended September 30, 2016 the Company issued 1,025,000 shares pursuant to exercise of 1,025,000 warrants at \$0.08 per warrant.

**5. Share capital** (continued)

**(b) Issued share capital** (continued)

**Year ended March 31, 2016**

The Company completed a non-brokered private placement and issued 2,000,000 units of the Company at \$0.05 per unit for gross proceeds of \$100,000. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share for 36 months from the closing of the private placement at a price of \$0.08 per common share. The Company incurred share issuance costs for the private placement of \$1,350.

**(c) Warrants**

The changes in warrants during the six months ended September 30, 2016 and year ended March 31, 2016 are as follows:

	Six months ended September 30, 2016		Year ended March 31, 2016	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning of period	8,005,000	\$ 0.08	6,005,000	\$ 0.08
Warrants exercised	(1,025,000)	0.08	-	-
Warrants issued	-	-	2,000,000	0.08
Warrants outstanding, end of period	6,980,000	\$ 0.08	8,005,000	\$ 0.08

Details of warrants outstanding as at September 30, 2016 are as follows:

Number of warrants	Exercise Price	Expiry Date
4,980,000	\$ 0.08	June 20, 2019
2,000,000	\$ 0.08	May 7, 2018

The Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 5 years from the date of grant. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position. Vesting periods are determined by the Board of Directors.

**5. Share capital** (continued)

**(d) Stock options**

There were no options outstanding as at March 31, 2016 and September 30, 2016.

**(e) Share-based payment reserve**

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

**6. Related party transactions**

The following amounts due to related parties are included in trade payables and accrued liabilities:

	September 30, 2016	March 31, 2016
Companies controlled by directors and former director of the Company	\$ 26,250	\$ -

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

The Company incurred the following transactions with directors or companies that are controlled by directors of the Company:

	Six months ended September 30,	
	2016	2015
Management fees	\$ -	\$ 3,500
Consulting fees	30,000	20,000
	\$ 30,000	\$ 23,500

During the six months ended September 30, 2016 the Company incurred \$30,000 in fees paid to a management company to provide administrative services including services of a Chief Financial Officer. As at September 30, 2016 \$31,500 (March 31, 2015 - \$nil) was payable to this company and included in trade payables and accrued liabilities.

**7. Financial instruments and risk management**

***Designation and valuation of financial instruments***

The Company has designated its cash, receivables and short-term loan as loans-and-receivables and trade payables as other-financial-liabilities.

The carrying values of cash, receivables, short-term loan and trade payables approximate their fair values because of the short-term maturity of these financial instruments.

## 7. Financial instruments and risk management (continued)

The following table summarizes the designation of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable:

- Level 1 of the fair value hierarchy includes unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 of the hierarchy includes inputs that are observable for the asset or liability, either directly or indirectly; and
- Level 3 includes inputs for the asset or liability that are not based on observable market data.

The Company's financial instruments included in Level 1 are as follows:

	September 30, 2016	March 31, 2016
Cash	\$ 168,801	\$ 8,527

Financial liabilities included in the consolidated statement of financial position are as follows:

	September 30, 2016	March 31, 2016
Non-derivative financial liabilities:		
Trade payables	\$ 225,106	\$ 6,102

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

### ***Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts and receivables. The cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's receivables consist of tax receivables due from federal government agencies and a short term loan. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

### ***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

## **7. Financial instruments and risk management (continued)**

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as being high.

### ***Foreign exchange risk***

Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company does not have any exposure to any highly inflationary foreign currencies.

### ***Interest rate risk***

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at September 30, 2016, the Company did not have any cash equivalents or interest bearing debt and is not subject to interest rate risk.

### ***Capital management***

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to any externally imposed capital requirements.

## **8. Subsequent event**

Subsequent to the six months ended September 30, 2016 on October 14, 2016 the Company announced completion of the reverse takeover transaction pursuant to which it acquired Bionomics Diagnostics Inc. ("BDI"). The Company's common shares resumed trading on the TSX Venture Exchange as a Tier 2 technology issuer under the symbol "LXG" on October 19, 2016.

Subsequent to the six months ended September 30, 2016, 120,000 warrants with an exercise price of \$0.08 were exercised for proceeds of \$9,600.