LEXAGENE HOLDINGS INC.
(formerly WOLFEYE RESOURCE CORP.)

Management's Discussion and Analysis
For the Nine Months Ended
November 30, 2016

General

This management discussion and analysis of financial position and results of operations ("MD&A) is prepared as at January 27, 2017 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the nine months ended November 30, 2016 and related notes of LexaGene Holdings Inc. ("LexaGene" or the "Company"). These unaudited condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

Management is responsible for the preparation and integrity of the condensed interim consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the condensed interim consolidated financial statements and Management Discussion and Analysis ("MD&A"), is complete and reliable.

All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted. This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at www.sedar.com.

Description of Business

October 12, 2016 the Company completed reverse takeover transaction ("RTO") 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. Bionomics Diagnostics Inc. was incorporated in British Columbia, Canada, on February 10, 2015. The principal business of the Company is to research, develop, and commercialize pathogen detection devices in the lifesciences industry.

This transaction was accounted for as a purchase. For accounting purposes Bionomics Diagnostics Inc. was deemed to be the acquirer and Wolfeye Resource Corp the acquiree. The resulting issuer was renamed LexaGene Holdings Inc. Accordingly, the net assets and

operating results of Lexagene Holdings Inc. have been included in the financial statements from the date of acquisition, which is October 12, 2016. The Statement of Financial Position as of February 29, 2016 is that of Bionomics Diagnostics Inc. For allocation of the purchase price refer to the Note 5 of the consolidated condensed interim financial statements for the nine months ended November 30, 2016.

Up to May 2015 the Company was a natural resource company engaged in the acquisition, exploration, and evaluation of assets ("mineral properties"). Following the acquisition of BDI, the Company will be engaged in commercializing a proprietary technology for automated pathogen detection. The Company trades on the TSX Venture Exchange (the "Exchange") under the symbol LXG.

Summary of Operations, events and Future Plans

Product development is happening in partnership with Boston Engineering of Waltham, Massachusetts. We are currently in phase 2 of a 4-part process, during which time we are planning out the instrument's design and working to mitigate any anticipated risks associated with building the instrument. In phase 3, the instrument is built and in phase 4, the system's specifications are verified. We are currently on track and anticipate completing the alpha prototype on November 14th.

Our current data suggest the selected valves, pumps, and tubing are compatible with the chemistries we are running. Using a breadboard (i.e. an instrument mock-up composed of a pump connected to a multi-position rotational valve with tubing), we have successfully: 1) assembled and transported series of reagent slugs in an immiscible engineered fluid, 2) assembled and transported series of reaction mixtures in an immiscible engineered fluid, and 3) demonstrated these reactions slugs tolerate thermal cycling and do not migrate within the tube during this process.

We have also completed some preliminary work on capturing bacteria in a mock-up of the system's sample preparation cartridge and worked on extracting and purifying its DNA. These DNA were detected using custom-designed fluorescent probe-based assays specific for *E. coli* on a commercial qPCR instrument. We have transferred the information learned in the mock-up experiments to 3D CAD images of the system's disposable sample preparation cartridge. We have also generated CAD images of the system (i.e. the instrument's shell), and have begun working on placing the internal components within the shell. Lastly, we have started designing the instrument's heated components and optical detector.

In the coming weeks and months, we will address the remaining known risks, including: 1) verifying splicing of reagent slugs with sample-containing master mix to create reaction mixtures, 2) verifying the system can successfully process successive samples without the risk of carry over contamination, 3) testing whether gravity alters slug position over time, 4) verifying the instrument can perform the requested functions after remaining idle for some time, 5) evaluating whether reagent settling over time influences data quality, 6) evaluating the stability of stored reagents over time, 7) evaluating whether the lines become fouled over time when processing different sample matrices, 8) evaluating whether inter-slug reagent transfer is a concern, 9) evaluating the effectiveness of instrument-performed

mixing, 10) evaluating the performance of the instrument's thermal-cycler and optical system, 11) evaluating the effectiveness of sample concentration and DNA extraction, and 12) evaluating the system's sensitivity and specificity. For this latter point, additional work on assay design and sample collection will be required. We will also need to determine the impact rapid processing has on the instrument's sensitivity and specificity as we strive to develop an instrument that can return a genetic analysis on the sample in ~ 1 hr. Although this list is long, we remain confident in our ability to successfully address each point in a timely manner.

Through the process of product development, it is possible other risks will be discovered that are not obvious at this time.

In regards to market analysis, we continue to talk to key opinion leaders in the fields of food safety, veterinary diagnostics, aquaculture pathogen surveillance, and water quality monitoring. These initial conversations have been encouraging.

Corporate Changes

Upon closing of the RTO, Yari Nieken, Chris Cherry, and Nizar Bharmal resigned as directors of the Company. Additionally, Nizar Bharmal has resigned as director, President, Chief Executive Officer and Corporate Secretary. The Company is led by Dr. Jack Regan, who has been appointed President and Chief Executive Officer. Other board members include Jim Hutchens, Daryl Rebeck, Eric Olsen and Tom Slezak. Zula Kropivnitski is the company's Chief Financial Officer and Corporate Secretary.

Selected Yearly Information

	February 29, 2016	**19-day period ended February 28, 2015**
Total assets	$ 104,503	$ 7,335
Working capital (deficiency)	39,863	(5,591)
Loss for the period	(77,566)	(6,581)
Loss per share	(0.02)	(0.02)

Selected Quarterly Information

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements. All dollar amounts are in Canadian dollars.

Quarter Ended	Net income (loss) for the period	Net income (loss) per Share (Basic & Diluted)	Total Assets
November 30, 2016	$ (5,034,147)	$ (0.238)	$ 1,397,947
August 31, 2016	$ (126,486)	$ (0.014)	$ 81,957
May 31, 2016	$ (134,242)	$ (0.008)	$ 81,073
February 29, 2016	$ (27,158)	$ (0.00)	$ 104,503
November 30, 2015	$ (22,508)	$ (0.00)	$ 35,240
August 31, 2015	$ (24,074)	$ (243.172)	$ 36,024
May 31, 2015	$ (15,826)	$ (159.860)	$ 28,767
19-day period ended February 29, 2015	$ (6,581)	$ (66.47)	$ 7,335

Results of Operations

Three months ended November 30, 2016

During the three months ended November 30, 2016, the Company recorded net loss of $5,034,147 compared to a net loss of $22,508 for the three months ended November 30, 2015. The significant change during the period ended November 30, 2016 compared to the period ended November 30, 2015 is due to completed acquisition of Bionomics Diagnostics Inc. by the Company and recorded fair value consideration related to this transaction of $4,752,506. For details refer to the note 5 of the unaudited condensed consolidated financial statements for the nine months ended November 30, 2016. Another significant change during the period ended November 30, 2016 compared to the period ended November 30, 2015 is due to increase in research and development expenses by $195,088.

Nine months ended November 30, 2016

During the nine months ended November 30, 2016, the Company recorded net loss of $5,294,875 compared to a net loss of $62,408 for the nine months ended November 30, 2015. The significant change during the period ended November 30, 2016 compared to the period ended November 30, 2015 is due to completed acquisition of Bionomics Diagnostics Inc. by the Company and recorded fair value consideration related to this transaction of $4,752,506. For details refer to the note 5 of the unaudited condensed consolidated financial statements for the nine months ended November 30, 2016. Another significant change during the nine months ended November 30, 2016 compared to the comparative period ended November 30, 2015 is due to increase in research and development expenses by $347,822. Consulting fees for the current period increased by $95,481 from $5,132 incurred during the nine months ended November 30, 2015. Professional fees incurred during the nine months ended November 30, 2016 decreased by $50,762 as compared to professional fees incurred during comparative period of the prior year. These changes relate to the acquisition of Bionomics Diagnostics Inc.

Financial Condition, Liquidity and Capital Resource

The Company's working capital as of November 30, 2016 was $1,201,728 including cash of $1,255,544, compared to a working capital deficit of $36,890 including cash of $25,310 as of February 29, 2016.

The Company does not currently have an active business generating positive cash flows. The Company is reliant on equity financing to provide the necessary cash to acquire or participate in an active business. There can be no assurance that equity financings will be available to the Company in the future with terms that are satisfactory to the Company.

The Company has not entered into any off-balance sheet arrangements.

Related Party Transactions

During the period from March 1, 2016 up to the completion of the Transaction the Company paid $3,000 to a former director in form of a management fee, $35,000 in administration expenses to a management company for providing administrative services including CFO services, and $35,000 in consulting fees to a director of the Company. All these fees are included in the Transaction fair value consideration expense. During the period from the completion of the Transaction to the end of the period the Company paid $37,112 in wages to directors of the Company; $20,000 in consulting fees to an officer of the Company, and $5,000 in administration expenses to a management company for providing administrative services including CFO services.

As of November 30, 2016, $5,250 (February 29, 2016 - $nil) is payable to a management company for providing administrative services including CFO services.

Financial Instruments and Risk Management

Fair Values

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

(a) *Financial Risk Management*

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

(b) *Financial Instrument Risk Exposure*

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

Credit Risk
Credit risk is the risk of a financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. 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 obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. Such fluctuations may be significant.

(a) Interest rate risk
The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency risk
Currency risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company is exposed to currency risk through financial assets and liabilities denominated in currencies other than the Canadian dollar, the Company's presentation currency. The Company's financial instruments denominated in currencies that are not the Canadian dollar as at November 30, 2016 are as follows:

	US$	**C$ equivalent**
Cash	21,781	28,799
Accounts payable and accrued liabilities	11,506	15,213

(c) Price risk
The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and

economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Risks and Uncertainties

LexaGene is active in the biotechnology industry, which means it is exposed to a number of risks. There is a financial risk as the continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. The Company has incurred operating losses since its inception and has experienced negative operating cash flows.

The Company is dependent upon its current management and if the services of such personnel were withdrawn for any reason, this could have a material adverse impact on the Company's operating activities.

Contingencies

The Company is not aware of any contingencies or pending legal proceedings as of January 27, 2017.

Additional share information

The Company is authorized to issue an unlimited number of common shares without par value. As at January 27, 2017, the Company has 41,801,060 common shares issued and outstanding.

The Company has the following warrants outstanding and exercisable as at January 27, 2017:

Number of warrants	Exercise Price		Expiry Date
3,100,000	$	0.08	June 20, 2019
2,000,000	$	0.08	May 7, 2018
535,000	$	0.25	October 4, 2018

The Company does not have stock options outstanding as of November 30, 2016 and January 27, 2017.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at www.sedar.com. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

Cautionary Statement on Forward Looking Information

Certain statements contained in this document constitute “forward-looking statements”. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements. Such factors include, among others, the following: product development technical risks, lifesciences market risks, fluctuation in the equity markets that affect the Company’s ability to raise capital, government regulations, competition, litigation risks, and commercial viability risks.