IMAGIN MEDICAL INC.

(Formerly Expedition Mining Inc.)

MANAGEMENT DISCUSSION & ANALYSIS

For the Year Ended September 30, 2016

Directors and Officers as at January 25, 2017

Directors:	Robin Atlas Steve Chan Ken Daignault Bill Galine Jim Hutchens
Officers:	President & C.E.O. – Jim Hutchens C.F.O. – Jorge Avelino Corporate Secretary – William Galine
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Form 51-102-F1

IMAGIN MEDICAL INC.

(Formerly Expedition Mining Inc)

MANAGEMENT DISCUSSION & ANALYSIS

For the Year Ended September 30, 2016

1.1 Date of This Report

January 25, 2017

This Management's Discussion & Analysis ("MD&A") of Imagin Mining Inc. (Formerly Expedition Mining Inc.), for the year ended September 30, 2016 has been prepared based on information available to us as of January 26, 2017. This discussion should be read in conjunction with the Audited Consolidated Financial Statements of the Company and notes attached thereto for the year ended September 30, 2016 included herewith, all of which are available at the SEDAR website at www.sedar.com.

This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include product development timing, government regulatory approvals, hospital reimbursement, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Reported currency is stated in Canadian dollars.

1.2 Overall Performance

Description of Business

The Company was involved in the acquisition, exploration and development of mineral properties. During fiscal year 2014, due to market conditions, which led to the inability to finance the Mt. Mervyn property, the Company wrote-down the property to a nominal amount of $1 each. During the period ended March 31, 2016, the Company wrote-off the $1 nominal amount.

On December 10, 2015, the Company announced that at its Annual and Special Shareholders Meeting held on December 8, 2015, its shareholders approved the previously announced acquisition of BSS Life Sciences Inc. ("BSS"). The Company completed the acquisition of BSS on February 9, 2016.

BSS is a private arms' length Vancouver-based company that holds the intellectual property rights to a proprietary imaging technology currently in development for the improved visualization of cancer through endoscopes. Through the acquisition of BSS, the Company now holds the exclusive licence to develop, manufacture and sell this advanced medical technology.

License Agreement

By way of a Licence Agreement dated May 20, 2015, BSS was granted an exclusive, nontransferable, royalty-bearing license by Lawrence Livermore National Security, LLC (LLNS), to use LLNS's patents and intellectual property rights to manufacture and sell products and services pertaining to in-vivo imaging applications.

Under the License Agreement, BSS must:

- complete a commercial prototype by December 31, 2016 (First prototype completed);
- complete submissions for United States Food and Drug Administration ("FDA") approval by December 31, 2017;
- achieve first commercial sales ("FCS") in the United States within one year of achieving the FDA approval; and
- achieve gross cumulative sales revenues from the sales of licensed products of at least $10,000,000 within the first three years of achieving FCS.

The sales requirements may be amended and/or extended at the written request of BSS to LLNS, based upon legitimate business reasons specified in reasonable detail in such written request.

BSS must pay certain fees to LLNS for the licence, being (all amounts are in US dollars):

(i) a nonrefundable issue fee of $100,000 payable as follows:

- $10,000 upon the date of execution of the Agreement (June 22, 2015; paid);
- $30,000 by November 22, 2015 (paid);
- $30,000 by January 22, 2016 (paid); and
- $30,000 by March 22, 2016 (paid).

(ii) an earned royalty of 3% of net sales, subject to minimum annual royalties of:

Calendar year	Minimum annual royalty	Due date
2017	$5,000	February 28, 2017
2018	$10,000	February 28, 2018
2019	$10,000	February 28, 2019
2020 and thereafter	$25,000	February 28 of each year

(iii) a nonrefundable U.S. Maintenance Patent Fee of $45,000 to be paid as follows:

- $15,000 on or before February 28, 2016 (paid);
- $15,000 on or before February 28, 2019; and
- $15,000 on or before February 28, 2023

The Technology

i/Blue Imaging System used in conjunction with imaging agents

The Company has completed development of the i/Blue Imaging System Alpha B Prototype that it believes will establish a "new standard of care" for urologists and address the limitations of the current technology in the early detection of bladder cancer through endoscopes. The development team has successfully retrofitted the original prototype with significant improvements to its internal components. Image processing and display software has been developed that integrates state-of-the art, high resolution cameras and patented, image-blending technology with other proprietary elements. The result will be a composite image highlighting the cancer lesions within the bladder in high definition, estimated to be 100 times more sensitive than currently available systems.

These advancements are expected to expose the specifics of the image in less than 15 minutes versus the full hour required by conventional fluorescence systems. Premalignant lesions and tumor tissue along the margins will be highlighted and identified for removal, potentially reducing the chances of recurrence. Producing superior imaging quality in less than one quarter of the time of current systems is expected to increase the efficiency of the operating room and reduce healthcare costs by potentially enabling follow-up exams to be performed in the less-expensive physician's office.

In addition, the surgeon will no longer need to switch back and forth between two images. The i/Blue's specialized cameras will employ Simultaneous Acquisition of Differing Images, a patented technology which automatically blends the white and blue light images into one, putting the cancer into context and enabling the surgeon to better visualize and resect the cancer.

The i/Blue's patented technology can be seamlessly adapted to most endoscopes on the market today.

Benefits of the i/Blue Imaging System

- "Sees" the cancer is less than 15 minutes vs. one hour
  - Optics 100 times more sensitive
- No switching back and forth
  - Simultaneous acquisition of two different images blends the white light and fluorescence images into one
  - Puts the cancer into context within the bladder
  - Enables surgeon to better visualize and resect the cancer, helping to reduce recurrence
- Adapts to blue light method with added unique fluorescence wavelengths

*Future Development – **i/Vision** Imaging System*

The i/Blue Imagin System will be expanded to incorporate multiple illumination sources so that detection of different contrast agents can be realized by the same system. Such a system can be custom made or designed to accommodate the most commonly used fluorescing contrast agents, such as those currently available based on the emission of Protoporphyrin IX (PpIX) and Indocyanine green (ICG). This instrument will enable expansion into multiple endoscopic procedures, cancerous or noncancerous conditions, such as laparoscopic (general and gynecology), colorectal, thoracic and a variety of gastroenterology procedures.

Future Development – i/Red Imaging System
The i/Red Imaging System, Imagin's next advancement, uses a unique method to illuminate the cancer with red light and requires no imaging agents at all. This breakthrough technology uses only fluorescence produced by the body and the tumor itself. This product requires specialized light sources, sensitive cameras and a unique optical design. The i/Red Imaging System will dramatically broaden the market to all cancer specialists using any type of scopes.

Benefits of the i/Red Imaging System

- Uses only the fluorescence produced by the body and the tumor itself
- Potentially reaches and detects cancer in other parts of the body where imaging agents cannot be practically administered
- Contrast between normal/cancer tissue is potentially related to the difference in porphyrin content within the cells, which in turn relates to the difference in metabolism of the cancer cells
- Like i/Blue, i/Red will employ simultaneous acquisition of differing images, adapt to most endoscopes and will be orders of magnitude more sensitive

The Strategy

There are many types of cancers and various technologies used to detect cancer in the human body. Imagin Medical will differentiate the visualization and detection of cancer in minimally invasive surgery (MIS) where endoscopes are used at today's market price. The Company will position the i/Blue by emphasising its dramatic improvement over current technologies in the imaging quality and the speed with which these images are produced. Imagin's initial commercial application will focus on bladder cancer.

The Company's i/Blue system will set a new "standard of care" and address the limitations of the current technology with advanced, ultrasensitive optics designed to produce images in less than 15 minutes vs. the full hour required by today's fluorescence products. Additionally, the i/Blue's patented *Simultaneous Acquisition of Differing Images* will automatically blend the white light and fluorescence images into one, putting the cancer into context within the bladder, a capability that doesn't exist today. An additional commercial advantage of the i/Blue technology is its adaptability to most endoscopes currently on the market which will be of strategic interest in forming partnerships with existing dominant corporations. These improvements make the i/Blue system practical, not only for the O.R., but also for the less-expensive physicians' office, potentially reducing recurrence and healthcare costs, as well as expanding the market to other procedures where endoscopes are used.

The Company is planning the commercialization of its the i/Blue Imagin System in mid-2018 and believes it will achieve rapid revenue growth. Over the course of the next eighteen months, the Company will begin a marketing program comprised of participating in trade shows, conducting focus groups, developing physician champions and establishing four Centers of Excellence. The marketing program will also continue to build on management's current relationships with seven key successful independent sales representatives who currently call on urologists.

Product Development Plan and Timing

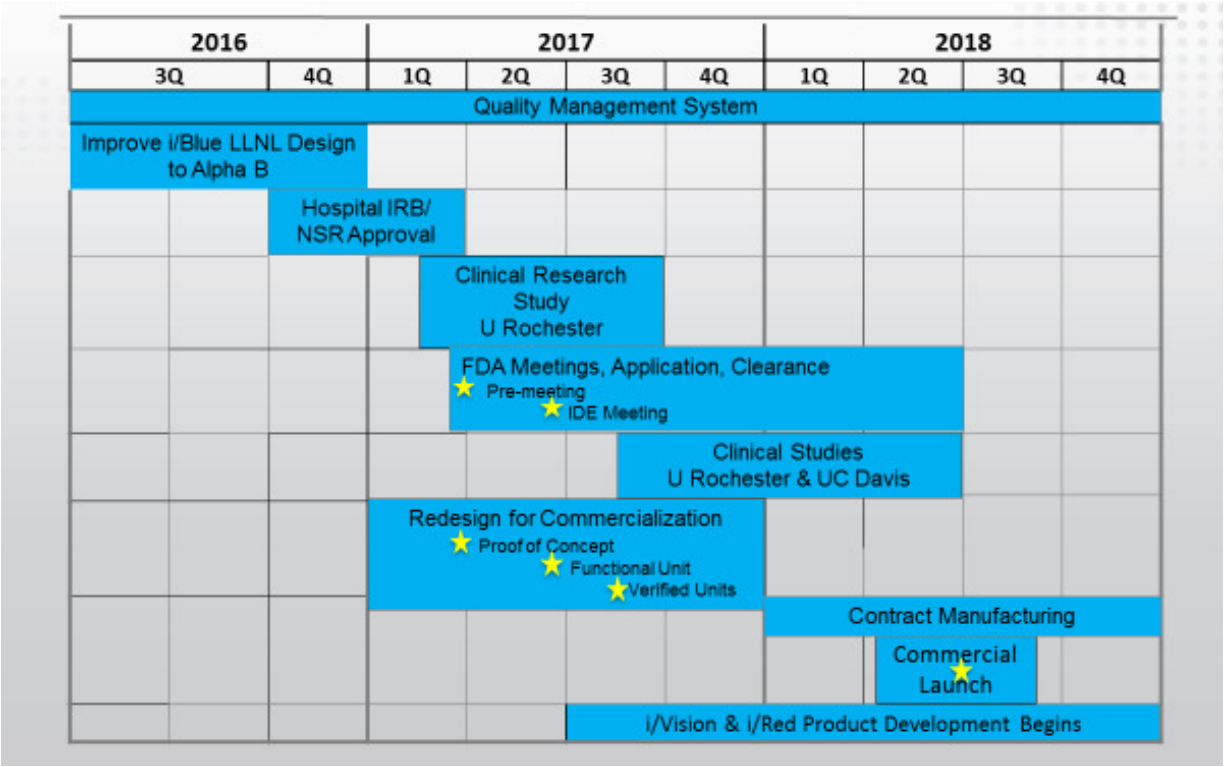
Imagin (formerly BSS) has secured an exclusive license from Lawrence Livermore National Security, LLC (LLNS) to commercialize the technology invented by Dr. Stavros Demos. This licence agreement includes the three issued patents and one pending patent application on technology related to exclusive spectroscopic imaging for cancer and other medical applications. These include:

1. Issued U.S. Patent 7,149,567 - Near-Infrared Spectroscopic Tissue Imaging for Medical Applications
2. Issued U.S. Patent 7,257,437 - Autofluorescence Detection and Imaging of Bladder Cancer Realized Through a Cystoscope
3. Issued U.S. Patent 8,285,015 - Simultaneous Acquisition of Differing Image Types
4. Pending U.S. Patent Application No. 13/601,918 - Simultaneous Acquisition of Differing Image Types

Milestones to Commercialization

The Issuer is planning for the commercialization of its first product, the i/Blue Imaging System, in in mid 2018.

Imagin continues to work against its two-year plan that will be completed with the support of Dr. Stavros Demos, the inventor, currently a Senior Scientist and Group Leader of the Optical Materials Group at the University of Rochester Laboratory for Laser Energetics (LLE). In Q4 of 2016, the Company completed the development of the Alpha B Prototype and expects to begin a Research Study at the University of Rochester Medical Center when hospital approvals are obtained in early 2017. Imagin plans to start the FDA approval process in Q2 of 2017, followed by clinical trials in Q3. Once completed, commercialization is planned to begin in the second half of 2018. Below is a more detailed plan.



Highlights during the period

During the period, the Company closed the acquisition of BSS Life Sciences. In connection with the closing, the Company:

- issued 21,500,000 common shares ("Acquisition shares") to the shareholders of BSS Life on a pro-rata basis. Of these, 11,500,000 shares are subject to escrow, to be released over three years (10% on the closing date and an additional 15% every six months thereafter);
- issued 10,000,000 warrants ("Acquisition Warrants") to the holders of warrants of BSS Life on a pro-rata basis; each Acquisition Warrant exercisable at $0.15 per share for three years;
- issued 5,000,000 performance shares to certain shareholders of BSS. These shares are subject to escrow, and to be released upon the successful conclusion of a beta prototype pertaining to BSS Life's technology which satisfactorily demonstrates the commercial viability of products based on such technology;
- changed its name from Expedition Mining Inc. to Imagin Medical Inc.; and changed its trading symbol to "IME";
- closed a non-brokered financing of 7,007,413 units ("Unit") at $0.15 per Unit for gross proceeds of $1,051,112. Each Unit is comprised of one common share ("Shares") and one share purchase warrant ("Finance Warrant"). Each Finance Warrant is exercisable for a period of two years at $0.25 in the first 12 months and at $0.35 thereafter, provided that in the event the closing price of the Company's Shares on the CSE is equal to greater than $0.50 per share for 20 consecutive trading days at any time following four months after the date of closing the Acquisition, the Company may reduce the remaining exercise period of the Finance Warrants to not less than 30 days following the date of such notice. The private placement securities are subject to a four month hold period from the date of issuance. The Company paid a total of $41,368 and issued a total of 245,786 brokers' warrants at $0.15 per warrant expiring two years;
- completed a shares-for-debt transaction to settle $155,416.27 of past debt owed to former directors and officers of EXU, by the issuance of 1,036,108 shares at a deemed price of $0.15 per share. These shares are subject to a four month hold period from the date of issuance;
- granted 2,000,000 incentive stock options, exercisable at $0.15 per share for a period of five years. The options are subject to a four month hold period from the date of grant;
- changed its business from that of a mining exploration company to a medical technology company;
- started trading on the OTC Pinksheets under the symbol "IMEXF" and on the Frankfurt, Stuttgart and Berlin Exchanges under the symbol DPD2;
- announced that Ralph deVere White, M.D. (Director of the UC Davis Comprehensive Cancer Centre), accepted the position of Chairman of the Company's Scientific Medical Advisory Board;
- announced that Dr. Stavros Demos, the inventor of the i/Blue Imaging System, accepted the position of "Senior Scientist and Group Leader of the Optical Materials Group" at the University of Rochester Laboratory for Laser Energetics ("LLE") in New York;
- signed a Collaborative Research Agreement with the University of Rochester Laboratory of Laser Energetics (LLE) and the U.S. Department of Energy (D.O.E.) that will facilitate the development of the i/Blue Imagining System;

- signed a Loan Agreement with the D.O.E. that granted Imagin permission to move the original prototype from LLNL to LLE. This prototype is now in the hands of the development team at the University of Rochester;
- received an additional amount of $201,000 for the exercise of 1,340,000 acquisition warrants;
- granted 1,800,000 incentive stock options, exercisable at $0.15 per share for a period of five years. The options are subject to a four month hold period from the date of grant.
- announced that the process of retrofitting and requalifying components to optimize the design of the i/Blue Imaging System is on schedule. As previously announced, the i/Blue Alpha Prototype A was successfully moved from Lawrence Livermore National Lab to the University of Rochester Laboratory for Laser Energetics where Dr. Stavros Demos, the inventor of the technology, continues to assist the Company's team with the development of the Alpha Prototype B.
- announced that the recent publication of the new American Urological Association's (AUA) Guidelines for the diagnosis and treatment of bladder cancer strongly validates the Company's objective of developing the i/Blue Imaging System for the early detection of the disease.
- announced it is making significant progress in developing its disruptive technology, the i/Blue Imaging System. Imagin's goal is to establish a new standard of care in detecting cancer and reducing its recurrence through the use of endoscopes.
- announced that Dr. Edward Messing, Chair of Urology, University of Rochester Medical Center joined Imagin's Scientific Board of Advisors. Dr. Messing was involved in the early clinical studies of Photocure's fluorescent drug, Cysview®, which may be used during the Imagin studies.
- announced that Ken Daignault joined Imagin's Board of Directors. Mr Daignault has over 30 years of experience in the medical device field, specifically in urology. He has been involved in all aspects of the medical device business from product development and the design of protocols and procedures for bench and animal pre-clinical testing to building long-term strategies for multiple-product portfolios at various stages of development.
- announced that the Company's Quality Plan for compliance with US FDA regulations and International Standard ISO 13485 was approved by the Company's management team. The Quality Management System (QMS) will detail the generation and management of all the Company's standard operating procedures, Design History File documents, and all quality records to support the development of the i/Blue Imaging system for the detection of bladder cancer. Design control procedures have been developed and implemented to support and document the prototype development underway at the University of Rochester's Laboratory for Laser Energetics.
- announced it closed Tranche I of a non-brokered private placement through the issuance of 4,822,500 units (the "Units") at a price of Cdn $0.08 per Units for gross proceeds of Cdn $385,800 (the "Offering").
- announced that Dr. Liam J. Hurley, a member of the Northeast Urologic Surgery, PC, joined Imagin's Scientific Board of Advisors. Dr. Hurley obtained his Bachelor of Arts degree from Harvard University and his M.D. from Boston University School of Medicine.
- announced that Dr. Roger J. Buckley, joined Imagin's Scientific Board of Advisors. Dr. Buckley is the Division Head of Urology at North York General Hospital in Toronto, and is considered a top urologist in Canada.

- announced that it completed development of its i/Blue Alpha B Prototype. Image processing and display software have been developed that integrate state-of-the art, high resolution cameras and patented, image-blending technology with other proprietary elements. The result will be a composite image highlighting the cancer lesions within the bladder in high definition, estimated to be 100,000 time more sensitive than currently available.
- announced that it is partnering with Optel, Inc., an optical product design firm located in Rochester, New York, to design the i/Blue Imaging System for manufacturability and commercialization.
- announced that it closed the final tranche of its private placement, through the issuance of an additional 3,873,605 units (the "Units") at a price of Cdn $0.08 per Units for gross proceeds of Cdn $309,888.40 (the "Offering").
- announced that pursuant to the Company's Stock Option Plan, an aggregate of 750,000 stock options were granted to certain consultants and a director of the Company as follows: 200,000 options at an exercise price of $0.08, and 550,000 options at an exercise price of $0.15 per share.

At the date of this report, the Company currently has 50,068,739 issued and outstanding Shares; 8,660,000 Acquisition Warrants; 15,703,518 Finance Warrants; 657,546 finders' warrants; and 4,000,000 incentive stock options.

1.3 Selected Annual Information

The highlights of financial data for the Company for the two most recently completed financial years are as follows:

	Imagin Medical Inc. Sept. 30, 2016	BSS Life Sciences Sept. 30, 2015
(a) Loss before other items		
(i) Total loss	$1,774,908	$58,234
(ii) Loss per share – basic	$0.07	$0.06
(iii) Loss per share – diluted	$0.07	$0.06
(b) Net loss		
(i) Total loss	$2,259,571	$58,234
(ii) Loss per share – basic	$0.08	$0.06
(iii) Loss per share – diluted	$0.08	$0.06
(c) Total assets	$351,161	$46,208

On February 9, 2016, the Company completed the acquisition of BSS Life Sciences ("BSS"). The transaction resulted in a reverse asset acquisition. Accordingly, BSS will be considered the continuing entity for accounting and financial reporting purposes and the Company, the continuing public company, being the corporation acquired. BSS was incorporated on March 10, 2015 with a fiscal year ending September 30, 2015.

1.4 Results of Operations

Discussion of Operations and Financial Condition

On February 9, 2016, the Company completed the acquisition BSS Life Sciences Inc. ("BSS"). In connection with the closing, the Company issued 26,500,000 common shares to the shareholders of BSS (see note 10). As a result of the exchange, the transaction resulted in a reverse asset

acquisition. Accordingly, BSS will be considered the continuing entity for accounting and financial reporting purposes and Imagin Medical Inc. ("Imagin"), the continuing public company, being the corporation acquired. As Imagin was a public 'shell' company, there was, in the opinion of management, no basis to reliably measure the consideration paid for it by BSS, other than to use the current carrying values of its assets acquired and liabilities assumed.

Accordingly, the purchase price allocation of the acquisition is based on the fair value of the net liabilities assumed, which was charged to operations as a listing expense.

The fair values of assets acquired and liabilities assumed are as follows:

Cash	$	1,000
Other assets		120,301
Accounts payable		(504,077)
Net liabilities acquired (Listing expense)	$	(382,776)

For comparative purposes, the financial statement continuity presented herein is that of BSS. However, the continuity of issued share capital, prior and subsequent to the date of the acquisition, is that of Imagin.

The following should be read in conjunction with the audited consolidated financial statements for the year ended September 30, 2016 of the Company and notes attached hereto.

During the year ended September 30, 2016, the Company reported a net loss of $2,259,571. No comparison to the year ended September 30, 2015 is presented in this report as the expenses reported for the comparative figure is that of BSS Life Sciences, which was a start-up company during the period.

During the year ended September 30, 2016, the Company incurred the following major expenditures:

1. Consulting fees (Total $533,989)
    - Marketing and Investor Relations ($494,897) – The Company engaged numerous consultants to provide services primarily related to raising capital and public relations, specifically, internet marketing, research reports, news and press releases and their distribution.
    - DTC and Frankfurt Listings ($39,092) – To assist with US investment, the Company was registered with the DTC for an OTC Listing. In addition, the Company was listed on the Frankfurt, Stuttgart and Berlin Exchanges.
2. Product development (Total $238,718)
    - Engineering, operations, quality and regulatory control, research and development ($202,266) – The development program at Lawrence Livermore National Lab (LLNL) was successfully moved to the University of Rochester Laboratory for Laser Energetics (LLE). Dr. Demos, the inventor of the technology, transitioned from LLNL to LLE in April. Imagin entered into a loan agreement with the US Department of Engery and received the alpha prototype in April at LLE where development continues. The Company's development team is working with the support of Dr. Demos and is focused on sourcing and retrofitting optical components, creating an alpha B prototype. Supporting these development efforts, the Company is establishing its quality management system (QMS) with emphasis on design control procedures. Beyond consulting fees, the Company purchased high quality light sources and various fiber optic cables for testing.

- The Company incurred legal and travel costs of $36,452 related to product development.

3. Legal & accounting (Total $159,629) – Majority of these costs were all related to the change of business, the acquisition of BSS, the listing statement, and the private placement.

4. Corporate & administrative (Total $46,000) – See above item #2.

5. Management fees (Total $269,582) – Please refer to Note 9 of the Financial Statements for the year ended September 30, 2016, attached hereto or to Section 1.9 of this report.

The Company also reported Amounts receivable and prepaids (See Note 4 of the Audited Financial Statements) for a total amount of $127,883. The amount is broken down as follows:

GST Receivable	$	7,307
Interest Receivable		259
Prepaid expenses		120,317
Net liabilities acquired	$	127,883

On August 4, 2016, the Company entered into an agreement with IBK Capital ("IBK") of Toronto, Ontario, whereby IBK will endeavour to obtain for Company, on terms and conditions acceptable, a private placement of up to $2.5 million of units of common shares and common share purchase warrants (the "Units") or some other acceptable financing arrangement. A non-refundable work fee of $25,000 was paid upon the signing of the agreement. If successful, IBJ will be paid a commission equal to 9% of the total amount of the financing. The $25,000 work fee will be deducted from this commission payable.

On September 1, 2016, the Company engaged two private Vancouver marketing companies (558396 BC Ltd and Claimbank Inc) to provide services primarily related to raising capital and public relations. The engagement was for a period of 1 year payable immediately. The total amount for the services was $84,456. The Company will expense these costs during fiscal year 2017.

Shareholders Communication and Travel

The Company reported shareholder communication and travel expenses totaling $45,126 and broken down as follows:

		30-Sep-16		30-Sep-15
Communication & information	$	7,705	$	-
Press releases		7,702		-
Telephone & website		14,952		-
Travel & entertainment		14,767		7,024
	$	**45,126**	**$**	**7,024**

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Q4 30-Sep-16	Q3 30-Jun-16	Q2 31-Mar-16
	IFRS	IFRS	IFRS
Net loss	(648,696)	(643,378)	(845,613)
Per Share	(0.025)	(0.025)	(0.025)

On February 9, 2016, the Company completed the acquisition of BSS Life Sciences ("BSS"). In connection with the closing, the Company issued 26,500,000 common shares to the shareholders of BSS (see note 10). As a result of the exchange, the transaction resulted in a reverse asset acquisition. Accordingly, BSS will be considered the continuing entity for accounting and financial reporting purposes and the Company, the continuing public company, being the corporation acquired. Therefore, all financial statements prior to the acquisition date are not presented in this report.

Discussion

Year ended September 30, 2016:

For the year ended September 30, 2016, please refer to Section 1.4 Results of Operations.

1.5 Liquidity

The Company has no current operating income or cash flow. In management's view, given the nature of the Company's operations, the most relevant financial information relates primarily to current liquidity, solvency and planned expenditures. The Company's financial success will be dependent upon the acquisition of a viable business and such a development may take time to complete and the amount of resulting income, if any, is difficult to determine. The Company completed the previously announced private placement for a total of 7,007,413 units at $0.15 per unit for gross proceeds of $1,051,112. Subsequent to the private placement, an additional 1,340,000 warrants were exercised at $0.15 per warrant, for total proceeds of $201,000.

Subsequent to the year ended September 30, 2016, the Company completed an additional financing of 8,696,105 units at $0.08 per unit for gross proceeds of $695,688. Please refer to Section 1.2 Overall Performance – Highlights during the period. The Company will be seeking additional financing in the near future.

At September 30, 2016, the Company had $72,804 in cash, $5,750 in security deposits and $127,883 in prepaid expenses and accounts receivable. The Company has no revenue generating projects at this time. The Company's historical capital needs have been met by equity subscriptions. On September 30, 2016, the Company had a working capital deficiency of $19,016 (September 30, 2015 – working capital deficiency of $12,687).

Cash and cash equivalents

		30-Sep-16		30-Sep-15
Cash deposits	$	72,804	$	4,990
Total cash and cash equivalents	**$**	**72,804**	**$**	**4,990**

Credit Risk

Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash is held with a Canadian bank.

Currency Risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company faces certain foreign exchange risks related to expenses incurred in U.S. dollars, a currency which may appreciate against the Canadian dollar, the Company's reporting currency. Additionally, net working capital

balances denominated in non-reporting currencies are also subject to fluctuations in value. The Company mitigates these threats by limiting its exposure to such balances where their expenditure in the same non-reporting currency is not imminent.

Commitments

The Company has certain commitments related to the license agreement with Lawrence Livermore National Security. Please refer to Sections 1.2 Overall Performance – License Agreement.

1.6 Capital Resources

The Company's capital resources is fixed assets (computers & office equipment) with a book value of $2,864 ($Nil – September 30, 2015).

1.7 Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

1.8 Fourth Quarter

The fourth quarter results differ significantly from other quarters as the comparative period is the financial statement that of BSS Life Sciences, the acquired company.

1.9 Transactions with Related Parties

As the acquisition of BSS was treated as a Reverse Take-over, all expenses prior to the Reverse Take-over date were charged against retained earnings and only the expenses since the acquisition were recorded in the current statement of loss. The amount of related party transactions prior to the acquisition was $41,000 and the amount subsequent to acquisition on February 9, 2016 was $320,082.

		09-Feb-16 to 30-Sep-16
Management fees	$	269,582
Accounting fees		41,500
Directors fees		9,000
Total	$	**320,082**

During the period, the Company issued 1,036,108 shares as a debt settlement of $155,416 due to directors and officers for unpaid fees. In addition, on February 9, and June 30, 2016, the Company granted a total of 1,450,000 incentive stock options to directors and officers at an exercise price of $0.15, vesting immediately and expiring within 5 years. The fair values of the options granted were $0.1464 and $0.105 for total share-based payment of $183,293. Included in accounts payable are directors' fees payable of $4,500 (September 30, 2015 - $10,950), unpaid management fees and expenses of $86,281 (September 30, 2015 - $83,284), and accounting fees of $12,600 (September 30, 2015 - $39,000), which are non-interest bearing, unsecured, and payable on demand. Fair value cannot be reliably determined.

1.10 Proposed Transactions

N/A

1.11 Critical Accounting Estimates

In preparing financial statements, management has to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Based on historical experience, current conditions and expert advice, management makes assumptions that are believed to be

reasonable under the circumstances. These estimates and assumptions form the basis for judgments about the carrying value of assets and liabilities and reported amounts for revenues and expenses. Different assumptions would result in different estimates and actual results may differ from results based on these estimates. These estimates and assumptions are also affected by management's application of accounting policies. Critical accounting estimates are those that affect the consolidated financial statements materially and involve a significant level of judgment by management.

1.12 Financial and Other Instruments

The carrying value of cash and cash equivalents, marketable securities, accounts receivable, accounts payable and due from (to) related parties approximate their fair values due to the short maturity of those instruments.

1.13 Other

Disclosure of Outstanding Share Capital: January 25, 2017

	Number
Common Shares	50,068,739

Disclosure of Outstanding Stock Options: January 25, 2017

	Number
Incentive Stock Options	4,000,000

Disclosure of Outstanding Share Purchase Warrants: January 25, 2017

	Number
Warrants	25,021,064
Fully diluted	79,089,803

Disclosure Controls and Procedures

It should be noted that pursuant to Multilateral Instrument 52-511 (adopted by the British Columbia Securities Commission on November 23, 2007), that the officers of the Company are no longer required to certify the effectiveness of disclosure controls and procedures used by the Company, as was required in previous filings under National Instrument 52-109. Accordingly, the new forms of certificate to be signed by the Company's Chief Executive Officer and Chief Financial Officer contain the following Note to Reader:

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Filings (NI 52-109), this 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. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

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 and annual filings and other reports provided under securities legislation.

Subsequent Events

1. On October 18, 2016, the Company completed Tranche 1 of a non-brokered private placement through the issuance of 4,822,500 units (the "Units") at a price of $0.08 per Units for gross proceeds of $385,800.
2. On December 9, 2016, the Company completed Tranche 2 of a non-brokered private placement through the issuance of 3,873,605 units (the "Units") at a price of $0.08 per Units for gross proceeds of $309,888.
3. On December 15, 2016, the Company granted 750,000 incentive stock options to certain consultants and a director. 200,000 options were granted at an exercise price of $0.08 and 550,000 options at an exercise price of $0.15.

Additional information

Additional information relating to the company is on SEDAR at www.sedar.com.