IMAGIN MEDICAL INC.

MANAGEMENT DISCUSSION & ANALYSIS

For the Year Ended September 30, 2017

Directors and Officers as at January 17, 2018

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

IMAGIN MEDICAL INC.

MANAGEMENT DISCUSSION & ANALYSIS

For the Year Ended September 30, 2017

1.1 Date of This Report

January 17, 2018

This Management's Discussion & Analysis ("MD&A") of Imagin Mining Inc. for the year ended September 30, 2017 has been prepared based on information available to us as of January 17, 2018. 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, 2017 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

Imagin Medical Inc. (formerly Expedition Mining Inc.) is incorporated in the Province of British Columbia and its previous principal business activity was the acquisition and exploration of resource properties. On February 9, 2016, the Company completed the acquisition of BSS Life Sciences Inc. ("BSS"). BSS holds the intellectual property rights to a proprietary imaging technology developed for extremely accurate visualization of cancers. In connection with the acquisition, the Company changed its name to Imagin Medical Inc. and now focuses on the research, develop and commercialize medical devices in the bio-chemistry industry.

During the year ended September 30, 2016, the Company closed the acquisition of BSS. In connection with the closing, the Company:

• issued 21,500,000 common shares ("Acquisition shares") to the shareholders of BSS 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 on a pro-rata basis; each Acquisition Warrant is 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's technology which satisfactorily demonstrates the commercial viability of products based on such 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 (Not Completed and extended to Dec 31, 2019);
- 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	Paid October 19, 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 believes it 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 an 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 fluorescence 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 Differing 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/Vision Imaging System, the Company's next advancement, 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 and thoracic.

i/Red Imaging System

The i/Red Imaging System, an additional advancement, will use a unique method to illuminate the cancer with red light and completely eliminate the need for imaging agents. 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

The Company will position the i/Blue Imagin System as the "new standard of care" in bladder cancer by differentiating its dramatic technical, clinical and economic improvements over current technologies.

The system's advanced, ultrasensitive optics will produce images in less than 15 minutes vs. the full hour required by today's current technology. The patented *Simultaneous Acquisition of Differing Images* will automatically blend the white light and fluorescence images into one, eliminating the need for the surgeon to switch back and forth, a capability that doesn't exist today. This feature automatically places the cancer into context within the bladder, providing a more expedient image for the surgeon. 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 i/Blue technology is adaptable to most endoscopes currently on the market, which will be of strategic interest in forming partnerships with existing dominant corporations.

The Company is planning the commercialization of the i/Blue Imaging System for mid 2019 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.

Imagin Medical's Intellectual Property

The Company, through its wholly owned subsidiary (BSS Life Sciences) 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:

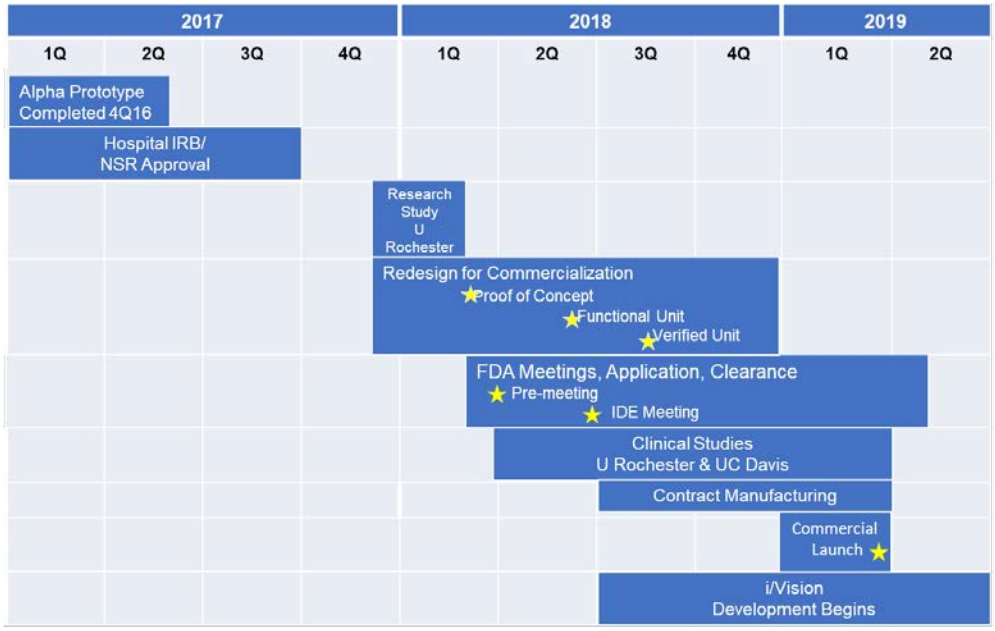
1. Issued U.S. Patent 7,149,567 - Near-Infrared Spectroscopic Tissue Imaging for Medical Applications
2. Issued U.S. Patent 7,257,437 - Autofluorescence Detection and Imaging of Bladder Cancer Realized Through a Cystoscope
3. Issued U.S. Patent 8,285,015 - Simultaneous Acquisition of Differing Image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

Product Development Plan and Timing

The Company is planning for the commercialization of its first product, the i/Blue Imaging System, in mid-2019.

The Company continues to work against its 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 Prototype. The Institutional Review Board of the University of Rochester granted approval for the first in-human Research Study using the i/Blue Imaging System at its Medical Center in 3Q 2017. Enrollment for the 10-patient study is expected to begin in 4Q and all ten procedures to be completed within four months. The study will be open for an additional nine months for subject follow-up.

The Company hired Optel, Inc, an optical product design firm located in Rochester, New York, to design the i/Blue Imaging System for manufacturability and commercialization. Plans include reducing the size of the current prototype by 70%, enabling the i/Blue system to be used as a mobile device that can be easily moved between different operating rooms and physicians' offices. The Company plans to begin the FDA approval process in Q2 2018, followed by additional clinical trials in Q3 2018 at the University of Rochester as well as UC Davis Comprehensive Cancer Center. Once these separate, concurrent steps are completed, commercialization is planned to begin in mid 2019. See timeline below.



Highlights up to the date of this report

The Company announced the following:

- 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.
- 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.
- 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.
- 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.
- it is partnered with Optel, Inc., an optical product design firm located in Rochester, New York, to design the i/Blue Imaging System for manufacturability and commercialization.
- 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 $0.08 per Units for gross proceeds of $309,888.
- laid the foundation for the success of its i/Blue Imaging System, a patent-protected endoscopic visualization technology for the early detection of cancer.
- presented the i/Blue Imaging System at Photonics West 2017, which is the largest laser and photonics.
- announced that the Company and Optel, Inc., its product design partner, have achieved the first steps of their plan for the manufacture and commercialization of the i/Blue™ Imaging System. The Company is working against key milestones as follows:

  (i) Proof of Concept: Underway - Overall objective is to reduce the size of the current prototype by 70% and create it as a mobile product that can be moved easily between different operating rooms. The platform will include four primary modules: illumination, imaging, image processing, and the power supply. Each module is currently being prototyped to verify that performance meets and/or exceeds specifications. The Company expects the modular platform to be the basis of its future systems.

  (ii) Design and Construction of Pilot Production Device: The device enclosure will house the four basic modules and be compatible with either cart or rack mounting and a touchscreen display located on its exterior to serve as the graphical user interface.

  (iii) Verification and Validation Testing: All verification and testing will be conducted in accordance with the requirements of the FDA's Good Manufacturing Practices (GMP), the European medical device standard ISO 13485 and generally in accordance with other international medical device compliance requirements.
- closed the private placement announced on February 24, 2017 through the issuance of Cdn$118,000 aggregate principal amount unsecured convertible notes (the "Notes") at a price of $1,000 of principal amount per Note. The Notes provide the following terms:

  (i) Each Note shall be for a term of 12 months from the date of Closing (subject to the prepayment and conversion terms hereinafter set forth);

  (ii) The Notes will bear interest from the date of Closing at the rate of 10.0% per annum calculated annually and payable on maturity;

(iii) The subscribers may at any time following the date of Closing elect to convert any portion of the Note, plus accrued interest to the date of conversion, into Units of the Issuer at the conversion price of $0.09 per Unit; each Unit consisting of one share and one warrant exercisable for 12 months at $0.12 per share;

(iv) At maturity, all unpaid principal and interest under the Notes shall be repaid in full, at the election of the Issuer, either in cash; in Units priced at $0.09 per Unit; or any combination thereof.

During the current fiscal period, subscriber converted the debt to shares ($18,000 plus accrued interest of $1,070.10) for a total of 211,890 common shares. Subsequent to year-end, two of the directors converted debt into shares ($35,000 plus accrued interest of $2,624) for a total of 418,036 common shares. Another subscriber converted debt into shares ($27,000 plus accrued interest of $1,908) for a total of 321,205 common shares. As per the terms of the conversion, a total of 739,241 warrants with an exercise price of $0.12, expiring one year from the date of conversion were issued.

- announced that the University of Rochester Research Study Review Board has approved the first in-human study using the Company's i/Blue Imaging System.
- closed a non-brokered Private Placement with the issuance of 20,000,000 units priced at $0.05 per unit for gross proceeds of $1,000,000. Each Unit of this Private Placement will consist of one common share of the Company and one common share purchase warrant ("Warrant"), each warrant entitling the holder to acquire one additional common share of the Company at a price of $0.10 within the 12 months.
- closed a $120,000 financing to raise funds to be used for the Company's communications program. The funds raised pursuant to the Financing will be specifically targeted for a communications and marketing program, allowing the Company to continue to maintain its existing cash for product development and commercialization. The Financing will consist of 800,000 units (the "Units") at a price of $0.15 per Unit, each Unit to be comprised of one common share and one half of one common share purchase warrant (the "Warrants"). Each whole Warrant will be exercisable into one common share in the equity of the Company (the "Warrant Shares") at an exercise price of $0.25 per Warrant Share. The Warrants expire one year from date of issuance.
- announced that Roger J. Buckley, M.D., Chief of Urology at North York General Hospital in Toronto, Vice President of the International Bladder Cancer Group (IBCG), and a member of Imagin's Scientific Advisory Board, attended the 37th Congress of the Society of International Urology held October 19 through 22 in Lisbon, Portugal.
- confirmed that experts in the field of urology concur that one reason for the high recurrence rate after transurethral resection (TUR), is that some cancer not seen was left behind by the surgeon. The Company's i/Blue Imaging System is expected to reduce the time for physicians to visualize the cancer to ten minutes.
- announced that Optel, Inc., the Company's optical product-design firm, will begin the redesign of the i/Blue Imaging System prototype for manufacturability and commercialization. The redesign will be concurrent with the first in-human research study using the i/Blue prototype that is anticipated to begin shortly at the University of Rochester Medical Center.
- announced the first in-human Research Study using the i/Blue Imaging System is open for enrollment and recruitment has begun at the University of Rochester Medical Center.
- announced the grant of an aggregate of 2 million stock options to certain directors, officers and consultants at an exercise price of $0.25, exercisable for a period of five years.
- announced the approval of a bonus payable of 5 million shares to the President and CEO for his part in the Company's recent success in advancing its technology with the University of Rochester and raising much needed working capital funds.

- announced that the Company has received more than $1,000,000 through the exercising of warrants by long-term investor.
- announced that it hired John Vacha as the Company's new CFO.

At the date of this report, the Company currently has 92,652,772 issued and outstanding Shares; 3,005,000 Acquisition Warrants; 31,390,133 Finance Warrants; 798,960 finders' warrants; and 6,150,000 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, 2017	Imagin Medical Inc. Sept. 30, 2016
(a) Loss before other items		
(i) Total loss	$1,377,537	$1,774,908
(ii) Loss per share – basic	$0.03	$0.07
(iii) Loss per share – diluted	$0.03	$0.07
(b) Net loss		
(i) Total loss	$1,542,102	$2,259,571
(ii) Loss per share – basic	$0.03	$0.08
(iii) Loss per share – diluted	$0.03	$0.08
(c) Total assets	$389,644	$351,161

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, 2017 and notes attached hereto.

During the year ended September 30, 2017, the Company reported a net loss of $1,542,102 ($2,259,571 – September 30, 2016). The Company incurred the following major expenditures:

1. Consulting fees (Total $348,512)
    - Marketing and Investor Relations – 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.
2. Product development (Total $327,357)
    - Engineering, operations, quality and regulatory control, research and development ($320,463) – 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 Energy 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 the i/Blue Imaging System. Supporting these development efforts, the Company is establishing its quality management system (QMS) with emphasis on design control procedures. In addition, the Company partnered with Optel, Inc., an optical product design firm located in Rochester, New York, to design the i/Blue Imaging System for manufacturability and commercialization. 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 $6,894 related to product development.
3. The Company incurred Management fees of $342,283 paid to the CEO & President and the Corporate Secretary/Vice-President of Investor Relations.
4. Legal & accounting (Total $126,479) – The Company incurred general corporate legal expenses of $36,979, audit fees of $17,500 and accounting fees of $72,000 paid to a Company related to the CFO.
5. Corporate & administrative (Total $58,462) – These costs are related to corporate presentations and to services in connection with the private placement and general corporate matters in Vancouver and Boston,

The Company also reported Amounts receivable and prepaids for a total amount of $776 (September 30, 2016 - $127,883). The amount is broken down as follows:

		30-Sep-17	30-Sep-16
GST Receivable	$	492	7,307
Interest Receivable		284	259
Prepaid expenses		-	120,317
Net liabilities acquired	$	776	127,883

Shareholders Communication and Travel

The Company reported shareholder communication and travel expenses totaling $16,822 and broken down as follows:

		30-Sep-17		30-Sep-16
Communication & information	$	9,661	$	7,705
Conferences		10,140		-
Press releases		4,000		7,702
Telephone & website		5,496		14,952
Travel & entertainment		19,752		14,767
	$	**49,049**	**$**	**45,126**

Summary of Quarterly Results

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

	Q4 30-Sep-17	Q3 30-Jun-17	Q2 31-Mar-17	Q1 31-Dec-16
	IFRS	IFRS	IFRS	IFRS
Net loss	(373,800)	(298,240)	(381,507)	(488,555)
Per Share	(0.01)	(0.005)	(0.005)	(0.01)

	Q4 30-Sep-16	Q3 30-Jun-16	Q3 31-Mar-16
	IFRS	IFRS	IFRS
Net loss	(648,696)	(643,378)	(845,612)
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, 2017:

For the year ended September 30, 2017, 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 on continuing to raise operating capital and successful clinical trials that validate the company's technology and such activities may take time to complete and the amount of resulting income is difficult to determine. The Company completed the previously announced private placement for a total of 8,696,105 units at $0.08 per unit for gross proceeds of $695,688. In addition, the Company raised $118,000 through the issuance of convertible debentures. For details, please refer to Note 10 of the Financial Statements. Prior to year-end, one of the subscribers

converted the debt into shares ($18,000 plus accrued interest of $1,070) for a total of 211,890 common shares, with 211,890 warrants at an exercise price of $0.12, expiring on September 28, 2018.

Subsequent to the year ended September 30, 2017, the Company completed a non-brokered private placement through the issuance of 20,000,000 units for gross proceeds of $1,000,000. Each Unit consists of one common share of the Company and one warrant ("Warrant"), each Warrant entitling the holder thereof to acquire one additional common share of the Company at a price of $0.10 within 12 months. In addition, the following options and warrants were exercised (for details refer to the subsequent events section at the end of this report):

i. 11,582,902 acquisition, finance, and finders' warrants, with prices ranging from $0.12 to $0.16 were exercised for gross proceeds of $1,650,032.

ii. 4,250,000 stock options, with prices ranging from $0.06 to $0.26 were exercised for gross proceeds of $671,500.

The Company will need to raise an additional $1.5 million, which is sufficient capital to execute the following key milestones**:**

iii. Successfully recruit ten patients with non-muscle invasive bladder cancer to participate in the 1st in-human Research Study at the University of Rochester Medical Center;

iv. Begin the study and validate previous bench test results that showed 1) physicians will be able to "see" the cancer in 10 minutes vs. one hour required by today's methods and 2) the white and florescence images will blend into one, placing the cancer in context within the bladder;

v. Report and publish research study results, which the Company believes will accelerate the momentum of the company's progress to-date;

vi. Continue to redesign the prototype through Optel, Inc.;

vii. Initiate FDA approval process;

viii. Begin additional clinical trials as potentially required by the FDA.

As at September 30, 2017, the Company had $245,921 in cash, $5,750 in security deposits and $776 in accounts receivable. The Company currently has no revenue being generated from its i/Blue system for the early detection of cancer. The Company believes that upon completion of the prototype for manufacturability and the approval of the FDA, expected sales will start to generate in early 2019.

The Company's historical capital needs have been met by equity subscriptions. On September 30, 2017, the Company had a working capital deficiency of $648,351 (September 30, 2016 – working capital deficiency of $19,016).

Cash and cash equivalents

		30-Sep-17		**30-Sep-16**
Cash deposits	$	245,921	$	72,804
Total cash and cash equivalents	**$**	**245,921**	**$**	**72,804**

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 $2,005 ($2,864 – September 30, 2016).

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 result does not differ significantly from other quarters.

1.9 Transactions with Related Parties

During the year ended September 30, 2017, the Company paid or accrued $432,283 (September 30, 2016 - $320,082) to directors and officers or companies controlled by directors and officers of the Company, for management, accounting, and directors fees incurred by the Company.

		30-Sep-17	30-Sep-16
Management fees	$	342,283	269,582
Accounting fees		72,000	41,500
Directors fees		18,000	9,000
Total	$	**432,283**	**320,082***

*The comparative period above covers the period February 9 to September 30, 3016, the period related subsequent to the BSS reverse Take-over.

During the year, the Company granted a total of 150,000 incentive stock options to a director at an exercise price of $0.15, vesting immediately and expiring within 5 years. The fair value of the options granted was $0.0691 for total share-based payment of $10,365. Included in accounts payable are fees and expenses due to directors and officers in the amount of $614,160 (September 30, 2016 - $103,381), 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 17, 2018

	Number
Common Shares	92,652,772

Disclosure of Outstanding Stock Options: January 17, 2018

	Number
Incentive Stock Options	6,150,000

Disclosure of Outstanding Share Purchase Warrants: January 17, 2018

	Number
Warrants	35,194,093
Fully diluted	133,996,865

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

Subsequent to the year end, the following occurred:

- closed Tranche one and two of a non-brokered private placement through the issuance of 20,000,000 units (the "Units") at a price of $0.05 per unit for gross proceeds of $1,000,000. Each Unit consists of one common share of the Company and one warrant ("Warrant"), each Warrant entitling the holder thereof to acquire one additional common share of the Company at a price of $0.10 within 12 months. Finders' fees in the form of 404,800 warrants and cash payments of $20,240 were paid for a portion of the financing attributable to certain finder's efforts;
- closed a $120,000 financing to raise funds to be used for the Company's communications program (the "Financing"). The funds raised pursuant to the Financing will be specifically targeted for a communications and marketing program, allowing the Company to continue to maintain its existing cash for product development and commercialization. The Financing consisted of 800,000 units (the "Units") at a price of $0.15 per Unit, each Unit to be comprised of one common share and one half of one common share purchase warrant (the "Warrants"). Each whole Warrant will be exercisable into one common share in the equity of the Company (the "Warrant Shares") at an exercise price of $0.25 per Warrant Share. The Warrants expire one year from date of issuance;
- 3,612,016 finance warrants with an exercise price of $0.12 were exercised for gross proceeds of $433,442;
- 2,052,500 warrants with an exercise price of $0.16 were exercised for gross proceed of $328,400;
- 5,655,000 acquisition warrants with an exercise price of $0.15 were exercised for gross proceeds of $848,250;
- 263,386 finders' warrants with exercise prices ranging from $0.15 to $0.16 were exercised for gross proceeds of $39,940;
- 739,241 shares at the price of $0.09 were issued in connection with the conversion of debt. The shares issued included one warrant exercisable at $0.12 with varying expiry dates of October 23, 2018 to December 19, 2018. Included in the conversion of debt are 418,036 shares issued to two directors;
- 1,600,000 options with an exercise price of $0.06 were exercised for total proceeds of $96,000;
- 550,000 options with an exercise price of $0.15 were exercised for total proceeds of $82,500. Included in the exercise were 450,000 options exercised by a director and an officer;

- 600,000 options with an exercise price of $0.18 were exercised for gross proceeds of $108,000;
- 500,000 options with an exercise price of $0.25 were exercised for gross proceeds of $125,000;
- 1,000,000 options with an exercise price of $0.26 were exercised for gross proceeds of $260,000;
- The Company granted 5,950,000 incentive stock options to directors, officers and service providers with exercise prices ranging from $0.18 to $0.26 per share. With the exception of 300,000 options @ $0.24 exercisable for a period of six months, all other options are exercisable for a period of five years. All options vest immediately. The Company cancelled 500,000 incentive stock options to a service provider with an exercise price of $0.25.
- As per Corporate Resolution dated August 15, 2017, the Company issued 5,000,000 bonus shares to the president and CEO of the Company. The shares were granted in consideration of past services and the success of the Company with respect to the most recent financing.

Additional information

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