MANAGEMENT'S DISCUSSION AND ANALYSIS
OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE PERIOD ENDED JULY 31, 2015

FORM 51-102F1

Date and Subject of Report

The following Management Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of PDC Biological Health Group Corporation (formerly Eidam Diagnostics Corporation or "Eidam") ("PDC" or the "Company") for the year ended July 31, 2015. The MD&A should be read in conjunction with the audited condensed financial statements for the year ended July 31, 2015. The MD&A has been prepared effective April 13, 2016.

SCOPE OF ANALYSIS

The following is a discussion and analysis of PDC (formerly Eiam). The Company was formed on December 31, 2013 as a result of amalgamation between Granja Gold Inc. ("Granja") and Eidam. The Company's head office is located at 110 – 13160 Vanier Place, Richmond, BC V6V 2J2 Canada. The Company reports its financial results in Canadian dollars and under IFRS.

FORWARD LOOKING STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risk Factors section. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether written or oral that may be made by or on the Company's behalf.

Trends

Other than as disclosed in this MD&A, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon its revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

PDC's **Business History**

The Company was federally incorporated in Canada on November 7, 2005. The Company was established to provide research & development, manufacturing, technical support and marketing of a CRT 2000 Thermographic System, worldwide, based on the intellectual property acquired from Capital 21 Holdings Corporation, a company related by common shareholder. The Company's primary product, the CRT 2000 Thermographic System, is intended for use in preventive healthcare. The product is presently ready for sale; it has obtained both the CE Mark and is available for sale in the United States based upon the device's FDA premarket notification (510(k)).

On December 31, 2013, the Company completed its amalgamation with Granja Gold Inc. and formed a new company named "PDC Diagnostics Corp." pursuant to the definite arrangement agreement entered and announced on August 30, 2013 and plan of arrangement under the Business Corporation Act (British Columbia). On January 15, 2014, the Company further changed its name to PDC Biological Health Group Corporation. The Company's shares are currently listed for trading on Canadian National Stock Exchange ("CNSX") under the symbol ("PHG").

RESULTS OF OPERATIONS

Operating Results for Year Ended July 31, 2015 Compared to July 31, 2014

PDC had revenue of $10,954 and $36,238 from operations during the year ended July 31, 2015 and July 31, 2014, respectively. There was a decrease in revenue during the current year compared to the previous year due to the decrease in demand for CRT unit.

PDC had cost of goods sold of $1,661 and $9,353 during the year ended July 31, 2015 and July 31, 2014, respectively. The decrease in cost of goods sold is primarily due to services provided consisted of probe calibrations which does not consume raw materials.

Expenses totalled $7,523,942 for the year ended July 31, 2015 compared to $2,185,374 for the year ended July 31, 2014. The major increase of expenses in the current year was due to the provision for lawsuits between Sanum and PDC for $6,042,649, and the write down of intangibles for $420,079. Also, we hired on contract, a Technology Engineer to assist us with upgrading our software for our CRT system.

PDC incurred a net loss for the year ended July 31, 2015 of $7,514,649 compared to a net loss of $2,158,489 for the year ended July 31, 2014. A substantial portion of the loss was the result of the provision for lawsuit.

Liquidity and Capital Resources

PDC had working capital deficiency of $11,040,249 as at July 31, 2015 compared to working capital of $935,063 as at July 31, 2014. A significant portion of the capital deficiency is due to the accrued liabilities for the lawsuit provision.

On May 27, 2013, Eidam was in default with respect to the shareholder loan agreement with Bernard Armani and Mr. Armani sent a notice of default to Eidam. Mr. Armani returned 8,000,000 Eidam Shares for cancellation and demanded Eidam repay him $2,000,000 plus $50,000 of interests and legal fees.

On May 27, 2013, Mr. Armani entered into agreements with Capital 21 Holdings, Dermamed and Dermamed Research, two shareholders of Eidam and a company related controlled by Mr. Armani, such that $479,703, $374,278 and $273,884 owing by Eidam to Capital 21 Holdings, Dermamed and Dermamed Research respectively as of January 31, 2013 be assigned to Mr. Armani. After the assignment, Eidam owed an additional amount of $1,936,621 to Armani as of January 31, 2013.

On May 27, 2013, Eidam entered into an 18 months promissory note agreement with Mr. Armani to document loans advances of $1,936,621 owing to Armani, the $2,050,000 shareholder loan need to repay Armani as a result from cancellation of 8,000,000 shares plus additional advances of $303,254 made by Armani for a total of $4,289,875. This promissory note is non-interest bearing and shall be due on November 27, 2014.

On July 31, 2013, the Company assigned to Capital 21 Holdings a total debts of $279,654.65 (”Debt”) owing to various suppliers and service providers (“Creditors”). Capital 21 Holdings shall agree to repay the Debts to the Creditors on behalf of the Company and will negotiate with the Creditors directly for settlement of the Debts. After reconciliation with the Creditors, if the amount finally settled with the Creditors becomes higher than the amount assumed, Capital 21 will take the full responsibility to repay the Creditors and the amount the Company shall repay to Capital 21 Holdings is limited to the Debt.

On July 31, 2013, Armani entered into agreements with Capital 21 Holdings, Dermamed Group and Dermamed Research, two shareholders of the Company and a company related by a common director, such that a total of $325,982 and $305,895 owing by the Company to Capital 21 Holdings and Dermamed Research respectively and $160,893 owing by Dermamed Group to the Company as of July 31, 2013 be assigned to Armani. After the assignment, the Company owes a total of $167,871 to Armani as demand loan as of July 31 2013.

On July 31, 2013, the Company entered into an agreement with Armani to amend the original promissory note agreement dated May 27, 2013 to include the above mentioned shareholder demand loan of $167,871 as part of a promissory note. The amended promissory note is for a total of $4,457,746 and to be due on July 31, 2015. Interest on the note is only payable if required by the Income Tax Act and will be at the prescribed rate prescribed by the Canada

Customs and Revenue Agency. The carrying values of the promissory notes payable approximated their amortized costs.

On October 31, 2013, Armani entered into agreements with Capital 21 Holdings and Dermamed Research, a shareholder of the Company and a company related by a common director, such that a total of $104,787 owing by the Company to Capital 21 Holdings and $20,295 owing by Dermamed Group to the Company as of October 31, 2013 be assigned to Armani. After the assignment, the Company owes a total of $84,129 to Armani as demand loan as of October 31 2013.

On October 31, 2013, the Company entered into another promissory note agreement with Armani to convert the above mentioned shareholder demand loan of $84,129 into a long term promissory note. The promissory note is for a total of $84,129 and to be due on October 31, 2015. Interest on the note is only payable if required by the Income Tax Act and will be at the prescribed rate prescribed by the Canada Customs and Revenue Agency. The carrying values of the promissory notes payable approximated their amortized costs.

On January 31, 2014, Armani entered into agreements with Capital 21 Holdings and Dermamed Research, a shareholder of the Company and a company related by a common director, such that a total of $79,985 and $57,135 owing by the Company to Capital 21 Holdings and Dermamed Research respectively as of January 31, 2014 be assigned to Armani. After the assignment, the Company owes a total of $158,720 to Armani as demand loan as of January 31, 2014.

On January 31, 2014, the Company entered into another promissory note agreement with Armani to convert the above mentioned shareholder demand loan of $158,720 into a long term promissory note. The promissory note is for a total of $158,720 and to be due on January 31, 2016. Interest on the note is only payable if required by the Income Tax Act and will be at the prescribed rate prescribed by the Canada Customs and Revenue Agency. The carrying values of the promissory notes payable approximated their amortized costs.

On July 31, 2014, the Company consolidated all three long term notes into one, reversed part of the assignment arrangement originally entered into with Dermamed Research and Capital 21, reclassified other loans payable amount as result of prior years' errors and entered into a new long term promissory note. The promissory note is for a total of $3,968,095 and to be due on January 31, 2016. Interest on the note is only payable if required by the Income Tax Act and will be at the prescribed rate prescribed by the Canada Customs and Revenue Agency. The carrying values of the promissory notes payable approximated their amortized costs.

Cash Flow for the Year Ended July 31, 2015 Compared to July 31, 2014

		Year ended July 31, 2015	**Year ended July 31, 2014**
Net cash used in operating activities	$	196,590	461,017
Net cash provided by financing activities		180,708	467,628
Increase (decrease) in cash during the year	$	(15,882)	6,611
Cash and cash equivalents, beginning of year		674	(5,937)
Cash and cash equivalents, end of year	$	(15,208)	674

Operating Activities

The changes in the Operating expenses would be due to the addition of the Chief Technology Officer who was brought on to update our CRT software and enhance the program. Another change would be due to the expenses incurred in building our inventory for China. We also incurred many costs through shows, training and traveling to expand our market to China, USA, Middle East and Europe.

Financing Activities

The Private Placements & loans have made the significant difference in the cash from the Financing Activities.

Going Concern

Due to the uncertainty of our ability to meet our current operating and capital expenses, note 1 to the audited condensed financial statements for the year ended July 31, 2015 included an explanatory paragraph in respect of there being substantial doubt about our ability to continue as a going concern.

SELECTED ANNUAL INFORMATION

The following financial data, which has been prepared in accordance with IFRS, is derived from the Company's financial statements. These sums are being reported in Canadian dollars and did not change as a result of the adoption of policies concerning financial instruments.

	Year ended		
	July 31, 2015	July 31, 2014 (Restated –See Note 20)	July 31, 2013 (Restated – See Note 20)
Total Revenue	$ 10,954	$ 36,238	$ 23,050
Interest income	--	--	--
Expenses	7,523,942	2,185,474	912,596
Net loss	(7,514,649)	(2,158,589)	(910,118)
Total assets	1	947,669	1,358,079
Total liabilities	11,040,249	4,473,268	4,457,746
Net loss per share (basic and diluted)	(0.11)	(0.03)	(0.015)

SELECTED QUARTERLY INFORMATION

The following table summarized the results of operations for the eight most recent quarters.

	Three months ended			
	July 31 2015	April 30 2015	January 31 2015	October 31 2014
Total Revenue	$ 3,089	$ 3,075	$ 1,877	$ 2,912
Interest income	--	--	--	--
Expenses	6,689,498	152,252	163,533	170,114
Net loss	(6,686,409)	(149,333)	(161,874)	(157,875)
Net loss per share and diluted loss per share	(0.10)	(0.002)	(0.002)	(0.002)

	Three months ended			
	July 31 2014	April 30 2014	January 31 2014	October 31 2013
Total Revenue	$ 11,736	$ 6,464	$ 12,030	$ 6,008
Interest income	--	--	--	--
Expenses	244,510	246,282	1,504,838	179,844
Net loss	(232,774)	(241,007)	(1,494,597)	(176,047)
Net loss per share and diluted loss per share	(0.02)	(0.003)	(0.02)	(0.003)

OFF BALANCE SHEET ARRANGEMENTS

As at July 31, 2015, the Company had no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company has no other significant proposed transaction needed to be disclosed.

TRANSACTIONS WITH RELATED PARTIES

(a) On January 16,2006, the Company entered into an agreement with Capital 21 Holdings Corporation (“Capital 21”), a corporation controlled by a common shareholder, to purchase the intellectual property rights to the CRT 2000 Thermographic system for a deemed purchase price of $4,000,000 paid by the issuance of 40,000,000 shares of the Company at a deemed price of $0.10 per share. Capital 21 acquired the intellectual property rights from Werner Eidam of Germany at a fair value of $4,000,000 paid for by the issuance of 3,800,000 shares of Capital 21.

(b) During the year ended July 31, 2014, the Company charged rent of $162,492 (2013 - $157,842) to Dermamed Research. As of July 31, 2014, the Company still owed Dermamed Research in the amount of $589.625 (July 31, 2013 - $Nil) (See Note 7).

These transactions mentioned from (b) above are in the normal course of operations and are measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

OUSTANDING SHARE DATA

Authorized: unlimited common shares without par value
unlimited preferred shares without par value

Issued and Outstanding:

	Number of shares	Amount
Issued common shares:		
Balance December 31, 2007, 2008 and July 31, 2009	59,870,000	4,612,350
Shares issued at $0.25 per share for cash (Note 10(a)(i))	8,000,000	2,000,000
Balance July 31, 2010, 2011 & 2012	67,870,000	6,612,350
Cancellation of shares in return for shareholder loan (Note 10(a)(i))	(8,000,000)	(800,847)
Shares issued at $0.25 per share for cash (Note 10(a)(ii))	1,213,100	303,275
Balance July 31, 2013	61,083,100	6,114,778

Recognition of shares issued to Granja Gold shareholders (Note 10(a)(i) & Note 4)	6,000,000		1,200,000
Shares issued at $0.10 per share to settle debts (Note 10(a)(ii))	500,000		50,000
Shares issued at $0.25 per share for cash (Note 10(a)(iii))	250,000		46,000
Balance July 31, 2014 & July 31, 2015	67,833,100	$	7,410,778

As at date of this discussion, the Company has 67,833,100 common shares outstanding.

Stock Options:

The Company has adopted an incentive stock option plan (the "Option Plan") dated November 8, 2005 which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSX-V requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Included in the Option Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company and that the number of common shares reserved for issuance pursuant to options granted to all consultants or persons conducting investing relations activities will not exceed 2% of the issued and outstanding common shares within any 12-month period. At the discretion of the Board of Directors of the Company, options granted under the Option Plan can have a maximum exercise term of 5 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

As at and during the year ended July 31, 2015, no option was granted or outstanding.

CONTINGENCIES

The Company entered into a draft agreement dated March 31, 2008 with Sanum Beteiligungsgesellschaft mbH (“Sanum”) to acquire 100% shares of Sanum’s wholly owned subsidiary located in US, Pleomorphic Product Sales, Inc. After the due diligence process, the Company decided not to continue with the draft agreement. Sanum however claimed the draft agreement was still valid. In 2009, Sanum commenced arbitration proceedings against the Company and the Company also counterclaimed against Sanum. In 2012, the parties completed witness testimony and both parties mutually agreed in 2013 to stay further arbitration proceedings while they attempt to resolve this dispute through mediation. During 2014, Sanum won the arbitration and was awarded in New York in the amount of US$4,631,447.40 and attempted to enforce the ruling in British Columbia, Canada. During 2015, Samun petitioned in the British Columbia Supreme Court to make that a British Columbia judgment and succeeded. As a result, the Company accrued a provision for lawsuit in the amount of $6,042,649, which was included in accrued liabilities on the statement of financial position as at July 31, 2015.

In response to the judgement awarded to Sanum, the Company also filed a claim during 2015 against Sanum in the British Columbia Supreme Court claiming a total amount of US$6,500,000 for loss of profit and other damages including fraudulent misrepresentations. Any settlement on this claim will be reflected to the statement of loss in the year occurred.

The other loans payable amount was owed to two external parties for original principals of $82,500 since 2010. Interest expenses of 1% per month had been accrued for annually. These two external parties had filed a claim against the Company for repayment of the loans and were awarded by the British Columbia Supreme Court for the full principal amount plus interest

SUBSEQUENT EVENT

The Company was cease traded by various Canadian securities commissions for failing to file its annual audited financial statements for year ended July 31, 2015 and for failing to file various interim financial statements subsequent to the 2015 year end. The Company's common shares have been suspended for trading on CSE due to the above failure.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

These unaudited condensed interim financial statements are prepared in accordance and compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

a) Significant accounting judgments and estimates

These financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency. These financial statements are prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair value.

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the unaudited condensed interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The unaudited condensed interim financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the unaudited condensed interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. Accounts which require management to make material estimates and significant assumptions in determining amounts recorded include valuation of share-based transactions and provision for deferred income tax.

Judgments made by management that have the most significant effect on the unaudited condensed interim financial statements are discussed in Notes 3b), 3d), 3e), 3f), 3g), 3i), 3j) and 3(n).

b) Deferred income taxes

Deferred income tax assets and liabilities are recognized for deferred income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. To the extent that the Company does not consider it more likely than not that a deferred income tax asset will be recovered, the deferred income tax assets is reduced. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

c) Cash and cash equivalents

Cash and cash equivalents consist of deposits in banks and highly liquid money market securities and investment deposits issued by banks with an original maturity of three months or less.

d) Allowance for doubtful accounts

The Company provides an allowance for doubtful accounts when management estimates collectability to be uncertain. Accounts receivable are continually reviewed to determine which, if any, accounts are doubtful of collection. In making the determination of the appropriate allowance amount, the Company considers current economic and industry conditions, relationships with each significant customer, overall customer credit-worthiness and historical experience.

e) Property & equipment

Equipment

Equipment is recorded at cost (including directly applicable taxes, freight-in and installation costs). Depreciation is recognized to write off the cost of assets less their residual value over their estimated useful lives at the following annual rates:

Computer equipment 45% per annum

Furniture and equipment 20% per annum

Leasehold improvements 5 years straight-line

The Company reviews the estimated useful lives, residual values and depreciation method at each period-end, accounting for the effect of any changes in estimate on a prospective basis.

Intangible assets

The Company carries intangible assets with finite useful lives that it acquires separately at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized over their useful lives, on the straight line basis over 10 years.

The Company reviews the estimated useful life and amortization method at the end of each reporting period, accounting for the effect of any changes in estimate on a prospective basis.

Research and development costs

Research and development costs include direct salaries and benefits, administration, contracting, consulting and professional fees. The Company recognizes expenditure on research activities as an expense in the period incurred. During the year ended July 31, 2015, $Nil (2014 - $Nil) was incurred on research activities.

The Company recognizes an internally-generated intangible asset arising from development (or from the development phase of an internal project) if, and only if, it has demonstrated all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount the Company initially recognizes for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets these recognition criteria. Subsequent to initial recognition, the Company reports these assets at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized over their useful lives, on the straight line basis over 3 years.

f) Revenue recognition

Revenue from product rental or product sales will be recognized upon elapse of time or upon the title transfer of the product to a retailer or final consumer when persuasive evidence of an arrangement exists, the price is fixed or determinable and collection is reasonably assured and the Company has no future performance obligations under any licensing agreement or other significant post-delivery obligations.

g) Foreign currency transactions

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company is the Canadian dollar. These financial statements are presented in Canadian Dollars which is the group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of loss.

Group companies

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- monetary assets and liabilities are translated at the closing rate at the date of that statement of financial position;
- non-monetary assets are translated at their historical rate;
- income and expenses for each statement of loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognized in the statement of operations.

h) Financial instruments

Financial instruments are defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

Financial instruments at fair value through profit or loss (FVTPL).
Financial instruments are classified as FVTPL when they are held for trading. A financial instrument is held for trading if it was acquired for the purpose of selling in the near term. Financial instruments classified as FVTPL are stated at fair value with any changes in fair value recognized in earnings for the period.

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, these financial assets are recorded at amortized cost using the effective interest method less any impairment. The Company's due from related parties are classified as loans and receivables.

Available-for-sale financial assets

Available-for-sale are non-derivative financial assets that are designated as available-for-sale or that are not classified in any other financial asset categories. Subsequent to initial recognition, changes in fair value, other than impairment losses, are recognized in other comprehensive income (loss) and presented in the fair value reserve in shareholders' equity. When the financial assets are sold or an impairment write-down is required, losses accumulated in the fair value reserve recognized in shareholders' equity are included in profit or loss.

Financial liabilities

Financial liabilities are initially recorded at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. The Company's accounts payable, accrued liabilities, due to shareholders, due to related parties and long term note payable are classified as financial liabilities.

Transaction costs incurred on initial recognition of financial instruments classified as loans and receivables and other financial liabilities are included in the initial fair value amount.

Financial assets are derecognized when the contractual rights to the cash flows from the asset expire. Financial liabilities are derecognized only when the Company's obligations are discharged, cancelled or they expire.

The Company has classified its financial instruments as follows:

Financial Instrument	Classification
Cash and cash equivalents	FVTPL

Due from related parties	Loans & receivables
Accounts payable	Other liabilities
Accrued liabilities	Other liabilities
Due to shareholders	Other liabilities
Due to related parties	Other liabilities
Long term note payable	Other liabilities

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

i) Impairment

i) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred income tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of a cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cost flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets. Impairment losses are recognized in net income (loss).

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognized.

ii) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in net income (loss) and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through net income (loss).

j) Shared-based payments

Share based payment transactions

Employees (including directors and senior executives) of the Company will sometimes receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment.

Equity settled transactions

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share option reserve.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional dilution in the computation of earnings per share.

k) Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit. Other comprehensive income (loss) consists of changes to unrealized gain and losses on available for sale financial assets, changes to unrealized gains and losses on the effective portion of cash flow hedges and changes to foreign currency translation adjustments of self-sustaining foreign operations during the period. Comprehensive income (loss) measures net earnings for the period plus other comprehensive income (loss). Amounts reported as other comprehensive income (loss) are accumulated in a separate component of shareholders' equity as Accumulated Other Comprehensive Income (Loss). The Company has not had other comprehensive income (loss) since inception and accordingly, a statement of comprehensive income (loss) has not been presented.

l) Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The "treasury stock method" is used for the assumed proceeds upon the exercise of the options and warrants that are used to purchase common shares at the average market price during the period. During the year ended July 31, 2014 and 2013, all the outstanding stock options were anti-dilutive.

m) Investment tax credit

Investment tax credits are a type of government assistance related to specific qualifying expenditures that are prescribed by tax legislation. They should be accounted for using the cost reduction approach such that credits related to the acquisition of assets would be either deducted from the related assets with any depreciation or amortization calculated on the net amount or deferred and amortized to income on the same basis as the related assets. Investment tax credits related to current expenses would be included in the determination of net income for the period.

n) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. The increase in the obligation due to the passage of time is recognized as finance expense. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

o) Future changes in accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after January 1, 2013 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded from the summary below. The company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

IFRS 9, Financial Instruments, replaces the current standard IAS 39, Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value.

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venture will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, and special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRSs. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

In addition, there have been amendments to existing standards, including IAS 27 and IAS 28. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

RISKS AND UNCERTAINTIES

Health Technology Industry

The health technology industry involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the development of a technology may result in substantial rewards, marketing will also play a significant role in developing the Company and its level of success. Major expenses may be required to establish the technology to be accepted in the marketplace. It is impossible to ensure that the current technologies and market strategy planned by the Company will result in a profitable commercial sale. Whether the Company will be commercially viable depends on a number of factors, some of which are the particular attributes of the industry the technology is geared toward and the existing infrastructure, as well as competitors' strategies and market factors.

The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. Health technology operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the health industry and the high technology industry. Although adequate precautions to minimize risk will be taken, operations are subject to hazards that are unforeseeable or beyond the Company's control and their consequent liability.

Government Regulation

The consumer health products industry is subject to various federal, and provincial laws and regulations on, standards, claims, safety, efficacy and other matters. Regulatory approvals by government agencies on the Company's products or may be withheld or not granted at all and if granted may be subject to recalls which would materially affect the Company.

Although the Company's activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development, production, manufacture, product claims, marketing or commercialization. Amendments to current laws and regulations governing operations and activities of the consumer health industry or more stringent implementation thereof could have a substantial adverse impact on the Company.

Uninsured Risks

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include key person insurance as the Company heavily relies on its officers.

Conflicts of Interest

Certain directors of the Company also serve as directors and/or officers of other companies involved in other business ventures. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Negative Operating Cash Flows

As the Company is at the early stage start-up stage it may continue to have negative operating cash flows. Without the injection of further capital and the development of revenue streams from its business, the Company may continue to have negative operating cash flows until it can be sufficiently developed to commercialize.

Risks Related as a Going Concern

The ability of the Company to continue as a going concern is uncertain and dependent upon its ability to achieve profitable operations, obtain additional capital and receive continued support from its shareholders. Management of the Company will have to raise capital through private placements or debt financing and proposes to continue to do so through future private placements and offerings. The outcome of these matters cannot be predicted at this time.

Reliance on Key Personnel and Advisors

The Company relies heavily on its officers. The loss of their services may have a material adverse effect on the business of the Company. There can be no assurance that one or all of the employees of, and contractors engaged by, the Company will continue in the employ of, or in a consulting capacity to, the Company or that they will not set up competing businesses or accept positions with competitors. There is no guarantee that certain employees of, and contractors to, the Company who have access to confidential information will not disclose the confidential information.

Licenses, Patents and Proprietary Rights

The Company's success could depend on its ability to protect its intellectual property, including trade secrets, and continue its operations without infringing the proprietary rights of third parties and without having its own rights infringed.

Uncertainty Regarding Penetration of the Target Market

The commercial success of the Company's business as compared with those of its competitors depends on its acceptance by potential users and the medical community. Market acceptance will largely depend on the reputation of the Company, its marketing strategy, consumer and health practitioner's services and performance. The Company's success will depend on its ability to commercialize and expand its network users. The Company will need to expand its marketing and sales operations and establish business relations with suppliers and users in a timely manner.

In order to meet its business objectives, the Company will have to ensure that its facilities and services are safe, reliable and cost-effective, and bring the expected return. There can be no assurance that the Company's products and services will be accepted and recommended.

Competition, Technological Obsolescence

The consumer health products industry for diagnostics is competitive. Others in the field may have significantly more financial, technical, distribution and marketing resources. Technological progress and product development may cause the Company's services and product offerings to become obsolete or may reduce their market acceptance.

Operating History and Expected Losses

The Company expects to make significant investments in order to develop its services, increase marketing efforts, improve its operations, conduct research and development and update its equipment. As a result, start-up operating losses are expected and such losses may be greater than anticipated, which could have a significant effect on the long-term viability of the Company.

Reliance on Joint Ventures, Licence Assignors and Other Parties

The nature of the Company's operations requires it to enter into various agreements with partners, joint venture partners, medical facilities, and medical equipment suppliers in the business world, government agencies, licensors, licensees, and other parties for the successful operation of its businesses and the successful marketing of its services.

There is no guarantee that those with whom the Company needs to deal will not adopt other technologies or that they will not develop alternative business strategies, acting either alone or in conjunction with other parties, including the Company's competitors, in preference to those of the Company.

Growth Management

In executing the Company's business plan for the future, there will be significant pressure on management, operations and technical resources. The Company anticipates that its operating and personnel costs will increase in the future. In order to manage its growth, the Company will have to increase the number of its technical and operational employees and efficiently manage its employees, while at the same time efficiently maintaining a large number of relationships with third parties.

Regulatory Risks

Health technologies used by the Company are subject to a number of technological challenges and requirements, and can be subject to the regulations and standards imposed by applicable regulatory agencies. There can be no assurance that the Company will be able to comply with all regulations concerning its businesses.

Potential Liability

The Company is subject to the risk of potential liability claims with respect to its diagnostic and therapeutic solutions. Should such claims be successful, plaintiffs could be awarded significant amounts of damages, which could exceed the limits of any liability insurance policies that may be held by the Company. There is no guarantee that the Company will be able to obtain, maintain in effect or increase any such insurance coverage on acceptable terms or at reasonable costs, or that such insurance will provide the Company with adequate protection against potential liability.

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

During the year ended July 31, 2015, there has been no significant change in the Company's internal control over financial reporting since last year.

The management of the Company is responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. Management is also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's audited condensed financial statements for the year ended July 31, 2015 (together the "Annual Filings").

The management of the Company has filed the Venture Issuer Basic Certificate with the Interim Filings on SEDAR at www.sedar.com.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. 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 NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

Officers and Directors

Simon Cheng	CEO & Director
Andrew Tablotney	Director

Contact Address:

PDC Biological Health Group Corporation
(formerly Eidam Diagnostics Corporation)
110 – 13160 Vanier Place
Richmond, BC
V6V 2J2 Canada