

FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: IMAGIN MEDICAL INC. (the "Issuer").

Trading Symbol: IME

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

Attached

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

Please refer to Note 7 of the attached Financial Statements and Section 1.9 of the attached Management Discussion and Analysis.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

- (a) summary of securities issued during the period. 38,280,000 Units each Unit comprised of one common share and one warrant.

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
21-Jan-2020	Common	Private Placement	37,497,000	\$0.05	\$1,874,850			See below *
			783,000	\$0.05	\$39,150		Directors	

* Total Commission paid: Cash of \$52,790 and 1,055,800 warrants @ \$0.15 expiring January 21, 2022

(b) summary of options granted during the period: 600,000

Date	Number	Name of Optionee	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
10-Jan-20	250,000	Lorne Torhjelm	Service provider	\$0.06	10-Jan-25	\$0.07
10-Jan-20	350,000	James Mitchell	Service provider	\$0.06	10-Jan-25	\$0.07

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

- description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,
- number and recorded value for shares issued and outstanding,
- description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

Please refer to Note 8 of the attached Financial Statements and Section 1.13 of the attached Management Discussion and Analysis.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Directors:

- **Robin Atlas**
- **Chris Bleck**
- **Ken Daignault**
- **Jim Hutchens (President & CEO)**
- **John Vacha (CFO)**

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Attached

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated May 28, 2020.

John Vacha,
Name of Director or Senior Officer

(sgd.) "John Vacha"
Signature

Chief Financial Officer
Official Capacity

Issuer Details Name of Issuer	For Quarter Ended	Date of Report YY/MM/D
Imagin Medical Inc	Mar 31, 2020	May 28, 2020
Issuer Address		
600 – 890 West Pender St		
City/Province/Postal Code	Issuer Fax No. ()	Issuer Telephone No.
Vancouver, BC V6C 2J9	N/A	(833) 2446
Contact Name	Contact Position	Contact Telephone No.
John Vacha	CFO	Same as above
Contact Email Address	Web Site Address	
jvacha@imaginmedical.com	www.imaginmedical.com	

SCHEDULE A

IMAGIN MEDICAL INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020

and

March 31, 2019

(Expressed in Canadian Dollars)

Corporate Head Office
Suite 600, 890 West Pender St.
Vancouver, BC V6C 1L9

NOTICE

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim consolidated financial statements they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management

IMAGIN MEDICAL INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31, 2020	September 30, 2019
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents (Note 3)	904,174	2,272,770
Amounts receivable and prepaids (Note 4)	152,374	77,188
Security deposit	-	-
	1,056,548	2,349,958
Equipment		
Intangible asset (Note 5)	-	-
	166,210	144,615
	1,222,758	2,494,573
LIABILITIES & SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Notes 6 & 7)	331,635	382,384
	331,635	382,384
Shareholders' equity		
Share capital (Notes 8 & 10)	17,310,362	15,487,514
Share-based payment reserve	2,961,063	2,899,990
Deficit	(19,380,302)	(16,275,315)
	891,123	2,112,189
	1,222,758	2,494,573
Nature and continuance operations (Note 1)		
Basis of presentation (Note 2)		

Approved on behalf of the Board of Directors:

“John Vacha”, Director

“Robin Atlas”, Director

See notes to condensed interim consolidated financial statements

IMAGIN MEDICAL INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the Six Months Ended March 31, 2020 and 2019

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Six Months Ended March 31, 2020 \$	Six Months Ended March 31, 2019 \$
General and administrative expenses:				
Amortization of intangible asset	5,775	5,011	11,550	10,022
Amortization of equipment	-	105	-	105
Bank charges and interest	2,401	1,654	4,373	3,652
Business development (Note 7)	-	29,857	17,697	47,846
Consulting fees	90,876	141,333	155,167	334,796
Corporate and administration fees	5,950	6,000	12,660	15,715
Directors' fees (Note 7)	4,500	3,000	7,500	6,000
Filing and transfer agent fees	10,478	6,462	16,975	21,469
Legal & accounting fees (Note 7)	108,011	100,492	202,329	235,489
Management fees (Note 7)	152,880	148,823	301,481	348,818
Office, rent and insurance	25,239	28,964	50,682	61,953
Product development	1,207,381	439,404	1,846,559	793,804
Shareholders' communication, & promotion	192,015	41,534	380,194	69,527
Travel, meals & entertainment	32,384	18,106	72,661	45,657
	(1,837,890)	(970,745)	(3,079,828)	(1,994,958)
Other items:				
Interest income	5,192	18,152	8,952	30,798
Foreign exchange	(3,653)	26,523	(172)	26,504
	(33,939)	-	(33,939)	-
Net loss and comprehensive loss	(1,870,290)	(926,070)	(3,104,987)	(1,937,656)
Basic and diluted loss per share	(0.01)	(0.01)	(0.02)	(0.01)
Weighted average – number of shares outstanding	168,927,091	139,060,278	153,912,081	138,824,614

See notes to condensed interim consolidated financial statements

IMAGIN MEDICAL INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended March 31, 2020 and 2019

	2020	2019
	\$	\$
Cash provided by (used for):		
Operating activities		
Net loss for the period	(3,104,987)	(1,937,656)
Adjustments which do not affect cash:		
Amortization of intangible asset	11,550	10,022
Amortization of equipment	-	210
Stock-based compensation	33,939	-
	(3,059,498)	(1,927,424)
Net changes in non-cash working capital items:		
Amounts receivable and prepaids	(75,186)	115,813
Accounts payable and accrued liabilities	(50,749)	13,353
	(3,185,433)	(1,798,258)
Investing activities		
Purchase of intangible asset	(33,145)	(33,148)
	-	-
Financing activities		
Issue of share capital (net)	1,849,982	524,454
	-	524,454
Increase (decrease) in cash	(1,368,596)	(1,306,952)
Cash and cash equivalents - beginning of period	2,272,770	5,818,840
Cash and cash equivalents - end of period	904,174	4,511,888

Supplementary disclosures:

Note 9 – Non-cash transactions

See notes to condensed interim consolidated financial statements

IMAGIN MEDICAL INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the Six Months Ended March 31, 2020 and 2019

	Issued Share Capital		Share-Based Payment Reserve	Obligation to Issue Shares	Deficit	Total
	#	\$	\$	\$	\$	\$
Balance, September 30, 2018	133,854,438	14,962,227	2,847,939	-	(11,817,993)	5,992,173
Exercise of warrants	5,205,840	524,454	-	-	-	524,454
Fair value of warrants exercised	-	833	(833)	-	-	-
Loss for the period	-	-	-	-	(1,937,656)	(1,937,656)
Balance, March 31, 2019	139,060,278	15,487,514	2,847,106	-	(13,755,649)	4,578,972
Fair value of options granted	-	-	52,884	-	-	52,884
Loss for the period	-	-	-	-	(2,519,666)	(2,519,666)
Balance, September 30, 2019	139,060,278	15,487,514	2,899,990	-	(16,275,315)	2,112,189
Private placement \$0.05	38,280,000	1,914,000	-	-	-	1,914,000
Share issue costs	-	(64,018)	-	-	-	(64,018)
Fair value of finders' warrants	-	(27,134)	27,134	-	-	-
Fair value of options granted	-	-	33,939	-	-	33,939
Loss for the period	-	-	-	-	(3,104,987)	(3,104,987)
Balance, March 31, 2020	177,340,278	17,310,362	2,961,063	-	(19,380,302)	891,123

See notes to condensed interim consolidated financial statements

IMAGIN MEDICAL INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended March 31, 2020 and 2019

1. NATURE AND CONTINUANCE OF OPERATIONS

Imagin Medical Inc. is incorporated in the Province of British Columbia. On February 9, 2016, the Company completed the acquisition of BSS Life Sciences Inc. (“BSS”). BSS holds the intellectual property rights to a proprietary imaging technology developed for extremely accurate visualization of cancers. In connection with the acquisition, the Company changed its name to Imagin Medical Inc. and now focuses on the research, development and commercialization of medical devices in the bio-chemistry industry. For accounting purposes, the acquisition of BSS was treated as a reverse asset acquisition as the shareholders of BSS acquired control of the consolidated entity. BSS is considered the acquiring and continuing entity, and Imagin Medical Inc. was the acquired entity.

These condensed interim consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The ability of the Company to continue as a going-concern depends upon its capacity in the near-term to raise additional equity financing and ultimately to develop profitable commercial operations.

There can be no assurance that the Company will be able to continue to raise funds in the future in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company’s consolidated financial statements, including comparatives, have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the IFRS Interpretations Committee.

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of **May 12, 2020** the date the Board of Directors approved the consolidated financial statements.

These consolidated financial statements are presented in the Company’s functional currency (which is the Canadian dollar) on a historical cost basis.

Statement of compliance to International Financial Reporting Standards

The condensed interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). Therefore, these financial statements comply with International Accounting Standard (“IAS”) 34 “interim Financial Reporting”.

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended September 30, 2019.

IMAGIN MEDICAL INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended March 31, 2020 and 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Adoption of new and revised standards and interpretations

Accounting standards adopted during the period

IFRS 9 – Financial Instruments

This is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, 'Financial Instruments: Recognition and Measurement'. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is recorded at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is measured at fair value with changes in fair value through profit or loss. In addition, this new standard has been updated to include guidance on financial liabilities and de-recognition of financial instruments and to include guidance on hedge accounting and allowing entities to early adopt the requirement to recognize changes in fair value attributable to changes in an entity's own credit risk, from financial liabilities designated under the fair value option, in other comprehensive income.

Effective October 1, 2018, the Company adopted IFRS 9 retrospectively without restatement.

The Company also completed an assessment of its financial instruments as at October 1, 2018 and determined that no change was required in classification identified from the original classification under IAS 39 to IFRS 9.

Accounting standards issued but not yet effective

Effective for annual periods beginning on or after January 1, 2019:

IFRS 16 – Leases

The Company has not early adopted this new standard to existing standards and does not expect the impact of this standard on the Company's consolidated financial statements to be material.

3. CASH AND CASH EQUIVALENTS

	March 31, 2020	September 30, 2019
	\$	\$
Canadian chartered bank		
- Deposits in Canadian banks	29,174	322,770
- Guaranteed Investment Certificate	875,000	1,950,000
	904,174	2,272,770

4. AMOUNTS RECEIVABLE AND PREPAIDS

	March 31, 2020	September 30, 2019
	\$	\$
GST receivable	4,503	1,934
Interest receivable	319	34,395
Prepaid expenses	147,552	40,859
Trust account	-	-
	152,374	77,188

IMAGIN MEDICAL INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended March 31, 2020 and 2019

5. INTANGIBLE ASSET

On June 22, 2015, BSS and Lawrence Livermore National Security (“LLNS”) entered into a license agreement, whereby the Company has exclusive right to develop, manufacture and sell a medical imaging device designed to complement white light endoscopy by adding fluorescent imaging for more accurate detection and treatment of various conditions, including the detection and treatment of cancer.

As consideration for the license agreement, BSS is required to pay a non-refundable license issue fee of US\$100,000 due on the effective date and payable as follows:

- US\$10,000 (paid) due on execution of the agreement;
- US\$30,000 (paid) due within five months after the effective date;
- US\$30,000 (paid) due within seven months after the effective date; and
- US\$30,000 (paid) due within nine months after the effective date.

In addition, BSS is required to pay to LLNS a non-refundable US Maintenance Patent Fee of US\$45,000 as follows:

- US\$15,000 (paid) to be paid on or before February 28, 2016;
- US\$15,000 (paid) to be paid on or before February 28, 2019; and
- US\$15,000 to be paid on or before February 28, 2023.

In addition, BSS is required to pay to LLNS minimum annual royalty payments as follows:

- US\$5,000 (paid) to be paid on or before February 28, 2017;
- US\$10,000 (paid) to be paid on or before February 28, 2018;
- US\$10,000 (paid) to be paid on or before February 28, 2019; and
- US\$25,000 (paid) to be paid on or before February 28, 2020, and every February 28th thereafter.

In the event that the Company grants a sublicense to a third party, the Company will pay to LLNS 50% of any issue fee from this sublicensing. The sublicensing fee charged by the Company to the third party must be equal to or greater than the license issue fee disclosed above (US\$100,000).

In addition, the Company will pay LLNS an earned royalty of 3% on net sales.

The license agreement will remain in effect until the expiration or abandonment of the last of the patent rights and are being depreciated on a straight line basis over the remaining life of the patent rights.

IMAGIN MEDICAL INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended March 31, 2020 and 2019

5. INTANGIBLE ASSET *(continued)*

Continuity of the intangible asset is as follows:

	Patent License
Cost	
Balance, September 30, 2017	\$ 161,954
Additions for the year	12,757
Balance, September 30, 2018	174,711
Additions for the year	33,148
Balance, September 30, 2019	\$ 207,859
Additions for the period	33,145
Balance, March 31, 2020	\$ 241,004
Accumulated depreciation	
Balance, September 30, 2017	\$ 26,762
Depreciation for the year	13,381
Balance, September 30, 2018	40,143
Depreciation for the year	23,101
Balance, September 30, 2019	\$ 63,244
Depreciation for the period	11,550
Balance, March 31, 2020	\$ 74,794
Carrying amounts	
Balance, September 30, 2017	\$ 135,192
Balance, September 30, 2018	134,568
Balance, September 30, 2019	\$ 144,615
Balance, March 31, 2020	\$ 166,210

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 21, 2020	September 30, 2019
	\$	\$
Trade accounts payable	302,135	330,536
Accrued liabilities	22,000	40,000
Due to related parties	7,500	11,848
	331,635	382,384

7. RELATED PARTY TRANSACTIONS

During the six months ended March 31, 2020, the Company paid or accrued \$477,573 (September 30, 2019 - \$590,394) to directors and officers or companies controlled by directors and officers of the Company, for management, accounting, directors and consulting fees incurred by the Company.

The Company did not grant any stock options to key management during the six months ended March 31, 2020.

IMAGIN MEDICAL INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended March 31, 2020 and 2019

7. RELATED PARTY TRANSACTIONS *(continued)*

Included in accounts payable are fees and expenses due to directors and officers in the amount of \$7,500 (September 30, 2019 - \$6,000), which are non-interest bearing, unsecured, and payable on demand. Fair value cannot be reliably determined.

Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

8. SHARE CAPITAL

a) Authorized: Unlimited number of common shares

b) Issued:

As at March 31, 2020, the Company reported issued and outstanding shares of 177,340,278 (September 30, 2019 – 139,060,278).

During the six months ended March 31, 2020, the Company closed its non-brokered private placement, issuing 38,280,000 units (“Units”) at \$0.05 per Unit for gross proceeds of \$1,914,000. Each Unit consists of one common share (“Share”) and one Share purchase warrant (“Warrant”), each Warrant entitling the holder to acquire one additional Share at \$0.15 for a period of 24 months, provided that in the event the closing price of the Company's Shares is equal to or greater than \$0.25 per Share for 10 consecutive trading days, the Company may, by notice to the Warrant holders (which notice may be by way of general news release), reduce the remaining exercise period of the Warrants to not less than 30 days following the date of such notice.

Total finders' fees were paid in the form of cash in the amount of \$52,790 and 1,055,800 finders' warrants (exercisable at \$0.05 per Share for 24 months). The fair value for the finders warrants using the Black-Scholes option-pricing model was determined to be \$0.0257 per warrant.

c) Stock options:

A summary of the Company's stock option activity is presented below:

	Number of options	Weighted average exercise price
Outstanding at September 30, 2018	10,100,000	\$ 0.26
Options granted	900,000	0.10
Outstanding at September 30, 2018	11,000,000	\$ 0.24
Options granted	600,000	0.06
Outstanding at March 31, 2020	11,600,000	\$ 0.23

On January 10, 2020, the Company granted certain service providers 600,000 incentive stock options at a price of \$0.06 per option. The options are fully vested and will expire of January 10, 2025.

IMAGIN MEDICAL INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended March 31, 2020 and 2019

8. SHARE CAPITAL (continued)

c) Stock options (continued):

The continuity of share purchase options is as follows:

Expiry Date	Exercise Price	30-Sep-19	Granted	Exercised	Expired/ Cancelled	31-Mar-20
09-Feb-21	0.15	1,200,000	-	-	-	1,200,000
30-Jun-21	0.15	1,150,000	-	-	-	1,150,000
14-Dec-21	0.15	300,000	-	-	-	300,000
26-Oct-22	0.18	1,350,000	-	-	-	1,350,000
30-Oct-22	0.19	100,000	-	-	-	100,000
28-Nov-22	0.25	700,000	-	-	-	700,000
17-Jan-23	0.40	2,100,000	-	-	-	2,100,000
18-Apr-23	0.31	2,750,000	-	-	-	2,750,000
25-Jul-23	0.16	450,000	-	-	-	450,000
24-Jun-24	0.10	900,000	-	-	-	900,000
10-Jan-20	0.06		600,000	-	-	600,000
		10,100,000	-	-	-	11,600,000
Weighted average exercise price		\$ 0.24	\$ 0.06	-	-	\$ 0.23

Expiry Date	Exercise Price	30-Sep-18	Granted	Exercised	Expired/ Cancelled	31-Mar-19
09-Feb-21	0.15	1,200,000	-	-	-	1,200,000
30-Jun-21	0.15	1,150,000	-	-	-	1,150,000
14-Dec-21	0.15	300,000	-	-	-	300,000
26-Oct-22	0.18	1,350,000	-	-	-	1,350,000
30-Oct-22	0.19	100,000	-	-	-	100,000
28-Nov-22	0.25	700,000	-	-	-	700,000
17-Jan-23	0.40	2,100,000	-	-	-	2,100,000
18-Apr-23	0.31	2,750,000	-	-	-	2,750,000
25-Jul-23	0.16	450,000	-	-	-	450,000
		10,100,000	-	-	-	10,100,000
Weighted average exercise price		\$ 0.26	-	-	-	\$ 0.26

d) Share purchase warrants

A summary of the Company's share purchase warrant activity is presented below:

	Number of warrants	Weighted average exercise price
Outstanding at September 30, 2018	29,280,877	\$ 0.29
Finance warrants exercised	(5,205,840)	0.10
Finance warrants expired	(5,038,107)	0.16
Outstanding at September 30, 2019	19,036,930	\$ 0.38
Finance warrants issued	38,280,000	0.15
Finders' warrants issued	1,055,800	0.15
Outstanding at March 31, 2020	58,372,730	\$ 0.20

IMAGIN MEDICAL INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended March 31, 2020 and 2019

8. SHARE CAPITAL *(continued)*

The continuity of share purchase warrants is as follows:

Expiry Date	Exercise Price	30-Sep-19	Granted	Exercised	Expired/ Cancelled	31-Mar-20
12-Apr-20	0.38	12,468,329	-	-	-	12,468,329
19-Apr-20	0.38	6,568,601	-	-	-	6,568,601
21-Jan-20	0.15		39,335,800	-	-	39,335,800
		19,036,930	39,335,800	-	-	58,372,730
Weighted average exercise price	\$ 0.38	\$ 0.15		-	-	\$ 0.20

Expiry Date	Exercise Price	30-Sep-18	Granted	Exercised	Expired/ Cancelled	31-Mar-19
9-Feb-19	0.15	1,100,000	-	-	(1,100,000)	-
18-Oct-18	0.12	582,500	-	(25,000)	(557,500)	-
9-Dec-18	0.12	2,016,315	-	(39,500)	(1,976,815)	-
05-Oct-18	0.10	3,169,300	-	(3,169,300)	-	-
16-Oct-18	0.10	2,588,800	-	(1,972,040)	(616,760)	-
01-Nov-18	0.25	400,000	-	-	(400,000)	-
19-Dec-18	0.12	240,365	-	-	(240,365)	-
23-Feb-19	0.12	146,667	-	-	(146,667)	-
12-Apr-20	0.38	12,468,329	-	-	-	12,468,329
19-Apr-20	0.38	6,568,601	-	-	-	6,568,601
		29,280,877	-	(5,205,840)	(5,038,107)	19,036,930
Weighted average exercise price	\$ 0.29		-	\$ 0.10	\$ 0.16	\$ 0.38

9. NON CASH TRANSACTIONS

The following non-cash transactions were recorded:

	31-Mar-20	31-Mar-19
Financing activities:		
Brokers warrants issued in connection with the private placements	\$ 27,134	\$ -

10. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS

(a) Capital Management Objectives

The Company considers the components of shareholders' equity, as well as its cash as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk of characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue equity, sell assets, or return capital to shareholders as well as issue or repay debt. The Board of Directors has not established quantitative capital structure criteria management, but will review on a regular basis the capital structure of the Company to ensure its appropriateness to the stage of development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the company, is reasonable.

IMAGIN MEDICAL INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended March 31, 2020 and 2019

10. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS *(continued)*

(a) Capital Management Objectives *(continued)*

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets, which are updated as necessary and are reviewed and approved by the Company's Board of Directors. In addition, the Company may issue new equity, incur additional debt, or dispose of certain assets. When applicable, the Company's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends. The Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

There were no changes in the Company's approach to capital management during the six months ended March 31, 2020.

(b) Carrying Amounts and Fair Values of Financial Instruments

The fair value of a financial instrument is the price at which a party would accept the rights and/or obligations of the financial instruments from an independent third party. Given the varying influencing factors, the reported fair values are only indicators of the prices that may actually be realized for these financial instruments.

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 following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at March 31, 2020.

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 904,174	\$ —	\$ —	\$ 904,174

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at September 30, 2019

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 2,272,770	\$ —	\$ —	\$ 2,272,770

IMAGIN MEDICAL INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended March 31, 2020 and 2019

11. SUBSEQUENT EVENTS

Subsequent to the period, the following warrants were expected to expire:

	Number of warrants	\$	Expiry Date
Warrants from April 12, 2018 Financing			
Finance warrants expired	11,722,783	0.38	12-Apr-20
Finders' warrants expired	745,546	0.38	12-Apr-20
Total	12,468,329		
Warrants from April 19, 2018 Financing			
Finance warrants expired	6,197,037	0.38	19-Apr-20
Finders' warrants expired	371,564	0.38	19-Apr-20
Total	6,568,601		
Total warrants expiring	19,036,930		

On April 9, 2020, the Company announced that the Board of Directors approved an amendment of 17,919,820 finance warrants. The exercise price was amended to \$0.05 with an expiry date of June 30, 2020. The 1,117,110 finders' warrants as per CSE regulations were not amended and expired on April 12 and 19, 2020.

On April 23, 2020, 900,000 incentive stock options granted to a service provider expired. The options had an exercise price of \$0.10 expiring June 24, 2024.

On May 26, 2020, 1,000,000 share purchase warrants with an exercise price of \$0.05 were exercised for total proceeds of \$50,000.

IMAGIN MEDICAL INC.
MANAGEMENT DISCUSSION & ANALYSIS

For the Six Months Ended March 31, 2020

Directors and Officers as of May 26, 2020

Directors:

Robin Atlas
Chris Bleck
Ken Daignault
Jim Hutchens
John Vacha

Officers:

President & C.E.O. – Jim Hutchens
C.F.O. & Secretary – John Vacha

Contact Names:

Jim Hutchens
John Vacha

Telephone Number:

833-246-2446

IMAGIN MEDICAL INC.

MANAGEMENT DISCUSSION & ANALYSIS

For the Six Months Ended March 31, 2020

1.1 Date of This Report

May 26, 2020

This Management's Discussion & Analysis ("MD&A") of Imagin Medical Inc. for the six months ended March 31, 2020 has been prepared based on information available to us as of May 26, 2020. This discussion should be read in conjunction with the Condensed Interim Consolidated Financial Statements of the Company and notes attached thereto for the six months ended March 31, 2020 included herewith, all of which are available at the SEDAR website at www.sedar.com.

This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address activities and events or developments that the Company expects, are forward-looking statements. 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. Factors that could cause actual results to differ materially from those in forward-looking statements include product development timing, government regulatory approvals, hospital reimbursement, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Reported currency is stated in Canadian dollars.

1.2 Overall Performance

Description of Business

Imagin Medical Inc. (formerly Expedition Mining Inc.) is incorporated in the Province of British Columbia. On February 9, 2016, the Company completed the acquisition of BSS Life Sciences Inc. ("BSS"). BSS holds the intellectual property rights to a proprietary imaging technology developed for extremely accurate visualization of cancers. In connection with the acquisition, the Company changed its name to Imagin Medical Inc. and now focuses on research, development and commercialization in the device/instrumentation medical technology industry.

License Agreement

By way of a Licence Agreement dated May 20, 2015, BSS was granted an exclusive, nontransferable, royalty-bearing license by Lawrence Livermore National Security, LLC (LLNS), to use LLNS's patents and intellectual property rights to manufacture and sell products and services pertaining to *in vivo* imaging applications.

Under the License Agreement, BSS must:

- complete a commercial prototype by December 31, 2016 (first prototype completed);
- complete submissions for United States Food and Drug Administration (“FDA”) approval by June 30, 2020, as per amendment;
- achieve first commercial sales (“FCS”) in the United States within one year of achieving the FDA approval; and
- achieve gross cumulative sales revenues from the sales of licensed products of at least \$10,000,000 within the first three years of achieving FCS.

The sales requirements may be amended and/or extended at the written request of BSS to LLNS, based upon legitimate business reasons specified in reasonable detail in such written request.

BSS must pay certain fees to LLNS for the licence, being (all amounts are in US dollars):

- (i) a nonrefundable issue fee of \$100,000 payable as follows:
 - \$10,000 upon the date of execution of the Agreement (June 22, 2015; paid);
 - \$30,000 by November 22, 2015 (paid);
 - \$30,000 by January 22, 2016 (paid); and
 - \$30,000 by March 22, 2016 (paid).
- (ii) an earned royalty of 3% of net sales, subject to minimum annual royalties of:

Calendar year	Minimum annual royalty	Due date
2017	\$5,000	February 28, 2017 (paid)
2018	\$10,000	February 28, 2018 (paid)
2019	\$10,000	February 28, 2019 (paid)
2020 and thereafter	\$25,000	February 28, 2020 (paid)

- (iii) a nonrefundable U.S. Maintenance Patent Fee of \$45,000 to be paid as follows:
 - \$15,000 on or before February 28, 2016 (paid);
 - \$15,000 on or before February 28, 2019 (paid); and
 - \$15,000 on or before February 28, 2023

The Technology

Imagin Medical is a surgical imaging company focused on establishing a new standard of care in visualizing cancer during minimally invasive surgeries (MIS). The Company’s first product, the i/Blue Imaging™ System, is based on advanced optics and light sensors and employs patented ultrasensitive imaging technology. The Company believes the i/Blue System, with easy-to-use imaging options, will significantly improve surgeons’ ability to visualize cancerous cells for more accurate resection. The Company’s initial focus is bladder cancer.

The i/Blue Imaging System is a device external to the body that attaches to an endoscope to emit both white and blue light during MIS. When used in combination with contrast agents, cancerous cells, including premalignant lesions and tumor tissue along the margins, begin to fluoresce within an hour or less. The i/Blue Imaging System provides the option to display, in real-time, the white and blue light images side-by-side. This advancement eliminates the surgeon's need to switch back and forth between the white and blue light images when locating and then resecting the cancer.

Imagin's i/Blue Imaging System is comprised of two key, state-of-the-art components:

- The i/Blue Control Unit: contains a high-intensity light source, camera controller and power supply modules that allow simultaneous displays of white and blue light illumination in the interior of the bladder.

- Dual Camera Handpiece: includes sophisticated optical filters that split the image into white and blue light channels, allowing simultaneous display of corresponding images on the surgical monitor. This patented technology can be seamlessly adapted to most endoscopes on the market today and offers multiple real-time viewing options/images that better enable the surgeon to visualize and resect the cancer.

Benefits of the i/Blue Imaging System

- Simultaneous side-by-side white and blue light images
- No toggling back and forth between images
- Shows cancer in context within the bladder
- Enables surgeons to better visualize cancerous cells for more accurate resection
- Adapts seamlessly to most types of endoscopes on the market
- Appropriate for physicians' offices

Future Development - Disruptive Technology /Multiple Markets

Imagin intends to build on the i/Blue technology, which currently works with hexaminolevulinate hydrochloride (HAL), and adapt it to other U.S. Food and Drug Administration (FDA)-approved contrast agents, such as Indocyanine green (ICG). These additional products will expand Imagin's market potential, facilitating entry into multiple endoscopic procedures, such as laparoscopic (general and gynecology), colorectal and thoracic.

Imagin is actively pursuing opportunities to acquire or distribute additional products such as disposable scopes, cancer biopsy devices and other products to complement its portfolio.

The Strategy

Imagin's original plans for the coming year have been affected by the sudden impact of the pandemic on the global economy, which has made it imperative for the Company to be quick and flexible and adapt our business to current conditions. While the Company remains deeply committed to advancing the i/Blue Imaging System toward commercialization, the Company has decreased non-essential expenses in all areas of its business to further extend Imagin's cash flow into the Fall of this year. Cost cutting measures, including company-

wide salary reductions, have been implemented, as well as precautionary measures such as sheltering in place and working from home, freezing travel, and switching to virtual development and operational meetings.

The American Urology Meeting, Imagin's most significant marketing and networking opportunity, has been cancelled for this year, interfering with the Company's immediate plans to strengthen relationships with urologists and key opinion leaders, as well as engage in market development activities through in-person events, such as hosted dinners and individual meetings with physicians, potential corporate partners and investors. To address this situation, Imagin will hold virtual meetings and demonstrations over the coming months.

Imagin will differentiate the MIS surgical imaging market by focusing on state-of-the-art, easy-to-use, practical and cost-effective cancer visualization systems.

The Company's initial target market is surgical bladder cancer treatment, with bladder cancer fluorescence imaging and biopsy to be conducted in physicians' offices.

Once the i/Blue Imaging System is commercially available for urological indications, Imagin will focus on expanding the product platform from bladder cancer to laparoscopic (abdominal), colorectal, thoracic and other medical procedures. The Company will partner with manufacturers of contrast agents that are already FDA-approved or in their final phase (Phase III) of FDA approval.

To prepare for commercialization, the Company has already begun initial marketing programs comprised of participation in trade shows and focus groups with key opinion leaders, along with the development of physician champions and Centers of Excellence. The Company will build on current relationships with key independent sales representatives currently successful in the urology marketplace.

As previously mentioned, Imagin plans to add complementary products to expand its product portfolio. Because the i/Blue technology is adaptable to most endoscopes currently on the market, the Company will be of strategic interest to existing dominant endoscope manufacturers.

Intellectual Property

The Company, through its wholly owned subsidiary (BSS Life Sciences) has secured an exclusive license from Lawrence Livermore National Security, LLC (LLNS) to commercialize the technology invented by Dr. Stavros Demos. This license agreement includes three issued patents and one pending patent application on technology related to exclusive spectroscopic imaging for cancer and other medical applications. These include:

1. Issued U.S. Patent 7,149,567 - Near-Infrared Spectroscopic Tissue Imaging for Medical Applications.
2. Issued U.S. Patent 7,257,437 - Autofluorescence Detection and Imaging of Bladder Cancer Realized Through a Cystoscope.

3. Issued U.S. Patent 8,285,015 - Simultaneous Acquisition of Differing Image Types.
4. Issued U.S. Patent 10,182,708 - Simultaneous Acquisition of Differing Image Types.

Based on product refinement and development since the completion of the University of Rochester study, Imagin is filing additional patent applications that the Company anticipates will broaden its intellectual property portfolio. These additional patent applications are anticipated to be filed within the next six months.

Product Development and Regulatory Approval Plan

As previously stated in the Strategy section of this report, Imagin Medical, as well as our partners, supply channels and consultants, have been affected by the current pandemic. This includes our product development partner, Optel, Inc., located in New York – one of the most affected areas of the United States. This has had an impact on our timeline, which we are re-evaluating as the situation evolves.

Optel has extensive experience integrating optics, mechanics, electronics and software into user-friendly, cost-effective products. Optel has been instrumental in helping the Company achieve design goals for its i/Blue™ Imaging System, which displays multiple images simultaneously and is adaptable to most endoscopes on the market.

The i/Blue System is currently in the final stage of the development process. Key device performance characteristics have met technical design specifications using various testing techniques including, but not limited to, analytic design calculations, measurements of physical characteristics and testing by independent laboratories. Data from these independent lab tests is being combined with data from internal testing, engineering calculations, component suppliers and competitive device analysis, all of which will become the basis of the Company's documentation requirements.

Four additional functional units are being assembled. Two i/Blue units were initially slated for a first-in-human study however, medical institutions have suspended all medical device clinical studies due to the COVID-19 pandemic. While Imagin will continue to pursue first-in-human studies when clinical trials are allowed to resume, the Company is pursuing animal studies as an alternative. The remaining functional units will be used for virtual investor and medical professional presentations and demonstrations.

The Company will continue to build additional functional units and progress towards its first pilot production runs. Imagin believes that the imaging quality and cost reduction goals for the i/Blue Imaging System will be achieved. The product will be highly manufacturable and cost effective, with a modular design that will become a basic platform for Imagin's current and future imaging systems and applications.

A subset of units from the pilot manufacturing runs will undergo appropriate additional testing for reprocessing, reliability, and packaging integrity. Documentation from these tests will also be submitted to the FDA for evaluation for the system's market approval.

At Imagin's request, the Company met with the FDA for a second time in Q4 2019 to proactively discuss the i/Blue Imaging System's regulatory path and the potential need for a clinical study. The content and feedback from the meeting are instrumental as the Company continues to refine its regulatory strategy and complete the formal FDA application. In addition, significant documented validation test data results are required by the FDA as part of the device approval process. This data will be obtained from testing conducted on units produced from the first three production pilot builds of System Control Units and Dual View Camera Heads. Imagin anticipates pursuing approval for the i/Blue Imaging System through a regulatory pathway that demonstrates safety and effectiveness but that is also the least burdensome approach for the Company. Imagin will ensure that the i/Blue Imaging System will be in compliance with the requirements of the FDA's Quality System Regulation, ISO 13485:2016, Medical devices - Quality management systems - Requirements for regulatory purposes, and additional international compliance requirements.

Highlights from Oct 1, 2019 up to the date of this report

The Company announced the following:

- announced CSE approval for the extension and re-pricing of 17,919,820. The warrants originally priced at \$0.38 and expiring in April 12 and 19, 2020 were re-priced at \$0.15 and will expire on June 30, 2020.
- announced market research feedback on simulated procedures concerning viewing simultaneous images during bladder cancer resection.
- announced that President and CEO, Jim Hutchens, will present at NobleCon16, Noble Capital Markets' Sixteen Investor Conference in Hollywood, Florida.
- announced the highlights of 2019 development achievements and plans for 2020.
- announced the closing of a non-brokered private placement, issuing 38,280,000 units ("Units") at \$0.05 per Unit for proceeds of \$1,914,000.
- granted 600,000 incentive stock options.
- announced the completion of design verification of its i/Blue Imagin System functional unit. The key device performance characteristics have met technical design specifications using various testing techniques including, but not limited to, analytic design calculations, measurements of physical prototype characteristics and testing of prototypes by independent laboratories.
- announced Q4-September 2019 financial results.
- announced the results of the Annual General Meeting of Shareholders.
- announced that management provided a presentation update at the first annual "BioTuesdays Pre-JPM Conference".
- announced further progress toward verification of its i/Blue Imaging System functional product.
- announced the launch of new social media campaigns via Twitter, Facebook and LinkedIn.
- announced that it recently met with the FDA to discuss its premarket approval regulatory pathway for marketing authorization.

- reported Company attendance at the 2019 American Urology Association Meeting, where the Company held private focus groups with leading urologists to demonstrate the first i/Blue functional prototype product.
- announced that the Company is following the 7-step development process that the U.S. Food and Drug Administration (“FDA”) defines in its Design Control Guidance for Medical Device Manufacturers.
- granted 900,000 options \$0.10 to a service provider.
- received gross proceeds of \$524,454 from the exercise of 5,205,840 previously-issued share purchase warrants and finders’ warrants.
- announced that all matters put forward before the shareholders, as set out in the Company’s management information circular dated November 15, 2018, were approved by the requisite majority of votes cast at the Annual General Meeting.
- at the date of this report, the Company has 177,340,278 issued and outstanding Shares; 56,199,820 Finance Warrants; 2,172,910 finders’ warrants; and 11,600,000 incentive stock options.

1.3 **Selected Annual Information**

The highlights of financial data for the Company for the two most recently completed financial years are as follows:

	<u>Sept. 30, 2019</u>	<u>Sept. 30, 2018</u>
(a) Loss before other items		
(i) Total loss	\$4,499,927	\$4,988,339
(ii) Loss per share – basic	\$0.03	\$0.05
(iii) Loss per share – diluted	\$0.03	\$0.05
(b) Net loss		
(i) Total loss	\$4,457,322	\$7,958,086
(ii) Loss per share – basic	\$0.03	\$0.07
(iii) Loss per share – diluted	\$0.03	\$0.07
(c) Total assets	\$2,494,573	\$6,171,702

1.4 **Results of Operations**

Discussion of Operations and Financial Condition

The following should be read in conjunction with the condensed interim consolidated financial statements for the six months ended March 31, 2020 and notes attached hereto.

During the six months ended March 31, 2020, the Company reported a net loss of \$3,104,987 (March 31, 2019 – \$1,937,656). The Company incurred the following major expenditures:

1. Business Development – \$17,697 (March 31, 2019 – \$47,846) decreased by \$30,140. The Company incurred such expenses as it continues to move closer to commercialization. The focus is on market research and competitive analysis in advance of commercialization as well as possible partnership/product opportunities.

2. Consulting fees – Total \$155,167 (March 31, 2019 – \$334,796) decreased by \$179,629. Consulting fees consists of:
 - Marketing and Investor Relations – \$121,016 (March 31, 2019 – \$296,650) decreased by \$175,634. In the previous year, the Company engaged numerous consultants to provide services primarily related to raising capital and public relations, specifically, internet marketing, research reports, news and press releases and their distribution. The Company continues with its ongoing communications and marketing programs to efficiently increase awareness of the progress of the Company, allowing the Company to continue to maintain its existing cash for product development and commercialization. However, in the current year, there have been no specific expenses related to the raising of capital which is the primary reason for the decrease from the prior period.
 - Sales & Marketing – \$24,085 (March 31, 201F – \$17,764) increased by \$6,321. The Company engaged consultants to provide services related to customer feedback and marketing.
 - OTC Listing – \$10,066 (March 31, 2019 – \$20,382) decreased by \$10,316. In the previous year, the Company incurred legal fees in addition to the annual listing fees of the OTC.
3. Legal & accounting – Total \$202,329 (March 31, 2019 – \$235,489) decreased by \$33,160. The decrease is related to retroactive payments regarding salary increase paid to the CEO in the previous period.
4. Management fees – Total \$301,481 (March 31, 2019 – \$348,818) decreased by \$47,337. The decrease is related to retroactive payments regarding salary increase paid to the CEO in the previous period.
5. Product Development – Total \$1,846,559 (March 31, 2019 – \$793,804); increased by \$1,052,755. The increase is primarily related to the work performed by outsourced design and engineering, regulatory, FDA, legal and quality consultants for the design and development of the i/Blue system and associated FDA & regulatory plans.
6. Shareholders’ communication and promotion – Total \$452,855 (March 31, 2019 – \$115,184) increased by \$337,671. The increase is due to work performed by consultants related to shareholder communication and public relations, specifically, internet marketing, research reports, news and press releases and their distribution. Please refer to the table under “Shareholders Communication and Travel.”

The Company also reported receivables and prepaids for a total amount of \$152,374 (September 30, 2019 – \$77,118). The amount is broken down as follows:

		31-Mar-20	30-Sep-19
GST Receivable	\$	4,503	1,934
Interest Receivable (GIC)		319	34,395
Prepaid expenses *		147,552	40,859
	\$	152,374	77,188

* The Company was billed in advance for services ranging from six months to a year with respect to services primarily related to raising capital and public relations, specifically, internet marketing, digital marketing, research reports, news and press releases and their distribution. These amounts are recorded as prepaid and expensed on a monthly basis.

Shareholders Communication and Travel

For the six months ended March 31, 2020, the Company reported shareholder communication and travel expenses totaling \$452,855 (March 31, 2019 – \$115,184) and is broken down as follows:

	31-Mar-20	31-Mar-19
Communication & information	\$ 362,624	\$ 10,467
Conferences	6,263	36,620
Press releases	8,249	20,574
Telephone & website	3,058	1,865
Travel & entertainment	72,661	45,658
	\$ 452,855	\$ 115,184

Communication & information expenses relate to an increase in investor outreach to promote investor awareness of the progress the Company has made towards bringing the i/Blue System to market. This included digital marketing campaigns, technical articles and investor outreach.

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	<u>Q2 31-Mar-20</u>	<u>Q1 31-Dec-19</u>	<u>Q4 30-Sep-19</u>	<u>Q3 30-Jun-19</u>
	IFRS	IFRS	IFRS	IFRS
Net loss	(1,863,328)	(1,241,659)	(1,318,105)	(1,201,561)
Per Share	(1.00)	(1.00)	(0.75)	(0.75)
	<u>Q2 31-Mar-19</u>	<u>Q1 31-Dec-18</u>	<u>Q4 30-Sep-18</u>	<u>Q3 30-Jun-18</u>
	IFRS	IFRS	IFRS	IFRS
Net loss	(926,070)	(1,011,586)	(2,217,112)	(1,751,665)
Per Share	(0.5)	(0.75)	(2.0)	(1.5)

Discussion

Six months ended March 31, 2020:

For the six months ended March 31, 2020, please refer to Section 1.4 Results of Operations.

1.5 Liquidity

The Company has no current operating income or cash flow. In management's view, given the nature of the Company's operations, the most relevant financial information relates

primarily to current liquidity, solvency and planned expenditures. The Company's financial success will be dependent on continuing to raise operating capital and successful clinical trials that validate the Company's technology. Such activities may take time to complete and the amount of resulting income is difficult to determine.

During the period, the Company closed its non-brokered private placement, issuing 38,280,000 units ("Units") at \$0.05 per Unit for proceeds of \$1,914,000. Each Unit consists of one common share ("Share") and one Share purchase warrant ("Warrant"), each Warrant entitling the holder to acquire one additional Share at \$0.15 for a period of 24 months, provided that in the event the closing price of the Company's Shares is equal to or greater than \$0.25 per Share for 10 consecutive trading days, the Company may, by notice to the Warrant holders (which notice may be by way of general news release), reduce the remaining exercise period of the Warrants to not less than 30 days following the date of such notice.

Total finders' fees were paid in the form of cash in the amount of \$52,790 and 1,055,800 finders' warrants (exercisable at \$0.05 per Share for 24 months). The fair value for the finders' warrants using the Black-Scholes option-pricing model was determined to be \$0.0257 per warrant.

As at March 31, 2020, the Company had \$904,174 in cash and \$152,374 in accounts receivable and prepaid expenses. The Company currently has no revenue being generated from its i/Blue system for the early detection of cancer.

The Company's historical capital needs have been met by equity subscriptions. On March 31, 2020, the Company had working capital of \$731,691 (September 30, 2019 – \$1,967,574).

Cash and cash equivalents

	31-Mar-20	30-Sep-19
Cash deposits	\$ 29,174	\$ 322,770
Guaranteed investment certificate	875,000	1,950,000
Total cash and cash equivalents	\$ 904,174	\$ 2,272,770

Credit Risk

Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash is held with a Canadian bank.

Currency Risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company faces certain foreign exchange risks related to expenses incurred in U.S. dollars, a currency which may appreciate against the Canadian dollar, the Company's reporting currency. Additionally, net working capital balances denominated in non-reporting currencies are also subject to

fluctuations in value. The Company mitigates these threats by limiting its exposure to such balances where their expenditure in the same non-reporting currency is not imminent.

Commitments

The Company has certain commitments related to the license agreement with Lawrence Livermore National Security. Please refer to Sections 1.2 Overall Performance – License Agreement.

1.6 Capital Resources

The Company has no capital resources.

1.7 Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

1.8 Second Quarter

The second quarter result does not differ significantly from other quarters.

1.9 Transactions with Related Parties

During the six months ended March 31, 2020, the Company paid or accrued \$477,573 (March 31, 2019 – \$590,394) to directors and officers or companies controlled by directors and officers of the Company, for management, accounting, and directors’ fees incurred by the Company.

		31-Mar-20	31-Mar-19
Management fees	\$	301,481	348,818
Accounting fees		150,923	184,730
Consulting fees		17,669	48,846
Directors fees		7,500	6,000
Total	\$	477,573	590,394

During the six months ended March 31, 2020 and 2019, the Company did not grant any stock options.

Included in accounts payable as at March 31, 2020 are fees and expenses due to directors in the amount of \$7,500 (September 30, 2019 – \$6,000), which are non-interest bearing, unsecured, and payable on demand. Fair value cannot be reliably determined.

1.10 Proposed Transactions

N/A

1.11 Critical Accounting Estimates

In preparing financial statements, management has to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Based on historical experience, current conditions and expert advice, management makes assumptions that are

believed to be reasonable under the circumstances. These estimates and assumptions form the basis for judgments about the carrying value of assets and liabilities and reported amounts for revenues and expenses. Different assumptions would result in different estimates and actual results may differ from results based on these estimates. These estimates and assumptions are also affected by management's application of accounting policies. Critical accounting estimates are those that affect the consolidated financial statements materially and involve a significant level of judgment by management.

1.12 Financial and Other Instruments

The carrying value of cash and cash equivalents, marketable securities, accounts receivable, accounts payable and due from (to) related parties approximate their fair values due to the short maturity of those instruments.

1.13 Other

Disclosure of Outstanding Share Capital: May 26, 2020

	<u>Number</u>
Common Shares	<u>178,340,278</u>

Disclosure of Outstanding Stock Options: May 26, 2020

	<u>Number</u>
Incentive Stock Options	<u>10,700,000</u>

Disclosure of Outstanding Share Purchase Warrants: May 12, 2020

	<u>Number</u>
Warrants	<u>56,255,620</u>
Fully diluted	<u>245,295,898</u>

Disclosure Controls and Procedures

It should be noted that pursuant to Multilateral Instrument 52-511 (adopted by the British Columbia Securities Commission on November 23, 2007), that the officers of the Company are no longer required to certify the effectiveness of disclosure controls and procedures used by the Company, as was required in previous filings under National Instrument 52-109. Accordingly, the new forms of certificate to be signed by the Company's Chief Executive Officer and Chief Financial Officer contain the following Note to Reader:

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, filings or other reports filed or submitted under securities legislation is recorded, processed,

summarized and reported within the time periods specified in securities legislation;
and

- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of and annual filings and other reports provided under securities legislation.

Subsequent Events

Subsequent to the period, the following warrants were expected to expire:

	Number of warrants	\$	Expiry Date
Warrants from April 12, 2018 Financing			
Finance warrants expired	11,722,783	0.38	12-Apr-20
Finders' warrants expired	745,546	0.38	12-Apr-20
Total	12,468,329		
Warrants from April 19, 2018 Financing			
Finance warrants expired	6,197,037	0.38	19-Apr-20
Finders' warrants expired	371,564	0.38	19-Apr-20
Total	6,568,601		
Total warrants expiring	19,036,930		

On April 9, 2020, the Company announced that the Board of Directors approved an amendment of 17,919,820 finance warrants. The exercise price was amended to \$0.05 with an expiry date of June 30, 2020. The 1,117,110 finders' warrants as per CSE regulations were not amended and expired on April 12 and 19, 2020.

On May 26, 2020, 1,000,000 share purchase warrants with an exercise price of \$0.05 were exercised for total proceeds of \$50,000.

Additional information relating to the Company is on SEDAR at www.sedar.com.