

Financial Statements  
(Expressed in Canadian Dollars)

# **LUMINOR MEDICAL TECHNOLOGIES INC. (Formerly Miraculins Inc.)**

Three months ended February 28, 2017  
(unaudited)

In accordance with National Instruments 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed these unaudited financial statements for the three months ended February 28, 2017

# LUMINOR MEDICAL TECHNOLOGIES INC. (Formerly Miraculins Inc.)

## Condensed Interim Statements of Financial Position (Unaudited)

	Note	February 28, 2017	November 30, 2016
<b>Assets</b>			
Current assets:			
Cash		\$ 344,050	\$ 133,134
Accounts receivable		73,201	40,435
Prepaid expenses		183,239	4,271
Total current assets		600,490	177,840
Non-current assets:			
Property and equipment		261,034	265,779
<b>Total assets</b>		<b>\$ 861,524</b>	<b>\$ 443,619</b>
<b>Liabilities and Shareholders' Deficiency</b>			
Current liabilities:			
Accounts payable and accrued liabilities		\$ 881,184	\$ 1,260,495
Convertible notes	4	140,476	71,658
Accrued interest on debt	4	10,375	2,005
Total current liabilities		1,032,036	1,334,158
Non-Current liabilities:			
Secured promissory notes	4	\$ 1,611,334	\$ 1,611,334
Convertible notes		-	90,160
Accrued interest	4	941,157	886,438
Total non-current liabilities		2,552,491	2,587,932
Shareholders' deficiency:			
Share capital	5	15,813,463	15,027,395
Shares to be issued		-	15,000
Contributed surplus		4,911,955	4,578,362
Warrants	5	785,638	535,156
Deficit		(24,234,058)	(23,634,384)
Total deficiency		(2,723,003)	(3,478,471)
Going concern	2(c)		
Commitments and contingencies	6		
<b>Total liabilities and equity</b>		<b>\$ 861,524</b>	<b>\$ 443,619</b>

On behalf of the Board:

"Harry Bloomfield"  
Director

"Christian Sauvageau"  
Director

The accompanying notes are an integral part of these financial statements

# LUMINOR MEDICAL TECHNOLOGIES INC. (Formerly Miraculins Inc.)

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

	Note	Three months ended	
		February 28, 2017	February 29, 2016
<b>Expenses</b>			
Selling, general and administration		\$ 283,538	\$ 153,193
Share based compensation		235,363	-
		518,901	153,193
<b>Other income (expenses)</b>			
Finance expense		(78,966)	(88,917)
Foreign exchange loss, net		(1,807)	(498)
Net other income (expenses)		(80,773)	(89,415)
Net loss and comprehensive loss for the period		\$ (599,674)	\$ (242,609)
Basic and diluted loss per share	5	\$ (0.08)	\$ (0.12)

The accompanying notes are an integral part of these financial statements

# LUMINOR MEDICAL TECHNOLOGIES INC. (Formerly Miraculins Inc.)

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

	Note	Number of Shares	Share Capital	Shares to be issued	Contributed surplus	Warrant reserve	Accumulated deficit	Total deficiency
Balance, November 30, 2016			\$14,803,770	\$ -	\$3,829,149	\$1,180,955	\$(22,525,742)	\$(2,711,868)
Loss and comprehensive loss for the period			-	-	-	-	(242,609)	(242,609)
Balance, February 29, 2016			\$14,803,770	\$ -	\$3,829,149	\$1,180,955	\$(22,768,550)	\$(2,954,677)
Balance, November 30, 2016			\$15,027,395	\$ 15,000	\$4,578,362	\$535,156	\$(23,634,384)	\$(3,478,471)
Loss and comprehensive loss for the period			-	-	-	-	(599,674)	(599,674)
Transactions with owners, recorded directly in equity								
Issue of common shares on private placement			1,151,388	(15,000)	-	-	-	1,136,388
Issue of common shares on exercise of warrants			22,480	-	-	(5,813)	-	16,667
Issue of common shares on conversion of debenture			26,038	-	(1,038)	-	-	25,000
Warrants granted on private placement			(316,371)	-	-	355,564	-	39,193
Share issue costs			(97,467)	-	-	-	-	(97,467)
Warrants expired			-	-	99,269	(99,269)	-	-
Stock based compensation			-	-	235,363	-	-	235,363
Total transactions with owners			786,068	(15,000)	333,593	250,482	(599,674)	755,469
Balance, February 28, 2017			15,813,463	-	4,911,955	785,638	(24,234,058)	(2,723,003)

The accompanying notes are an integral part of these financial statements

# LUMINOR MEDICAL TECHNOLOGIES INC. (Formerly Miraculins Inc.)

## Condensed Interim Statements of Cash Flows (Unaudited)

	Note	Three months ended	
		Feb 28, 2017	Feb 29, 2016
<b>Cash provided by (used in)</b>			
<b>Operating activities:</b>			
Net loss for the period		\$ (599,674)	\$ (242,609)
Items not involving cash:			
Amortization		4,745	5,047
Finance expense	4	63,090	88,917
Stock based compensation		235,363	-
Change in non-cash working capital balances:			
Accounts receivable		(32,766)	(3,411)
Prepaid expenses		(178,969)	21,451
Accounts payable and accrued liabilities		(379,311)	5,376)
		(887,522)	(125,228)
<b>Financing activities:</b>			
Issuance of common shares and warrants, net of share issue costs	5	1,088,438	-
Proceeds from debt financing		-	168,299
Interest paid		10,000	-
		1,098,438	168,299
Increase (decrease) in cash		210,917	43,071
Cash, beginning of the period		133,134	1,997
Cash, end of the period		\$ 344,050	\$ 45,068

The accompanying notes are an integral part of these financial statements

# LUMINOR MEDICAL TECHNOLOGIES INC. (Formerly Miraculins Inc.)

## Notes to the Financial Statements

Three months ended February 28, 2017 and February 29, 2016  
(Unaudited)

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### 1. Reporting entity:

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

### 2. Basis of preparation of financial statements:

#### (a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB").

The financial statements were authorized for issue by the Board of Directors on May 1, 2017.

#### (b) Basis of measurement

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

#### (c) Going concern

These financial statements have been prepared on a going concern basis in accordance with IFRS. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. There are material uncertainties that cast significant doubt about the Company's ability to continue as a going concern as the Company has experienced operating losses and cash outflows from operations since incorporation and has accumulated a deficit of \$24,034,058 as at February 28, 2017 (November 30, 2016 - \$23,634,384) and a working capital deficiency of \$431,545 (November 30, 2016 - \$1,156,318).

Management has forecast that expected expenditure levels and contracted commitments will exceed the Company's net cash inflows and working capital during the second quarter of fiscal 2017 unless further financing is obtained. Additional sources of funding will be required commencing in the second quarter of fiscal 2017 to carry on operations. The Company's future operations including the manufacturing of the Scout DS<sup>®</sup> are dependent upon its ability to secure additional funds, generate product sales, negotiate collaboration or license agreements with upfront payments, and/or obtain research grant funding. While the Company is striving to achieve these plans, there is no assurance that these and other strategies will be achieved or such sources of funds will be available or obtained on favourable terms or obtained at all. Historically, the Company has obtained funding via the issuance of shares and warrants and long term debt. If the Company cannot secure additional financing on terms that would be acceptable to it, generate product sales, negotiate collaboration or license agreements with upfront payments, and/or obtain research grant funding, the Company will have to consider additional strategic alternatives which may include, among other strategies, cost curtailments, delays of product launch and exploring the monetization of certain intangible assets, as well as seeking to out license and/or divest assets or a merger, sale or liquidation of the Company. Any divestiture of assets would be subject to the satisfaction of obligations under the security interests described in Note 7.

# LUMINOR MEDICAL TECHNOLOGIES INC. (Formerly Miraculins Inc.)

## Notes to the Financial Statements

Three months ended February 28, 2017 and February 29, 2016  
(Unaudited)

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

#### (c) Going concern (continued)

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

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

#### (d) Functional and presentation currency

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

#### (e) Use of significant estimates and judgments

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

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

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

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

- Note 3e(ii): The measurement and period of use of acquired intellectual property
- Note 3e(iii): The measurement and period of use of patents and trademarks
- Note 3g(ii): The assumptions and valuation technique used to estimate the value of share-based payment transactions
- Note 7: The assumptions used to fair value the debt component of convertible debentures on initial recognition.

# LUMINOR MEDICAL TECHNOLOGIES INC. (Formerly Miraculins Inc.)

## Notes to the Financial Statements

Three months ended February 28, 2017 and February 29, 2016

(Unaudited)

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

#### **IFRS 9 *Financial Instruments: Classification and Measurement***

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

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

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

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

#### **IFRS 15, *Revenue from Contracts with Customers***

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

#### **Amendments to IAS 1, *Presentation of Financial Statements***

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

#### **IFRS 16, *Leases***

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



# LUMINOR MEDICAL TECHNOLOGIES INC. (Formerly Miraculins Inc.)

## Notes to the Financial Statements

Three months ended February 28, 2017 and February 29, 2016  
(Unaudited)

### 4. Notes payable

- (a) The following summaries the Company's promissory notes payable as at February 28, 2017 and November 30, 2016 and for the three months ended February 28, 2017 and February 29, 2016:

	February 28 2017	November 30 2016
Long term:		
\$1,611,334 secured promissory note (i)	1,611,334	1,611,334
Accrued interest	801,157	731,533
Deferred financing charges	140,000	140,000
	\$ 2,552,491	\$ 2,482,867

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

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

On June 16, 2016, the Company entered into an amending agreement whereby it combined the notes described in 7(a)(i) and (ii) together with accrued interest and deferred financing charges into a new secured promissory note. The note continues to bear interest at 12% per annum, compounded quarterly, and is to be repaid as follows:

- \$300,000 due on December 31, 2018;
- \$400,000 due on December 31, 2019;
- \$600,000 due on December 31, 2020; and
- \$311,334 plus all accrued interest and any other amounts due on December 31, 2021.
- The principal and interest payments will be accelerated based on payments of ten percent (10%) of all gross sales on Scout Corp Assets.

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

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

Interest expense of \$69,624 (February 29, 2016 – \$62,197) and accretion expense of \$Nil (February 29, 2016 - \$13,374) were recognized during the period in relation to these notes.

# LUMINOR MEDICAL TECHNOLOGIES INC. (Formerly Miraculins Inc.)

## Notes to the Financial Statements

Three months ended February 28, 2017 and February 29, 2016  
(Unaudited)

### 4. Notes payable (continued):

- (b) The following summaries the Company's convertible promissory notes payable as at February 28, 2017 and November 30, 2016 and for the three months ended February 28, 2017 and 2016:

	February 28 2017	November 30 2016
\$50,000 convertible promissory note (i)	\$ 48,044	\$ 46,868
\$25,000 convertible promissory note (ii)	-	24,790
\$100,000 convertible promissory note (iii)	92,432	90,160
Accrued interest	10,375	16,910
	\$ 150,851	\$ 178,728
Current portion:		
Principle	\$ 140,476	\$ 71,658
Accrued interest	\$ 10,375	\$ 2,005
Long term portion:		
Principle	\$ -	\$ 90,160
Accrued interest	\$ -	\$ 14,905

- (i) On July 31, 2016, a private lender subscribed to a secured convertible note in the amount of \$50,000, bearing interest at 8% per annum and maturing on July 31, 2017. The note is convertible at \$0.20 per share. The net present value of future cash flows of the debt component was determined to be \$45,295 using a discount rate of 20% per annum. Accordingly, the conversion feature was assigned a value of \$4,705.
- (ii) On July 31, 2016, a director of the Company subscribed to a secured convertible note in the amount of \$25,000, bearing interest at 8% per annum and maturing on December 31, 2016. The note is convertible at \$0.20 per share. The net present value of future cash flows of the debt component was determined to be \$23,962 using a discount rate of 20% per annum. Accordingly, the conversion feature was assigned a value of \$1,038. The loan was converted to 125,000 common shares during the period ended February 28, 2017.
- (iii) On July 31, 2016, a company with a common officer subscribed to a secured convertible note in the amount of \$100,000, bearing interest at 8% per annum and maturing on December 31, 2017. The note is convertible at \$0.20 per share. The net present value of future cash flows of the debt component was determined to be \$87,129 using a discount rate of 20% per annum. Accordingly, the conversion feature was assigned a value of \$12,871.

Interest expense of \$3,466 (February 29, 2016 – \$Nil) and accretion expense of \$3,658 (February 28, 2016 - \$Nil) were recognized during the period in relation to these notes.

# LUMINOR MEDICAL TECHNOLOGIES INC. (Formerly Miraculins Inc.)

## Notes to the Financial Statements

Three months ended February 28, 2017 and February 29, 2016  
(Unaudited)

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### 5. Capital stock:

#### (a) Authorized

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

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

#### (b) Shares issued and outstanding

- (i) On October 24, 2016, the Company closed a private placement offering (the "October 2016 Offering") of 2,045,000 units ("Units") at a price of \$0.15 per Unit for gross proceeds of \$306,750. Each Unit comprises one common share of the Company (a "Share") and one half of one Share purchase warrant. Each whole warrant (a "Warrant") will entitle the holder to purchase one Share at a price of \$0.25 per Share for a period of 24 months from the date the Warrant is issued. A value of \$84,800 was allocated to the warrants upon issuance.
- (ii) On July 31, 2016, the Company entered into a shares for debt agreements, which was subject to regulatory approval, with the lenders in Notes 7(b)(i) and (ii) where the Company issued 57,500 of its common shares to the lenders at a deemed price of \$0.20 per common share to satisfy \$11,500 of outstanding amounts owing to them. The shares were issued on October 24, 2016 having an aggregate fair value at that date of \$5,813. Accordingly, a gain of \$5,687 is included in contract and debt settlement expense.
- (iii) On December 28, 2016, the Company closed a private placement offering (the "December 2016 Offering") of 5,050,609 units ("Units") at a price of \$0.225 per Unit for gross proceeds of \$1,136,388. Each Unit comprises one common share of the Company (a "Share") and one half of one Share purchase warrant. Each whole warrant (a "Warrant") will entitle the holder to purchase one Share at a price of \$0.30 per Share for a period of 24 months from the date the Warrant is issued. A value of \$316,371 was allocated to the warrants upon issuance. \$97,467 of share issued costs were paid on the December 2016 Offering including the issuance of 137,280 broker warrants exercisable at \$0.30 per a period of two years with a value of \$39,193.
- (iv) On December 31, 2016, the \$25,000 convertible debenture (Note 4(b)(i)) was converted at \$0.20 per share; 125,000 common shares were issued.
- (v) On February 23, 2017, 66,667 warrants of the Company were exercised at \$0.25 per share for gross proceeds of \$16,667

# LUMINOR MEDICAL TECHNOLOGIES INC. (Formerly Miraculins Inc.)

## Notes to the Financial Statements

Three months ended February 28, 2017 and February 29, 2016  
(Unaudited)

### 5. Capital stock (continued):

#### (c) Options

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

Changes in the number of options outstanding during the three months ended February 28, 2017 and 2016 are as follows:

	2017		2016	
	Shares	Weighted average exercise price	Shares	Weighted average exercise price
Balance, beginning of period	133,820	\$ 7.90	136,300	\$ 8.33
Granted	650,000	0.41	-	-
Forfeited, cancelled or expired	(51,360)	7.48	(1,680)	35.00
Balance, end of period	732,460	1.28	134,620	8.00
Options exercisable, end of period	732,460	\$ 1.28	134,620	\$ 8.00
Weighted average fair value per unit of option granted during the period		\$ 0.36		\$ -

Options outstanding at February 29, 2017 consist of the following:

Range of exercise prices	Outstanding number	Weighted average remaining contractual life	Weighted average exercise price	Exercisable number
\$0.285	150,000	1.51 years	\$0.285	150,000
\$0.45	500,000	2.89 years	\$0.45	500,000
\$1.50	6,000	3.50 years	\$1.50	6,000
\$2.50	34,800	2.75 years	\$2.50	34,800
\$5.50	26,080	2.42 years	\$5.50	43,140
\$25.00	12,913	3.32 years	\$25.00	22,013
\$37.50	1,333	5.48 years	\$37.50	1,333
\$45.00	1,333	5.48 years	\$45.00	1,333
\$0.285 - \$45.00	732,460	2.61 years	\$1.28	732,460

For the three months ended February 28, 2017, compensation expense of \$235,363 (February 29, 2016 - \$nil) was recorded in selling, general, and administrative expense to recognize options granted.

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

	February 29, 2017	February 29, 2016
Expected option life	1-5 years	-
Risk free interest rate	0.52%	-
Dividend yield	nil	-
Expected volatility	160%	-

# LUMINOR MEDICAL TECHNOLOGIES INC. (Formerly Miraculins Inc.)

## Notes to the Financial Statements

Three months ended February 28, 2017 and February 29, 2016  
(Unaudited)

### 5. Capital stock (continued):

#### (d) Warrants

Changes in the number of warrants outstanding during the three months ended February 28, 2017 and February 29, 2016 are as follows:

	2017			2016		
	Warrants	Amount	Weighted average exercise price	Warrants	Amount	Weighted average exercise price
Balance, beginning of period	1,230,440	\$ 535,156	\$ 1.22	1,331,240	\$ 1,108,955	\$ 3.00
Granted, pursuant to private placement (note 5(b))	2,525,303	316,371	0.30	-	-	-
Granted, broker warrants on private placement (note 5(b))	137,280	39,193	0.30	-	-	-
Exercised (note 5(b))	(66,667)	(5,813)	0.25	-	-	-
Expired (i)	(80,000)	(99,269)	(2.71)	-	-	-
Balance, end of period	1,398,140	\$ 785,638	\$ 1.11	1,331,240	\$ 1,180,955	\$ 3.00
Weighted average remaining contractual life (years)	1.35 years			1.76 years		

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

	2017	2016
Expected life	2.0 years	-
Risk free interest rate	0.52%	-
Dividend yield	nil	-
Expected volatility	160%	-

- (i) On December 11, 2016, 80,000 warrants with an exercise price of \$3.25 expired.

#### (e) Per share amounts

The weighted average number of common shares outstanding for the three months ended February 28, 2017 was 7,694,036 (February 29, 2016 – 2,020,653), respectively. The dilution created by options and warrants has not been reflected in the per share amounts as the effect would be anti-dilutive.

# LUMINOR MEDICAL TECHNOLOGIES INC. (Formerly Miraculins Inc.)

## Notes to the Financial Statements

Three months ended February 28, 2017 and February 29, 2016  
(Unaudited)

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### 6. Commitments and contingencies:

#### (a) Commitments

As at February 28, 2017 and in the normal course of business, the Company has obligations to make future payments, representing contracts and other commitments that are known and committed.

#### (b) Guarantees

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

#### (b) Royalties

The Company is obligated to pay royalties to PreMD based on any future commercial sales of PreVu<sup>®</sup> Skin Cholesterol test equal to 10% of gross revenue associated with PreVu<sup>®</sup> (Note 10). The Company retains the right to buy-out the royalty at anytime for a one-time payment of \$1,000,000. There were no royalties paid or accrued during the three months ended February 28, 2017 (February 29, 2016 – nil).

The Company is obligated to pay royalties to Canada-Israel Industrial Research and Development Foundation ("CIIRDF") based on any future product revenues, if any, from the exploitation of the preeclampsia technology contemplated in the project funding agreement equal to 2.5 percent up to a maximum of the amounts funded under the agreement. To February 28, 2017, no royalties are due and/or payable.

The Company is obligated to pay a royalty to MSH, subject to minimum annual royalties, of a stipulated percentage of the net sales of licensed products related to the worldwide rights to commercialize a portfolio of biomarkers for use in developing diagnostic assays for the early detection of preeclampsia, if any, along with other milestone payments. If the Company sub-licenses any rights under the MSH Agreement to a third party, the Company shall pay MSH a stipulated percentage of sub-license fee and sub-license royalty fee (note 6). No royalties were paid to MSH during the three months ended February 28, 2017 (February 29, 2016 – nil).

# LUMINOR MEDICAL TECHNOLOGIES INC. (Formerly Miraculins Inc.)

## Notes to the Financial Statements

Three months ended February 28, 2017 and February 29, 2016  
(Unaudited)

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### 7. Related party transactions:

#### (a) Key management personnel compensation

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

In addition to their salaries, the Company also provides non-cash benefits and participation in the Stock Option Plan (Note 5 (c)). Compensation paid to key management personnel for the periods ended February 28, 2017 and February 29, 2016 is as follows:

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	2017	2016
Salaries, fees and short-term employee benefits	\$ 131,000	\$ 25,500
Stock based compensation	165,634	-
	\$ 296,634	\$ 25,500

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#### (b) Key management personnel and shareholder transactions

Directors and key management personnel controlled fourteen (14) percent (November 30, 2016 - twenty (20) percent) of the voting shares of the Company as at February 28, 2017.

### 8. Subsequent events

There were no significant subsequent events.