ChroMedX

Management's Discussion and Analysis of Operations
For the three and six months ended March 31, 2018

This Management's Discussion and Analysis ("MD&A) is prepared as May 30, 2018 and has been prepared in accordance with International Financial Reporting Standards ("IFRS). All amounts are in Canadian dollars.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's director's follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

Caution Regarding Forward Looking Statements

This document contains forward looking statements, such as statements regarding future sales opportunities in various global regions and financing initiatives that are based on current expectations of management. These statements involve uncertainties and risks, including Monarch Energy Limited's (Monarch or the Company) ability to obtain and/or access additional financing with acceptable terms, and delays in anticipated product sales. Such forward-looking statements should be given careful consideration and undue reliance should not be placed on these statements.

The preparation of Management's Discussion and Analysis (MD&A) may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Management bases estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. Management believes the accounting policies, outlined in the Significant Accounting Policies section of its consolidated financial statements, affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

Introduction

The following MD&A for the three and six months ended March 31, 2018 has been prepared to help investors understand the financial performance of ChroMedX Corp. ("the Company" or "ChromedX Corp"), in the broader context of the Company's strategic direction, the risk and opportunities as understood by management, and the key metrics that are relevant to the Company's performance. The Audit Committee of the Board of Directors has reviewed this document and all other publicly reported financial information for integrity, usefulness, reliability and consistency.

All amounts are expressed in Canadian dollars (CAD) unless otherwise noted.

Additional information about ChroMedX Corp., this document, and the related quarterly financial statements can be viewed on the Company's website at www.chromedX.com and are available on SEDAR at www.sedar.com.

The Company's Common Shares are listed and traded on the CSE ("CSE") under the symbol CHX.

Results of operations

ChroMedX Corp. is a medical technology company focused on the development of novel, handheld medical devices for diagnostic testing at the patient's bedside.

In early January 2018 ChroMedX announced the appointment of Lahav Gil as Chief Executive Officer and Director. Since that time Lahav has led the expansion of the Company's development infrastructure and team to conduct a techno-commercial analysis and feasibility study for the acceleration of HemoPalm productization and path to the market, and commenced the process of considering other products into this introduction.

On May 24, 2018 the Company announced the closing of the acquisition of the Ottawa, Ontario based medtech data science company, UX Data Sciences Corp. ("UXD").

HemoPalm

After investing the last 4 months into a HemoPalm "deep dive", we are in the process of transitioning the company from a technology and R&D focus into a productization focus. I sincerely appreciate the patience of our board and shareholders, in giving us the time to do the investigations, market outreach, and strategic thought process that are necessary when putting this transition into motion. In many cases during such a process, some institutional knowledge gets lost and needs to be regained. At the same time, fresh eyes and fresh thoughts enable a better understanding of the technical, user and market requirements.

Successful commercialization and innovation of medical technologies requires design and engineering that significantly enhances clinical utility and the cost of healthcare, as a system. We call this the clini-commercial application. When productizing a device like the HemoPalm, it must be designed as a holistic system with a deep understanding of the evaluation processes and the triggers for adoption by the hospital. Our HP productization strategy is to make the best product in the world for the defined clini-commercial application; critical care patients in the hospital setting. We are aiming to significantly improve on the workflow and the clinical decisions for patients in critical care, as well as improve the cost efficiencies for the hospital, while building towards a high-value strategic exit opportunity.

Techno-commercial activities in recent months have been geared towards building the operational tempo and innovation ecosystem in which the HemoPalm and other technologies can be accelerated towards market readiness and exit transactions. This includes building the techno-commercial team and culture, implementing infrastructure and systems, and laying out process and SOPs. This process, while seemingly slow at first, later leads to rapid productization and agility when optimizing for the application and the product feature-set.

Market Research and Analysis

In 2017 the ChroMedX development team focused on the research, development, benchmarking, modeling and validating of the core components of the HemoPalm technology. In the beginning months of 2018 the Company's techno-commercial team has conducted in-depth market research and analysis to outline product strategy and exit requirements to define the HemoPalm feature set, path to the market, technical implementation roadmap and productization plan.

Research activities have included extensive VOC (voice-of-customer) outreach, business analysis, feasibility assessments and consultation with market leaders, industry veterans, and clinical KOLs.

Market intelligence gathered has led to the identification of key value drivers leading to adoption of the HP, which include enhancing workplace efficiencies, improving clinical decision making, preventing human error, optimizing cost of ownership, and reducing barriers to adoption.

During this process the development team has explored opportunities for additional innovation around understanding workflow bottlenecks and mitigating for human error in the ICU.

Examples include simplifying sample handling, auto calibration, inbuilt training and IT integration. This kind of strategy enables us to envision the HemoPalm impacting larger markets and use-case environments where logistics, staff training, and process improvement are critical to patient care and hospital efficiencies. It is also very

important to clearly understand the requirements of the exit partner and to "bake" them into the product system architecture."

HemoPalm Productization

Following the undertaking of comprehensive research activities, the Company is strategizing and planning a productization roadmap that includes understanding barriers to adoption, process improvements in the ICU and reducing the total cost of ownership compared to existing solutions.

More specifically the Company has been analyzing value drivers and requirements for:

- The test menu
- Design for adoption
- Process improvements in the the ICU
- Improving workflow, usability and Human Factors
- Device fleet management
- Integrating with ICU infrastructure
- Seamless integration with hospital IT systems and patient records
- Reducing the total time-to-results
- Improving and de-skilling sample handling
- Defining the exit value (commercial value) to operators in marketplace
- Scale manufacturing and logistics
- Mitigating for human error

HemoPalm, the Company's lead product is the only handheld blood analysis system which combines Blood Gases & Electrolytes with full CO-oximetry. It has a single-use cartridge/handheld reader format, providing the simplest, most rapid and accurate testing process for use in management of critical care patients. Current blood gas systems require purchase of a second device to carry out CO-oximetry measurements. In addition, HemoPalm has the ability to draw capillary blood directly from pin-prick sites into the cartridge, in addition to the commonly required, risk-associated arterial blood draws.

UXD Acquisition

On May 24, 2018 the Company announced the closing of the acquisition of the Ottawa, Ontario based medtech data science company, UX Data Sciences Corp. ("UXD"). With this transaction UXD has become a wholly-owned subsidiary of the Company. ChroMedX acquired UXD by the issuance of 15,280,139 common shares of the Company having a value of CAD $5,500,000 (based on an agreed deemed price of $0.36 per ChroMedX share) to the (now former) shareholders of UXD.

UX Data Sciences Corp. is a medical technology and data science company developing UX-centric products (UX refers to user experience) and systems solutions for improving, tracking and monitoring patient compliance and medication adherence. The Company's

mandate is to improve consumer's relationships with their medications and foster a more cohesive ecosystem between patients, doctors, carers, providers, and payors.

Included in the acquisition of UXD are the benefits of their partnership with IBM's Incubator Project and working capital, including approximately $500,000 in cash, for continued development of the UXD system. As part of this transaction, several members of the UX Data Sciences team will join ChroMedX to continue work on the development of the data science system and other technologies in the Company's portfolio.

Market

Medication adherence refers to whether patients take their medications as directed, as well as whether they continue to take a prescribed medication.

Medication non-adherence is a global problem that costs payors and healthcare systems billions of dollars annually and puts consumers at significant risk. There is a growing need for assistance in the management of medications and for information related to adherence to improve efficiencies in the pharmaceutical ecosystem. Medication non-adherence is a problem that has continued to grow as the population ages and medications are more frequently prescribed. The problem is complex, and the consequences are far from trivial.

In the United States it is estimated that over 20% of Americans are on 5 or more pharmaceuticals1, an expenditure of US $250B per annum2 for prescription drugs. Individuals have a difficult time managing their medications which results in un-necessary hospital admissions (33%-69%)3 and readmissions within 30 days due to adherence issues (~64%)4.

In North America it is estimated that patient compliance and medication adherence is less than 50%5 which means more than half of patients/consumers are likely to improperly take or skip medications, appointments, and other treatment protocols. 125,000 unnecessary deaths are estimated to occur every year in the US due to this issue6 and adds an estimated US $290B to the US healthcare system7.

A network of consumer, clinical and commercial stakeholders are eager for digital reach, stakeholder-connectivity and analytics to monitor, predict and influence behaviour. Doctors and carers need to be informed to support better clinical decisions. Payors want to reduce spending, and pharmacies need a direct conduit to consumers and additional paid services.

Development and Commercialization Plan

UXD is currently building 3rd generation prototypes in preparation of a researcher-lead clinical trial and pilot project in Toronto, Ontario, Canada. UXD is working closely with

a prominent Industrial Design partner in Tel Aviv, Israel who specializes in Internet-of-things and user centric design.

The first phase of commercialization will be the launch of the *UXD consumer product* that offers unprecedented benefits for front-end users and supplies valuable data for commercial and institutional stakeholders. This will lead towards the subsequent launch of the UXD data analytics platform and the deployment of dashboards for Providers and Payors for clinical and commercial intelligence.

The *UXD consumer product* consists of a suite of interactive trackers and apps that are connected to an AI-driven, analytics enabled platform enabled by IBM BlueMix, and IBM Watson and other SaaS modules. The system enables consumers and care givers to confidently identify, maintain, and monitor medications by utilizing audio labels, sensors, cloud, AI and Bluetooth technology to remind, track, confirm and influence user habits.

The consumer product is planned for commercial launch in summer 2019 with large-scale retailers in North America and entails a suite of smart products and services designed to act as a live assistant to help people develop healthier relationships with their medications. The design philosophy is to create a frictionless user experience, learn user patterns and guide them to form healthy habits while providing better visibility for their family, care-givers and doctors.

Highlights for the three months ended December 31, 2017 and Significant Subsequent Events

On November 13, 2017 the Company announced the appointment of Ants Kahu and Associates to implement Quality Management Systems to to meet FDA and ISO requirements

On November 20, 2017, the Company closed a private placement with gross proceeds of $1,514,100 (see below)

On November 24, 2017, the Company signed a LOI with DxEconomix Inc. to provide assistance in conducting a high value add transaction for the HemoPalm Blood Analyzer system.

On December 1, 2017 the Company announced the commencement of In-House biosensor manufacturing for expediated testing and refinement.

On December 7, 2017 Dr Richard Janeczko was appointed to the Board of Directors of the Company. This appointment strengthens its business development and commercialization capabilities through the addition of an experienced executive who brings hands-on business, diagnostics, operational and technical expertise.

On December 13, 2017 the Company announced that investors exercised warrants to acquire 1,031,000 common shares for proceeds of $226,200

On January 3, 2018 the Company executed a definitive agreement with DxEconomix as described above.

On January 5, 2018, My Lahav Gil was appointed CEO and Director. Mr. Gil is well known in the community for his strong team building abilities and emphasis on innovation culture, as well as his track record as a MedTech entrepreneur, design driven innovator and business leader. In addition, Mr. Clark Kent was appointed President and Director. Mr. Kent is a capital markets professional with extensive experience leading corporate development and finance initiatives in the life sciences technology and natural resource industries.

On January 23, 2018 Dr Richard Janeczko as Chief Commercial Officer and Jessica Kuhn as Chief Operations Officer. Dr Janeczko brings over 25 years experience in the in-vitro diagnostics industry having held executive roles in numerous diagnostic companies before he founded healthcare economic consulting firm DxEconomix in 2013. Ms Kuhn has worked in technology product development for over a decade. Ms. Kuhn acted as COO at Kangaroo Group along side Lahav Gil where she managed operations and development of projects for key clientele until Kangaroo was sold in 2017.

On January 24th, 2018 the Company granted 3,500,000 stock options to directors, consultants and employees. The options have an exercise price of $0.60 and expire on January 24, 2023.

On February 15, 2018 a task-force was assembled to explore feasibility and applications of the Company's patented automated ultrafiltration technology. The Automated Ultrafiltration Technology (AUF) will allow fast, automated preparation of ultra-filtrates of serum and plasma samples, for measurement of free therapeutic drugs and hormones. The AUF is a potentially disruptive technology that could very significant for CRMs, reducing skilled labour, time to result and human error during sample processing.

On March 19, 2018 Mr. Raj Kailasanathan was appointed as Executive Vice President, Corporate Finance.

On March 21, 2018 the Company anncouned the acceleration of software development and implementation activities led by newly appointed Chief Technology Officer (CTO) iGAL Roytblat. The new HemoPalm Software Architecture is built on a scriptable engine with visual authoring tools that enable an accelerated R&D cycle, critical for reducing time to market.

On April 13, 2018, ChroMedX announced the appointment of Michaela Shaw as Director of Quality Assurance and Regulatory Assurance. As Director of QA/RA Ms. Shaw's immediate mandate is to accelerate the Company's QMS towards ISO 13485 compliance by Q2 2019, as the Company expands its team, scope, and projects.

On May 8, 2018, the Company announced the expansion of the Company's development infrastructure and team to conduct a techno-commercial analysis and feasibility study for the acceleration of HemoPalm productization and path to the market.

On May 24, 2018, the Company announced that it had acquired all of the issued and outstanding shares of UX Data Sciences Corp. ("UXD"). With this transaction UXD has become a wholly-owned subsidiary of the Company. ChroMedX acquired UXD by the issuance of 15,280,139 common shares of the Company to the (now former) shareholders of UXD. The ChroMedX shares issued for the acquisition are subject to contractual restrictions on resale for a period of 90 days and up to 3 years.

Selected Three and Six Month Information

The following table sets forth selected financial information for ChroMedX Corp. for the three months ended March 31, 2018 and the three months ended March 31, 2017. This information has been derived from the Company's financial statements for the years and should be read in conjunction with financial statement and the notes thereto.

	For the three months ended March 31, 2018	For the three months ended March 31, 2017	For the six months ended March 31, 2018	For the six months ended March 31, 2017
Income	nil	nil	nil	nil
Expenses	2,279,337	709,468	4,043,974	1,618,364
(Loss) for the year	(2,279,337)	(709,468)	(4,043,974)	(1,618,364)
Loss per share	(0.03)	(0.01)	(0.05)	(0.02)
Total assets	2,772,684	2,560,744	2,772,684	2,560,744
Total Liabilities	102,660	422,785	102,660	422,785
Working capital	1,315,826	424,589	1,315,826	424,589

Per share amounts are calculated using the weighted have not been calculated, as they would be anti-dilutive.

Revenue and Expenses

For the three months ending March 31, 2018 and 2017

The net loss for the three months ending March 31, 2018 was $2,279,337 ($0.03/share).

For the three months ending March 31, 2018

- Stock based compensation for the three months ended March 31, 2018 was $1,627,862 (2017 - $Nil)
- Management fees for the three months ending March 31, 2018 was $65,010 (March 31, 2017 - $37,500) increasing due to higher levels of business activity and increased management time

- Consulting fees were $119,421 (March 31, 2017 – $293,507) and decreased due to the increased management staffing
- Shareholder communications and marketing were $150,311 (March 31, 2017 – $135,972) and increased due to additional investor relations activities in Canada, the US and Europe.
- Office, general and administration expense for the three months ending March 31, 2018, was $77,753 (March 31, 2017 - $43,729) and increased due to an increase in leased space and increased corporate and operational activity
- Professional fees for the three months ending March 31, 2018 was $70,520 (three months ending March 31, 2018 - $62,788) comparable to the comparative period
- Patent amortization expense, for the three months ending March 31, 2018 was $163,356 (three months ending March 31, 2017 - $163,554) and is comparable to the comparative period

For the six months ending March 31, 2018 and 2017

The net loss for the six months ending March 31, 2018 was $4,043,974 ($0.05/share).

For the six months ending March 31, 2018

- Share based payments for the six months ending March 31, 2018 was $2,429,976 (March 31, 2017 - $362,257 and increased due to the timing and amount of stock options issued
- Management fees for the six months ending March 31, 2018 was $122,510 (March 31, 2017 - $87,500) increasing due to higher levels of business activity and increased management time
- Consulting fees were $600,180 (March 31, 2017 – $502,413) and increased due to the increased activity and product development initiatives offset by increased management utilization
- Shareholder communications and marketing were $271,775 (March 31, 2017 – $243,500) and increased due to additional investor relations activities in Canada, the US and Europe.
- Office, general and administration expense for the six months ending March 31, 2018, was $168,470 (March 31, 2017 - $80,148) and increased due to an increase in leased space and increased corporate and operational activity
- Professional fees for the six months ending March 31, 2018 was $119,248 (six months ending March 31, 2017 - $97,096) increasing due to higher legal expenses
- Patent amortization expense, for the three months ending March 31, 2018 was $326,713 (six months ending March 31, 2017 - $327,024) and is comparable to the comparative period

Summary of Quarterly Results

The following table is a summary of selected unaudited financial information for the eight most recent fiscal quarters.

Quarter ended	Income	Net income (loss)	Net income (loss) per share
31-Mar-18	Nil	(2,279,337)	(0.05)
31-Dec-17	Nil	(1,764,637)	(0.02)
30-Sep-17	Nil	(610,832)	(0.01)
30-Jun-17	Nil	(673,579)	(0.01)
31-Mar-17	Nil	(737,050)	(0.02)
31-Dec-16	Nil	(964,840)	(0.03)
30-Sep-16	Nil	(831,386)	(0.01)
30-Jun-16	Nil	(260,013)	(0.01)

There can be significant variances in Company's reported loss from quarter to quarter arising from factors that are difficult to anticipate in advance or to predict from past results.

Liquidity

The majority of financing of current operations is achieved by issuing share capital. As at March 31, 2018, the Company had cash of $1,171,326 HST receivable of $212,810, and prepaid expenses of $29,666. The Company had accounts payable of $102,660. The Company had a positive working capital of $1,315,825 at March 31, 2018.

During the six months ended March 31, 2018, the Company completed the following equity transactions;

i. On November 20, 2017, the Company closed a non-brokered private placement of 7,570,500 units at a price of $0.20 per unit for aggregate gross proceeds of $1,514,100. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of $0.30 for a period of two years. Certain eligible persons were paid a cash commission equal to 8% of the proceeds raised from subscribers introduced to the Company by such persons, and also issued broker warrants equal to 8% of the securities purchased by such subscribers. Each broker warrant entitles the holder thereof to purchase one common share at a price of $0.20 for a period of two years. All securities issued are subject to a hold period of four months plus a day from the date of issuance and the resale rules of applicable securities legislation

During the year ended September 30, 2017, the Company completed the following equity transactions;

i. In October 2016, the Company completed a non-brokered private placement of 4,400,000 units at a price of $0.125 per unit for aggregate proceeds of $550,000. Each unit consist of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of $0.20 per a common share for a period of 18 months from the date of issuance. In connection with this financing, the Company paid cash commissions of $10,500 and issued 84,000 broker warrants where each broker warrant entitles the holder to acquire one additional common share at a price of $0.20 for a period of 18 months from the date of issuance.

ii. In December 2016, the Company completed a non-brokered private placement of 1,227,000 units at a price of $0.15 per unit for aggregate proceeds of $184,050. Each unit consist of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of $0.20 per a common share for a period of 18 months from the date of issuance. In connection with this financing, the Company paid cash commissions of $22,817 and issued 44,000 broker warrants where each broker warrant entitles the holder to acquire one additional common share at a price of $0.20 for a period of 18 months from the date of issuance.

iii. In February 2017, the Company completed a non-brokered private placement of 4,073,667 units at a price of $0.15 per unit for aggregate proceeds of $611,050. Each unit consist of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of $0.20 per a common share for a period of 18 months from the date of issuance. In connection with this financing, the Company paid cash commissions of $24,744 and issued 164,960 broker warrants where each broker warrant entitles the holder to acquire one additional common share at a price of $0.20 for a period of 18 months from the date of issuance.

iv. In June 2017, the Company completed a non-brokered private placement of 3,100,000 units at a price of $0.20 per unit for aggregate proceeds of $620,000. Each unit consist of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of $0.30 per a common share for a period of 18 months from the date of issuance. In connection with this financing, the Company paid cash commissions of $30,117 and issued 80,000 broker warrants where each broker warrant entitles the holder to acquire one additional common share at a price of $0.20 for a period of 18 months from the date of issuance.

v. On November 20, 2017, the Company closed a non-brokered private placement of 7,570,500 units at a price of $0.20 per unit for aggregate gross proceeds of $1,514,100. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of $0.30 for a period of two years. Certain eligible persons were paid a cash commission equal to 8% of the proceeds raised

from subscribers introduced to the Company by such persons, and also issued broker warrants equal to 8% of the securities purchased by such subscribers. Each broker warrant entitles the holder thereof to purchase one common share at a price of $0.20 for a period of two years. All securities issued are subject to a hold period of four months plus a day from the date of issuance and the resale rules of applicable securities legislation.

Investing Activities

There was no material investing activity during the three months ending December 31, 2017.

Off-Balance Sheet Arrangements

The Company has not entered into any off balance sheet arrangements, other than previously disclosed, that has, or is reasonably likely to have, an impact on the current or future results of operations or the financial condition of our company.

International Financial Reporting Standards ("IFRS")

In February 2008, the Canadian Accounting Standards Board confirmed that Canadian generally accepted accounting principles (GAAP), as used by publicly accountable enterprises, would be fully converged into IFRS, as issued by the International Accounting Standards Board (IASB), effective for fiscal years beginning on or after January 1, 2011. The Company implemented for the quarters ended December 31, 2016 and December 31, 2014.

Critical Accounting Policies and Estimates

Going concern

These audited financial statements have been prepared in accordance with IFRS 1 on a going concern basis which assumes that Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Company has incurred losses from inception and the inability to raise additional financing may impact the future assessment of Company as a going concern. Company's ability to continue as a going concern is dependent upon its ability to attain future profitable operations and to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. While Company has been successful in obtaining its required financing in the past, there is no assurance that such financing will be available in the future. The Company estimates that it has sufficient working capital to meet its obligations for the next twelve months. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should Company not be able to continue as a going concern.

Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of carrying value of resource properties, warrants, stock-based compensation, and deferred tax assets and liabilities. Financial results as determined by actual events could differ from those estimates.

Risks and Uncertainties

History of Losses – The Company has been in a cumulative net loss position throughout its operating history. The Company's limited operating history makes it difficult to evaluate the future financial prospects of its business. There is no assurance that the Company will grow or be profitable or that the Company will have earnings or significant improvement in its cash flow from operations in the future. The future earnings on and cash flow from operations are dependent on the Company's ability to further develop and sell its products and the Company's operational expenses. Management expects that the Company will continue to have high levels of operating expenses, since the Company needs to make significant up-front expenditures for product development, and corporate development activities. Management anticipates that the operating losses for the Company may continue until such time as the Company consistently generates sufficient revenues to support operations.

Need for Additional Financing - The implementation of the Company's business plan requires significant capital outlays and operating expenditures over the next several years. There can be no assurance that additional financing will be available to the Company when needed, on commercially reasonable terms, or at all. Any inability to obtain additional financing when needed would have a material adverse effect on the Company. Further, any additional equity financing may involve substantial dilution to the Company's then existing shareholders. Debt financing, if available, may involve onerous obligations, monetary or otherwise. If adequate funds are not available, the Company may obtain funds through arrangements with strategic partners or others who may require the Company to relinquish rights to certain technologies, any of which could adversely affect its business, financial condition and results of operations.

Product Risks

Uncertain Demand for Products - Demand for medical technologies is dependent on a number of social, political and economic factors that are beyond the control of the Company. The healthcare industry is likely to continue to change as the public, government, medical practitioners, and the medical industries focus on ways to expand medical coverage while controlling the growth in healthcare costs. While the Company believes that demand for medical technologies will continue to grow, there is no assurance that such demand will exist or that the Companies products will be purchased to satisfy that demand.

Dependence on Development of New Products - New technological or product developments in the medical industry may render the Company's products obsolete or reduce their value. The Company's future prospects are highly dependent on its ability to develop new products - from new technologies and achieve market acceptance. There can be no assurance that the Company will be successful in these efforts.

Disclosure Controls and Procedures & Internal Controls over Financial Reporting

In accordance with the Canadian Securities Administrators National Instrument 52-109 ("NI 52-109"), Certification of Disclosure in Issuers' Annual and Interim Filings, the Company has filed certificates signed by the Chief Executive Officer and the Chief Financial Officer that, among other things, report on the design and effectiveness of disclosure controls and procedures and the design and effectiveness of internal controls over financial reporting.

The Company continues to review and document its disclosure controls and procedures and internal controls over financial reporting and may, from time to time, make changes aimed at enhancing their effectiveness and to ensure that its systems evolve with the business. There were no changes in the Company's internal controls over financial reporting during the six months ended March 31, 2018 that have materially affected, or are reasonably likely to materially affect, its disclosure controls and procedures and internal controls over financial reporting.

Share Data

As of March 31, 2018 there were 82,667,223 shares issued and outstanding and 17,529,807 warrants. As at May 30, 2018, there were 100,937,362 shares issued and outstanding and 14,639,807 warrants outstanding

Options – As at March 31, 2018 there were 15,692,000 options outstanding at an average exercise price of $0.23. As at May 30, 2018 there were 12,442,000 options outstanding at an average exercise price of $0.23.

Signed

"Clark Kent "
President
May 30, 2018