



**Management Discussion & Analysis**  
**For the three and nine month period ended September 30, 2018**

# **NANOSPHERE HEALTH SCIENCES INC. (formerly Corazon Gold Corp.)**

## **Management Discussion and Analysis**

**For the Period Ended September 30, 2018**

---

*The following Management Discussion and Analysis (“MD&A”) of NanoSphere Health Sciences Inc. (the “Company” or “NanoSphere” or “We”) should be read in conjunction with the consolidated financial statements of the Company for the period ended September 30, 2018 which have been prepared in accordance with the International Financial Reporting Standards (“IFRS”). This MD&A includes certain statements that may be deemed “forward looking statements”. All statements in this MD&A, other than statements of historical fact, that address future activities and events or developments that the Company expects, are forward looking statements. Management of the Company has included information in this MD&A that it believes is important to help the reader understand management’s view of the Company’s achievements and the affect they have on operating results, liquidity and financial position of the Company. Although the Company believes the expectations expressed in such forward looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward looking statements. Additional information can be found on SEDAR at [www.sedar.com](http://www.sedar.com). This MD&A is dated as of November 29, 2018.*

### **DESCRIPTION OF THE COMPANY**

NanoSphere Health Sciences is a Nano-Technology company that created the patented NanoSphere Deliver System™, a revolutionary platform using nanotechnology in the biodelivery of supplements, nutraceuticals and over-the-counter medications for the cannabis, pharmaceutical and animal health industries, and beyond. NanoSphere Delivery System™ represents one of the most important developments for advancing the non-invasive and user-friendly delivery of biological agents in over 25 years. The Company trades on the Canadian Securities Exchange under the symbol ‘NSHS’.

### **COMPANY UPDATES AND QUARTERLY HIGHLIGHTS**

The third quarter 2018 continued the progress the Company achieved in the first half of 2018. The significant milestones previously outlined have allowed the company to further expand the sales opportunities in Colorado and set up production operations with our California Licensee, Vertical Companies.

On July 31, 2018 we announced the signing of a Memorandum of Understanding with Delta 9 Cannabis Inc. in Canada. Negotiations have resulted in an agreement for a Master license for Canada, which will also permit Delta 9 to sub-license the distribution of products made with the NanoSphere Delivery System to other licensed producers in Canada on a geographic basis. This arrangement will allow the products to be available across Canada.

Subsequent to September 30, 2018, NanoSphere formed NanoSphere Cannabis International Inc. (NCI) in November 2018 as a Canadian subsidiary to facilitate the opportunities a Canadian presence would provide. NCI will be responsible for overseeing the Licensing of the NanoSphere Delivery System with Delta 9 and for seeking international license opportunities

# **NANOSPHERE HEALTH SCIENCES INC. (formerly Corazon Gold Corp.)**

## **Management Discussion and Analysis**

**For the Period Ended September 30, 2018**

---

globally outside the United States. NanoSphere through NCI and Delta 9 are now preparing an application to Health Canada to be submitted shortly for the first of a number of products to be introduced to the Canadian market in 2019. NCI has already begun discussions on an international basis with entities in Mexico, Germany and Australia.

During the third quarter further costs were incurred in the final development of the intra-nasal and intra-oral applications of our products. The development stage of these products is now complete. These additional products will be introduced in Colorado and in California in early 2019 and will begin adding to revenue for NanoSphere. They will also be part of the suite of products NanoSphere will be able to offer to new licensees in 2019. The company has signed an LOI for Oregon and expects to expand to Florida and Michigan in early 2019.

In the third quarter 2018 the Company announced the introduction of a CBD-Hemp Transdermal product in Indiana as a test market. Having been met with significant approval and demand, the company is preparing to increase production and expand the distribution on a national basis in 2019.

It is important to note the significance of our previous announcements of the granting of our two patents with the Cannabis Patent being granted in the third quarter. The time and expense incurred to establish our IP, now protected by the patents as well as the development of our trade secret manufacturing system, although costly, is invaluable to the future of NanoSphere. These patents are applicable to a number of categories such as Nutraceuticals, Cosmeceuticals, Over the Counter Medications, Prescription Medications and Animal Health products. Accounting rules for Cannabis companies allow the adjustment to market quarterly of the plants under production to market value not just cost. We can only speculate on what the value of our Intellectual Property and the trade secret manufacturing process may ultimately prove to be worth in the future. Included is a summary of the two patents in order to assist with a better understanding of their coverage.

# NANOSPHERE HEALTH SCIENCES INC. (formerly Corazon Gold Corp.)

## Management Discussion and Analysis

For the Period Ended September 30, 2018

### SUMMARY OF QUARTERLY RESULTS

#### Results of Operations for the three-month period ended September 30, 2018 compared to 2017

The net loss for the three-month period ended September 30, 2018 increased by 397,097 to \$651,692 (2017 - \$254,595), largely as a result of the Company engaging in the commercialization and marketing of its products as compared to research and development during the same period in the prior year. Management expects the Company's net losses will begin to decrease as more Licensees begin selling the Company's products. The significant individual items contributing to the increase in net loss are:

- Revenue of \$380,081 (2017 - \$Nil) related to the license agreement entered in to with CCBA LLC (see Note 7 to the financial statements). As at September 30, 2018 and the date of this report, this amount has been included in accounts receivable. The Company anticipates collection of the receivable in the first half of 2019.
- Investor relations and marketing costs of \$244,274 as compared to nil in the same period 2017, as the Company incurred expenses for public awareness.
- Salaries and consulting increased by \$210,928 to \$295,099 (2017 - \$84,171), as the Company transitioned from research and development of the NanoSphere Delivery System to a fully commercialized product being sold in Colorado, including the additional marketing and sales personnel.
- Professional fees increased by \$216,883 to \$284,049 (2017 - \$67,166), primarily as a result of the Company being an operating public reporting company as well as its investment in the Company's intellectual property.
- Travel expense increased by \$96,135 to \$96,231 (2017 - \$3,096), as the management continue to strengthen relationships with customers and build new partnerships.

	2018				2017				2016
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	
Net Sales	30,081	201,403	-	-	-	-	-	-	
Net loss	1,001,692	1,804,474	1,012,450	9,285,808 (1)	254,595	151,270	217,955	125,553	
Basic and diluted net loss per share	0.01	0.02	0.01	0.90	NA	NA	NA	NA	

(1) Includes a one time, non-cash charge of approximately \$8,800,000, related to the acquisition of NanoSphere Health Sciences, LLC

# NANOSPHERE HEALTH SCIENCES INC. (formerly Corazon Gold Corp.)

## Management Discussion and Analysis

For the Period Ended September 30, 2018

---

### Results of Operations for the nine-month period ended September 30, 2018 compared to 2017

The net loss for the nine-month period ended September 30, 2018 increased by \$2,211,511 to \$2,835,331 (2017 - \$623,820). Management expects the net losses will begin to decrease as more Licensees begin selling the Company's products. The significant individual items contributing to the increase in net loss:

- Revenue of \$581,484 (2017 - \$Nil) related to the license agreement entered in to with CCBA LLC (see Note 7 to the financial statements). As at September 30, 2018 and the date of this report, this amount has been included in accounts receivable. The Company anticipates collection of the receivable in the first half of 2019.
- Investor relations and marketing costs increased to \$824,175 as compared to nil in the same period 2017
- Salaries and consulting increased by \$593,723 to \$886,400 (2017 - \$292,677), as the Company continued on developing the NanoSphere Deliver System. and transitioned to a fully commercialized operation.
- Professional fees increased by \$418,407 to \$531,262 (2017 - \$112,855), primarily as a result of the Company being an operating public reporting company as wells as its investment in the Company's intellectual property.
- Travel expense increased by \$188,335 to \$225,655 (2017 - \$37,320), as the management continue to strengthen relationships with customers and build new partnerships.

### LIQUIDITY AND CAPITAL RESOURCES

The Company recorded its first revenue in the second quarter of 2018 related to its license fee agreements of approximately \$201,000. The Company anticipates license fee revenue to increase as more license agreements are continued to be signed in other states and Canada. In order to manage risk, the Company closely monitors its cash requirements and expenditures. At September 30, 2018 and December 31, 2017, the Company's working capital and deficit were as follows:

	September 30, 2018	December 31, 2017
Working capital	\$ (334,996)	\$ 3,580,346
Deficit	(14,562,183)	(12,106,017)

As at September 30, 2018, the Company has a working capital deficit of \$15,004. Management regularly reviews financing needs in order to meet the opportunities for expansion into new states and Canada.

**NANOSPHERE HEALTH SCIENCES INC. (formerly Corazon Gold Corp.)**  
**Management Discussion and Analysis**  
**For the Period Ended September 30, 2018**

---

**BASIS OF PRESENTATION - INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

The annual consolidated financial statements of the Company comply with IFRS as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in US dollars unless otherwise noted.

**RELATED PARTY TRANSACTIONS**

Key management compensation consists of the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Science Officer, Chief Marketing Officer, the President and the Board of Directors.

During the nine months ended September 30, 2018, the Company paid or accrued:

Salaries and consulting fees of \$112,500 (2017 - \$72,000) to manager of the Company, \$120,000 (2017 - \$43,000) to the Chief Science Officer of the Company, \$58,500 (2017 - \$58,500) to the Chief Marketing Officer of the Company, \$112,500 (2017 - \$Nil) to the President of the Company, \$34,000 (2017 - \$Nil) to the Chief Operating Officer of the Company, \$83,900 (2017 - \$47,848) to Vice President of Finance of the Company, \$34,427 (2017 - \$Nil) to Investor Relations Manager, and \$17,479 (2017 - \$9,805) to a company that employs the Chief Financial Officer.

Share-based payment of \$129,680 (2017 - \$Nil) to the officers and directors of the Company was recorded.

Included in accounts payable and accrued liabilities is \$7,833 (2017 - \$Nil) due to directors, officers, and companies controlled by directors and officers of the Company that is non-interest bearing and due on demand.

On April 2, 2018, the Company entered into a license agreement with Evergreen Biosciences, LLC (“Evergreen”) to sub-license the Company’s patented NanoSphere Delivery technology to CCBA. Evergreen is partially owned by Chief Operating Officer of the Company.

**NANOSPHERE HEALTH SCIENCES INC. (formerly Corazon Gold Corp.)**  
**Management Discussion and Analysis**  
**For the Period Ended September 30, 2018**

---

**SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies followed in these condensed consolidated interim financial statements are consistent with those disclosed in Note 3 of the Company's audited consolidated financial statements for the year ended December 31, 2017 except for those policies noted below.

*Adoption of IFRS 15 – Revenue from Contracts with Customers*

For the period beginning January 1, 2018, the Company adopted IFRS 15 'Revenue from Contracts with Customers' was issued by the IASB in June 2014. The objective of IFRS 15 is to provide a single, comprehensive revenue recognition model for all contracts with customers. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It also contains new disclosure requirements. Under IFRS 15, revenue from the sale of cannabis and medical cannabis is recognized at a point in time when control over the goods have been transferred to the customer. The Company transfers control and satisfied its performance obligation upon delivery and acceptance by the customer within the State of Colorado. With regard to the initial licensing fee, which is charged to the licensees outside of the State of Colorado, it is recognized upon execution of the license agreement. Royalties are recognized when received. The above-noted revenue recognition consistent with the Company's previous revenue recognition policy under IAS 18. IFRS 15 is effective for the Company on January 1, 2018. The adoption of this amendment did not have a material impact on the Company's condensed interim consolidated financial statements.

*Adoption of IFRS 9 – Financial Instruments*

The Company adopted IFRS 9 effective January 1, 2018. IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 requires financial assets to be classified into three measurement categories: those measured at fair value through profit and loss, at fair value through other comprehensive income, and at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in net earnings.

The requirements in IAS 39 for classification and measurement were carried forward to IFRS 9 and the Company's accounting policy with respect to financial liabilities remains unchanged.

# **NANOSPHERE HEALTH SCIENCES INC. (formerly Corazon Gold Corp.)**

## **Management Discussion and Analysis**

**For the Period Ended September 30, 2018**

---

As a result of the adoption of this standard, the Company has changed its accounting policy for financial assets. The change did not impact the carrying value of any financial assets on the transition date, January 1, 2018.

All aspects of our accounting policies for financial instruments as disclosed in Note 3 to the audited consolidated financial statements for the year ended December 31, 2017 are unaffected.

### **New standards not yet adopted**

Certain pronouncements were issued by the IASB or IFRIC that are not mandatory for accounting periods beginning on or after January 1, 2018 or later periods. They have not been early adopted in these condensed consolidated

interim financial statements, and they are expected to affect the Company in the period of initial application. In all cases the Company intends to apply these standards from application date as indicated below:

IFRS 16 Leases will be effective for accounting periods beginning on or after January 1, 2019. Early adoption will be permitted. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The Company is in the process of assessing the impact, if any, on the financial statements of this new standard.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

### **CRITICAL ACCOUNTING ESTIMATES**

#### *Critical accounting estimates*

Management is required to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation and judgement uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to:



# NANOSPHERE HEALTH SCIENCES INC. (formerly Corazon Gold Corp.)

## Management Discussion and Analysis

For the Period Ended September 30, 2018

---

i. Going concern

The assessment of the Company's ability to continue as a going concern involves critical judgement based on historical experience. Significant judgements are used in the Company's assessment of its ability to continue as a going concern which is described in Note 1 of the financial statements.

ii. Licensing agreement

During the period of September 30, 2018, the Company entered into two licensing arrangements for the use of proprietary technology. Management concluded that licensing arrangements do not result in control of the licensee, in accordance with IFRS.

### RISKS AND UNCERTAINTIES

This section discusses factors relating to the business of Company that should be considered by both existing and potential investors. The information in this section is intended to serve as an overview and should not be considered comprehensive and the Company may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem

to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner.

The following sets out the principal risks (non-inclusive) faced by the Company.

**Financing risks.** The Company will be dependent upon the capital markets to raise additional financing in the future, while it establishes a user base for its products. As such, the Company is subject to liquidity risks in meeting its development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favorable to the Company and its management. In the event of uncertain market conditions, the Company's ability to raise capital could be jeopardized, which could have an adverse impact on the Company's operations and the trading price of the Company's shares on the Exchange.

# **NANOSPHERE HEALTH SCIENCES INC. (formerly Corazon Gold Corp.)**

## **Management Discussion and Analysis**

**For the Period Ended September 30, 2018**

---

**Share Price Volatility and Price Fluctuations.** The market price for the Common Shares of the Company could be subject to wide fluctuations. Factors such as government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the Company. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

**Collection of revenue risk.** The Company records licensing revenue but to date has not received payment. The Company has assessed the collectability of revenue and determined that it can reasonably expect collection and has accounted for revenue in accounts receivable. Should revenue not be collected, it could be reserved in subsequent filings.

**Key personnel risks.** The Company's business development efforts are dependent to a large degree on the skills and experience of certain of its key personnel. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

**History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations.** The Company has incurred net losses to date. Its deficit as of September 30, 2018 was \$14,562,183. The Company does not have a history of sales operations and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

**Change in Law, Regulations and Guidelines.** The Company's business is subject to a variety of laws, regulations and guidelines relating to marketing, acquisition, manufacture, management, transportation, storage, sale and disposal of medical marijuana but also laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Changes to such laws, regulations and guidelines may cause adverse effects to the Company's operations. On February 24, 2016, the Federal Court released its decision in the case of *Allard et al v. Canada*, declaring that the Marijuana

for Medical Purposes Regulations ("MMPR"), as it was drafted, was unconstitutional in violation of the plaintiffs' rights under section 7 of the Charter of Rights and Freedoms. On August 24, 2016, the Access to Cannabis for Medical Purposes Regulations ("ACMPR") came into force, replacing the MMPR as the regulations governing Canada's medical cannabis regime which permits patients to produce a limited amount of cannabis for their own medical purposes or to designate a person to produce a limited amount of cannabis. The ACMPR could potentially decrease the size of the market for the Company's business, and potentially materially and adversely affect the Company's business, its results of operations and financial condition.

# **NANOSPHERE HEALTH SCIENCES INC. (formerly Corazon Gold Corp.)**

## **Management Discussion and Analysis**

**For the Period Ended September 30, 2018**

---

**Unfavourable Publicity or Consumer Perception.** The success of the medical marijuana industry may be significantly influenced by the public's perception of marijuana's medicinal applications. Medical marijuana is a controversial topic, and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion relating to medical marijuana will be favourable. The medical marijuana industry is an early-stage business that is constantly evolving with no guarantee of viability. The market for medical marijuana is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion relating to the consumption of medical marijuana may have a material adverse effect on our operational results, consumer base and financial results.

**Political and Economic Instability.** The Company may be affected by possible political or economic instability. The risks include, but are not limited to, terrorism, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Changes in medicine and agriculture development or investment policies or shifts in political attitude in certain countries may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, distribution, price controls, export controls, income taxes, expropriation of property, maintenance of assets, environmental legislation, land use, land claims of local people and water use. The effect of these factors cannot be accurately predicted.

### **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3: Inputs that are not based on observable market data.

The fair value of the Company's receivables, accounts payable and accrued liabilities, approximate carrying value, which is the amount recorded on the consolidated statement of financial position. Cash and receivables, under the fair value hierarchy are based on level one quoted prices in active markets for identical assets or liabilities.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

# **NANOSPHERE HEALTH SCIENCES INC. (formerly Corazon Gold Corp.)**

## **Management Discussion and Analysis**

**For the Period Ended September 30, 2018**

---

### ***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. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in the United States. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The Company's secondary exposure to risk is on its other receivables. This includes GST receivable of \$8,851 from the Government of Canada. Management believes that the credit risk concentration with respect to receivables is minimal.

### ***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

All of the contractual maturities of the Company's non-derivative financial liabilities are within one year of the financial statement end date.

### ***Market risk***

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

#### **a) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The risk that the Company will realize a loss as a result of a decline in the fair value of the short-term investments included in cash is minimal.

# **NANOSPHERE HEALTH SCIENCES INC. (formerly Corazon Gold Corp.)**

## **Management Discussion and Analysis**

**For the Period Ended September 30, 2018**

---

### **b) Foreign currency risk**

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts receivable and accounts payable and accrued liabilities that are denominated in Canadian Dollars (CAD). Based on management's knowledge and experience of the financial markets, the Company believes that 10% fluctuation in the CAD against the US Dollars would have a nominal affect on net loss for the period.

### **c) Price risk**

The Company is exposed to price risks with respect to equity and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

The risks that the Company will realize a loss as a result to a change in equity or commodity prices are minimal.

### ***Sensitivity Analysis***

The carrying amount of cash, receivables, and accounts payable and accrued liabilities approximates their fair value due to their short-term nature. The Company does not have significant exposure to changing interest rates.

Based on management's knowledge and experience of the financial markets, the Company believes the following movement is "reasonably possible".

### ***Capital management***

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance current production of the Company's patented NanoSphere Delivery System and development of future products utility system. Capital is comprised of the Company's shareholders' equity. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities.

# **NANOSPHERE HEALTH SCIENCES INC. (formerly Corazon Gold Corp.)**

## **Management Discussion and Analysis**

**For the Period Ended September 30, 2018**

---

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on management to sustain future development and commercialization of the business. The Company will continue to assess sources of financing available and to assess the potential for collaboration with interested partners with a view to managing its current financial resources in the interest of sustaining the long-term viability of the Company's operations.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the stage of the Company, is reasonable.

### **OUTSTANDING SHARE DATA**

Common shares, options and warrants outstanding as at the date of this report:

<b>Security</b>	<b>Outstanding</b>
Common Shares	96,908,748
Options	4,370,555
Warrants	6,190,235

### **SUBSEQUENT EVENT**

Subsequent to September 30, 2018, the Company:

- a) Announced a non-brokered private placement of up to 7,500,000 units at a price of CAD\$0.30 per unit for total proceeds of CAD\$2,250,000. Each unit consisted of one common share and one full purchase warrant that is exercisable at CAD\$0.50 for 24 months from date of closing.
- b) Granted 500,000 stock options to consultants.
- c) Received CAD\$41,850 from the exercise of 155,000 stock options; and
- d) Formed a wholly owned subsidiary company, NanoSphere Cannabis International Inc.

### **PROPOSED TRANSACTIONS**

The Company has no proposed transactions other than already disclosed.

### **OFF BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

**NANOSPHERE HEALTH SCIENCES INC.** (formerly Corazon Gold Corp.)  
**Management Discussion and Analysis**  
**For the Period Ended September 30, 2018**

---

**OTHER INFORMATION**

Additional information on the Company is available on SEDAR at [www.SEDAR.COM](http://www.SEDAR.COM)