Relay Medical Corp.
(formerly ChroMedX Corp.)
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2018
(Expressed in Canadian Dollars)

Management's Discussion and Analysis of Operations
For the three and twelve months ended September 30, 2018

This Management's Discussion and Analysis ("MD&A) is prepared as January 28, 2019 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 directors follow 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 the Company's 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 the 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 year ended September 30, 2018 has been prepared to help investors understand the financial performance of Relay Medical Corp. (formerly ChroMedX Corp.) ("the Company" or "Relay"), 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 Relay Medical Corp., this document, and the related quarterly financial statements can be viewed on the Company's website at www.relaymedical.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 RELA.

Corporate Overview

The Relay business model combines expertise in development/commercial leadership, funding, and strategic partnerships to offer inventors and early stage start-ups a unique "Integrated MedTech Accelerator" platform to develop and transact technologies with unmatched efficiency.

By utilizing proven methodologies, innovation culture, a multi-disciplinary techno-commercial team and a flexible funding vehicle, the Company has organized the resources to develop multiple technologies concurrently and actively identify and curate a portfolio of undervalued MedTech opportunities for near term commercialization and transaction. It is Relay's core focus to remain dedicated to building the organization holistically and as a long-term endeavour to acquire, develop and transact technologies for the benefit of all related stakeholders.

Acquisition and Development Model

Relay's acquisition model is guided by robust criteria and supported by thorough market intelligence and an innovative execution process, that ensures that each opportunity is critically evaluated for clinical and commercial advantages as well as its fit into the Company's infrastructure and domain expertise. To increase efficiencies, projects are chosen that compliment existing techno-commercial infrastructure and leverage existing human resources and expertise to rapidly increase value.

The Relay development model is to run a cohort of project-companies, spreading the risk, advancing the learning and making decisions across the entire portfolio, hand in hand with clinical leadership from the inventors, as an inherent part of the investment model. This model allows the Company to objectively manage the development of acquisitions and the option to discontinue projects that do not pass through the next evaluation in a "stage-gated" process. Acquisitions will be structured in ways that allow Relay to exit projects early without consequences to our shareholders when capital and human resources are better deployed or attributed to other projects.

The key to having success under this model is to effectively manage the various stage-gates in a project so that unnecessary resources are not consumed advancing a project that is not worthy of advancement. The Company refers to its product development methodology as: “Due Diligence by Doing”. It entails investing and iterating in measured steps, as the team gains more insight about the Product-Market-Fit and Exit-Architecture.

Value Proposition

The public company infrastructure allows Relay to incorporate flexible financing structures that are attractive to inventors and investors that are not possible in a private company structure. It also gives investors access to a lower-risked investment structure that is not attainable in a single product development company.

Using this infrastructure and drawing on managements dedication and expertise, it is Relay’s intent to conduct multiple acquisitions and transactions each year, building out capacity and returns for all related stakeholders. The Company intends on transacting each successful acquisition pre-commercially within three years.

Moving Forward

Relay has built a dedicated business and product development team to accelerate development and maximize value for the HemoPalm IP asset and are progressing on prototype development of the UX Data Sciences 1st generation product.

As an organization, Relay has established a leadership team and sufficient finances to propel the value of the Company and advance development and acquisition activities. Relay’s acquisition team is currently engaged in various stages of due diligence and negotiation with what we believe to be further promising assets that will be valuable additions to the Company’s growing portfolio.

The Company currently has two projects under development. HemoPalm, the Company’s lead product, is the only handheld blood analysis system which combines Blood Gases & Electrolytes with full CO-oximetry. On May 23, 2018, the Company acquired UX Data Sciences Corp., a medical technology and data science company developing user friendly products and systems solutions for improving, tracking and monitoring patient compliance and medication adherence. The product mission is to improve consumer's relationships with their medications and foster a more cohesive ecosystem between patients, doctors, carers, providers, and payors.

Results of operations

HemoPalm

HemoPalm, the Company’s lead product is a handheld whole blood analyzer and single-use cartridge, with full hospital IT integration, which bring lab-quality blood analysis to the bedside in critical care. The technical development and design planning of Relay’s HemoPalm has been focused on an “enterprise solution” approach, integration with existing hospital infrastructure, and design flexibility, aiming to reduce barriers to adoption at every layer of the enterprise.

The Company’s view of the market for the HemoPalm product is that the market expects a “total solution” approach and design excellence in every aspect of the product, touching upon the value

drivers for all of the key stakeholders who rely on the product. Thorough analysis is being conducted on areas including distributed QA and training, the accountability of the lab and the Clinical Biochemist, cost structures and reimbursements, logistics and consumables management, workflow and reduction of pre-analytical errors, future test panel introductions, integration with hospital IT, security and fleet management to be incorporated into the product design specifications - compiling the information into the User Experience (UX) and the Total Ownership Experience (TOX), which all of the stakeholders in the hospital, experience.

Relay has aassembled a senior strategic team spearheaded by Medtech Executive and strategist John Soloninka to lead “voice of customer” analysis and to investigate the value maximization of the HemoPalm asset. The Company continues to consult with counsel and advisors to further optimize intellectual property protection both as a core asset and as blocking IP for larger competitors who, the Company believes need to incorporate the HemoPalm technology into their products. Relay currently has a techno-commercial team actively focused on the HemoPalm project.

The Company has received considerable feedback from the voice of customer research initiative including detailed correspondence with key-opinion leaders (KOLs) in the ICU and NICU. Preliminary feedback indicates a clear clinical need for the HemoPalm IP and for the integration of decentralized POCT testing devices for rapid clinical decision making as part of an enterprise solution in hospitals, for process improvement, QA and training. Substantial additional conversations have been held with potential partners and customers.

Chief Science Officer Dr. Tom Glawdel continues to lead technical advancement as Relay works towards the development and productization of world class CO-Oximeter technology in a handheld form factor. Testing is being conducted on three bench-top spectrometer setups. Historical data from experiments have been run through the technology’s new software setup and are generating some promising results.

In 2017, the Relay development team focused on the research, development, benchmarking, modeling and validating of the core components of the HemoPalm technology. During 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.

Relay’s techno-commercial team embarked on the internal software projects as part of the expanding of the infrastructure for the management of multiple projects. Development and implementation of the software was initially conducted to improve efficiencies and regulatory management for the advancement of the HemoPalm project, and the software now acts as a backbone for the Company’s multi-project development processes.

The first is a proprietary cloud-based Traceability Matrix management tool, which integrates with the Company’s ISO 13485 SOPs and project management methodologies. The requirement tractability matrix is an important part of the regulatory submissions for market clearance to the FDA and other regulatory agencies, and is something that many medical device companies struggle with, relying mostly on immutable excel sheets or overcomplicated and costly enterprise QMS software. Relay’s approach is lightweight and tailored to fit the Company’s unique requirements, interlacing the QMS and the PM practices into the tractability tracking software.

The software is also designed to automatically generate regulatory documents during the validation phase, to manage design controls effectively and eventually to simplify FDA submissions. Relay is designing this primarily for its own purposes but is not ruling out the possibility of this management software becoming the toolbox of choice for MedTech start-ups, as a product in its own right.

The second is a modular approach to the Company's software development needs of creating a rapid prototyping platform and a proprietary developer toolkit. The software will be used in the majority of Relay's projects, for cloud applications, front-end implementations and for middleware and connectivity. The developer's toolkit is designed to accelerate software development across multiple projects by providing familiar tools and repeat practices as well as the modules already in place, so that software development does not need to start from scratch every time the Company takes on a new project, while maintaining high software quality across projects.

Relay has also reported on a new 6,000 square foot development facility currently under construction. This facility will include a much larger wet lab space as well as a workshop, electrical engineering lab and dedicated prototype assembly space. As the Company's operations and project portfolio are expanding, the larger improved facility will provide an accelerator to Relay's operational tempo and support the efficient onboarding of additional technologies and personnel.

UXD Acquisition

On May 23, 2018, the Company announced the closing of the acquisition of the Ottawa, Ontario based medtech data science company, UX Data Sciences Corp. ("UXD"). Relay acquired UXD and its assets by the issuance of 15,280,139 common shares of the Company.

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

Pharmatrac

The Pharmatrac technology was acquired as part of Relay's acquisition of UXD. The Pharmatrac is a UX-centric (user experience) system designed to improve management and identification of medications. Following the acquisition, Relay Medical has completed the integration of UXD's technologies, development infrastructure and personnel with its own at the Company's facilities in Mississauga, Ontario, Canada. The Pharmatrac and related assets are 100% owned and controlled by Relay Medical and operations/development activities are being managed as part of the development team portfolio.

The Pharmatrac system offers sophisticated smart solutions to patients, caregivers and other stakeholders in the pharmaceutical prescription environment. The Pharmatrac's consumer solution acts as a live assistant to help patients and their caregivers foster healthier relationships with their medication.

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 five or more pharmaceuticals, an expenditure of US $250 billion per annum for prescription drugs. Individuals have a difficult time managing their medications which results in unnecessary hospital admissions (33%-69%) and readmissions within 30 days due to adherence issues (~64%).

In North America it is estimated that patient compliance and medication adherence is less than 50% 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 issue and adds an estimated US $290 billion to the US healthcare system.

A network of consumer, clinical and commercial stakeholders are eager for digital reach, stakeholder-connectivity and analytics to monitor, predict and influence behavior. 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

The Company is currently building 3rd generation prototypes in preparation of a researcher-lead clinical trial and pilot project and 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.

The Pharmatrac development team is currently engaged in industrial design and prototyping for an upcoming researcher-led clinical trial. An internal demonstration of a software proof-of-concept prototype has been completed and demonstrates the basic functionalities of the tracker and the potential of the system to manage multiple medications and users in a home.

Current Development Activities Include:

- Project planning and product strategy alignment
- Software development
- Industrial Design concepts
- System architecture design
- Technical roadmap feasibility assessment
- Building props and prototypes for user trials
- Investigating use cases and workflows
- Designing user study protocols
- Expanding IP coverage and analysis
- Designing IP strategy
- Designing a sales and marketing strategy
- Validating commercial models and exit strategy

The Company has appointed seasoned Industrial Designer Ms. Laura Karik as Sr. Industrial Design Leader of Relay Medical Corp. A major part of Laura's responsibilities is to envision and design a best in class suite of products and apps to provide unprecedented value to users and other stakeholders in the ecosystem surrounding prescription medication. Laura has over 20 years of industry experience and has an impressive track record of successful medical devices and product design. Laura formerly acted as Chief Industrial Designer at Kangaroo Group and was integral to the company's leadership team.

Highlights for the year ended September 30, 2018 and Significant Subsequent Events

Operations, Expansion and Name Change

On January 5, 2018, the Company appointed Lahav Gil as Chief Executive Officer. 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. Lahav has since led an aggressive expansion of the Company's infrastructure and human resources including the appointments of CTO Igal Roytblat, CSO Tom Glawdel, COO Jessica Kuhn, CCO Dr. Richard Janeczko, Raj Kailasanathan as EVP Corporate Finance, Michaela Shaw as Director of Quality/Regulatory Assurance and W. Clark Kent as President of the Company.

On June 19, 2018 the Company announced the launch of an expanded business model and rename to Relay Medical. As Relay Medical, the Company transitioned from a single-product research and development company to an integrated accelerator of medical technologies, concurrently engaged in the development of multiple projects and actively assessing further acquisitions.

On September 25, 2018, Relay Medical commenced trading on the OTC:QB market under the symbol RYMDF. Relay currently trades on the Canadian Securities Exchange in Canada as RELA and in Europe under the symbol EIY2.

On December 13, 2018 the Company announced the appointment of John Soloninka as Senior Vice-President of Acquisitions and Exits and Yoav Raiter as Director of Product Development. The appointments have been made in support of the Company's multi-project integrated accelerator model.

The Company continued ongoing HemoPalm development and commenced multiple research and analysis studies of the application and market in preparation of productization. Operationally the expansion led to the acceleration of software development activities managed by CTO Igal Roytblat and a revised HemoPalm Software Architecture built on a scriptable engine with visual authoring tools that enable an accelerated R&D cycle, critical for reducing time to market. The Company also announced the immediate mandate to accelerate the Company's QMS towards ISO 13485 compliance by Q2 2019.

Acquisitions

On May 23, 2018, the Company announced its first acquisition under its expanded business model. Relay acquired all of the issued and outstanding shares of UX Data Sciences Corp. Relay acquired UXD by the issuance of 15,280,139 common shares of the Company to the (now former) shareholders of UXD.

On December 20, 2018 – Relay and AgraFlora Organics International Inc. ("AgraFlora Organics") (CSE: AGRA) announced the formation of the private company Glow Life Technologies Ltd. ("Glow") to pursue medical related technology opportunities in the global cannabis sector. The newly formed entity combines Relay Medical's techno-commercial leadership with AgraFlora Organic's accumulated knowledge, expertise and access to cannabis industries across the sector. Glow Life Technologies will benefit from Relay Medical's infrastructure, technical leadership and business knowledge for the research, vetting, product development and validation

of innovative technologies and AgraFlora will support the Company in the pursuit of technology opportunities in scientific validation, diagnostics, health and safety, screening, compliance and quality control/assurance within the cannabis industry. The newly formed entity is owned 50% by Relay Medical, 30% by AgraFlora Organics, who have committed to an initial investment of $200,000, and 20% by private investors who have committed $500,000 investment in Glow Life Technologies Ltd. The private investors have the right to exchange their shares of Glow Life into common shares of Relay after two years at a conversion price of $0.30 (if Glow Life has not been sold or is not publicly trading at that time).Total initial funding of $700,000 has launched Glow Life Technologies in the development of its operational structure, with the initial mandate to find and identify appropriate technology opportunities within the sector. Glow has commenced initial due diligence on industry related innovative technologies and expects to announce its management and industry expert support team early in 2019.

Funding

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, totaling $39,538. Finders were also issued an aggregate of 197,640 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.

On August 3, 2018 the Company announced the issuance of 9,787,828 units for aggregate gross proceeds of $2,251,200. Each Unit is comprised of: (i) one common share in the capital of the Company (a "Common Share"); (ii) one-half (1/2) of one Common Share purchase warrant (each whole such warrant a "A Warrant"); and (iii) one-half (1/2) of one Common Share purchase warrant (each whole such warrant a " B Warrant"). Each whole A Warrant entitles the holder to purchase one additional Common Share at a price of $0.40 until February 3, 2020, and each whole B Warrant entitles the holder to purchase one additional Common Share at a price of $0.50 until February 3, 2020. Certain eligible persons (the "Finders") were paid a cash commission equal to 8% of the proceeds raised from subscribers introduced to the Company by such Finder, totaling $31,924. Finders were also issued an aggregate of 138,800 finder warrants (the "Finder Warrants") to Finders, each Finder Warrant entitling the holder to acquire one Unit at a price of $0.23 for a period of eighteen months from the date of issuance.

For the year ended September 30, 2018, the Company has also raised $1,748,292 through the exercise of options and warrants.

Selected Quarterly and Annual Information

The following table sets forth selected financial information for Relay Medical Corp. for the three months and year ended September 30, 2018. 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 September 30, 2018	For the three months ended September 30, 2017	For the year ended September 30, 2018	For the year ended September 30, 2017
Income	nil	nil	nil	nil
Expenses	2,085,206	1,504,928	8,104,207	3,880,397
Loss for the year	(2,085,206)	(1,504,928)	(8,104,207)	(3,880,397)
Loss per share	(0.02)	(0.02)	(0.09)	(0.06)
Total assets	7,315,004	2,282,763	7,315,004	2,282,763
Total Liabilities	542,584	177,264	542,584	177,264
Working capital	2,462,722	424,589	2,462,722	424,589

Per share amounts are calculated using the weighted average number of shares outstanding. Fully diluted earnings per share have not been calculated, as they would be anti-dilutive.

The following table sets forth selected financial information for Relay Medical Corp. for the years ended September 30, 2018, 2017 and 2016. This information has been derived from the Company's financial statements for the periods indicated and should be read in conjunction with audited financial statement and the notes thereto.

	Year Ended 30-Sep-18	**Year Ended 30-Sep-17**	**Year Ended 30-Sep-16**
Loss before non-operating income	$ 8,104,207	$ 3,880,397	$ 1,755,239
Loss before income taxes	8,104,207	3,880,397	1,755,239
Loss per common share, basic and diluted	(0.09)	(0.06)	(0.03)
Net and comprehensive loss	8,104,207	3,880,397	1,755,239
Net Loss per Common Share, Basic and Diluted	(0.09)	(0.06)	(0.03)
Weighted average number of shares outstanding	89,887,697	66,683,816	55,292,626
Financial Position			
Total assets	7,315,004	2,282,763	2,560,744

Revenue and Expenses

For the three months ended September 30, 2018 and 2017

The net loss for the three months ended September 30, 2018 was $2,085,205, $0.02/share (2017 $1,504,928, $0.02 per share).

For the three months ended September 30, 2018

- Share-based compensation for the three months ended September 30, 2018 was $NIL (2017 - $996,957) and decreased due to the timing of option grants.
- Consulting fees totaled $808,373 (2017-$134,047) increasing in the period due to the accelerated product development programs and the acquisition of UXD.
- Product research and development costs totaled $217,952 (2017 – $NIL) representing costs associated with the development of the HemoPalm and Pharmatrac projects
- Patent amortization expense, for the three months ended September 30, 2018 was $419,648 (2017 - $162,846) and increased due to the amortization of the patents acquired
- Shareholder communications and marketing were $54,712 (2017 – $111,663) and decreased due to additional investor relations activities in Canada, the US and Europe during the comparative quarter.
- Office, general and administration expense for the three months ended September 30, 2018, was $75,000 (2017 - $78,677), comparable to the previous period.
- Management fees for the three months ended September 30, 2018 were $251,030 (2017 - $37,500) increasing due to the increase of business activities and the acquisition of UXD.
- Professional fees for the three months ended September 30, 2018 was $228,235 (2017 - $NIL) increasing slightly due to the acquisition of UXD and increased operational activity.

For the year ended September 30, 2018 and 2017

The net loss for the year ended September 30, 2018 was $8,104,207 $0.09/share (2017 - $3,880,397 $0.06 per share).

For the years ended September 30, 2018 and 2017

- Share-based compensation for the year ended September 30, 2018 were $3,278,188 (2017 - $1,359,214 and increased due to the timing and amount of stock options issued
- Consulting fees were $1,813,647 (2017 – $775,913) and increased due to the increased activity and product development initiatives
- Product research and development costs totaled $217,952 (2017 - $Nil) representing costs associated with the development of the HemoPalm and Pharmatrac projects
- Patent amortization expense, for the year ended September 30, 2018 was $909,716 (2017 - $653,425) and increased due to the acquisition of patents held by UXD.
- Shareholder communications and marketing expense of $444,011 (2017 – $211,794) and increased due to additional investor relations activities in Canada, the US and Europe.
- Directors fees for the year ended September 30, 2018 were $33,810 (2017 – $24,000), comparable to the previous period.
- Office, general and administrative expense for the year ended September 30, 2018, was $507,648 (2017 - $322,968) and increased due to an increase in leased office and laboratory space and increased corporate and operational activity

- Management fees for the year ended September 30, 2018 were $436,050 (2017 - $182,500) increasing due to higher levels of business activity and increased management time spent on the development projects
- Professional fees for the year ended September 30, 2018 was $457,905 (2017 - $326,624) increasing due to higher legal fees and management resources dedicated to these corporate areas

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
September 30, 2018	Nil	(2,085,206)	(0.02)
June 30, 2018	Nil	(1,975,027)	(0.03)
March 31, 2018	Nil	(2,279,337)	(0.05)
December 31, 2017	Nil	(1,764,637)	(0.02)
September 30, 2017	Nil	(1,504,928)	(0.02)
June 30, 2017	Nil	(673,579)	(0.01)
March 31, 2017	Nil	(737,050)	(0.01)
December 31, 2016	Nil	(964,840)	(0.02)

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 September 30, 2018, the Company had cash of $2,295,779, receivables of $498,565, and prepaid expenses of $210,962. The Company had accounts payable and accrued liabilities of $542,584. The Company had a positive working capital of $2,462,722 at September 30, 2018.

During the year ended September 30, 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, totaling $39,538. Finders were also issued an aggregate of 197,640 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.

ii. On August 3, 2018 the Company announced the issuance of 9,787,828 units at a price of $0.23 for aggregate gross proceeds of $2,251,200. Each Unit is comprised of: (i) one common share in the capital of the Company (a "Common Share"); (ii) one-half (1/2) of one Common Share purchase warrant (each whole such warrant a "A Warrant"); and (iii) one-half (1/2) of one Common Share purchase warrant (each whole such warrant a " B Warrant"). Each whole A Warrant entitles the holder to purchase one additional Common Share at a price of $0.40 until February 3, 2020, and each whole B Warrant entitles the holder to purchase one additional Common Share at a price of $0.50 until February 3, 2020. Certain eligible persons (the "Finders") were paid a cash commission equal to 8% of the proceeds raised from subscribers introduced to the Company by such Finder, totaling $31,924. Finders were also issued an aggregate of 138,800 finder warrants (the "Finder Warrants") to Finders, each Finder Warrant entitling the holder to acquire one Unit at a price of $0.23 for a period of eighteen months from the date of issuance.

Investing Activities

On May 23, 2018, the Company acquired all the issued and outstanding shares of UXD. The acquired business was purchased for $4,049,237, paid by the issuance of 15,280,139 common shares, valued at $0.265 per share. As UXD did not meet the definition of a business per IFRS 3, the acquisition has been accounted for as an asset acquisition, whereby Relay is considered to issue shares in return for the net assets of UXD at their fair value. Transaction costs directly associated with the acquisition totaled $23,814 and were capitalized as part of the transaction. The patent assets acquired represent patent applications.

Related Party Transactions

As at September 30, 2018, $36,443 was due to related parties (2017 - $1,695).

During the year, certain related parties participated in private placements completed by the Company, and in certain cases the funds received were used to pay consulting or directors' fees to these individuals. The proceeds of the private placement from related parties are noted below and the amounts paid/repaid are noted in parentheses. Proceeds of the private placements include $193,200 ($200,000) from the CEO for the August 2018 private placement, $40,000 ($40,000) from a director of the Company for the November 2017 private placement, $33,810 ($33,810) from a director of the Company for the August 2018 private placement, $46,000 ($9,040) from the Chief Technology Officer for the August 2018 private placement and $12,650 ($11,300) received from the Director of Product Development for the August 2018 private placement.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non executive members of the Company's Board of Directors and corporate officers.

The following is a summary of key management personnel compensation:

	For the years ended September 30, 2018	2017
Share-based compensation (note 10(b))	**$ 2,827,190**	$ 734,132
Consulting and management fees	**1,267,219**	597,666
	$ 4,094,409	$ 1,331,798

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.

Critical Accounting Policies and Estimates

Significant accounting judgments and estimates

The preparation of these consolidated financial statements in conformity with IFRS requires that management make estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

Share based payments and warrants
The fair value of stock options and warrants issued are subject to the limitation of the Black Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Useful life of intangible assets
Management has exercised their judgment in determining the useful life of its patents, patent applications and research and development costs. The estimate is based on the expected period of benefit of the patent and the expected life of the product in the market place.

(ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are, but are not limited to, the following:

Determination of functional currency
In accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, management has determined that the functional currency of the Company is the Canadian dollar.

Evaluation of going concern
The preparation of the financial statements requires management to make judgments regarding the going concern of the Company as previously discussed in Note 1.

Impairment of intangible assets
Management has exercised their judgment in determining if the patents are impaired. The judgment is based on the expected future benefit of the intangible assets.

Income taxes
Management has exercised their judgment in determining the provision for future income taxes. The judgment is based on the Company's current understanding of the tax law as it relates to the transactions and activities entered into by the Company.

Acquisition of an asset or business combination
In accordance with IFRS 3, management has exercised their judgment in determining the acquisition of UX Data Sciences Corp. was considered an asset acquisition as it did not meet the definition of a business.

RECENT ACCOUNTING PRONOUNCEMENTS

Standards issued but not yet effective up to the date of issuance of these financial statements are listed below. This list is of standards and interpretations issued that the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

IFRS 9, Financial Instruments, ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company has determined that there are no material impacts from this standard.

IFRS 15, revenue from contracts and customers ("IFRS 15") was issued by the IASB on May 28, 2014, and will replace IAS 18, revenue, IAS 11, construction contracts, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the standards on leases,

insurance contracts and financial instruments. IFRS 15 uses a control-based approach to recognize revenue which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2018. The Company has determined that there are no material impacts from this standard.

IFRS 16 Leases. IFRS 16 was issued on January 13, 2016. The new standard brings most leases onto the balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company is assessing the impact of this standard.

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.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. The Company has reduced its credit risk by investing its cash equivalents with Canadian chartered banks.

PROPOSED TRANSACTIONS

None proposed as at the date of this MD&A.

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 year ended September 30, 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 at September 30, 2018 there were 113,187,191 shares issued and outstanding and 20,252,768 warrants outstanding. As at January 28, 2019, there were 113,187,191 shares issued and outstanding and 20,252,768 warrants outstanding

Options – As at September 30, 2018 there were 16,309,500 options outstanding at an average exercise price of $0.25. As at January 28, 2019 there were 16,309,500 options outstanding at an average exercise price of $0.25.

"Lahav Gil "
Chief Executive Officer
January 28, 2019