Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)

RISE LIFE SCIENCE CORP.
(Formerly Luminor Medical Technologies Inc.)

Three months ended February 28, 2018
(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 months ended February 28, 2018

RISE LIFE SCIENCE CORP. (Formerly Luminor Medical Technologies Inc.)

Condensed Interim Consolidated Statements of Financial Position
(Unaudited)

	Note	February 28, 2018	November 30, 2017
Assets			
Current assets:			
Cash		$ 434,967	$ 1,065,974
Accounts receivable		190,273	157,931
Prepaid expenses		133,560	12,920
Inventory		51,236	-
Total current assets		810,036	1,236,825
Non-current assets:			
Property and equipment		28,528	19,440
Intangible assets		5,259,174	-
		5,287,702	1,918,881
Total assets		**$ 6,097,738**	**$ 3,155,706**
Liabilities and Shareholders' Deficiency			
Current liabilities:			
Accounts payable and accrued liabilities		$ 1,320,059	$ 907,789
Convertible notes	8	50,000	149,246
Accrued interest on debt	8	21,027	19,417
Secured promissory notes	8	300,000	-
Total current liabilities		1,691,086	1,076,452
Non-Current liabilities:			
Secured promissory notes	8	$ 1,311,334	$ 1,611,334
Accrued interest	8	1,244,003	1,165,559
Total non-current liabilities		2,555,337	2,776,893
Shareholders' deficiency:			
Share capital	9	22,096,631	19,033,623
Contributed surplus		5,132,043	5,132,043
Warrants	9	1,140,730	1,157,671
Deficit		(26,518,089)	(26,020,975)
Total deficiency		1,851,315	(697,639)
Going concern	2(c)		
Commitments and contingencies	10		
Total liabilities and equity		**$ 6,097,738**	**$ 3,155,706**

On behalf of the Board:

"Anton Mattadeen "
Director

"Chris Dollard "
Director

The accompanying notes are an integral part of these financial statements

RISE LIFE SCIENCE CORP. (Formerly Luminor Medical Technologies Inc.)

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

		Three months ended	
	Note	**February 28, 2018**	**February 28, 2017**
Expenses			
Selling, general and administration		$ 405,049	$ 283,538
Share based compensation		-	235,363
		405,049	518,901
Other expenses			
Finance expense		(93,685)	(78,966)
Foreign exchange gain (loss), net		1,620	(1,807)
Net other expenses		(497,114)	(80,773)
Net loss and comprehensive loss for the period		$ (497,114)	$ (599,674)
Basic and diluted loss per share	9	$ (0.01)	$ (0.08)

The accompanying notes are an integral part of these financial statements

RISE LIFE SCIENCE CORP. (Formerly Luminor Medical Technologies Inc.)

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

	Note	Number of Shares	Share Capital	Shares to be issued	Contributed surplus	Warrant reserve	Accumulated deficit	Total deficiency
Balance, November 30, 2016		4,123,153	$15,027,395	$ 15,000	$4,578,362	$535,156	$(23,634,384)	$(3,478,471)
Loss and comprehensive loss for the period			-	-	-	-	(599,674)	(599,674)
Transactions with owners, recorded directly in equity								
Issue of common shares on private placement		5,050,609	1,151,388	(15,000)	-	-	-	1,136,388
Issue of common shares on exercise of warrants		66,667	22,480	-	-	(5,813)	-	16,667
Issue of common shares on conversion of debenture		125,000	26,038	-	(1,038)	-	-	25,000
Warrants granted on private placement			(316,371)	-	-	355,564	-	39,193
Share issue costs			(97,467)	-	-	-	-	(97,467)
Warrants expired			-	-	99,269	(99,269)	-	-
Stock based compensation			-	-	235,363	-	-	235,363
Total transactions with owners		5,242,276	786,068	(15,000)	333,593	250,482	(599,674)	755,469
Balance, February 28, 2017		9,365,429	15,813,463	-	4,911,955	785,638	(24,234,058)	(2,723,003)
Balance, November 30, 2017		33,836,449	$19,033,623	$ -	$5,132,043	$1,157,671	$(26,020,975)	$(697,639)
Loss and comprehensive loss for the period			-	-	-	-	(497,114)	(497,114)
Transactions with owners, recorded directly in equity								
Acquisition of Rise Research		9,500,000	2,897,500	-	-	-	-	2,897,500
Issue of common shares on exercise of warrants		161,891	65,508	-	-	(16,941)	-	48,568
Issue of common shares on conversion of debenture		500,000	100,000	-	-	-	-	100,000
Total transactions with owners		10,161,891	3,063,008	-	-	(16,941)	(497,114)	2,548,954
Balance, February 28, 2018		43,998,340	$22,096,631	$ -	$5,132,043	1,140,730	(26,518,089)	1,851,315

RISE LIFE SCIENCE CORP. (Formerly Luminor Medical Technologies Inc.)

Condensed Interim Consolidated Statements of Cash Flows
(Unaudited)

	Note	Three months ended Feb 28, 2018	Feb 28, 2017
Cash provided by (used in)			
Operating activities:			
Net loss for the period		$ (497,114)	$ (599,674)
Items not involving cash:			
Amortization		23,365	4,745
Finance expense	8	80,810	63,090
Stock based compensation		-	235,363
Change in non-cash working capital balances:			
Accounts receivable		(101,859)	(32,766)
Prepaid expenses		(120,640)	(178,969)
Inventory		(51,236)	
Accounts payable and accrued liabilities		(56,370)	(379,311)
		(723,044)	(887,522)
Investing activities:			
Cash acquired in acquisition		43,469	-
		43,469	-
Financing activities:			
Issuance of common shares and warrants, net of share issue costs	9	48,567	1,088,438
Interest paid		-	10,000
		48,567	1,098,438
(decrease) Increase in cash		(631,008)	210,917
Cash, beginning of the period		1,064,974	133,134
Cash, end of the period		$ 434,967	$ 344,050

The accompanying notes are an integral part of these financial statements

1. Reporting entity:

RISE Life Sciences Corp. (Formerly Luminor Medical Technologies Inc.) (the "Company") is a company domiciled and incorporated in Canada. The address of the Company's registered office is 145 King Street West, Suite 210, Toronto, ON M5H 1J8. The Company's common shares are publicly traded on the Canadian Securities Exchange. The Company is developing and evolving medical cannabis-based formulations to create general use health and well-being products for the emerging consumer category made possible by the legalization of cannabis. The Company also owns its Scout DS® device that is a clinical tool to assist in the identification of both prediabetes and type 2 diabetes.

2. Basis of preparation of financial statements:

(a) Statement of compliance

These unaudited interim condensed consolidated 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 financial statements.

The financial statements were authorized for issue by the Board of Directors on April 30, 2018.

(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 consolidated 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 $26,518,089 as at February 28, 2018 (November 30, 2017 - $26,020,975) and a working capital deficiency of $881,050 (Working capital on November 30, 2017 - $160,374).

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 2018 unless further financing is obtained. Additional sources of funding will be required commencing in the second quarter of fiscal 2018 to carry on operations. The Company's future operations are dependent upon its ability to secure additional funds and generate product sales. 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 favorable 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 or otherwise generate product sales, 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 license 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 8.

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 consolidated 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 condensed interim consolidated 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 consolidated 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.

3. Significant Accounting Policies

(a) New standards and interpretations not yet adopted

Certain new standards, interpretations and amendments to existing standards issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are not yet effective up to the date of issuance of the Company's consolidated financial statements are listed below. The Company is assessing the impact of these pronouncements on its results and financial position. The Company intends to adopt those standards when they become effective.

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 consolidated financial statements.

Amendments to IAS 1, Presentation of Consolidated 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 consolidated 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 consolidated financial statements. The extent of the impact of adoption of the standard has not yet been determined.

4. Property and Equipment

Cost		Computers and equipment		Total
Balance November 30, 2017	$	54,091	$	54,091
Additions		10,909		62,145
Balance February 28, 2018	$	65,000	$	116,236

Accumulated amortization		Computers and equipment		Total
Balance November 30, 2017	$	34,651	$	34,651
Amortization		1,821		4,383
Balance February 28, 2018	$	36,472	$	39,034

Carrying value		Computers and equipment		Total
At November 30, 2017	$	19,440	$	19,440
At February 28, 2018	$	28,528	$	28,528

5. Acquisition of Jamaica BLU Ltd.:

On September 28, 2017, the Company completed the acquisition of Jamaica-Blu Ltd. (“J-BLU”) via a three-cornered amalgamation with the Company’s wholly owned subsidiary 2603995 Ontario Ltd. J-BLU holds the exclusive Canadian licence of all current and future cannabis commercial products developed by Rise Research Inc. (“RISE”). RISE’s cannabis commercial products are based on a patent pending formula, currently filed with the U.S. Patent and Trademark Office, to create precise cannabis-based formulations that may produce specifically targeted effects for various ailments including diabetes. Currently, RISE’s portfolio consists of cannabis-based formulations which support patients with low libido called Jamaica blū and Jamaica pnk.

J-BLU was obligated to pay royalties to RISE equal to 10% on any future commercial sales generated from products under the License and any approved sublicenses. There were no royalties paid or accrued during the three months ended February 28, 2018 (2017 – $Nil). This obligation is continued through the acquisition by the Company.

The acquisition of J-BLU was accounted for as an asset acquisition. The purchase price was determined based on IFRS 2 Share Based Payments and allocated as follows:

Purchase Price:	
9,500,000 common shares at a value of $0.18 per share	$ 1,710,000
Net Assets Acquired:	
Canadian License for intellectual property access	$ 1,910,000
Balance payable to RISE for License	(200,000)
	$ 1,710,000

The Company also incurred $13,485 of costs relating to the acquisition which have been capitalized.

The license is highly dependent on the life of the patent which is 20 years from the date of filing. Accordingly, management has assumed a useful life of the License of 20 years. For the period ended February 28, 2018, amortization of $21,544 (2017 - $Nil) was recorded on a straight-line basis.

6. Acquisition of Rise Research Inc.

On February 2, 2018, the Company completed the acquisition of Rise Research Inc. ("RISE") via a three-cornered amalgamation with the Company's wholly owned subsidiary 1149287 BC Ltd. RISE's cannabis commercial products are based on a patent pending formula, currently filed with the U.S. Patent and Trademark Office, to create precise cannabis-based formulations that may produce specifically targeted effects for various ailments including diabetes. Currently, RISE's portfolio consists of cannabis-based formulations focused on sexual health and wellness.

The acquisition of RISE was accounted for as an asset acquisition. The purchase price was determined based on IFRS 2 Share Based Payments and allocated as follows:

Purchase Price:	
9,500,000 common shares at a value of $0.305 per share	$ 2,897,500
Cash	250,000
	$3,147,500
Net Assets Acquired:	
Cash	$43,469
Furniture & equipment	10,908
Accounts Receivable	260,485
Accounts payable	(541,971)
Intangible assets	3,374,609
	$ 3,147,500

The Company also incurred $6,668 of costs relating to the acquisition which have been capitalized.

7. Contract settlement:

On August 14, 2014, the Company executed an agreement for the sale and distribution of Scout DS® medical devices into China (the "China Agreement"). Under the China Agreement, the Company was to receive an up-front payment of $150,000 USD within 30 business days of the agreement's execution. This amount was received in September 2014 by the Company. Should the Company not receive Chinese Food and Drug Administration approval, 50% of the up-front payment is refundable under the China Agreement. The $150,000 USD represented an up-front payment where further services were to be provided or fees received, it was recognized in income over the period of performance of the related activities within revenue.

In December, 2016, the Company executed a release and repayment agreement on the China Agreement whereby the Company would repay US$10,000 on December 31, 2016, US$140,000 on March 31, 2017 and US$75,000 on May 31, 2017 in exchange for a release on the China Agreement. Included in accounts payable and accrued liabilities as at February 28, 2018 is CAD $303,913 (November 30, 2017 - $293,716) related to this release. During fiscal 2017, the Company made payments of US$20,000. The payments are subject to interest at a rate of 18% per annum on the outstanding balance and penalty interest of 0.05% daily on any missed payments. During the first quarter of 2018, the Company accrued CAD $11,816 of interest in relation to this settlement.

8. Notes payable

(a) The following summaries the Company's promissory notes payable as at February 28, 2018 and November 30, 2017 and for the periods ended February 28, 2018 and 2017:

		February 28 2018		November 30 2017
$1,611,334 secured promissory note (iii)	$	1,611,334	$	1,611,334
Accrued interest		1,104,003		1,025,559
Deferred financing charges		140,000		140,000
	$	2,855,337	$	2,776,893
Current portion:				
Principle	$	300,000	$	-
Accrued interest and deferred financing charges	$	-	$	-
Long term portion:				
Principle	$	1,311,334	$	1,611,334
Accrued interest and deferred financing charges		1,244,003	$	1,165,559

(i) On November 19, 2015, a $1,000,000 non-convertible secured loan agreement, which was originally issued on October 12, 2011 and subsequently modified to mature on December 31, 2015, was extended to March 31, 2016 with accrued interest (12% per annum) due on April 30, 2016. The loan matured during the year ended November 30, 2016 and was combined into a new secured promissory note on June 16, 2016 (Note 8(a)(iii)). Accrued interest of $397,283 and deferred financing charges of $70,000 were also combined into the new promissory note.

(ii) On November 19, 2015, a $611,334 non-convertible secured loan agreement, which was originally issued in three tranches between January 10, 2014 and March 20, 2014 and subsequently modified to mature on December 31, 2015, was extended to March 31, 2016 with accrued interest (12% per annum) due on April 30, 2016. The loan matured during the year ended November 30, 2016 and was combined into a new secured promissory note on June 16, 2016 (Note 8(a)(iii)). Accrued interest of $214,909 and deferred financing charges of $70,000 were also combined into the new promissory note.

(iii) On June 16, 2016, the Company entered into an amending agreement whereby it combined the notes described in 8(a)(i) and (ii) together with accrued interest and deferred financing charges into a new secured promissory note. The note continues to bear interest at 12% per annum, compounded quarterly, and is to be repaid as follows:

- $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.

The note is secured by a general security interest in favor of the lender over all tangible and intangible assets of the Company's subsidiary Scout Assessment Corp., excluding the assets relating to the Scout DS®, which were acquired on July 31, 2013.

The loan has been accounted for as a modification of the previous two loans, in accordance with IAS 39 paragraph 40, as the net present value of the future cash flows were not significantly altered.

Interest expense of $78,445 (2017 – $69,624) were recognized during the year in relation to these notes.

8. Notes payable (continued):

(b) The following summaries the Company's convertible promissory notes payable as at February 28, 2018 and November 30, 2017 and for the periods ended February 28, 2018 and 2017:

		February 28 2018		November 30 2017
$50,000 convertible promissory note (i)	$	50,000	$	50,000
$100,000 convertible promissory note (ii)		-		99,246
Accrued interest		21,027		19,417
	$	71,027	$	168,662
Current portion:				
Principle	$	50,000	$	149,246
Accrued interest	$	21,027	$	19,417

(i) On July 31, 2016, a private lender subscribed to a secured convertible note in the amount of $50,000, bearing interest at 8% per annum and maturing on July 31, 2017. The note was convertible at $0.20 per share. The net present value of future cash flows of the debt component was determined to be $45,295 using a discount rate of 20% per annum, which was the interest rate of two promissory notes issued in Notes 7(a)(i) and (ii). Accordingly, the conversion feature was assigned a value of $4,705. As of February 28, 2018, the note is outstanding.

(ii) On July 31, 2016, a company with an officer who is also an officer of the Company subscribed to a secured convertible note in the amount of $100,000, bearing interest at 8% per annum and maturing on December 31, 2017. The note is convertible at $0.20 per share. The net present value of future cash flows of the debt component was determined to be $87,129 using a discount rate of 20% per. Accordingly, the conversion feature was assigned a value of $12,871. This note was converted on December 28, 2017 into 500,000 common shares.

Interest expense of $1,611 (2017 – $3,466) and accretion expense of $754 (2017 - $3,658) were recognized during the period in relation to these notes.

9. 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

(a) On December 28, 2017, the $100,000 convertible debenture (Note 8(b)(ii) was converted at $0.20 per share; 500,000 common shares were issued.

(b) On December 20, 2017 48,611 warrants of the Company were exercised at $0.30 per share for gross proceeds of $14,583.

(c) On January 16, 2018, 113,280 warrants of the Company were exercised at $0.30 per share for gross proceeds of $33,984.

(d) On February 2, 2018, the Company acquired 100% of the outstanding shares of RISE. Under the terms of the acquisition, the Company issued 9,500,000 common shares to the shareholders of RISE.

9. 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 three months ended February 28, 2018 and 2017 are as follows:

		2018		**2017**
	Shares	**Weighted average exercise price**	Shares	Weighted average exercise price
Balance, beginning of period	678,000	$ 0.66	133,820	$ 7.90
Granted	-	-	650,000	0.41
Forfeited, cancelled or expired	100,000	$0.285	(51,360)	7.48
Balance, end of period	578,000	$ 0.72	732,460	1.28
Options exercisable, end of period	578,000	$ 0.72	732,460	$ 1.28
Weighted average fair value per unit of option granted during the period		$ -		$ 0.36

Options outstanding at February 28, 2018 consist of the following:

Range of exercise prices	Outstanding number	Weighted average remaining contractual life	Weighted average exercise price	Exercisable number
$0.285	50,000	1.84 years	$0.285	50,000
$0.45	500,000	1.89 years	$0.45	500,000
$1.50	6,000	2.50 years	$1.50	6,000
$2.50	10,800	1.75 years	$2.50	10,800
$5.50	7,080	1.42 years	$5.50	7,080
$25.00	4,120	1.85 years	$25.00	4,120
$0.285 - $45.00	578,000	1.88 years	$0.72	578,000

For the three months ended February 28, 2018, compensation expense of $Nil (February 28, 2017 - $235,363) was recorded in selling, general, and administrative expense to recognize options granted.

The compensation expense was determined based on the fair value of the options at the date of measurement using the Black-Scholes option pricing model with the following weighted average assumptions:

	February 28, 2018
Expected option life	1-5 years
Risk free interest rate	0.52%
Dividend yield	nil
Expected volatility	160%

9. Capital stock (continued):

(d) Warrants

Changes in the number of warrants outstanding during the three months ended February 28, 2018 and February 28, 2017 are as follows:

	2018			2017		
	Warrants	Amount	Weighted average exercise price	Warrants	Amount	Weighted average exercise price
Balance, beginning of period	11,976,262	$ 1,157,671	$ 0.28	1,478,140	$ 535,156	$ 1.22
Granted, pursuant to private placement	-	-	-	2,525,303	316,371	0.30
Granted, broker warrants on private placement	-	-	-	137,280	39,193	0.30
Exercised (note 9(b))	(161,891)	(16,941)	$ 0.27	(66,667)	(5,813)	0.25
Expired (i)	-	-	-	(80,000)	(99,269)	(2.71)
Balance, end of period	11,814,371	1,140,730	$0.28	3,994,056	$ 785,638	$ 1.11
Weighted average remaining contractual life (years)			0.88 years			1.35 years

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

	2018	2017
Expected life	-	2.0 years
Risk free interest rate	-	0.52%
Dividend yield	-	nil
Expected volatility	-	160%

(e) Per share amounts

The weighted average number of common shares outstanding for the three months ended February 28, 2018 was 37,017,269 (February 28, 2017 – 7,694,036), respectively. The dilution created by options and warrants has not been reflected in the per share amounts as the effect would be anti-dilutive.

10. Commitments and contingencies:

(a) Commitments

As at February 28, 2018 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 consolidated financial statements with respect to these indemnification obligations.

(b) Royalties

The Company is obligated to pay royalties to PreMD based on any future commercial sales of PreVu® Skin Cholesterol test equal to 10%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 February 28, 2018 (February 28, 2017 – 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 February 28, 2018, 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 February 28, 2018 (February 28, 2017 – nil).

11. 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 9 (c)). Compensation paid to key management personnel for the periods ended February 28, 2018 and February 28, 2017 is as follows:

	2018	2017
Salaries, fees and short-term employee benefits	$ 69,500	$ 131,000
Stock based compensation	-	165,634
	$ 69,500	$ 296,634

(b) Key management personnel and shareholder transactions

Directors and key management personnel controlled twenty-five (25%) percent (November 30, 2017 - eleven (11) percent) of the voting shares of the Company as at February 28, 2018.

12. Subsequent events

(a) On March 29, 2018 the Company closed a private placement offering of 1,643,333 units at a price of $0.30 per unit for gross proceeds of $493,000. Each unit comprises one common share of the company and one-half of one common share purchase warrant. Each Warrant entitles the holder thereof to purchase one common share for a period of (24) twenty-four months from the closing of the Offering at a price of $0.45 per common share.

(b) On April 19, 2018, the Company closed a private placement of 5,722,833 units at a price of 30 cents per unit for gross proceeds of $1,770,849.80. Each unit comprises one common share of the company and one-half of one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share for a period of 24 twenty-four months from the date of closing of the tranche at a price of $0.45 cents per common share. The Company also issued an aggregate of 83,333 common shares in settlement of an aggregate of $30,307 of indebtedness with a vendor at a price of $0.30 per common share.

13. Comparative information

Certain comparative information has been reclassified to conform to current period presentation.