AQUARIUS SURGICAL TECHNOLOGIES INC.

(Formerly Aquarius Coatings Inc.)

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2017

1. CAUTION REGARDING FORWARD-LOOKING STATEMENTS

The discussion and analysis of Aquarius Surgical Technologies Inc. (the "Corporation") may contain forward-looking statements, which involve risks and uncertainties. Actual events could differ from those anticipated in forward-looking statements. While this MD&A reflects the year ending March 31, 2017, it also addresses key events that have occurred up to and including the date of this Report.

Forward-looking statements may include sales, earnings, and profitability comments. These statements may contain words such as “anticipated”, “expected”, “could”, “should”, “may”, “plans”, “will”, or similar expressions that are based on and arise out of our experience, our perception of trends, current conditions and expected future developments as well as other factors. By their very nature, forward-looking statements involve uncertainties and risks that the forecasts and targets will not be achieved. Readers are cautioned not to place undue reliance on forward looking statements as a number of important factors, as disclosed herein and in the Corporation’s other continuous disclosure documents, could cause actual results to differ materially from those expressed in such forward looking statements.

Readers are also referred to the Corporation’s documents filed on SEDAR at www.sedar.com for additional information.

2. INTRODUCTION

The following is a discussion and analysis of the Corporation's results of operations and financial condition for the year ended March 31, 2017 and should be read in conjunction with its audited Consolidated Financial Statements for the year ended March 31, 2017 and the related notes thereto (the “Consolidated Financial Statements”). The amounts included in the following discussions are expressed in Canadian dollars (unless otherwise indicated).

3. GOING CONCERN

The Consolidated Financial Statements have been prepared on a going concern basis which assumes the Corporation will be able to realize its assets and discharge its liabilities in the normal course of operations. In prior years, before the acquisition of Surgical Lasers Inc. (“SLI”) the Corporation incurred significant losses for a period of several years and has both a working capital and shareholders’ deficiency. The Corporation completed the acquisition of SLI with effect from March 1, 2017. The costs associated with that acquisition were allocated during the year ended March 31, 2017, and there was only a very short time in that fiscal year for results of operations to be reflected. These circumstances may be considered to cast doubt on the ability of the Corporation to continue as a going concern which is dependent on the support of its creditors, the ability to obtain additional financing, and ultimately, the attainment of profitable operations. The Corporation's lenders, who are significant shareholders, have indicated that their support will continue over the forthcoming year, and significant working capital was raised during the fiscal year ended March 31, 2017, which has been further supplemented since the year-end (see Subsequent Event). As indicated in Note 2 to the Consolidated Financial Statements, those Statements do not include any adjustments to the amounts or classification of financial statement items that might be necessary if the Corporation was unable to continue as a going concern., and no adjustment has been made in those financial statements to reflect liquidation values of assets on a non-going concern basis as any such adjustment, if required, would not have a material effect on the Corporation’s balance sheet.

4. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Corporation have been prepared by management using the accounting policies and methods as outlined in Note 3 to Consolidated Financial Statements for the year ended March 31, 2017. The Consolidated Financial Statements have, in management’s opinion, been properly prepared using judgement within reasonable limits of materiality and are in conformity with International Financial Reporting Standards (“IFRS”).

5. BUSINESS OVERVIEW

(a) Discontinued Operations

As of August 1, 2014, the Corporation entered into an agreement to sell certain assets of the Corporation, namely Inventory, Equipment, Intellectual Property, Material Contracts and Customer Lists. The transaction closed on September 5, 2014 and details of the transaction are outlined in Note 4 – DISCONTINUED OPERATIONS to the Consolidated Financial Statements. As a result of this sale the Corporation is no longer in the distribution of industrial and consumer protective coatings but it does retain a royalty interest on sales of the Corporation's former products for a 3 year period ending September 5, 2017.

(b) Acquisition of Surgical Lasers Inc.

As of March 1, 2017, the Corporation closed the previously announced acquisition of Surgical Lasers Inc. ("SLI") which was approved by shareholders at the Annual General and Special Meeting of Shareholders held on November 21, 2016.

SLI, is an exclusive provider of innovative, minimally invasive medical laser systems and consumables for multiple medical disciplines, principally in the field of urology, and specifically treatment of benign prostatic hyperplasia ("BPH"). Solutions comprise multiple laser systems, consumables, clinical education, service, support and maintenance and focus on increasing the availability of services for patients, enhancing the quality of patient care, improving operationally efficiencies and reducing total operational costs.

SLI's flagship portable BPH laser remains the only device in its class boasting the highest output energy of any portable device and supporting all available fiber delivery systems (contact and lateral-fire for photo-selective vaporization of the prostate and end-fire for enucleation). Based on its portability, performance and its proven clinical efficacy and safety it remains the only office-based alternative, facilitating safe, efficient and effective BPH surgery in a clear operative field under both local and general anaesthetic alternatives.

The first shipment of the new Uni-core fiber (the consumable for the portable BPH laser), which offers greater performance and durability, has been successfully implemented in reference sites across the United States of America. All future production of this fiber will incorporate the Uni-core design.

The recent FDA approval and launch of the Corporation's new compact holmium laser for lithotripsy, including treatment of upper ureter kidney stones, represents an evolution in the field of laser lithotripsy treatment, as it is the only portable laser in the world with ability to alter the pulse widths to support long fragmentation as well as the ability to deliver 30 watts of energy down the 200 micron fiber. Long fragmentation significantly reduces treatment time as it fragments the stones into pieces so small, it eliminates the requirement for basket retrieval which is typically required with other systems. The ability to deliver higher energy down smaller diameter fibers, which are often required for access especially in the upper ureter, means performance is not compromised for access.

6. OVERALL PERFORMANCE RELATING TO OPERATIONS FOR YEAR ENDING MARCH 31, 2017

The Consolidated Financial Statements include the results of SLI for the month of March only and a comparison to the prior year's operations is not relevant to the continuing operations.

Revenues from continuing operations in the current year were $5,895 which represents SLI sales for the month of March, 2017; there was no revenue from continuing operations in the prior year. Cost of goods sold was $5,684 in the year under review, there was no comparable figure in the prior year. General and administrative expenses in the year under review were $843,216 compared to $44,882 in the prior year. The figures in the year under review include expenses related to SLI for the month of March and also include stock-based compensation, a non-cash charge, in the amount of $600,875. There was no charge for stock-based compensation in the prior year. Bank charges and interest were $2,530 in the year under review compared to $2,040 in the prior year. Amortization expense was $40,150 compared to $189 in the prior year.

7. SELECTED CONSOLIDATED FINANCIAL INFORMATION

Selected items from the Consolidated Balance Sheets as at March 31, 2017, March 31, 2016 and March 31, 2015:

Balance Sheet Item	31-Mar-17 $'s	31-Mar-16 $'s	31-Mar-15 $'s
Cash	1,123,047	7,797	19,963
Accounts receivable	145,755	4,702	8,754
Inventory	196,172	-	-
Prepaid expenses and deposits	235,259	-	-
Due from related party	118,537	-	-
Accounts payable	230,875	52,609	53,910
Notes Payable	-	-	200,000
Related party advances	1,717,563	3,823,864	3,801,500
Shareholders Equity (Deficiency)	5,017,644	(3,863,785)	(3,914,044)

8. CASH

As a result of acquisition of SLI and other financing activities cash increased to $1,123,047 in the current year from $7,797 in the prior year. The cash will be used to finance the ongoing operations of SLI and general corporate purposes.

9. ACCOUNTS RECEIVABLE

Accounts receivable increased to $145,756 at the end of the current period compared to $4,702 in the prior year resulting from the acquisition of SLI.

10. INVENTORY

Inventories at the end of the current year were $196,172 resulting from the acquisition of SLI. There were no inventories at the end of the prior year.

11. PREPAID EXPENSES AND DEPOSITS

Prepaid expenses and deposits at the end of the current year were $235,259 resulting from the acquisition of SLI. There were no prepaid expenses and deposits at the end of the prior year.

12. DUE FROM RELATED PARTY

Due from related party at the end of the current year were $118,537 resulting from the acquisition of SLI; (see Note 9(A) to the Consolidated Financial Statements); March 31, 2016 $nil).

13. ACCOUNTS PAYABLE

Accounts payable increased from $52,609 at the end of the prior year to $230,875 at the end of the current year resulting from the acquisition of SLI.

14. NOTES PAYABLE WRITTEN OFF

During fiscal 2016 the Corporation wrote off Notes Payable for a total of $200,000; for further details please refer to Note 10 to the Consolidated Financial Statements.

15. RELATED PARTY TRANSACTIONS

During the year operations were partially funded from the proceeds of shareholder and related party advances. The amount due to related party decreased to $1,717,563 at March 31, 2017 compared to $3,823,864 at the end of the prior year. Please refer to Note 9(A) and (B) to the Consolidated Financial Statements for pertinent information pertaining to the Related Party transactions.

16. SELECTED QUARTERLY FINANCIAL DATA

The table below presents selected financial data for each of the eight quarters ending March 31, 2017:

	31-Mar 2017 $'s	31-Dec 2016 $'s	30-Sep 2016 $'s	30-Jun 2016 $'s	31-Mar 2016 $'s	31-Dec 2015 $'s	30-Sep 2015 $'s	30-Jun 2015 $'s
OPERATIONS								
Sales	5,895	-	-	-	-	-	-	-
Cost of sales	5,684	-	-	-	-	-	-	-
Gross Margin	211	-	-	-	-	-	-	-
Expenses								
General and administrative	768,170	33,158	36,670	5,218	9,294	12,576	15,806	7,206
Amortization	40,080	23	23	24	48	47	47	47
Interest and bank charges	976	541	512	501	526	514	492	508
Royalty income	(1,158)	(3,061)	(3,086)	(2,072)	(833)	(3,023)	(1,416)	(4,369)
Gain on settlement of debt	-	-	-	-	(200,000)	-	-	-
	808,068	30,661	34,119	3,671	(190,965)	10,114	14,929	3,392
Net Income (Loss) from continuing operations	(807,857)	(30,661)	(34,119)	(3,671)	190,965	(10,114)	(14,929)	(3,392)
Other Comprehensive Income (Loss)	-	-	-	-	(112,271)	-	-	-
Total comprehensive income (Loss)	(807,857)	(30,661)	(34,119)	(3,671)	78,694	(10,114)	(14,929)	(3,392)

Discussion of Selected Financial Data

Continuing operations

The net loss for the three months ended March 31, 2017, excluding Other Comprehensive Income, was $807,857 ($0.108 per share) compared to net income of $190,965 in the same period in the prior year ($0.035 per share). The loss in the current period includes non-cash share-based compensation expense in the amount of $600,875; there was no comparable expense in the prior year. The prior year earnings included the write-off of Notes Payable discussed in Item 14 above. For the three months ended March 31, 2017 the weighted-average number of shares outstanding was 7,514,709 (March 31, 2016 – 5,397,411 adjusted for share consolidation).

Royalty income in the fourth quarter was $1,158 compared to $833 in the prior year comparative period.

In the Fourth Quarter of the prior year, the Corporation wrote down the carrying value of its investment in Woodland Biofuels Inc. resulting in Other Comprehensive Loss of $112,271; see Item 21 below for further details. The was no Other Comprehensive Income in the comparative period of the current year

17. MANAGEMENT OF CAPITAL

The Corporation defines capital that it manages as the aggregate of its loans payable, contingent consideration, share capital, contributed surplus and deficit. Its objectives when managing capital are to ensure that the Corporation will continue as a going concern, so that it can provide returns to its shareholders.

	Mar 31, 2017	Mar 31, 2016
	$	$
Amount due to related party	**1,717,563**	3,823,864
Contingent consideration	**282,979**	-
Share capital	**18,075,418**	10,340,865
Contributed surplus	**7,216,990**	5,193,806
Deficit	**(20,274,764)**	(19,398,456)
Total Capital	**7,018,186**	(39,921)

The Corporation manages its capital structure and makes adjustments to it in light of economic conditions. The Corporation, upon approval from its Board of Directors, will make changes to its capital structure as deemed appropriate under the specific circumstances.

The Corporation is not subject to any externally imposed capital requirements or debt covenants, and does not presently utilize any quantitative measures to monitor its capital. The Corporation's overall strategy with respect to management of capital remains unchanged from the year ended March 31, 2016.

18. CONTRACTUAL OBLIGATIONS

The Corporation's only commitment consists of a lease agreement related to the Corporation's premises, commencing on July 1, 2015 and terminating on June 30, 2017. Under the terms of this lease, the Corporation is required to pay a proportionate share of operating costs, realty taxes and utilities, in addition to the minimum lease payments. The future minimum lease payments are shown in the table below.

2017	$1,850

19. CAPITAL RESOURCES

The Corporation does not anticipate any major expenditure on capital resources.

20. OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements.

21. LONG-TERM INVESTMENTS

Woodland Biofuels Inc. ("Woodland")

The Corporation holds 112,272 shares in Woodland; further details appear in Note 11 of the Consolidated Financial Statements for the year ended March 31, 2017. During fiscal 2016 the Corporation wrote down the value of this investment to a nominal amount. Management is of the opinion that the full value of this investment will be realized; however, because there is no ready market for these shares, IFRS regulations require that the investment be written down to a nominal value. The Corporation will recognize the value of this investment when circumstances warrant a review.

22. RISKS AND UNCERTAINTIES

There are risks and uncertainties with the business operation and results of the Corporation. The risks noted below are not the only risks associated with the Corporation and its business, in particular the business of its wholly owned operating subsidiary, Surgical Lasers Inc. ("SLI"). Additional risks and uncertainties, including ones that the Corporation is not aware of or that the Corporation believes currently are not material, may also adversely affect the Corporation's business.

The Corporation is in the Development Stage: The business of SLI, in particular as it is a development stage company, involves a high degree of risk, including, but not necessarily limited to, the risk factors described below.

Limited Operating History: Investment in the Corporation should be regarded as speculative, due to the nature of and the present stage of development of its business. SLI has a limited operating history. The likelihood of the success of the SLI, and thus the Corporation, must be considered in light of the risks inherent in, and the difficulties, costs, and complications encountered in the early growth stage of a business enterprise and the development and marketing of new technologies. As a result of its early growth stage of business and its limited operating history, sales and results from operations are inherently more difficult to predict, and as a result, SLI may sustain operating losses.

Uncertainty of Market Acceptance: The Corporation currently derives a substantial portion of its revenues from the sale of its portable laser systems and related fibre-optic consumables. Those sales are exclusively to sophisticated medical professionals, and are presently concentrated only in the United States of America. Because of this limited marketplace and target market concentration, a decline in the demand for the products would have a material adverse effect on the Corporation. There can be no assurance that the Corporation's expanded marketing and sales efforts will result in increased market acceptance for the its products.

Supply Dependency: Manufacture of the products distributed by SLI is dependent on the continued efficient supply of component parts from two key exclusive suppliers, both based in Europe. The shortage of supply of any machines, parts or materials would seriously jeopardize the SLI's ability to bring its products to market.

Dependence on Distribution Relationships: The business of SLI is dependent on the performance of its distributors.

Technological Factors: Technology of the complexity developed by SLI and its manufacturers may contain errors which, from time to time, become apparent subsequent to product introduction. To date, the cost to SLI of meeting its warranty obligations has not been significant and is, as far as possible, passed back to the respective manufacturer. However, SLI's product operating experience is limited, and increased warranty claims could have a material adverse effect on SLI's stature and acceptability in its marketplace.

Product Liability: The Corporation believes that it has adequate third party liability and errors and omissions insurance. To date, it has not made any claims with respect to this insurance. However, future product liability claims not covered by such insurance or in excess of the limits of such insurance could have a material adverse effect on the financial condition of the Corporation.

Technological and Product Obsolescence: The medical/surgical laser industry is characterized by rapid and significant technological changes. Current competitors or new market entrants could introduce new or enhanced products with features that render SLI's products obsolete or less marketable. Certain competitors are significantly larger, and thus have substantially greater financial resources. The ability of SLI to compete successfully will depend in large measure on the ability of SLI and its respective exclusive manufacturers to maintain a technically superior research and development staff and to adapt to technological changes and advances in the industry, including providing for the continued compatibility of its products with evolving industry standards.

Protection of Intellectual Property: The Corporation has not applied for patents relating to the products it distributes because, at this time, the relevant technology rights belong to third parties, namely the manufacturers. SLI is preparing certain technological products and improvements that it may, if and when the opportunity arises, become the subject of application for patent or other proprietary right protection. It may be possible for competitors or customers to copy or duplicate certain aspects of the products distributed by SLI or obtain information that SLI and/or its manufacturers regard as proprietary. Furthermore, there can be no assurance that others will not independently develop products similar to those developed or planned by SLI and its manufacturers.

Infringement of Proprietary Rights: Although the Corporation believes that the products it distributes do not infringe on the proprietary rights of others and has not received any notice of claimed infringement, certain of the products it distributes could infringe on existing proprietary rights. If any such infringement does exist, there can be no assurance that any necessary licenses or rights could be obtained on terms satisfactory to Corporation or the respective manufacturer or that necessary modification could be made to the infringing products in a timely or commercially feasible manner.

Strict regulatory environment: SLI's laser devices and fiber delivery systems require regulatory approval for commercial sale. Numerous statutes and regulations govern human testing and the manufacture and sale of medical devices in the United States, Canada and the European Union and other countries where SLI intends to market its product. Such legislation and regulation bears upon, among other things, the approval of protocols, human testing, the approval of manufacturing facilities, testing procedures and controlled research, review and approval of manufacturing, preclinical and clinical data prior to marketing approval, as well as regulation of marketing activities including advertising and labelling.

While SLI has obtained relevant regulatory approvals in the United States for its current range of key laser products, future products and future developments of existing products may require submission for further testing of which the outcome cannot be guaranteed. Any failure to obtain necessary regulatory approval in future would materially adversely affect SLIs business, financial condition and results of operations.

Dependence Upon Key Personnel: The success of the Corporation is largely dependent on the personal efforts of certain key officers and employees. The loss of any of these key individuals could have a material adverse effect on the Corporation's business and prospects. In this respect the Corporation does not currently maintain keyman insurance. All employees, as a condition of employment, have signed confidentiality and non-compete agreements.

Government Assistance: The Corporation may utilize its entitlement for government assistance under applicable plans or programs that are designed to encourage investment in technology. There can be no assurance that such assistance will be made available to the Corporation with respect to any research and development of its technologies. There can be no assurance that the Corporation's research and development efforts will qualify for such assistance. Further, should the Corporation become listed on a major exchange, the rate of tax credits available on qualifying research and development expenditures will decrease by approximately 50%, and such credits will no longer be refundable.

Risk of International Sales: The continued growth of the Corporation's business will depend to a significant extent on sales to customers located outside Canada – principally in the United States of America. The cost of supporting a widespread customer base could have a materially adverse effect on the Corporation.

Insurance costs could negatively impact profitability: The cost of insurance, including director and officer, worker's compensation, property, product liability and general liability insurance, has risen significantly in recent years and is expected to continue to increase. These increases, and the Corporation's increased risk due to increased deductibles and reduced coverages, could have a negative impact on results of operations, financial condition and cash flows.

Risk of product liability claims: The use of medical devices for treatment of humans, even after regulatory marketing clearance approval is obtained, can result in product liability claims. Product liability claims can be expensive, difficult to defend and may result in large judgments or settlements. The Corporation currently maintains product liability insurance in connection with the use of its devices but may not, in the future, be able to obtain or maintain adequate protection against potential liabilities arising from such use. If the Corporation is unable to obtain sufficient levels of insurance at acceptable cost or otherwise protect against potential product liability claims, it will be exposed to product liability claims. A successful product liability claim in excess of the Corporation's insurance coverage could harm the

Corporation's financial condition, results of operations and ability to continue in business. Even if a claim is not successful, defending such a claim may be time-consuming and expensive.

Risk of use of product in unapproved circumstances: While the Corporation is prohibited by law from marketing or promoting any unapproved use of its products, physicians/clinicians in most jurisdictions, can use these products in ways or circumstances other than those strictly within the scope of the regulatory approval. Although the product training the Corporation will provide to physicians and other health care professionals will be limited to approved uses or for clinical trials, no assurance can be given that claims might not be asserted against the Corporation if its product is used in ways or for procedures that are not approved.

Unexpected product safety or efficacy concerns: Unexpected safety or efficacy concerns can arise with respect to marketed products, whether or not scientifically justified, leading to product recalls, withdrawals or declining sales, as well as product liability, consumer fraud and/or other claims. This could have a material adverse effect on the Corporation's business, financial results and operating results

Future Financing Requirements: The Corporation anticipates that it will require additional financing in the future in order to fund continued product development and marketing. There is no assurance that such financing will be available.

Foreign Exchange Rates: Substantially all of the Corporation's sales are denominated in U.S. dollars. General and Administrative costs are incurred principally in Canadian dollars, while costs of product acquisition from exclusive manufacturers in Europe are denominated in Euros. The economics of the Corporation's business may be adversely affected by fluctuations in foreign exchange rates which may adversely affect both sales and gross margins from the sales of its products.

Dilution: Calls for additional capital to develop the Corporation's business in the future may be met by issuance of common shares, leading to dilution of existing shareholder interests.

No Dividends: The Corporation has not paid any dividends with respect to its Common Shares and does not anticipate paying any dividends in the foreseeable future.

In addition to the foregoing Risks and uncertainties, there also financial risks which are discussed in detail in Note 19 to the Consolidated Financial Statements for the year ended March 31, 2017
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23. DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

As required by National Instrument 52-109, the Corporation's Acting Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") will be filing annual and quarterly certificates of disclosure concurrent with the filing of its annual and quarterly filings.

The Board of Directors together with an independent and qualified Audit Committee provide direct oversight responsibilities for the review of the quarterly and annual financial statements.

24. STOCK EXCHANGE LISTING

The Corporation's shares were suspended from trading on the TSX Venture Exchange (the "TSXV") effective November 3, 2014, for failure to meet Exchange Listing Requirements and were transferred to the NEX Board of the TSXV effective January, 2016. In June, 2017, the Listing on the NEX Board was cancelled, and since June 21, 2017, the shares have been listed on the Canadian Securities Exchange, trading under the symbol ASTI.

25. SHARE CAPITAL, WARRANTS AND INCENTIVE STOCK OPTIONS

As at March 31, 2017 there were 16,821,115 issued and outstanding common shares (March 31, 2016 – 5,397,411 (adjusted for share consolidation). At the date of this Report there are 18,233,545 issued and outstanding common shares.

As at March 31, 2017 and at the date of this Report there are 1,532,901 issued and outstanding Series "A" Special Shares (March 31, 2016 – nil).

As at March 31, 2017 there were 3,025,000 issued and outstanding Class "A" Warrants (March 31, 2016 – nil) and 93,780 issued and outstanding Class "A" Brokers Warrants (March 31, 2016 – nil). At the date of this Report there are 4,437,430 issued and outstanding Class "A" Warrants and 150,276 issued and outstanding Class "A" Brokers Warrants.

As at March 31, 2017 and at the date of this Report there are 1,450,000 issued and outstanding Incentive Stock Options to purchase common shares (March 31, 2016 – nil).

Please refer to Notes 12,13 and 22 to the Consolidated Financial Statements for the year ended March 31, 2017 for additional information on share capital, Warrants and Incentive Stock Options

26. ESCROW

As a condition of the closing of the acquisition of the issued shares of Surgical Lasers Inc., and in accordance with the general requirements of *National Policy 46-201*, Gordon Willox, as Vendor, entered into an Escrow Agreement pursuant to which the securities issued to him as consideration for the acquisition of Surgical Lasers Inc. were placed In Escrow. The Escrowed Securities are to be released in accordance with a timed schedule over a period of 36 months from the date upon which trading of the common shares of the Company commences. The Tables below set out (a) particulars of the securities placed in escrow and (b) the details of release from escrow.

Designation of class held in escrow	Number of securities held in escrow	Percentage of class
Common Shares	4,598,704	27.33%
Series A Special Shares	1,532,901	100%

The following Table sets out details of the Release provisions.

Release Dates	Percentage of Total Escrowed Securities to be Released		Total Number of Escrowed Securities to be Released	
	Common	Series A	Common	Series A
Listing Date	10%	10%	459,870	153,290
6 months	15%	15%	689,805	229,935
12 months	15%	15%	689,805	229,935
18 months	15%	15%	698,805	229,935
24 months	15%	15%	689,805	229,935
30 months	15%	15%	689,805	229,935
36 months	15%	15%	680,809	229,936
	100%	**100%**	**4,598,704**	**1,532,901**

As at March 31, 2017, all of the above securities were held in Escrow. In accordance with the provisions of the Escrow Agreement, 549,870 common shares and 153,290 Series "A" Special Shares were released from Escrow on June 21, 2017, being the Listing Date when the common shares commenced trading on the Canadian Securities

Exchange, and subsequent releases will take place at six-monthly intervals from that date as indicated in the above Table, so that as at the date of this Report 4,138,834 common shares and 1,379,611 Series "A" Special Shares are held in Escrow.

27. Additional information may be found in the Corporation's documents filed on SEDAR, at www.sedar.com.

DATED: August 1, 2017

CORPORATE PROFILE

Board of Directors

David J. Hennigar, Bedford, Nova Scotia	Director, Chairman
N. Gary Van Nest, Toronto, Ontario	Director
Gordon Willox, Newmarket, Ontario	Director
Dr. Robert Francis, Toronto, Ontario	Director
Dr. Stanley Swierzewski III, Holyoke, MA, USA	Director

Corporate Officers

N. Gary Van Nest, Toronto, Ontario	Acting Chief Executive Officer
Gordon Willox, Newmarket, Ontario	Managing Director
Lorne S. MacFarlane, Dartmouth, Nova Scotia	Chief Financial Officer
Christopher H. Freeman, King City, Ontario	Secretary

Corporate Office

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Corporate Information

Bankers	Canadian Imperial Bank of Commerce, Woodbridge, Ontario
Lawyers	C. H. Freeman, Barrister & Solicitor, King City, Ontario
Auditors	Collins Barrow Toronto LLP, Toronto, Ontario
Transfer Agent & Registrar	TSX Trust Company, Toronto, Ontario