Financial Statements
(Expressed in Canadian Dollars)

LUMINOR MEDICAL TECHNOLOGIES INC.
(Formerly Miraculins Inc.)

Three and Six Months ended May 31, 2016
(unaudited)

In accordance with National Instruments 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed these unaudited financial statements for the three and six months ended May 31, 2016

LUMINOR MEDICAL TECHNOLOGIES INC. (Formerly Miraculins Inc.)

Condensed Interim Statements of Financial Position
(Unaudited)

	Note		May 31, 2016		November 30, 2015
Assets					
Current assets:					
Cash		$	6,601	$	1,997
Accounts receivable			16,289		9,010
Prepaid expenses			16,706		74,390
Total current assets			39,595		85,397
Non-current assets:					
Property and equipment			275,757		285,714
Total assets		**$**	**315,352**	**$**	**371,111**
Liabilities and Shareholders' Deficiency					
Current liabilities:					
Accounts payable and accrued liabilities		$	1,085,111	$	1,017,766
Debt	4		1,795,112		1,597,960
Accrued interest on debt	4		610,703		467,253
Total current liabilities			3,490,926		3,082,979
Shareholders' deficiency:					
Share capital	5		14,803,770		14,803,770
Contributed surplus			3,829,149		3,829,149
Warrants	5		1,180,955		1,180,955
Deficit			(22,989,447)		(22,525,742)
Total deficiency			(3,175,573)		(2,711,868)
Going concern	2(c)				
Commitments and contingencies	6				
Subsequent events	8				
Total liabilities and equity		**$**	**315,352**	**$**	**371,111**

On behalf of the Board:

"Ashwath Mehra"
Director

"Harry Bloomfield"
Director

The accompanying notes are an integral part of these financial statements

LUMINOR MEDICAL TECHNOLOGIES INC. (Formerly Miraculins Inc.)

Condensed Interim Statements of Net Loss and Comprehensive Loss
(Unaudited)

		Three months		Six months	
Periods ended May 31	**Note**	**2016**	**2015**	**2016**	**2015**
Revenues					
Product sales and other income		$ -	$ 1,344	$ -	$ 9,146
		-	1,344	-	9,146
Expenses					
Selling, general and administration		132,384	521,957	285,577	1,063,188
		132,384	521,957	285,577	1,063,188
Other income (expenses)					
Finance expense		(88,513)	(99,959)	(177,430)	(196,840)
Foreign exchange loss, net		-	866	(498)	(12,838)
Net other income (expenses)		(88,513)	(99,093)	(177,928)	(209,678)
Net loss and comprehensive loss for the period		$ (220,897)	$ (619,706)	(463,505)	(1,263,720)
Basic and diluted loss per share	5	$ (0.11)	$ (0.36)	(0.23)	(0.79)

The 25 for 1 common share consolidation affected all of the Company's outstanding common shares as at the effective date (Note 5); as a result, the prior year presentation of earnings per share in the consolidated financial statements has been restated.

LUMINOR MEDICAL TECHNOLOGIES INC. (Formerly Miraculins Inc.)

Condensed Interim Statements of Changes in Shareholders' Deficiency
(Unaudited)

	Note	Share Capital	Contributed Surplus	Warrants	Deficit	Total
Balance, November 30, 2014		$ `13,964,680	$ 3,627,231	$ 931,108	$ (19,239,552)	$ (716,533)
Loss and comprehensive loss for the period		-	-	-	(1,263,720)	(1,263,720)
Transactions with owners, recorded directly in equity						
Issue of common shares	5	380,172	-	-	-	380,172
Warrants granted	5	-	-	362,311	-	362,311
Warrants expired	5	-	10,380	(10,380)	-	-
Exercise of warrants	5	101,510	-	(20,360)	-	81,150
Total transactions with owners		481,682	10,380	331,571	-	823,633
Balance, May 31, 2015		$ 14,446,362	$ 3,637,611	$ 1,262,679	$ (20,503,272)	$ (1,156,620)
Balance, November 30, 2015		$ 14,803,770	$ 3,829,149	$ 1,180,955	$ (22,525,942)	$ (2,711,868)
Loss and comprehensive loss for the period		-	-	-	(463,505)	(463,505)
Balance, May 31, 2016		$ 14,803,770	$ 3,829,149	$ 1,180,955	$ (22,989,447)	$ (3,175,573)

The 25 for 1 common share consolidation affected all of the Company's outstanding common shares as at the effective date (Note 5); as a result, the prior year presentation of earnings per share in the financial statements has been restated.

LUMINOR MEDICAL TECHNOLOGIES INC. (Formerly Miraculins Inc.)

Condensed Interim Statements of Cash Flows
(Unaudited)

	Note	Six months ended May 31 2016	2015
Cash provided by (used in)			
Operating activities:			
Net loss for the period		$ (463,505)	$ (1,263,720)
Items not involving cash:			
Amortization		9,957	11,226
Amortization of intangible assets		-	62,496
Finance expense	4	177,430	196,840
Change in non-cash working capital balances:			
Accounts receivable		(7,279)	18,633
Prepaid expenses		57,684	(20,744)
Accounts payable and accrued liabilities		67,146	(277,772)
Deferred revenue		-	(1,668)
		(158,568)	(1,274,709)
Financing activities:			
Issuance of common shares and warrants, net of share issue costs	5	-	661,891
Proceeds from debt financing	4	163,171	-
Interest paid	4	-	(7,961)
		163,171	653,930
Investing activities:			
Purchase of property and equipment		-	(10,820)
Purchase of intangible assets		-	(9,129)
Amendment of Scout DS® purchase agreement		-	(500,000)
		-	(519,949)
Increase (decrease) in cash		4,603	(1,140,728)
Cash, beginning of the period		1,997	1,161,744
Cash, end of the period		$ 6,601	$ 21,016
Supplemental cash flow information:			
Non-cash financing activities:			
Warrants issued on amendment of Scout DS® purchase arrangement		$ -	$ 131,000
Shares issued to settle amounts payable		$ -	$ 30,742

The accompanying notes are an integral part of these financial statements

1. Reporting entity:

Luminor Medical Technologies Inc (Formerly Miraculins Inc.) (the "Company") is a company domiciled and incorporated in Canada. The address of the Company's registered office is 201-179 McDermot Avenue, Winnipeg, Manitoba, Canada. The Company's common shares are publicly traded on the TSX Venture Exchange. The Company has as its main focus the acquisition and/or development of diagnostic opportunities in areas where there are unmet clinical needs. The Company's primary technology program is in the area of diabetes as the Company acquired all the assets related to the Scout DS®, a diabetes screening technology on July 31, 2013.

2. Basis of preparation of financial statements:

(a) Statement of compliance

These interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and do not include all of the information required for full annual consolidated financial statements.

The financial statements were authorized for issue by the Board of Directors on August 2, 2016.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for derivative financial instruments which are measured at fair value.

(c) Going concern

These financial statements have been prepared on a going concern basis in accordance with IFRS. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. There are material uncertainties that cast significant doubt about the Company's ability to continue as a going concern as the Company has experienced operating losses and cash outflows from operations since incorporation and has accumulated a deficit of $22,989,447 as at May 31, 2016 (November 30, 2015 - $22,525,742) and a working capital deficiency of $3,451,330 (November 30, 2015 - $2,997,582).

Management has forecast that expected expenditure levels and contracted commitments will exceed the Company's net cash inflows and working capital during the second quarter of fiscal 2016 unless further financing is obtained. Additional sources of funding will be required commencing in the second quarter of fiscal 2016 to carry on operations. The Company's debt was due on March 31, 2016. The Company has a new business plan that will dramatically reduce its need for capital. The plan calls for the Company to achieve this by changing its core focus to manufacturing the Scout DS® device in the most economically feasible way possible, and to market exclusive territorial license rights to the Scout DS® to qualified third parties well positioned in their regional market segments. The Company's future operations including the manufacturing of the Scout DS® are dependent upon its ability to secure additional funds, generate product sales, negotiate collaboration or license agreements with upfront payments, and/or obtain research grant funding. While the Company is striving to achieve these plans, there is no assurance that these and other strategies will be achieved or such sources of funds will be available or obtained on favourable terms or obtained at all. Historically, the Company has obtained funding via the issuance of shares and warrants and long-term debt. If the Company cannot secure additional financing on terms that would be acceptable to it, generate product sales, negotiate collaboration or license agreements with upfront payments, and/or obtain research grant funding, the Company will have to consider additional strategic alternatives which may include, among other strategies, cost curtailments, delays of product launch and exploring the monetization of certain intangible assets, as well as seeking to outlicense and/or divest assets or a merger, sale or liquidation of the Company. Any divestiture of assets would be subject to the satisfaction of obligations under the security interests described in note 4.

2. Basis of preparation of financial statements (continued):

(c) Going concern (continued)

The ability of the Company to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities and commitments when due is dependent on many factors, including, but not limited to the successful completion of the actions taken or planned, some of which are described above, which are intended to mitigate the adverse conditions and material uncertainties that cast significant doubt about the validity of the going concern assumption used in preparing these financial statements. There can be no assurance that the Company will be able to obtain sufficient financing to meet future operational needs or that the above described and other strategies will be sufficient to permit the Company to continue as a going concern.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used.

(d) Functional and presentation currency

The financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information presented has been rounded to the nearest dollar except where indicated otherwise.

(e) Use of significant estimates and judgments

The preparation of these financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these 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.

Areas where management has made critical judgments in the process of applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include the commencement of the period of use of acquired intellectual property.

Information about key assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes to the financial statements:

- Note 3e(ii): The measurement and period of use of acquired intellectual property
- Note 3e(iii): The measurement and period of use of patents and trademarks
- Note 3g(ii): The assumptions and valuation technique used to estimate the value of share-based payment transactions

3. New standards and interpretations not yet adopted (continued)

IFRS 9 *Financial Instruments: Classification and Measurement*

IFRS 9 replaces the guidance in IAS 39 *Financial Instruments: Recognition and Measurement,* on the classification and measurement of financial assets. The Standard eliminates the existing IAS 39 categories of held to maturity, available-for-sale and loans and receivables.

Financial assets will be classified into one of two categories on initial recognition:

- financial assets measured at amortized cost; or
- financial assets measured at fair value.

Under IFRS 9, for financial liabilities measured at fair value under the fair value option, changes in fair value attributable to changes in credit risk will be recognized in other comprehensive income ("OCI"), with the remainder of the change recognized in profit and loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively with some exemptions.

IFRS 15, *Revenue from Contracts with Customers*

IFRS 15, *Revenue from Contracts with Customers*, issued by the IASB in May 2014, is applicable to all revenue contracts and provides a model for the recognition and measurement of gains or losses from sales of some non-financial assets. The core principle is that revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively [for example, service revenue and contract modifications] and improve guidance for multiple-element arrangements. IFRS 15 is effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively, with earlier adoption permitted. Entities will transition following either a full or modified retrospective approach. The Company is currently evaluating the impact of the above standard on its financial statements.

Amendments to IAS 1, *Presentation of Financial Statements*

On December 18, 2014 the IASB issued amendments to IAS 1 as part of its major initiative to improve presentation and disclosure in financial reports (the "Disclosure Initiative"). The amendments are effective for annual period beginning on or after January 1, 2016. Early adoption is permitted. These amendments will not require any significant change to current practice, but should facilitate improved financial statement disclosures. The Company intends to adopt these amendments in its financial statements for the annual period beginning on January 1, 2016. The extent of the impact of adoption of the amendments has not yet been determined.

IFRS 16, *Leases*

This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, *Leases*, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. The new standard is effective for annual periods beginning on or after January 1, 2019, which is when the Company intends to adopt IFRS 16 in its financial statements. The extent of the impact of adoption of the standard has not yet been determined.

4. Debt:

a) On October 12, 2011, the Company entered into a non-convertible secured loan agreement with a private lender (the "2011 Lender") for $1,000,000. The promissory note evidencing the loan was issued at a discount for a purchase price of $950,000 and in addition the 2011 Lender received 5,714 common shares of the Company with a fair value of $71,428, net of issue costs of $1,050.

The loan originally matured on April 12, 2014 and bore interest at 12% per annum, payable interest only on a quarterly basis, except in the case of the first interest payment, which was payable on April 12, 2012. Any overdue payments bore additional interest at a rate of 6%, for a combined interest rate of 18% on any overdue payment. In certain circumstances, the Company has the option to satisfy its obligations with respect to any interest payable on the loan by issuing common shares at a discounted price.

On December 23, 2013, the Company entered into an amending agreement with the 2011 Lender to extend the $1,000,000 non-convertible secured loan for an additional six months. With this amendment, the loan was to mature on October 14, 2014. The interest rates remained the same. As consideration for the extension of this loan, the Company issued 4,000 common shares of the Company with a fair value of $45,000 to the 2011 Lender. On May 16, 2014, the Company entered into an additional amending agreement with the 2011 Lender to extend the $1,000,000 non-convertible secured loan. The loan with the 2011 Lender was now to mature on December 31, 2015. As consideration for the extension of the loan, the Company intended to issue 20,000 common shares to the 2011 Lender, however the issuance of shares was in excess of the allowed limit and did not receive regulatory approval. The Company has accrued $70,000 (November 30, 2015 - $70,000) within accounts payable and accrued liabilities at May 31, 2016 in respect of consideration for the extension of the loan. On November 19, 2015, the Company entered into an amending agreement with the 2011 Lender to extend the maturity date on the loan from December 31, 2015 to March 31, 2016. Additionally under the amending agreement, the Company and the 2011 Lender have an option to satisfy accrued interest on the loan through the issuance of common shares and if neither option is exercised, accrued interest on the loan is due on April 30, 2016. As of the authorization date for issuance of these financial statements, management is in discussion with the 2011 Lender in relation to the terms and conditions of this loan.

Interest payable at May 31, 2016 is $388,589 (November 30, 2015 - $306,062). Interest expense, including amortization of discount and transaction fees, for the six months ended May 31, 2016 was $82,527 (May 31, 2015 - $90,022). The initial value assigned to the secured debt, based on a fair value approach, was $878,571. As at May 31, 2016, the amortized cost of the secured debt was $1,000,000 (November 30, 2015 - $994,683). See subsequent events (note 8).

b) On December 23, 2013, the Company arranged an additional non-convertible secured loan of up to $1,000,000 from a third party lender (the "2014 Lender"). Any amounts advanced under this loan will be evidenced by promissory notes purchased by the 2014 Lender at a 10% discount to the principal amount of the promissory note. Assuming full draw down under this loan, the aggregate purchase price of the promissory notes will be $900,000. All amounts owing under this loan were originally due and payable on December 31, 2014 and bore interest at 12% per annum, payable quarterly. In addition, any overdue payments bore additional interest at a rate of 6% per annum for a combined interest rate of 18% per annum on any overdue payment. In certain circumstances, the Company has the option to satisfy its obligations with respect to any interest payable on the loan by issuing common shares at a discounted price. As consideration for providing the loan, in connection with each purchase of a promissory note by the 2014 Lender, the Company will issue common shares equal to 10% of the principal amount of the promissory note based on the closing price of the Company's common shares on the trading day immediately preceding the purchase of the promissory note. The effective interest rate on this secured debt is 35% if the full amount of the loan was extended to the Company.

On January 10, 2014, the Company closed the initial tranche under this loan and received an initial advance of $250,000 when the 2014 Lender issued a promissory note for $278,000. As consideration for providing the initial tranche of the loan, the Company issued 2,224 common shares of the Company with a fair value of $25,020 to the 2014 Lender.

On February 10, 2014, the Company closed the second tranche under this loan and received an additional advance of $150,000 when the 2014 Lender issued a promissory note for $166,667. As consideration for providing the second tranche of the loan, the Company issued 2,020 common shares of the Company with a fair value of $16,667 to the 2014 Lender.

On March 20, 2014, the Company closed the third tranche under this loan and received an additional advance of $150,000 when the 2014 Lender issued a promissory note for $166,667. As consideration for providing the third tranche of the loan, the Company issued 3,030 common shares of the Company with a fair value of $16,667 to the 2014 Lender.

4. Debt (continued):

On May 16, 2014, the Company entered into an amending agreement with the 2014 Lender to extend the $611,334 non-convertible secured loan. The loan with the 2014 Lender was now to mature on December 31, 2015. As consideration for the extension of the loan, the Company intended to issue 20,000 common shares to the 2014 Lender, however the issuance of shares was in excess of the allowed limit and did not receive regulatory approval. The Company has accrued $70,000 ($70,000 – November 30, 2015) within accounts payable and accrued liabilities at May 31, 2016 in respect of consideration for the extension of the loan. On November 19, 2015, the Company entered into an amending agreement with the 2014 Lender to extend the maturity date on the loan from December 31, 2015 to March 31, 2016. Additionally under the amending agreement, the Company and the 2014 Lender have an option to satisfy accrued interest on the loan through the issuance of common shares and if neither option is exercised, accrued interest on the loan is due on April 30, 2016. As of the authorization date of issuance for these financial statements, management is in discussion with the 2014 Lender in relation to the terms and conditions of this loan.

Interest payable at May 31, 2016 is $208,879 (November 30, 2015 - $161,191). Interest expense, including amortization of discount and transaction fees, for the six months ended May 31, 2016 was $52,037 (May 31, 2015 - $90,856). The initial value assigned to all tranches of the secured debt, based on a fair value approach, was $491,646. As at May 31, 2016, the amortized cost of the secured debt was $611,334 (November 30, 2015 - $603,277). See subsequent events (note 8).

The Company has the option to request the 2014 Lender to advance additional tranches under this loan, which the 2014 Lender may approve or reject at its sole discretion.

Both loans from a) and b) are secured by a general security interest in favour of the Lenders over all tangible and intangible assets of the Company, excluding the assets relating to the Scout DS®, which were acquired on July 31, 2013.

c) On December 8, 2015, the Company closed unsecured loans with two private lenders totaling $83,778. The promissory note evidencing the first loan of $56,000 was issued at a discount for proceeds of $50,400. The promissory note evidencing the second loan of $27,778 was issued at a discount for proceeds of $25,000. Both of the loans mature on March 31, 2016, are unsecured and bear interest at a rate of 20% per annum payable at the maturity of the loans.

Interest payable at May 31, 2016 is $8,401. Interest expense, including amortization of discount and transaction fees, for the six months ended May 31, 2016 was $14,401.

d) On February 17, 2016, the Company closed a secured loan for $100,000, with a company with an officer who is also an officer of the Company. The loan matures the earlier of i) one year from the closing date, ii) sixty days after the lender demands repayment, which the lender has the right to demand after May 16, 2016; or iii) upon the completion of any equity or debt financings or a combination of equity or debt financings that total $100,000. The loan bears interest at a rate of 12% per annum. The loan is secured by a first ranking charge on all assets of the Company. The Company's secured lenders executed a subordination agreement in favour of the lender.

Interest payable at May 31, 2016 is $485. Interest expense, including amortization of transaction fees, for the six months ended May 31, 2016 was $6,945.

5. Capital stock:

(a) Authorized

The Company has authorized share capital of an unlimited number of common voting shares and an unlimited number of class A common voting shares.

(b) Shares issued and outstanding

Shares issued and outstanding are as follows:

	Number of Common Shares		Amount
Balance November 30, 2014	1,469,109		13,964,680
Issued for cash, net of issue costs of $12,064 [a]	240,000		349,432
Shares issued to outstanding payables [b]	5,346		30,742
Shares issued upon exercise of warrants [c]	23,200		101,508
Balance, May 31, 2015	1,737,655	$	14,446,362
Balance, November 30, 2015 and May 31, 2016	2,020,653	$	14,803,770

On April 14, 2016, the Company completed the consolidation of its outstanding share capital on the basis of one post consolidation share for up to twenty-five pre consolidation shares.

(a) On December 11, 2014 the Company closed a private placement offering (the "December 2014 Offering") of 80,000 units ("Units") at a price of $2.50 per unit with aggregate gross proceeds to the Company of $200,000. Each Unit is comprised of one common share (a "Share") and one Share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one Share at a price of $3.25 at any time within 24 months from the date of issuance of the Warrant. There were 80,000 warrants issued within the December 2014 Offering. A fair value of $99,269, net of warrant issue costs, was assigned to the warrants upon issuance.

(b) On December 29, 2014, the Company entered into shares for debt agreements with an officer of the Company and a member of the senior management team pursuant to which the Company issued 5,346 of its common shares to the individuals at a deemed price of $6.13 per common share to satisfy $32,747 of outstanding amounts owing to them, which were included in accounts payable and accrued liabilities on the Statement of Financial Position as at November 30, 2014. The shares were issued on January 22, 2015 at a fair value of $30,742, with a gain of $2,005 being recorded within selling, general and administration expenses on the Statement of Net Loss and Comprehensive Loss.

(c) On April 22, 2015 the Company closed a private placement offering (the “April 2015 Offering”) of 160,000 units (“Units”) at a price of $2.50 per Unit for gross proceeds of up to $400,000. Each Unit was comprised of one common share of the Company (a “Share”) and one Share purchase warrant. Each warrant entitles the holder to purchase one Share at a price of $3.75 per Share for a period of 24 months from the date the Warrant is issued. There were 160,000 warrants issued within the April 2015 Offering. A fair value of $131,627, net of warrant issue costs, was assigned to the warrants upon issuance. Share issue costs total $9,464 related to the April 2015 Offering.

(d) During the six months ended May 31, 2015, 23,200 warrants with exercise prices of $3.75 were exercised resulting in the issuance of 23,200 common shares of the Company for gross proceeds to the Company of $101,508.

On December 23, 2014, the Company executed an amendment to the asset purchase agreement with VeraLight. The amendment eliminated the majority of the Company's remaining obligations and terminated the obligation by the Company to issue the contingent consideration to VeraLight for a one-time payment of $500,000 and 40,000 common share purchase warrants with an exercise price of $6.25 per common share and a fair value of $131,000. The warrants expire on the fifth anniversary of their issuance. Of these warrants, 18,000 vested immediately and the remaining 22,000 vest upon the earlier of 12 months from the date of issuance of a liquidity event.

5. Capital stock (continued):

(c) Options

The Company has a stock option plan which is administered by the Board of Directors of the Company with stock options granted to directors, management, employees, management company employees and consultants as a form of compensation. The number of common shares reserved for issuance of stock options is limited to a maximum of 10% of the issued and outstanding shares of the Company at any one time.

Changes in the number of options outstanding during the six months ended May 31, 2016 and 2015 are as follows and have been restated retrospectively as a result of a share consolidation:

		2016		**2015**
	Shares	Weighted average exercise price	Shares	Weighted average exercise price
Balance, beginning of period	136,300	$ 8.25	138,160	$10.25
Forfeited, cancelled or expired	(1,680)	35.00		
Balance, end of period	134,620	8.00	138,160	10.25
Options exercisable, end of period	134,620	$ 8.00	138,160	$10.25
Weighted average fair value per unit of option granted during the period		$ -		$ -

Options outstanding at May 31, 2016 consist of the following:

Range of exercise prices	Outstanding number	Weighted average remaining contractual life	Weighted average exercise price	Exercisable number
$1.50 - $1.50	6,000	4.25 years	$1.50	6,000
$2.50 - $2.50	60,000	3.50 years	$2.50	60,000
$5.50 - $5.50	43,140	3.17 years	$5.50	43,140
$25.00 - $25.00	22,813	4.13 years	$25.00	22,813
$37.50 - $37.50	1,333	6.23 years	$37.50	1,333
$45.00 - $45.00	1,333	6.23 years	$45.00	1,333
$1.50 - $45.00	134,620	3.59 years	$8.00	134,620

5. Capital stock (continued):

(d) Warrants

Changes in the number of warrants outstanding during six months ended May 31, 2016 and 2015 are as follows:

			2016			2015
	Warrants	Amount	Weighted average exercise price	Warrants	Amount	Weighted average exercise price
Balance, beginning of period	1,331,240 $	$ 1,180,955	$ 3.00	1,039,578	$ 931,108	$ 3.00
Granted, pursuant to private placement (note 5(a))	-	-	-	240,640	231,311	3.50
Granted, pursuant to debt amendment (note 5(b))	-	-	-	40,000	131,000	6.25
Exercised (note 5(b))	-	-	-	(23,200)	(20,360)	(3.50)
Expired	100,000	(56,007)	(3.75)	(18,560)	(10,380)	(8.75)
Balance, end of period	1,231,240	$ 1,124,948	$ 2.88	1,278,458	$ 1,262,679	$ 3.25
Weighted average remaining contractual life (years)			0.73 years			1.49 years

The fair value of warrants was determined at the date of measurement using an option pricing model with the following weighted average assumptions:

	2016	2015
Expected life	-	1.0 years
Risk free interest rate	-	1.03%
Dividend yield	-	nil
Expected volatility	-	141%

(e) Per share amounts

The weighted average number of common shares outstanding for the six months ended May 31, 2016 and 2015 was 2,020,653 and 1,595,510, respectively. The dilution created by options and warrants has not been reflected in the per share amounts as the effect would be anti-dilutive.

6. Commitments and contingencies:

(a) Commitments

As at May 31, 2016 and in the normal course of business, the Company has obligations to make future payments, representing contracts and other commitments that are known and committed.

(b) Guarantees

The Company periodically enters into research and license agreements with third parties that include indemnification provisions customary in the industry. These guarantees generally require the Company to compensate the other party for certain damages and costs incurred as a result of claims arising from research and development activities undertaken on behalf of the Company. In some cases, the maximum potential amount of future payments that could be required under these indemnification provisions could be unlimited. These indemnification provisions generally survive termination of the underlying agreement. The nature of the indemnification obligations prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay. Historically, the Company has not made any indemnification payments under such agreements and no amount has been accrued in the accompanying financial statements with respect to these indemnification obligations.

(c) Royalties

The Company is obligated to pay royalties to PreMD based on any future commercial sales of PreVu® Skin Cholesterol test equal to 10 percent of gross revenue associated with PreVu®. The Company retains the right to buy-out the royalty at anytime for a one-time payment of $1,000,000. There were no royalties paid or accrued during the three months ended May 31, 2016 (May 31, 2015 – nil).

The Company is obligated to pay royalties to Canada-Israel Industrial Research and Development Foundation ("CIIRDF") based on any future product revenues, if any, from the exploitation of the preeclampsia technology contemplated in the project funding agreement equal to 2.5 percent up to a maximum of the amounts funded under the agreement. To May 31, 2016, no royalties are due and/or payable.

The Company is obligated to pay a royalty to MSH, subject to minimum annual royalties, of a stipulated percentage of the net sales of licensed products related to the worldwide rights to commercialize a portfolio of biomarkers for use in developing diagnostic assays for the early detection of preeclampsia, if any, along with other milestone payments. If the Company sub-licenses any rights under the MSH Agreement to a third party, the Company shall pay MSH a stipulated percentage of sub-license fee and sub-license royalty fee. No royalties were paid to MSH during the three months ended May 31, 2016 (May 31, 2015 – nil).

7. Related party transactions:

(a) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Board of Directors, President & CEO and Chief Financial Officer are key management personnel.

In addition to their salaries, the Company also provides non-cash benefits and participation in the Stock Option Plan (Note 5 (c)). Compensation paid to key management personnel for the three and six months ended May 31, 2016 and 2015 is as follows:

	2016	2015	2016	2015
Salaries, fees and short-term employee benefits	$36,000	$71,600	$61,500	$143,200
	$36,000	$71,600	$61,500	$143,200

(b) Key management personnel and shareholder transactions

Directors and key management personnel controlled one (1) percent (November 30, 2015 - one (1) percent) of the voting shares of the Company as at May 31, 2016.

The Company had a consulting agreement with a shareholder to provide services as needed from time to time. For the six months ended May 31, 2016, $Nil (2015 - $28,455), has been recorded in selling, general and administration expenses relating to this consulting agreement.

(c) Loan

On February 17, 2016, the Company closed a secured loan for $100,000, with a company with an officer who is also an officer of the Company. The loan matures the earlier of i) one year from the closing date, ii) sixty days after the lender demands repayment, which the lender has the right to demand after May 16, 2016; or iii) upon the completion of any equity or debt financings or a combination of equity or debt financings that total $100,000. The loan bears interest at a rate of 12% per annum. The loan is secured by a first ranking charge on all assets of the Company. The Company's secured lenders executed a subordination agreement in favour of the lender.

8. Subsequent events

On June 22, 2016, the Company announced it amended its CDN$1,611,334 in secured loans (Notes 4 (a) and (b)). The maturity date has been extended from a current obligation to $300,000 due on December 31, 2018, $400,000 due on December 31, 2019, $600,000 due on December 31, 2020 and $311,334 plus all accrued interest and any other amounts due on December 31, 2021. The principal and interest payments will be accelerated based on payments of ten percent (10%) of all gross sales on Scout Corp Assets.