# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
# WASHINGTON, D.C. 20549

## FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended: March 31, 2019
[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 333-201719

## BIOTRICITY INC.

(Exact name of registrant as specified in its charter)

| **NEVADA** | **30-0983531** |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification) |

**275 Shoreline Drive, Suite 150**
**Redwood City, CA 94065**
(Address of principal executive offices, including zip code)
**(800) 590-4155**
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act: None

Securities Registered Pursuant to Section 12(g) of the Exchange Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in 405 of the Securities Act. Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes [X] No [ ]

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such fi les). Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | |
|---|---|
| Large accelerated filer [ ] | Accelerated filer [ ] |
| Non-accelerated filer [ ] | Smaller Reporting Company [X] |
| (Do not check if smaller reporting company) | Emerging Growth Company [X] |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. Yes [X] No [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: $36,831,750.

The number of shares outstanding of each of the registrant's classes of common stock, as of July 11, 2019, was 31,508,241 (not including 4,313,085 Exchangeable Shares, directly exchangeable into an equivalent number of shares of common stock).

DOCUMENTS INCORPORATED BY REFERENCE

None.

**BIOTRICITY INC.**

**Form 10-K**

**For the Fiscal Year Ended March 31, 2019**

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## PART I

### ITEM 1. BUSINESS

#### Summary

Biotricity Inc. (the "Company", "Biotricity", "we", "us", "our") is a leading-edge medical technology company focused on biometric data monitoring solutions. Our aim is to deliver innovative, remote monitoring solutions to the medical, healthcare, and consumer markets, with a focus on diagnostic and post-diagnostic solutions for lifestyle and chronic illnesses. We approach the diagnostic side of remote patient monitoring by applying innovation within existing business models where reimbursement is established. We believe this approach reduces the risk associated with traditional medical device development and accelerates the path to revenue. In post-diagnostic markets, we intend to apply medical grade biometrics to enable consumers to self-manage, thereby driving patient compliance and reducing healthcare costs. We intend to first focus on a segment of the multi-billion-dollar diagnostic mobile cardiac telemetry market, otherwise known as MCT.

We have developed our Bioflux MCT technology, which is comprised of a monitoring device and software component, and is currently commercialized and available in the market since April 6, 2018. The twelve months following launch was a limited market release where the company focused on the sales and market dynamics. As of April 1, 2019, the company has completed its limited market release and is now focused on sales growth and expansion. Currently, we are experiencing double digit growth through new sales and an above 80% re-order rate. This combined with the value the Company's solution brings in the diagnosis of cardiac arrhythmias, enhancement of patient outcomes, improved patient compliance, and reduction of healthcare costs is driving growth and increasing revenues.

Our principal executive office is located at 275 Shoreline Drive, Redwood City, California, and our telephone number is (800) 590-4155. We also have executive offices at 75 International Blvd., Suite 300, Toronto, ON Canada M9W 6L9. Our website address is www.biotricity.com. The information on our website is not part of this Annual Report on Form 10-K.

#### History

Our company was incorporated on August 29, 2012 in the State of Nevada. At the time of our incorporation the name of our company was Metasolutions, Inc. On January 27, 2016, we filed with the Secretary of State of the State of Nevada a Certificate of Amendment to our Articles of Incorporation (the "Certificate of Amendment"), effective as of February 1, 2016, whereby, among other things, we changed our name to Biotricity Inc.

iMedical was incorporated on July 3, 2014 under the Canada Business Corporations Act.

On February 2, 2016, we completed the acquisition of iMedical through our indirect subsidiary 1062024 B.C. LTD., a company existing under the laws of the Province of British Columbia ("Exchangeco"), as described more fully below (collectively referred to as the "Acquisition Transaction").

In connection with the closing of the Acquisition Transaction, we experienced a change of control, as:

- our sole director resigned and a new director, who was the sole director of iMedical, was appointed to fill the vacancy;

- our Chief Executive Officer and sole officer, who beneficially owned 6,500,000 shares of our common stock, resigned from all positions and transferred all of his shares back to us for cancellation;

- the former management of iMedical were appointed as our management; and

- the former shareholders of iMedical entered into a transaction whereby their existing common shares of iMedical were exchanged for either: (a) shares in the capital of Exchangeco that are exchangeable for shares of our common stock at the same ratio as if the shareholders exchanged their common shares in iMedical at the consummation of the Acquisition Transaction for our common stock (the "Exchangeable Shares"); or (b) shares of our common stock, which (assuming exchange of all such Exchangeable Shares) would equal in the aggregate a number of shares of our common stock that constitute 90% of our issued and outstanding shares as of the date of the closing date of the Acquisition Transaction.

Immediately prior to the closing of the Acquisition Transaction, we transferred all of the then-existing business, properties, assets, operations, liabilities and goodwill of the Company, to W270 SA, a Costa Rican corporation, pursuant to an Assignment and Assumption Agreement (the "Assignment and Assumption Agreement"). We did not receive any consideration for such transfer other than to permit the facilitation of the Acquisition Transaction. Accordingly, as of immediately prior to the closing of the Acquisition Transaction, we had no assets or liabilities.

On February 2, 2016, we entered into an Exchange Agreement with 1061806 BC LTD. ("Callco"), a British Columbia corporation and our wholly owned subsidiary, Exchangeco, iMedical and the former shareholders of iMedical (the "Exchange Agreement"), whereby Exchangeco acquired 100% of the outstanding common shares of iMedical, taking into account the Exchangeable Share Transaction (as defined below). After giving effect to this transaction, we commenced operations through iMedical through our 100% ownership of Exchangeco (other than the Exchangeable Shares) and Callco.

Effective on the closing of the Acquisition Transaction:

(a) the Company issued approximately 1.197 shares of its common stock in exchange for each common share of iMedical held by iMedical shareholders who in general terms, are not residents of Canada (for the purposes of the Income Tax Act (Canada)) (the "Non-Eligible Holders");

(b) shareholders of iMedical who in general terms, are Canadian residents (for the purposes of the Income Tax Act (Canada)) (the "Eligible Holders") received approximately 1.197 Exchangeable Shares in the capital of Exchangeco in exchange for each common share of iMedical held (collectively, (a) and (b) being, the "Exchangeable Share Transaction");

(c) each outstanding option (each an "Option") to purchase common shares in iMedical (whether vested or unvested) was exchanged, without any further action or consideration on the part of the holder of such option, for approximately 1.197 economically equivalent replacement options (each a "Replacement Option") with an inverse adjustment to the exercise price of the Replacement Option to reflect the exchange ratio of approximately 1.197:1;

(d) each outstanding warrant (each a "Warrant") to purchase common shares in iMedical was adjusted, in accordance with the terms thereof, such that it entitles the holder to receive approximately 1.197 shares of the common stock of the Company for each Warrant, with an inverse adjustment to the exercise price of the Warrants to reflect the exchange ratio of approximately 1.197:1;

(e) each outstanding advisor warrant (each an "Advisor Warrant") to purchase common shares in iMedical was adjusted, in accordance with the terms thereof, such that it entitles the holder to receive approximately 1.197 shares of the common stock of the Company for each Advisor Warrant, with an inverse adjustment to the exercise price of the Advisor Warrants to reflect the exchange ratio of approximately 1.197:1; and

(f) the outstanding 11% secured debentures of iMedical (each a "Convertible Debenture") were adjusted, in accordance with the adjustment provisions thereof, as and from closing, so as to permit the holders to convert (and in some circumstances, permit the Company to force the conversion of) the Convertible Debentures into shares of the common stock of the Company at a 25% discount to the purchase price per share in our next offering.

Pursuant to the rights and privileges of the Exchangeable Shares, the holders of such Exchangeable Shares maintain the right to: (i) receive dividends equal to, and to be paid concurrently with, dividends paid by the Company to the holders of its common stock; (ii) vote, through the Trustee's voting of the Special Voting Preferred Stock (as defined herein), on all matters that the holders of common stock of the Company are entitled to vote upon; and (iii) receive shares of common stock of the Company upon the liquidation or insolvency of the Company or upon the redemption of such Exchangeable Shares by Exchangeco. The Exchangeable Shares do not give the holders thereof any economic, voting, or other control rights over either Exchangeco or iMedical.

As part of the Exchangeable Share Transaction, we entered into the following agreements, each dated February 2, 2016:

- Voting and Exchange Trust Agreement (the "Trust Agreement") with Exchangeco, Callco and Computershare Trust Company of Canada (the "Trustee"); and

- Support Agreement (the "Support Agreement") with Exchangeco and Callco.

Pursuant to the terms of the Trust Agreement, the parties created a trust for the benefit of its beneficiaries, which are the holders of the Exchangeable Shares, enabling the Trustee to exercise the voting rights of such holders until such time as they choose to redeem their Exchangeable Shares for shares of the common stock of the Company, and allowing the Trustee to hold certain exchange rights in respect of the Exchangeable Shares.

As a condition of the Trust Agreement and prior to the execution thereof, we filed a Certificate of Designation with the Nevada Secretary of State, effective February 2, 2016, designating a class of our preferred shares as the Special Voting Preferred Stock (the "Special Voting Preferred Stock") and issued one share of the Special Voting Preferred Stock to the Trustee.

The Special Voting Preferred Stock entitles the Trustee to exercise the number of votes equal to the number of Exchangeable Shares outstanding on a one-for-one basis during the term of the Trust Agreement. The Trust Agreement further sets out the terms and conditions under which holders of the Exchangeable Shares are entitled to instruct the Trustee as to how to vote during any stockholder meetings of our company.

Pursuant to the terms of the Trust Agreement, we granted the Trustee the right to require the Company to purchase the Exchangeable Shares from any beneficiary upon the occurrence of certain events including in the event that we are bankrupt, insolvent or our business is wound up. The Trust Agreement continues to remain in force until the earliest of the following events: (i) no outstanding Exchangeable Shares are held by any beneficiary under the Trust Agreement; and (ii) each of iMedical and us elects to terminate the Trust Agreement in writing and the termination is approved by the beneficiaries.

Pursuant to the terms of the Support Agreement, we agreed to certain covenants while the Exchangeable Shares were outstanding, including: (i) not to declare or pay any dividends on our common stock unless Exchangeco simultaneously declares or pays an equivalent dividend for the holders of the Exchangeable Shares; (ii) advising Exchangeco in advance of any dividend declaration by the Company; (iii) ensure that the record date for any dividend or other distribution declared on the shares of the Company is not less than seven days after the declaration date of such dividend or other distribution; (iv) taking all actions reasonably necessary to enable Exchangeco to pay and otherwise perform its obligations with respect to the issued and outstanding Exchangeable Shares; (v) to ensure that shares of the Company or other property are delivered to holders of Exchangeable Shares upon the liquidation or insolvency of the Company, the holders' election to cause the Company to issue shares of its common stock in exchange for the Exchangeable Shares, or as otherwise set out in the agreement and in the rights and restrictions of the Exchangeable Shares; and (vi) reserving for issuance and keeping available from our authorized common stock such number of shares as may be equal to: (A) the number of Exchangeable Shares issued and outstanding from time to time; and (B) the number of Exchangeable Shares issuable upon the exercise of all rights to acquire Exchangeable Shares from time to time.

The Support Agreement also outlines certain restrictions on our ability to issue any dividends, rights, options or warrants to all or substantially all of our stockholders during the term of the agreement unless the economic equivalent is provided to the holders of Exchangeable Shares. The Support Agreement is governed by the laws of the Province of Ontario.

**Description of Business**

***Company Overview***

We are a leading-edge medical technology company focused on solutions that enable biometric data monitoring. Our aim is to deliver innovative, remote monitoring technologies to the medical, healthcare, and consumer markets, with a focus on diagnostic and post-diagnostic solutions for lifestyle and chronic illnesses. We service the diagnostic side of remote patient monitoring by applying innovation within their existing business models, where physician reimbursement is established. We believe this approach reduces the risk associated with traditional medical device development and accelerates the path to revenue. In post-diagnostic markets, we intend to apply medical grade biometrics to enable consumers to self-manage, thereby driving patient compliance and reducing healthcare costs. We are first focusing on a segment of the multi-billion-dollar diagnostic mobile cardiac telemetry market, otherwise known as MCT.

To date, we have developed our Bioflux MCT technology which is comprised of a monitoring device and software component, verified our business model, and built strategic partnerships to accelerate our market strategy and growth. We started commercial sale, through a limited market release, of our technology to customers in April 2018.

We have established a research partnership with the University of Calgary to determine the predictive value of electrocardiogram (ECG) readings in preventative healthcare applications. The study is designed to identify novel patterns in ECG readings that may be translated into probability models for use in the development of proprietary algorithms for diagnostic applications, and to determine if ECG readings have predictive value for use in preventative healthcare applications, such as self-managed care. The research is partly funded by the National Research Council of Canada. As part of the collaboration, we have the right to license any intellectual property discovered, created or reduced to practice in the performance of the collaboration that was created solely by the University's personnel. Otherwise, we own all intellectual property resulting from the collaboration. The term of the collaboration is until December 31, 2020.

***Market Overview***

Chronic diseases are the number one burden on the healthcare system, driving up costs year over year. Lifestyle related illnesses such as obesity and hypertension are the top contributing factors of chronic conditions including diabetes and heart disease. Government and healthcare organizations are focused on driving costs down by shifting to evidence-based healthcare where individuals, especially those suffering from chronic illnesses, engage in self-management. This has led to growth in the connected health market, which is projected to reach $150 billion by 2024 at a compound annual growth rate (CAGR) of 30%[1]. Remote patient monitoring (RPM), one of the key areas of focus for self-management and evidence-based practice, is projected to reach $31.3 billion by 2023[2]. Currently, more than seven million patients benefit from remote monitoring and the use of connected medical devices[3], and nearly 1,800 hospitals[4] in the US are using mobile applications to improve risk management and care quality.

The number one cost to the healthcare system is cardiovascular disease , estimated to be responsible for 1 in every 6 healthcare dollars spent in the US[5]. Since cardiovascular disease is the number one cause of death worldwide, early detection, diagnosis, and management of chronic cardiac conditions are necessary to relieve the increasing burden on the healthcare infrastructure. Diagnostic tests such as ECGs are used to detect, diagnose and track certain types of cardiovascular conditions. We believe that the rise of lifestyle related illnesses associated with heart disease has created a need to develop cost-effective diagnostic mechanisms to fill a hole in the current ECG market.

The global ECG market is growing at a CAGR of 5.6%[6]. The factors driving this market include an aging population, an increase in chronic diseases related to lifestyle choices, improved technology in diagnostic ECG devices, and high growth rates of ECG device sales. As of 2015, the United States accounted for approximately 27% of the global ECG market[7] and is comprised of three major segments: resting (non-stress) ECG systems, stress ECG systems, and holter monitoring systems.

In the US, MCT tests are primarily conducted through outsourced Independent Diagnostic Testing Facilities (IDTFs) that are reimbursed at an estimated average rate of approximately $850 per diagnostic test, based on pricing information provided by the Centers for Medicare & Medicaid Services, a part of the U.S. Department of Health and Human Services, and weighted towards the largest markets of New York, California, Texas and Florida. Reimbursement rates can be lower in smaller markets, although the national average is $801. Further, we believe private insurers provide for similar or better reimbursement rates.

We launched a limited market release of our MCT diagnostic device and software solution in April 2018. In April 2019, we expanded our sales efforts to 11 key states, with intention to expand further and compete in the broader US market using an insourcing business model. This business model is applicable to a large portion of the total available market, which can include hospitals, physicians' offices and other IDTFs. We believe our solution's insourcing model, which empowers physicians with state of the art technology and charges technology service fees for its use, has the benefit of a reduced operating overhead for the Company, and enables a more efficient market penetration and distribution strategy.

Our vision is to revolutionize the MCT market by providing a convenient, cost-effective, integrated MCT solution, inclusive of both software and hardware for physician providers and their patients. The solution is designed as a platform to encompass multiple segments of the remote monitoring market, and the future growth of that market.

***Market Opportunity***

ECGs are a key diagnostic test utilized in the diagnosis of cardiovascular disease, the number one cause of death worldwide. The global ECG market is growing at a CAGR of 5.6%, and, assuming the U.S. continues to hold approximately 27% of the global market (based on 2017 statistics), approximately $1.8 billion would be attributed to the US ECG market[1,2]. In the US in 2016, statistics show that there were 121.5 million adults[3] living with cardiovascular disease, whereas28.2 million adults[4] had been diagnosed with the disease. The increasing market size is attributed to an aging population and an influx in chronic diseases related to lifestyle choices.

The US ECG market is divided into three major product segments:

1. Event monitoring systems;

2. Stress ECG systems; and

3. Resting (non-stress) ECG systems.

Event monitoring systems are projected to grow the fastest due to a shift from in-hospital/clinic monitoring to outpatient monitoring. This shift is expected to help reduce health care costs by limiting the number of overnight hospital stays for patient monitoring. We believe that physicians prefer event monitoring systems over resting and stress ECG systems because they provide better insight to the patient's condition for diagnostic purposes.

The event monitoring market is divided into the Holter, Event Loop and Mobile Cardiac Telemetry (MCT) product segments, of which Holter and Event Loop are the current market leaders. Amongst event monitoring systems, we believe that the preferred choice of physicians and cardiologists is MCT, because of its ability to continuously monitor patients in real-time, thereby reducing a patient's risk and a physician's liability. MCT devices have built-in arrhythmia detectors and real-time communication, which allow physicians to prescribe the device for a longer period of time; thereby enabling prolonged data collection and delivering a more complete picture for diagnosis.

We believe that Holter and Event Loop solutions compromise patient safety because they lack the ability to alert the patient in the event of an emergency. With Holter and Event Loop monitoring, ECG data is not uploaded or transmitted in real-time. Comparatively, if the patient were monitored through an MCT device with real-time ECG data transfer and cellular network access, then in the event of cardiac distress, the monitoring center would immediately send communication to the patient's physician.

In order to properly administer the MCT test, a healthcare provider must have access to three essential components:

1. The MCT device;

2. An ECG reporting software that is capable of reading the data recorded from the device; and

3. A monitoring center that collects the ECG data and responds to the patient in case of an alarm detection.

In addition, we believe that there is a shortage in the number of MCT solutions available, as the current MCT diagnostic providers essentially control all of the current MCT devices and software. Since MCT requires an FDA-cleared device (meaning for our purposes that it can be used to review medical ECG data from ECG devices), FDA-cleared ECG reporting software, and remote monitoring capabilities, very few companies have attempted to create an all-encompassing solution due to regulatory and development timelines. We believe that there are currently only 5 MCT solutions within the market. Some of these solutions are sold to the market through solutions providers that have not developed and do not manufacture their own device.

Of the five MCT systems currently available in the market, three are owned by solution providers (IDTFs) who employ an outsourcing business model, and we believe are unwilling to sell to physicians. The other two MCT providers we believe are willing to sell their solution at prohibitively high prices for devices plus upfront software costs and a per test fee for monitoring. One of these MCT devices does not have scalable software; and the other lacks monitoring software, requiring a customer to acquire third party software and incur integration expenses. In these two scenarios, the physician would have to incur upfront costs that would take time to recoup before profits are realized.

The limited number of competitors makes this an attractive market for new entrants. However, entry into the market requires a hardware device coupled with ECG software and access to a monitoring center. Two of the five MCT players have done so by building their own monitoring infrastructure, developing their own ECG software and utilizing TZ Medical's MCT device. However, this is capital intensive and we believe cost prohibitive for most hospitals and clinics. These barriers are in our opinion among the key reasons as to why Holter and Event Loop have maintained a significant portion of the US event monitoring market.

The Bioflux MCT solution and business model attempts to address these complications with its complete, turn-key solution, which consists of all three essential components: an easy-to-wear GSM-enabled cardiac monitoring device, ECG reporting software, and facilitation of physician-based monitoring that may utilize outsourced data screening. Bioflux employs an insourced business model, whereby our Bioflux device is sold to physicians; they own the device, and then use our back office technology to monitor their patient and supervise the cardiac study as they perform and read their patient's ECG; we earn technology service fees as physicians use our back office software solution. Our revenue model relies on increased market penetration through the sale of devices and the use of our back office software to service the needs of the physician. The physician, in turn, earns reimbursement as the practitioner who supervises and provides the cardiac study, obtains diagnostic data and makes treatment decisions.

Our Bioflux MCT solution is comprised of a uniquely designed monitoring device and an ECG reporting software component. We believe the Bioflux solution will:

- provide a revenue model for physicians that fits within the established insurance billing practices, with recurring reimbursements to doctors, hospitals and IDTF, since the device can be washed and used multiple times on multiple patients requiring an MCT study;

- provide built-in cellular connectivity, enabling immediate alert to user in the event of an emergency;

- provide motion tracking to detect exercise, activity, and disorientation; and

- incorporate technology that is future-ready, in that its form and function enables opportunities to develop and use technologies adjacent to the MCT market.

Following Bioflux, we intend to introduce medical-grade monitoring into the consumer market via our proposed Biolife solution, which we are designing to improve healthcare with technology that aids chronic disease prevention. Biolife is expected to be designed to empower individuals by creating a compliance optimized user experience that combines ECG data and social media interactivity with a lifestyle log. Design and development is already underway, and we are expecting to launch Biolife towards the latter part of 2020.

***Market Strategy***

The Bioflux MCT device is expected to be deployed into physicians' offices, clinics, hospitals, and IDTFs. For the prescribing physician, the MCT diagnostic read is a reimbursable service from payers such as Medicare and insurance companies. In the United States, billing codes for an MCT diagnostic read are currently available under the American Medical Association Current Procedural Terminal, with a current average reimbursement rate of $850 per read (a read is between 1 and 30 days long).

We believe that Bioflux's revenue model, which is similar to other technology *software as a service* models is a significant and disruptive departure from the pricing and reimbursement strategies of the five existing competitors in the MCT market, which apply a *closed-garden* model to MCT diagnostics, where the entire procedure and reimbursement is restricted to an outsourced model; the MCT solutions provider takes over the clinical responsibilities and earns the reimbursement and pays the physician a small administrative stipend. Bioflux's revenue and insourced business model entail differentiators that are expected to create barriers to entry for other competitors seeking to emulate our strategy.

On October 18, 2016, we announced that we have received a 510(k) clearance from the U.S. Food and Drug Administration for the software component of our Bioflux solution. On completion of required testing and submission of results, on December 18, 2017 we announced that we received our second 510(k) clearance for our Bioflux device, thereby achieving the final FDA requirement needed for Biotricity to bring Bioflux to the U.S. market. We began to roll-out our first devices to cardiologists, physicians, research scientists and other opinion leaders. On April 6, 2018, we deployed our new Bioflux remote monitoring device to its first customer – a reputed medical practice specializing in diagnosing, treating, managing, and researching diseases and disorders of the heart and vascular system. In 2019, we have begun to strategically target segments of our addressable marke of approximately 2,213 physician offices (approximately 1% of all physician offices in the U.S.), 58 hospitals (approximately 1% of all hospitals in the U.S.), and 30 IDTFs (an estimated 1% of all IDTFs in the U.S.).

***Product and Technology***

Bioflux is an advanced, integrated ECG device and software solution for the MCT market. The Bioflux device is comprised of a wet electrode and worn on a belt clip around the waist. The Bioflux ECG reporting software will allow doctors and labs to view a patient's ECG data for monitoring and diagnostic purposes. Both the device and software are in accordance with MCT billing code standards, compliant with arrhythmia devices and alarms as defined by the FDA, and require 510(k) clearance, which has been obtained.

The Bioflux device has been developed, among other things, with the following features:

- GSM mobile chip for global cellular network compatibility;
- Touch-screen LCD viewer; and
- Extended battery pack for an additional 48 hours of battery life.

The Bioflux platform has a built-in cellular chipset and a real-time embedded operating system which allows for our technology to be utilized as an Internet of Things (IoT) platform. This technology can be leveraged into other applications and industries by utilizing the platform and OS side of Bioflux.

***Future Markets***

In the next few years, we intend to expand use of our technology platform with medical-grade solutions for the monitoring of blood pressure, diabetes, sleep apnea, chronic pain, as well as fetal monitoring, and other adjacent healthcare and lifestyle markets.

***Preventative Care.*** It is widely reported that chronic illnesses related to lifestyle diseases are on the rise, resulting in increased healthcare costs. This has caused a major shift in the US healthcare market, emphasizing a need for evidence-based healthcare system focused on overall health outcomes. Patient compliance is a critical component in driving improved health outcomes, where the patient adheres to and implements their physician's recommendation. Unfortunately, poor patient compliance is one of the most pressing issues in the healthcare market. One of the key contributing factors to this is the lack of a feedback mechanism to measure improvement and knowledge. Studies show that poor patient compliance costs the US healthcare system $100 to $289 billion annually[1], representing 3% to 10% of total US healthcare costs[2]. Studies have proven that regular monitoring of chronic care conditions improves patient outcomes in the form of lower morbidity rates and reduce the financial burden on the healthcare system by empowering preventative care. The Company has developed a technology that will support medical practitioners as they gather data and regularly monitor and treat patients with two or more of the top ten chronic care conditions that plague individuals. We expect that Biolife, our planned second product, will be focused on filling this need by developing a clinically relevant, preventative care and disease management solution for the consumer. A key underlying component of Biolife is expected to be the ability to measure patient improvements—with clinical accuracy—which will drive feedback and eventual patient compliance. This approach is implemented in our development process by focusing on a disease/chronic illness profile, as opposed to a customer profile. We are focused on cardiovascular disease for its first preventative care solution since Bioflux is aimed at the same health segment. This will enable us to leverage the knowledge and expertise gained with Bioflux and apply it to Biolife.

With the knowledge and expertise gained during the development of the Bioflux MCT solution, we have developed a secondary device, Biolife, aimed at the preventative consumer healthcare market. Biolife is a health and lifestyle solution comprised of an ECG monitoring device, an app, and social media support. Biolife will track, simplify and generate a user's health pattern score by aggregating medical grade ECG data with a lifestyle log. The idea is to provide real-time feedback and a social support system, so that the individual is motivated to be proactive about preventing adverse cardiac complications.

Biolife's target market are individuals between 45 to 75, and those at risk for cardiovascular disease and other chronic health illnesses who want the support of making lifestyle changes to have a better quality of life.

We are currently prepared to enter future markets for users that are interested in:

- Self-management of cardiovascular disease and other related chronic diseases;
- Users seeking lifestyle and wellness applications for remote ECG monitoring; and
- Users seeking a predictive and prognostic solution using ECG (known as Heart Rate Variability).

***Adjacent Chronic Healthcare Markets and Prenatal Care.*** In the next few years, we intend to expand our reach with medical-grade solutions for diabetes, sleep apnea, fetal monitoring, and other adjacent healthcare and lifestyle markets.

Bionatal is a proposed solution for monitoring the fetus' health by remote cardiac monitoring. In the US, there were approximately 24,073 fetal deaths at 20 or more weeks gestation in 2012[3]. The rise of older mothers and mothers with chronic conditions have driven high-risk pregnancies to a new high; high-risk complications now occur in 6 to 8 percent of all pregnancies[4].

***Holter and Event Monitoring***. The Holter and Event Loop monitors are significantly simplified versions of an MCT device without a cellular connectivity solution. Holter and Event Loop monitors require data to be downloaded manually, for test periods of 24 hours to 30 days. The Bioflux MCT device software has been adjusted to be able to be used as a Holter or an Event loop monitor, which has already opened up the Holter and Event Loop monitor markets, by combining with Bioflux's global cellular chipset to become a 3 in 1 device that is applicable to the global event monitoring market. However, the Company is also developing new technology that is applicable to this space. , which will continue to adhere to the Company's revenue modelof deriving its main sources of income from technology fees.

**Competition**

The medical technology equipment industry is characterized by strong competition and rapid technological change. There are a number of companies developing technologies that are competitive to our existing and proposed products, many of them, when compared to our Company, having significantly longer operational history and greater financial and other resources.

Within the US event monitoring systems market, we are aware of six main competitors in the MCT product segment. These competitors have increased market presence and distribution primarily by working through existing IDTFs. The existing competitors have maintained a competitive advantage within the market by controlling the distribution of all available MCT devices and software solutions. Our primary competitors in the MCT market are:

● *Biotelemetry (formerly CardioNet)*. We believe that CardioNet, LLC, a subsidiary of BioTelemetry, Inc. (NASDAQ:BEAT), has the largest network of IDTFs within the MCT market. CardioNet is considered a complete solution provider as it produces and distributes its own MCT device, software solution, and MCT monitoring centers. The company acquired its MCT device through the acquisition of a MCT manufacturer, Braemar. Upon acquisition of Braemar, CardioNet offered limited support to other clients utilizing Braemar's technology. This resulted in CardioNet increasing the use of its device and software solution, enabling wide market penetration. We believe that CardioNet's business model is focused on providing the MCT diagnostic service, as opposed to selling MCT solutions to other IDTFs or service providers, which enables a perpetual per-read fee as opposed to one time device or software sales. Equity research analysts categorize CardioNet as a clinical health provider, because of its business model, rather than as a medical device company. As such, we believe that CardioNet's market cap is limited by the low multiples associated with that type of business, and, as a clinical health provider, CardioNet has significant overhead and fixed costs associated with monitoring centers and health professionals.

● *LifeWatch AG (Acquired by Biotelemtry)*. LifeWatchAG (SIX Swiss Exchange:LIFE) is a public company with primary operations in Switzerland, the United States and Israel. LifeWatch operates a large network of IDTFs. LifeWatch is smaller relative to CardioNet, yet we believe it follows the same business model. To this end, LifeWatch has developed its own MCT device and software solution, as well as established MCT monitoring centers.

● *Preventice (formerly eCardio.)* eCardio is a private company, based in Houston, Texas. eCardio's device is manufactured by a third party medical device company, TZ Medical. eCardio has integrated TZ Medical's device with its software solution to create a complete MCT solution. Similar to LifeWatch and CardioNet, we believe eCardio follows the same business model of offering the MCT service and acting as a clinical health provider.

● *Linecare*. Linecare is a private company, based in Clearwater, Florida. We believe that Linecare's main focus is respiratory care, but it also has franchises in diagnostic care, including the MCT product segment of the ECG monitoring market. Linecare has followed a similar approach as eCardio, where they have integrated TZ Medical's device into their software solution to offer a complete MCT service. Similarly, it acts as a clinical health provider and offers its MCT service as an outsourced offering to the physician.

● *ScottCare*. ScottCare is a private company in the US and a subsidiary of Scott Fetzer Company, a division of Berkshire Hathaway. ScottCare provides equipment for cardiovascular clinics and diagnostic technicians. ScottCare has built its own MCT device and software solution. Unlike the others, ScottCare offers its solution in an insourced model, where the physician has the opportunity to bill. This model requires the physician to purchase a minimum number of devices at an approximate average cost of $2,000 and their software at a cost of $25,000 to $40,000. After this initial upfront cost, ScottCare charges an additional per test fee for monitoring. We believe the above model creates a long return on investment for the physician. In our opinion, this has resulted in little market penetration for ScottCare as compared to the others.

● *Infobionic*. Infobionic is a private company located in Waltham, Massachusetts. It follows a leasing model where it leases it's technology at a fixed monthly rate, whether technology is used or not. They have a complete solution, comprised of a device and software. We believe that they have a good model that will enable them to be competitive in the market. In our opinion, there is room for both Biotricity and Infobionic within the marketplace, though we believe that our solution is superior in two ways. Firstly, our device has a screen which allows better patient feedback and improved patient hookup at the clinic. Secondly, our business model is based on usage. The physician is charged a technology fee when the technology is used. If it is not used, there is no charge. This makes it attractive compared to Infobionic's model where the physician is charged even if the technology is not used.

In addition, we note that:

● *Medtronic*. Medtronic is a major medical device conglomerate. It has an MCT solution by the name of SEEQ that was added to their portfolio through the acquisition of Corventis. We have seen no significant activity or usage with SEEQ in our market analysis. We also note that SEEQ is a patch based MCT solution that only collects data on 1 lead. As such, it has strong competition from 3 lead systems which are the standard for MCT. In early 2018, Medtronic withdrew SEEQ from the marketplace. We do not view Medtronic as a primary competitor, but, given the size and reach of Medtronic, they are an organization that we must continuously watch and be aware of.

● *TZ Medical*. TZ Medical is a medical device company that focuses on manufacturing a variety of medical devices. We do not consider TZ Medical to be a direct competitor as they produce an MCT device that is available for purchase, sold to competitors such as to eCardio, described above. However, we do not believe that TZ Medical has a software solution, requiring any new entrant to either acquire or build out a software solution and then integrate that with the TZ Medical device. This creates a requirement for a large upfront capital investment. As a result, we believe this approach only works for organizations looking to become MCT solution providers with the same business model as the others.

We believe that our Bioflux MCT solution will successfully compete because:

- it is designed as a platform to encompass all segments of the event monitoring market;
- of the insourcing business model which we believe is applicable to a significantly larger portion of the total available market and enable more efficient strategic penetration and distribution; and
- for the other reasons described earlier under "–Market Opportunity."

**Intellectual Property**

We primarily rely on trade secret protection for our proprietary information. No assurance can be given that we can meaningfully protect our trade secrets. Others may independently develop substantially equivalent confidential and proprietary information or otherwise gain access to, or disclose, our trade secrets.

We acquired a customized version FDA cleared ECG reporting software, for use in MCT, from CardioComm Solutions Inc. Use of this software is exclusive to Bioflux for the MCT market, except that CardioComm may continue to work with its pre-existing relationships in respect to existing MCT Solutions, including TZ Medical; however, we do not believe that any of such pre-existing relationships have incorporated CardioComm's software in their solutions at this time. The exclusivity is indefinite unless earlier terminated in accordance with the terms of the agreement, including termination by CardioComm if we fail to remain current in the payment of applicable royalty fees. Now that CardioComm has delivered the final software to us, and given that we have received 510(k) clearance from the FDA, we will be required to pay a royalty fee equal to a $20.00 ECG cardio-scan fee, on a per patient and an as-collected basis, managed through the software, provided that the minimum annual royalty fee shall be $75,000 for the first year and $150,000 per annum thereafter.

We have and generally plan to continue to enter into non-disclosure, confidentiality and intellectual property assignment agreements with all new employees as a condition of employment. In addition, we intend to also generally enter into confidentiality and non-disclosure agreements with consultants, manufacturers' representatives, distributors, suppliers and others to attempt to limit access to, use and disclosure of our proprietary information. There can be no assurance, however, that these agreements will provide meaningful protection or adequate remedies for our trade secrets in the event of unauthorized use or disclosure of such information.

We also may from time to time rely on other intellectual property developed or acquired, including patents, technical innovations, laws of unfair competition and various other licensing agreements to provide our future growth and to build our competitive position. We have filed an industrial design patent in Canada, and we may decide to file for additional patents as we continue to expand our intellectual property portfolio. However, we can give no assurance that competitors will not infringe on our patent or other rights or otherwise create similar or non-infringing competing products that are technically patentable in their own right.

Currently, we do not have any registered copyrights; however, we may obtain such registrations in the future.

**Research and Development**

Our research and development programs are generally pursued by engineers and scientists employed by us in California and Toronto on a full-time basis or hired as per diem consultants or through partnerships with industry leaders in manufacturing and design and researchers and academia. We are also working with subcontractors in developing specific components of our technologies.

The primary objective of our research and development program is to advance the development of our existing and proposed products, to enhance the commercial value of such products.

We incurred research and development costs of $1,282,746 for the fiscal year ended March 31, 2019 and $1,762,561 for the fiscal year ended March 31, 2018.

**Government Regulation**

***General***

Our proposed product is subject to regulation by the U.S. Food and Drug Administration and various other federal and state agencies, as well as by foreign governmental agencies. These agencies enforce laws and regulations that govern the development, testing, manufacturing, labeling, advertising, marketing and distribution, and market surveillance of the our medical device products.

In addition to those indicated below, the only other regulations we encounter are regulations that are common to all businesses, such as employment legislation, implied warranty laws, and environmental, health and safety standards, to the extent applicable. We will also encounter in the future industry-specific government regulations that would govern our products, if and when developed for commercial use. It may become the case that other regulatory approvals will be required for the design and manufacture of our products and proposed products.

***U.S. Regulation***

The FDA governs the following activities that Biotricity performs, will perform, upon the clearance or approval of its product candidates, or that are performed on its behalf, to ensure that medical products distributed domestically or exported internationally are safe and effective for their intended uses:

- product design, and development;
- product safety, testing, labeling and storage;
- record keeping procedures; and
- product marketing.

There are numerous FDA regulatory requirements governing the approval or clearance and subsequent commercial marketing of Biotricity's products. These include:

- the timely submission of product listing and establishment registration information, along with associated establishment user fees;
- continued compliance with the Quality System Regulation, or QSR, which require specification developers and manufacturers, including third-party manufacturers, to follow stringent design, testing, control, documentation and other quality assurance procedures during all aspects of the manufacturing process;

- labeling regulations and FDA prohibitions against the promotion of products for uncleared, unapproved or off-label use or indication;

- clearance or approval of product modifications that could significantly affect the safety or effectiveness of the device or that would constitute a major change in intended use;

- Medical Device Reporting regulations (MDR), which require that manufacturers keep detailed records of investigations or complaints against their devices and to report to the FDA if their device may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if it were to recur;

- adequate use of the Corrective and Preventive Actions process to identify and correct or prevent significant systemic failures of products or processes or in trends which suggest same;

- post-approval restrictions or conditions, including post-approval study commitments;

- post-market surveillance regulations, which apply when necessary to protect the public health or to provide additional safety and effectiveness data for the device; and

- notices of correction or removal and recall regulations.

Unless an exemption applied, before Biotricity can commercially distribute medical devices in the United States, it had to obtain, depending on the classification of the device, either prior 510(k) clearance, 510(k) de-novo clearance or premarket approval (PMA), from the FDA. The FDA classifies medical devices into one of three classes based on the degree of risk associated with each medical device and the extent of regulatory controls needed to ensure the device's safety and effectiveness:

Class I devices, which are low risk and subject to only general controls (e.g., registration and listing, medical device labeling compliance, MDRs, Quality System Regulations, and prohibitions against adulteration and misbranding) and, in some cases, to the 510(k) premarket clearance requirements;

Class II devices, which are moderate risk and generally require 510(k) or 510(k) de-novo premarket clearance before they may be commercially marketed in the United States as well as general controls and potentially special controls like performance standards or specific labeling requirements; and

Class III devices, which are devices deemed by the FDA to pose the greatest risk, such as life-sustaining, life-supporting or implantable devices, or devices deemed not substantially equivalent to a predicate device. Class III devices generally require the submission and approval of a PMA supported by clinical trial data.

The custom software and hardware of our products are classified as Class II. Class II devices are those for which general controls alone are insufficient to provide reasonable assurance of safety and effectiveness and there is sufficient information to establish special controls. Special controls can include performance standards, post-market surveillance, patient histories and FDA guidance documents. Premarket review and clearance by the FDA for these devices is generally accomplished through the 510(k) or 510(k) de-novo premarket notification process. As part of the 510(k) or 510(k) de-novo notification process, the FDA may have required the following:

- Development of comprehensive product description and indications for use.

- Completion of extensive preclinical tests and preclinical animal studies, performed in accordance with the FDA's Good Laboratory Practice (GLP) regulations.

- Comprehensive review of predicate devices and development of data supporting the new product's substantial equivalence to one or more predicate devices.

- If appropriate and required, certain types of clinical trials (IDE submission and approval may be required for conducting a clinical trial in the US).

Clinical trials involve use of the medical device on human subjects under the supervision of qualified investigators in accordance with current Good Clinical Practices (GCPs), including the requirement that all research subjects provide informed consent for their participation in the clinical study. A written protocol with predefined end points, an appropriate sample size and pre-determined patient inclusion and exclusion criteria, is required before initiating and conducting a clinical trial. All clinical investigations of devices to determine safety and effectiveness must be conducted in accordance with the FDA's Investigational Device Exemption, or IDE, regulations that among other things, govern investigational device labeling, prohibit promotion of the investigational device, and specify recordkeeping, reporting and monitoring responsibilities of study sponsors and study investigators. If the device presents a "significant risk," as defined by the FDA, the agency requires the device sponsor to submit an IDE application, which must become effective prior to commencing human clinical trials. The IDE will automatically become effective 30 days after receipt by the FDA, unless the FDA denies the application or notifies the company that the investigation is on hold and may not begin. If the FDA determines that there are deficiencies or other concerns with an IDE that requires modification, the FDA may permit a clinical trial to proceed under a conditional approval. In addition, the study must be approved by, and conducted under the oversight of, an Institutional Review Board (IRB) for each clinical site. If the device presents a non-significant risk to the patient, a sponsor may begin the clinical trial after obtaining approval for the trial by one or more IRBs without separate approval from the FDA, but it must still follow abbreviated IDE requirements, such as monitoring the investigation, ensuring that the investigators obtain informed consent, and labeling and record-keeping requirements.

Given successful completion of all required testing, a detailed 510(k) premarket notification or 510(k) de-novo was submitted to the FDA requesting clearance to market the product. The notification included all relevant data from pertinent preclinical and clinical trials, together with detailed information relating to the product's manufacturing controls and proposed labeling, and other relevant documentation.

A 510(k) clearance letter from the FDA then authorized commercial marketing of the device for one or more specific indications of use.

After 510(k) clearance, Biotricity is required to comply with a number of post-clearance requirements, including, but not limited to, Medical Device Reporting and complaint handling, and, if applicable, reporting of corrective actions. Also, quality control and manufacturing procedures must continue to conform to QSRs. The FDA periodically inspects manufacturing facilities to assess compliance with QSRs, which impose extensive procedural, substantive, and record keeping requirements on medical device manufacturers. In addition, changes to the manufacturing process are strictly regulated, and, depending on the change, validation activities may need to be performed. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain compliance with QSRs and other types of regulatory controls.

After a device receives 510(k) clearance from FDA, any modification that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use or technological characteristics, requires a new 510(k) clearance or could require a PMA. The FDA requires each manufacturer to make the determination of whether a modification requires a new 510(k) notification or PMA in the first instance, but the FDA can review any such decision. If the FDA disagrees with a manufacturer's decision not to seek a new 510(k) clearance or PMA for a particular change, the FDA may retroactively require the manufacturer to seek 510(k) clearance or PMA. The FDA can also require the manufacturer to cease U.S. marketing and/or recall the modified device until additional 510(k) clearance or PMA approval is obtained.

The FDA and the Federal Trade Commission, or FTC, will also regulate the advertising claims of Biotricity's products to ensure that the claims it makes are consistent with its regulatory clearances, that there is scientific data to substantiate the claims and that product advertising is neither false nor misleading.

We received 510(k) clearance for both the software and hardware components of our Bioflux product. To obtain 510(k) clearance, a company must submit a notification to the FDA demonstrating that its proposed device is substantially equivalent to a predicate device (i.e., a device that was in commercial distribution before May 28, 1976, a device that has been reclassified from Class III to Class I or Class II, or a 510(k)-cleared device). The FDA's 510(k) clearance process generally takes from three to 12 months from the date the application is submitted but also can take significantly longer. If the FDA determines that the device or its intended use is not substantially equivalent to a predicate device, the device is automatically placed into Class III, requiring the submission of a PMA. Once the information is submitted, there is no guarantee that the FDA will grant a company 510(k) clearance for its pipeline products, and failure to obtain the necessary clearances for its products would adversely affect its ability to grow its business. Delays in receipt or failure to receive the necessary clearances, or the failure to comply with existing or future regulatory requirements, could reduce its business prospects.

Devices that cannot be cleared through the 510(k) process due to lack of a predicate device but would be considered low or moderate risk may be eligible for the 510(k) de-novo process. In 1997, the Food and Drug Administration Modernization Act, or FDAMA added the de novo classification pathway now codified in section 513(f)(2) of the FD&C Act. This law established an alternate pathway to classify new devices into Class I or II that had automatically been placed in Class III after receiving a Not Substantially Equivalent, or NSE, determination in response to a 510(k) submission. Through this regulatory process, a sponsor who receives an NSE determination may, within 30 days of receipt, request FDA to make a risk-based classification of the device through what is called a "de novo request." In 2012, section 513(f)(2) of the FD&C Act was amended by section 607 of the Food and Drug Administration Safety and Innovation Act (FDASIA), in order to provide a second option for de novo classification. Under this second pathway, a sponsor who determines that there is no legally marketed device upon which to base a determination of substantial equivalence can submit a de novo request to FDA without first submitting a 510(k).

In the event that a company receives a Not Substantially Equivalent determination for its candidates in response to a 510(k) submission, the device may still be eligible for the 510(k) de-novo classification process.

Devices that cannot be cleared through the 510(k) or 510(k) de-novo classification process require the submission of a PMA. The PMA process is much more time consuming and demanding than the 510(k) notification process. A PMA must be supported by extensive data, including but not limited to data obtained from preclinical and/or clinical studies and data relating to manufacturing and labeling, to demonstrate to the FDA's satisfaction the safety and effectiveness of the device. After a PMA application is submitted, the FDA's in-depth review of the information generally takes between one and three years and may take significantly longer. If the FDA does not grant 510(k) clearance to its future products, there is no guarantee that Biotricity will submit a PMA or that if it does, that the FDA would grant a PMA approval of Biotricity's future products, either of which would adversely affect Biotricity's business.

We also need to establish a suitable and effective quality management system, which establishes controlled processes for our product design, manufacturing, and distribution. We plan to do this in compliance with the internationally recognized standard ISO 13485:2013 Medical Devices – Quality Management Systems – Requirements for Regulatory Purposes. Following the introduction of a product, the FDA and foreign agencies engage in periodic reviews of our quality systems, as well as product performance and advertising and promotional materials. These regulatory controls, as well as any changes in FDA policies, can affect the time and cost associated with the development, introduction and continued availability of new products. Where possible, we anticipate these factors in our product development processes. These agencies possess the authority to take various administrative and legal actions against us, such as product recalls, product seizures and other civil and criminal sanctions.

***Foreign Regulation***

In addition to regulations in the United States, we will be subject to a variety of foreign regulations governing clinical trials and commercial sales and distribution of our products in foreign countries. Whether or not we obtain FDA approval for a product, we must obtain approval of a product by the comparable regulatory authorities of foreign countries before we can commence clinical trials or marketing of the product in those countries. The approval process varies from country to country, and the time may be longer or shorter than that required for FDA approval. The requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from country to country.

The policies of the FDA and foreign regulatory authorities may change and additional government regulations may be enacted which could prevent or delay regulatory approval of our products and could also increase the cost of regulatory compliance. We cannot predict the likelihood, nature or extent of adverse governmental regulation that might arise from future legislative or administrative action, either in the United States or abroad.

**Manufacturing and Suppliers**

Until recently, we have focused primarily on research and development of the first generation version of the Bioflux, as well as starting the prototyping of Biolife and proposed marketing and distribution, we are not yet at a stage to commence volume production of our products. We currently assemble our devices at our Redwood City, California facility. In order to maintain compliance with FDA and other regulatory requirements, our manufacturing facilities must be periodically re-evaluated and qualified under a quality system to ensure they meet production and quality standards. Suppliers of components and products used to manufacture our devices must also comply with FDA regulatory requirements, which often require significant resources and subject us and our suppliers to potential regulatory inspections and stoppages.

We have a scalable manufacturing strategy and goals and use Providence Enterprises, which is an FDA qualified manufacturer for contract manufacturing. We do not have a contract with Providence or any obligation to use them (nor do they have any obligations with respect to us other than with respect to any specific orders we may make) and we enter into purchase orders for each manufacturing request we have with Providence, as we would with other vendors. Despite our working relationship with Providence, we intend to continue to identify and develop other efficient, automated, low-cost manufacturing capabilities and options to meet the quality, price, engineering, design and production standards or production volumes required to successfully mass market our products, especially at the low-cost levels we require to facilitate and absorb the near-free distribution of our products pursuant to our proposed business plan.

We currently rely on a number of principal suppliers for the components that make up our products and proposed products; these include Digikey Corporation and Mouser Electronics for electronics and connectors, Stolmann for Bluetooth modules, Yongan Innovations for batteries, Dongguan Bole RP&M Cp. Ltd. for plastics, Unimed Medical for ECG cables, and Medico Systems for touch-panel LCD displays. We believe that the raw materials used or expected to be used in our planned products can be acquired from multiple sources and are readily available on the market.

**Employees**

We currently have 18 full-time employees and approximately 20 consultants who are based in our offices located in Silicon Valley, California and Toronto, Canada. These employees oversee day-to-day operations of the Company and, with the consultants, support management, engineering, manufacturing, and administration. We have no unionized employees.

Subject to funding constraints, in 2019 and 2020, we currently plan to hire 20 to 25 additional full-time employees within the next 12 months, whose principal responsibilities will be the support of our sales, marketing, research and development, and clinical development activities.

We consider relations with our employees to be satisfactory.

**ITEM 1A. RISK FACTORS**

**Risks Related to Our Business**

***We have a limited operating history upon which investors can evaluate our future prospects.***

We have a limited operating history upon which an evaluation of its business plan or performance and prospects can be made. The business and prospects of the Company must be considered in the light of the potential problems, delays, uncertainties and complications encountered in connection with a newly established business and new industry. The risks include, but are not limited to, the possibility that we will not be able to develop functional and scalable products and services, or that although functional and scalable, our products and services will not be economical to market; that our competitors hold proprietary rights that preclude us from marketing such products; that our competitors market a superior or equivalent product; that we are not able to upgrade and enhance our technologies and products to accommodate new features and expanded service offerings; or the failure to receive necessary regulatory clearances for our products. To successfully introduce and market our products at a profit, we must establish brand name recognition and competitive advantages for our products. There are no assurances that we can successfully address these challenges. If it is unsuccessful, we and our business, financial condition and operating results could be materially and adversely affected.

The current and future expense levels are based largely on estimates of planned operations and future revenues rather than experience. It is difficult to accurately forecast future revenues because our business is new and our market has not been developed. If our forecasts prove incorrect, the business, operating results and financial condition of the Company will be materially and adversely affected. Moreover, we may be unable to adjust our spending in a timely manner to compensate for any unanticipated reduction in revenues. As a result, any significant reduction in revenues would immediately and adversely affect our business, financial condition and operating results.

***We have, until recently, had no revenues and we cannot predict when we will achieve sustained profitability.***

We have not been profitable and cannot definitely predict when we will achieve profitability. We have experienced net losses and have had no revenues since our and our predecessor's inception in 2009. We do not anticipate generating significant revenues until we successfully continue to develop, commercialize and sell our existing and proposed products, of which we can give no assurance. We are unable to determine when we will generate significant revenues from the sale of any such products.

We cannot predict when we will achieve profitability, if ever. Our inability to become profitable may force us to curtail or temporarily discontinue our research and development programs and our day-to-day operations. Furthermore, there can be no assurance that profitability, if achieved, can be sustained on an ongoing basis. As of March 31, 2019, we had an accumulated deficit of $35,039,495.

***We may never complete the commercialization and future development of new generations of the Bioflux or any of our other proposed products.***

We have no assurance of success as to the completion of the commercial piloting of the Bioflux or the completion and development of any new generations of that product or other proposed or contemplated product, for any of our target markets. We continue to seek to improve our technologies before we are able to develop them and produce commercially viable products. Failure to improve on any of our technologies could delay or prevent their successful development for any of our target markets.

Developing any technology into a marketable product is a risky, time consuming and expensive process. You should anticipate that we will encounter setbacks, discrepancies requiring time consuming and costly redesigns and changes, and that there is the possibility of outright failure.

***We may not meet our product development and commercialization milestones.***

We have established milestones, based upon our expectations regarding our technologies at that time, which we use to assess our progress toward developing our products. These milestones relate to technology and design improvements as well as dates for achieving development goals. If our products exhibit technical defects or are unable to meet cost or performance goals, our commercialization schedule could be delayed and potential purchasers of our initial commercial products may decline to purchase such products or may opt to pursue alternative products.

We may also experience shortages of monitors, sensors or bases due to manufacturing difficulties. Multiple suppliers provide the components used in our devices. Our manufacturing operations could be disrupted by fire, earthquake or other natural disaster, a labor-related disruption, failure in supply or other logistical channels, electrical outages or other reasons. If there were a disruption to manufacturing facilities, we would be unable to manufacture devices until we have restored and re-qualified our manufacturing capability or developed alternative manufacturing facilities.

Generally, we have met our milestone schedules when making technological advances in our product. We can give no assurance that our commercialization schedule will continue to be met as we further develop the Bioflux or any of our other proposed products.

***Our business is dependent upon physicians utilizing our solution when prescribing cardiac monitoring; if we fail to continue to be successful in convincing physicians in utilizing our solution, our revenue could fail to grow and could decrease.***

The success of our cardiac monitoring business is dependent upon physicians utilizing our solution when prescribing cardiac monitoring to their patients. The utilization of our solution by physicians for use in the prescription of cardiac monitoring is directly influenced by a number of factors, including:

- the ability of the physicians with whom we work to obtain sufficient reimbursement and be paid in a timely manner for the professional services they provide in connection with the use of our monitoring solutions;
- continuing to establish ourselves as an arrhythmia monitoring technology company;
- our ability to educate physicians regarding the benefits of MCT over alternative diagnostic monitoring solutions;
- our demonstrating that our proposed products are reliable and supported by us in the field;
- supplying and servicing sufficient quantities of products directly or through marketing alliances; and
- pricing our devices and technology service fees in a medical device industry that is becoming increasingly price sensitive.

If we are unable to drive physician utilization, revenue from the provision of our arrhythmia monitoring solutions could fail to grow or even potentially decrease.

***We are subject to extensive governmental regulations relating to the manufacturing, labeling and marketing of our products.***

Our medical technology products and operations are subject to regulation by the FDA, Health Canada and other governmental authorities both inside and outside of the United States. These agencies enforce laws and regulations that govern the development, testing, manufacturing, labeling, advertising, marketing and distribution, and market surveillance of our medical products.

Under the United States Federal Food, Drug, and Cosmetic Act, medical devices are classified into one of three classes — Class I, Class II or Class III — depending on the degree of risk associated with each medical device and the extent of control needed to ensure safety and effectiveness. Our Bioflux device is a Class II medical device and we believe our planned products will also be Class II medical devices. Class II devices are subject to additional controls, including full applicability of the Quality System Regulations, and requirements for 510(k) pre-market notification.

From time to time, the FDA may disagree with the classification of a new Class II medical device and require the manufacturer of that device to apply for approval as a Class III medical device. In the event that the FDA determines that our Class II medical products should be classified as Class III medical devices, we could be precluded from marketing the devices for clinical use within the United States for months, years or longer, depending on the specific change the classification. Reclassification of our Class II medical products as Class III medical devices could significantly increase our regulatory costs, including the timing and expense associated with required clinical trials and other costs.

In addition to regulations in the United States, we will be subject to a variety of foreign regulations governing clinical trials and commercial sales and distribution of our products in foreign countries. Whether or not we obtain FDA approval for a product, we must obtain approval of a product by the comparable regulatory authorities of foreign countries before we can commence clinical trials or marketing of the product in those countries. The approval process varies from country to country, and the time may be longer or shorter than that required for FDA approval. The requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from country to country.

The policies of the FDA and foreign regulatory authorities may change and additional government regulations may be enacted which could prevent or delay regulatory approval of our products and could also increase the cost of regulatory compliance. We cannot predict the likelihood, nature or extent of adverse governmental regulation that might arise from future legislative or administrative action, either in the United States or abroad.

The FDA and non-U.S. regulatory authorities require that our products be manufactured according to rigorous standards. These regulatory requirements may significantly increase our production costs and may even prevent us from making our products in amounts sufficient to meet market demand. If we change our approved manufacturing process, the FDA may need to review the process before it may be used. Failure to comply with applicable regulatory requirements discussed could subject us to enforcement actions, including warning letters, fines, injunctions and civil penalties, recall or seizure of our products, operating restrictions, partial suspension or total shutdown of our production, and criminal prosecution.

Federal, state and non-U.S. regulations regarding the manufacture and sale of medical devices are subject to future changes. The complexity, timeframes and costs associated with obtaining marketing clearances are unknown. Although we cannot predict the impact, if any, these changes might have on our business, the impact could be material.

Following the introduction of a product, these agencies will also periodically review our design and manufacturing processes and product performance. The process of complying with the applicable good manufacturing practices, adverse event reporting, clinical trial and other requirements can be costly and time consuming, and could delay or prevent the production, manufacturing or sale of our products. In addition, if we fail to comply with applicable regulatory requirements, it could result in fines, delays or suspensions of regulatory clearances, closure of manufacturing sites, seizures or recalls of products and damage to our reputation. Recent changes in enforcement practice by the FDA and other agencies have resulted in increased enforcement activity, which increases the compliance risk for the Company and other companies in our industry. In addition, governmental agencies may impose new requirements regarding registration, labeling or prohibited materials that may require us to modify or re-register products already on the market or otherwise impact our ability to market our products in those countries. Once clearance or approval has been obtained for a product, there is an obligation to ensure that all applicable FDA, Health Canada and other regulatory requirements continue to be met.

Additionally, injuries caused by the malfunction or misuse of cardiac monitoring devices, even where such malfunction or misuse occurs with respect to one of our competitor's products, could cause regulatory agencies to implement more conservative regulations on the medical cardiac monitoring industry, which could significantly increase our operating costs.

***If we are not able to both obtain and maintain adequate levels of third-party reimbursement for our products, it would have a material adverse effect on our business.***

Healthcare providers and related facilities are generally reimbursed for their services through payment systems managed by various governmental agencies worldwide, private insurance companies, and managed care organizations. The manner and level of reimbursement in any given case may depend on the site of care, the procedure(s) performed, the final patient diagnosis, the device(s) utilized, available budget, the efficacy, safety, performance and cost-effectiveness of our planned products and services, or a combination of these or other factors, and coverage and payment levels are determined at each payer's discretion. The coverage policies and reimbursement levels of these third-party payers may impact the decisions of healthcare providers and facilities regarding which medical products they purchase and the prices they are willing to pay for those products. Thus, changes in reimbursement levels or methods may either positively or negatively impact sales of our products.

We have no direct control over payer decision-making with respect to coverage and payment levels for our medical device products. Additionally, we expect many payers to continue to explore cost-containment strategies (e.g., comparative and cost-effectiveness analyses, so-called "pay-for-performance" programs implemented by various public and private payers, and expansion of payment bundling schemes such as Accountable Care Organizations, and other such methods that shift medical cost risk to providers) that may potentially impact coverage and/or payment levels for our current products or products we develop.

The ability of physicians and other providers to successfully utilize our cardiac monitoring solution and successfully allow payors to reimburse for the physicians' technical and professional fees is critical to our business because physicians and their patients will select arrhythmia monitoring solutions other than ours in the event that payors refuse to adequately reimburse our technical fees and physicians' professional fees.

***Changes in reimbursement practices of third-party payers could affect the demand for our products and the prices at which they are sold.***

The sales of our proposed products could depend, in part, on the extent to which healthcare providers and facilities or individual users are reimbursed by government authorities, private insurers and other third-party payers for the costs of our products or the services performed with our products. The coverage policies and reimbursement levels of third-party payers, which can vary among public and private sources and by country, may affect which products customers' purchase and the prices they are willing to pay for those products in a particular jurisdiction. Reimbursement rates can also affect the acceptance rate of new technologies. Legislative or administrative reforms to reimbursement systems in the United States or abroad, or changes in reimbursement rates by private payers, could significantly reduce reimbursement for procedures using the Company's products or result in denial of reimbursement for those products, which would adversely affect customer demand or the price customers may be willing to pay for such products.

***We may experience difficulty in obtaining reimbursement for our services from commercial payors that consider our technology to be experimental and investigational, which would adversely affect our revenue and operating results.***

Many commercial payors refuse to enter into contracts to reimburse the fees associated with medical devices or services that such payors determine to be "experimental and investigational." Commercial payors typically label medical devices or services as "experimental and investigational" until such devices or services have demonstrated product superiority evidenced by a randomized clinical trial.

Clinical trials have been performed on other mobile cardiac telemetry devices, proving higher diagnostic yield than traditional event loop monitoring. Certain remaining commercial payors, however, have stated that they do not believe the data from the clinical trials justifies the removal of the experimental designation for mobile cardiac telemetry solutions. As a result, certain commercial payors may refuse to reimburse the technical and professional fees associated with cardiac monitoring solutions such as the one expected to be offered by Biotricity.

If commercial payors decide not reimburse physicians or providers for their services during the utilization of our cardiac monitoring solutions, our revenue could fail to grow and could decrease.

***Reimbursement by Medicare is highly regulated and subject to change; our failure to comply with applicable regulations, could decrease our expected revenue and may subject us to penalties or have an adverse impact on our business.***

The Medicare program is administered by CMS, which imposes extensive and detailed requirements on medical services providers, including, but not limited to, rules that govern how we structure our relationships with physicians, and how and where we provide our arrhythmia monitoring solutions. Our failure to comply with applicable Medicare rules could result in discontinuing the ability for physicians to receive reimbursement as they will likely utilize our cardiac monitoring solution under the Medicare payment program, civil monetary penalties, and/or criminal penalties, any of which could have a material adverse effect on our business and revenues.

***Consolidation of commercial payors could result in payors eliminating coverage of mobile cardiac monitoring solutions or reducing reimbursement rates.***

When payors combine their operations, the combined company may elect to reimburse physicians for cardiac monitoring services at the lowest rate paid by any of the participants in the consolidation. If one of the payors participating in the consolidation does not reimburse for these services at all, the combined company may elect not to reimburse at any rate. Reimbursement rates tend to be lower for larger payors. As a result, as payors consolidate, our expected average reimbursement rate may decline.

***Product defects could adversely affect the results of our operations.***

The design, manufacture and marketing of our products involve certain inherent risks. Manufacturing or design defects, unanticipated use of our products, or inadequate disclosure of risks relating to the use of our products can lead to injury or other adverse events. These events could lead to recalls or safety alerts relating to our products (either voluntary or required by the FDA, Health Canada or similar governmental authorities in other countries), and could result, in certain cases, in the removal of a product from the market. A recall could result in significant costs, as well as negative publicity and damage to our reputation that could reduce demand for our products. Personal injuries relating to the use of our products could also result in product liability claims being brought against us. In some circumstances, such adverse events could also cause delays in new product approvals.

***Interruptions or delays in telecommunications systems or in the data services provided to us by cellular communication providers or the loss of our wireless or data services could impair the delivery of our cardiac monitoring services.***

The success of Biotricity's cardiac monitoring services will be dependent upon our ability to store, retrieve, process and manage data and to maintain and upgrade our data processing and communication capabilities. The monitoring solution relies on a third party wireless carrier to transmit data over its data network. All data sent by our monitors via this wireless data network or via landline is expected to be routed directly to data centers and subsequently routed to the third party ECG monitoring centers. We are therefore dependent upon third party wireless carrier to provide data transmission and data hosting services to us. If we lose wireless carrier services, we would be forced to seek alternative providers of data transmission and data hosting services, which might not be available on commercially reasonable terms or at all.

As we expand our commercial activities, an increased burden is expected to be placed upon our data processing systems and the equipment upon which they rely. Interruptions of our data networks, or the data networks of our wireless carrier, for any extended length of time, loss of stored data or other computer problems could have a material adverse effect on our business and operating results. Frequent or persistent interruptions in our arrhythmia monitoring services could cause permanent harm to our reputation and could cause current or potential users or prescribing physicians to believe that our systems are unreliable, leading them to switch to our competitors. Such interruptions could result in liability, claims and litigation against us for damages or injuries resulting from the disruption in service.

Our systems are also expected to be vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunication failures, terrorist attacks, computer viruses, break-ins, sabotage, and acts of vandalism. Despite any precautions that we may take, the occurrence of a natural disaster or other unanticipated problems could result in lengthy interruptions in these services. We do not carry business interruption insurance to protect against losses that may result from interruptions in service as a result of system failures. Moreover, the communications and information technology industries are subject to rapid and significant changes, and our ability to operate and compete is dependent on our ability to update and enhance the communication technologies used in our systems and services.

***We could be exposed to significant liability claims if we are unable to obtain insurance at acceptable costs and adequate levels or otherwise protect ourselves against potential product liability claims.***

The testing, manufacture, marketing and sale of medical devices entail the inherent risk of liability claims or product recalls. Product liability insurance is expensive and, if available, may not be available on acceptable terms at all periods of time. A successful product liability claim or product recall could inhibit or prevent the successful commercialization of our products, cause a significant financial burden on the Company, or both, which in either case could have a material adverse effect on our business and financial condition.

***We require additional capital to support our present business plan and our anticipated business growth, and such capital may not be available on acceptable terms, or at all, which would adversely affect our ability to operate.***

We will require additional funds to further develop our business plan. Based on our current operating plans, we plan to use $7 million in capital to fund our planned operations and sales efforts necessary to propel the commercialization of Bioflux into broader markets. We can give no assurance that we will be successful in raising any additional funds. Additionally, if we are unable to generate sufficient planned revenues from our sales and operating activities, we may need to raise additional funds, doing so through debt and equity offerings, in order to meet our expected future liquidity and capital requirements, including capital required for the development completion and introduction of our other planned products and technologies. Any such financing that we undertake will likely be dilutive to current stockholders.

We intend to continue to make investments to support our business growth, including patent or other intellectual property asset creation. In addition, we may also need additional funds to respond to business opportunities and challenges, including our ongoing operating expenses, protecting our intellectual property, satisfying debt payment obligations, developing new lines of business and enhancing our operating infrastructure. While we may need to seek additional funding for such purposes, we may not be able to obtain financing on acceptable terms, or at all. In addition, the terms of our financings may be dilutive to, or otherwise adversely affect, holders of our common stock. We may also seek to raise additional funds through arrangements with collaborators or other third parties. We may not be able to negotiate any such arrangements on acceptable terms, if at all. If we are unable to obtain additional funding on a timely basis, we may be required to curtail or terminate some or all of our business plans.

***We cannot predict our future capital needs and we may not be able to secure additional financing.***

We will need to raise additional funds in the future to fund our working capital needs and to fund further expansion of our business. We may require additional equity or debt financings, collaborative arrangements with corporate partners or funds from other sources for these purposes. No assurance can be given that necessary funds will be available for us to finance our development on acceptable terms, if at all. Furthermore, such additional financings may involve substantial dilution of our stockholders or may require that we relinquish rights to certain of our technologies or products. In addition, we may experience operational difficulties and delays due to working capital restrictions. If adequate funds are not available from operations or additional sources of financing, we may have to delay or scale back our growth plans.

***The results of our research and development efforts are uncertain and there can be no assurance of the continued commercial success of our products.***

We believe that we will need to incur additional research and development expenditures to continue development of our existing proposed products as well as research and development expenditures to develop new products and services. The products and services we are developing and may develop in the future may not be technologically successful. In addition, the length of our product and service development cycle may be greater than we originally expected and we may experience delays in product development. If our resulting products and services are not technologically successful, they may not achieve market acceptance or compete effectively with our competitors' products and services.

***If we fail to retain certain of our key personnel and attract and retain additional qualified personnel, we might not be able to pursue our growth strategy.***

Our future success will depend upon the continued service of Waqaas Al-Siddiq, our President and Chief Executive Officer. Although we believe that our relationship with him is positive, there can be no assurance that his services will continue to be available to us in the future. We do not carry any key man life insurance policies on any of our executive officers.

***Recent executive and legislative actions to amend or impede the implementation of the Affordable Care Act and ongoing efforts to repeal, replace or further modify the Affordable Care Act may adversely affect our business, financial condition and results of operations.***

Recent executive and legislative actions to amend or impede the implementation of the Affordable Care Act and ongoing efforts to repeal, replace or further modify the Affordable Care Act may adversely affect our business, financial condition and results of operations.

Since its adoption into law in 2010, the Affordable Care Act has been challenged before the U.S. Supreme Court, and several bills have been and continue to be introduced in Congress to delay, defund, or repeal implementation of or amend significant provisions of the Affordable Care Act. In addition, there continues to be ongoing litigation over the interpretation and implementation of certain provisions of the law. The net effect of the Affordable Care Act, as currently in effect, on our business is subject to a number of variables, including the law's complexity, lack of complete implementing regulations and interpretive guidance, and the sporadic implementation of the numerous programs designed to improve access to and the quality of healthcare services. Additional variables of the Affordable Care Act impacting our business will be how states, providers, insurance companies, employers, and other market participants respond during this period of uncertainty surrounding the future of the Affordable Care Act.

On January 20, 2017, the President of the United States issued an executive order that, among other things, stated that it was the intent of his administration to repeal the Affordable Care Act and, pending that repeal, instructed the executive branch of the federal government to defer or delay the implementation of any provision or requirement of the Affordable Care Act that would impose a fiscal burden on any state or a cost, fee, tax or penalty on any individual, family, health care provider, or health insurer. Additionally, on October 12, 2017, the President issued another executive order requiring the Secretaries of the Departments of Health and Human Services, Labor and the Treasury to consider proposing regulations or revising existing guidance to allow more employers to form association health plans that would be allowed to provide coverage across state lines, increase the availability of short-term, limited duration health insurance plans, which are generally not subject to the requirements of the Affordable Care Act, and increase the availability and permitted use of health reimbursement arrangements. On October 13, 2017, the DOJ announced that HHS was immediately stopping its cost sharing reduction payments to insurance companies based on the determination that those payments had not been appropriated by Congress. Furthermore, on December 22, 2017, the President signed tax reform legislation into law that, in addition to overhauling the federal tax system, also, effective as of January 1, 2019, repeals the penalties associated with the individual mandate.

We cannot predict the impact that the President's executive order will have on the implementation and enforcement of the provisions of the Affordable Care Act or the current or pending regulations adopted to implement the law. In addition, we cannot predict the impact that the repeal of the penalties associated with the individual mandate and the cessation of cost sharing reduction payments to insurers will have on the availability and cost of health insurance and the overall number of uninsureds. We also cannot predict whether the Affordable Care Act will be repealed, replaced, or modified, and, if the Affordable Care Act is repealed, replaced or modified, what the replacement plan or modifications would be, when the replacement plan or modifications would become effective, or whether any of the existing provisions of the Affordable Care Act would remain in place

***We will not be profitable unless we can demonstrate that our products can be manufactured at low prices.***

To date, we have focused primarily on research and development of the first generation version of the Bioflux, as well as starting the prototyping of Biolife and proposed marketing and distribution. Consequently, we have little experience in manufacturing these products on a commercial basis. We may manufacture our products through third-party manufacturers. We can offer no assurance that either we or our manufacturing partners will develop efficient, automated, low-cost manufacturing capabilities and processes to meet the quality, price, engineering, design and production standards or production volumes required to successfully mass market our products, especially at the low-cost levels we require to absorb the cost of near free distribution of our products pursuant to our proposed business plan. Even if we or our manufacturing partners are successful in developing such manufacturing capability and processes, we do not know whether we or they will be timely in meeting our product commercialization schedule or the production and delivery requirements of potential customers. A failure to develop such manufacturing processes and capabilities could have a material adverse effect on our business and financial results.

Our profitability in part is dependent on material and other manufacturing costs. We are unable to offer any assurance that either we or a manufacturing partner will be able to reduce costs to a level which will allow production of a competitive product or that any product produced using lower cost materials and manufacturing processes will not suffer from a reduction in performance, reliability and longevity.

***If we or our suppliers fail to achieve or maintain regulatory approval of manufacturing facilities, our growth could be limited and our business could be harmed.***

We currently assemble our devices in our California facility. In order to maintain compliance with FDA and other regulatory requirements, our manufacturing facilities must be periodically re-evaluated and qualified under a quality system to ensure they meet production and quality standards. Suppliers of components and products used to manufacture our devices must also comply with FDA regulatory requirements, which often require significant resources and subject us and our suppliers to potential regulatory inspections and stoppages. If we or our suppliers do not maintain regulatory approval for our manufacturing operations, our business could be adversely affected.

***Our dependence on a limited number of suppliers may prevent us from delivering our devices on a timely basis.***

We currently rely on a limited number of suppliers of components for our devices. If these suppliers became unable to provide components in the volumes needed or at an acceptable price, we would have to identify and qualify acceptable replacements from alternative sources of supply. The process of qualifying suppliers is lengthy. Delays or interruptions in the supply of our requirements could limit or stop our ability to provide sufficient quantities of devices on a timely basis or meet demand for our services, which could have a material adverse effect on our business, financial condition and results of operations.

***Our operations in international markets involve inherent risks that we may not be able to control.***

Our business plan includes the marketing and sale of our proposed products in international markets. Accordingly, our results could be materially and adversely affected by a variety of uncontrollable and changing factors relating to international business operations, including:

- Macroeconomic conditions adversely affecting geographies where we intend to do business;
- Foreign currency exchange rates;
- Political or social unrest or economic instability in a specific country or region;
- Higher costs of doing business in foreign countries;
- Infringement claims on foreign patents, copyrights or trademark rights;
- Difficulties in staffing and managing operations across disparate geographic areas;
- Difficulties associated with enforcing agreements and intellectual property rights through foreign legal systems;
- Trade protection measures and other regulatory requirements, which affect our ability to import or export our products from or to various countries;
- Adverse tax consequences;
- Unexpected changes in legal and regulatory requirements;
- Military conflict, terrorist activities, natural disasters and medical epidemics; and
- Our ability to recruit and retain channel partners in foreign jurisdictions.

***Our financial results may be affected by fluctuations in exchange rates and our current currency hedging strategy may not be sufficient to counter such fluctuations.***

Our financial statements are presented in U.S. dollars, although a certain portion of our business operating expenses are payable in currencies other than the U.S. dollar, specifically the Canadian dollar. Due to the substantial volatility of currency exchange rates, exchange rate fluctuations may have a positive or adverse impact on our future revenues or expenses presented in our financial statements. We may use financial instruments, principally forward foreign currency contracts, in our management of foreign currency exposure. These contracts would primarily require us to purchase and sell certain foreign currencies with or for U.S. dollars at contracted rates. We may be exposed to a credit loss in the event of non-performance by the counterparties of these contracts. In addition, these financial instruments may not adequately manage our foreign currency exposure. Our results of operations could be adversely affected if we are unable to successfully manage currency fluctuations in the future.

**Risks Related to Our Industry**

***The industry in which we operate is highly competitive and subject to rapid technological change. If our competitors are better able to develop and market products that are safer, more effective, less costly, easier to use, or are otherwise more attractive, we may be unable to compete effectively with other companies.***

The medical technology industry is characterized by intense competition and rapid technological change, and we will face competition on the basis of product features, clinical outcomes, price, services and other factors. Competitors may include large medical device and other companies, some of which have significantly greater financial and marketing resources than we do, and firms that are more specialized than we are with respect to particular markets. Our competition may respond more quickly to new or emerging technologies, undertake more extensive marketing campaigns, have greater financial, marketing and other resources than ours or may be more successful in attracting potential customers, employees and strategic partners.

Our competitive position will depend on multiple, complex factors, including our ability to achieve regulatory clearance and market acceptance for our products, develop new products, implement production and marketing plans, secure regulatory approvals for products under development and protect our intellectual property. In some instances, competitors may also offer, or may attempt to develop, alternative systems that may be delivered without a medical device or a medical device superior to ours. The development of new or improved products, processes or technologies by other companies may render our products or proposed products obsolete or less competitive. The entry into the market of manufacturers located in low-cost manufacturing locations may also create pricing pressure, particularly in developing markets. Our future success depends, among other things, upon our ability to compete effectively against current technology, as well as to respond effectively to technological advances or changing regulatory requirements, and upon our ability to successfully implement our marketing strategies and execute our research and development plan. Our research and development efforts are aimed, in part, at solving increasingly complex problems, as well as creating new technologies, and we do not expect that all of our projects will be successful. If our research and development efforts are unsuccessful, our future results of operations could be materially harmed.

***We face competition from other medical device companies that focus on similar markets.***

We face competition from primarily four companies that also focus on the ECG market that we intend to enter: BioTelemetry (formerly CardioNet), Preventice (formerly eCardio), Linecare and ScottCare. These companies have longer operating histories and may have greater name recognition and substantially greater financial, technical and marketing resources than us. Many of these companies also have FDA or other applicable governmental approval to market and sell their products, and more extensive customer bases, broader customer relationships and broader industry alliances than us, including relationships with many of our potential customers. Increased competition from any of these sources could result in our failure to achieve and maintain an adequate level of customers and market share to support the cost of our operations.

***Our industry is experiencing greater scrutiny and regulation by governmental authorities, which may lead to greater governmental regulation in the future.***

In recent years, the medical device industry has been subject to increased regulatory scrutiny, including by the FDA, Health Canada and numerous other federal, state, provincial and foreign governmental authorities. This has included increased regulation, enforcement, inspections, and governmental investigations of the medical device industry and disclosure of financial relationships with health care professionals. We anticipate that governments will continue to scrutinize our industry closely, and that additional regulation by governmental authorities, both foreign and domestic, may increase compliance costs, exposure to litigation and other adverse effects to our operations.

***Unsuccessful clinical trials or procedures relating to products under development could have a material adverse effect on our prospects.***

The regulatory approval process for new products and new indications for existing products requires extensive clinical trials and procedures, including early clinical experiences and regulatory studies. Unfavorable or inconsistent clinical data from current or future clinical trials or procedures conducted by us, our competitors, or third parties, or perceptions regarding this clinical data, could adversely affect our ability to obtain necessary approvals and the market's view of our future prospects. Such clinical trials and procedures are inherently uncertain and there can be no assurance that these trials or procedures will be completed in a timely or cost-effective manner or result in a commercially viable product. Failure to successfully complete these trials or procedures in a timely and cost-effective manner could have a material adverse effect on our prospects. Clinical trials or procedures may experience significant setbacks even after earlier trials have shown promising results. Further, preliminary results from clinical trials or procedures may be contradicted by subsequent clinical analysis. In addition, results from our clinical trials or procedures may not be supported by actual long-term studies or clinical experience. If preliminary clinical results are later contradicted, or if initial results cannot be supported by actual long-term studies or clinical experience, our business could be adversely affected. Clinical trials or procedures may be suspended or terminated by us, the FDA or other regulatory authorities at any time if it is believed that the trial participants face unacceptable health risks.

***Intellectual property litigation and infringement claims could cause us to incur significant expenses or prevent us from selling certain of our products.***

The medical device industry in which we operate is characterized by extensive intellectual property litigation and, from time to time, we might be the subject of claims by third parties of potential infringement or misappropriation. Regardless of outcome, such claims are expensive to defend and divert the time and effort of our management and operating personnel from other business issues. A successful claim or claims of patent or other intellectual property infringement against us could result in our payment of significant monetary damages and/or royalty payments, or it could negatively impact our ability to sell current or future products in the affected category and could have a material adverse effect on business, cash flows, financial condition or results of operations.

***If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.***

We plan on relying on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position. We will seek to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, corporate collaborators, outside scientific collaborators, contract manufacturers, consultants, advisors and other third parties. We will seek to protect our confidential proprietary information, in part, by entering into confidentiality and invention or intellectual property assignment agreements with our employees and consultants. Moreover, to the extent we enter into such agreements, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them, or those to whom they communicate it, from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor, our competitive position would be harmed. In general, any loss of trade secret protection or other unpatented proprietary rights could harm our business, results of operations and financial condition.

***If we are unable to protect our proprietary rights, or if we infringe on the proprietary rights of others, our competitiveness and business prospects may be materially damaged.***

We have filed for one industrial design patent in Canada and in the U.S. We may continue to seek patent protection for our designs and may seek patent protection for our proprietary technology if warranted. Seeking patent protection is a lengthy and costly process, and there can be no assurance that patents will be issued from any pending applications, or that any claims allowed from existing or pending patents will be sufficiently broad or strong to protect our designs or our proprietary technology. There is also no guarantee that any patents we hold will not be challenged, invalidated or circumvented, or that the patent rights granted will provide competitive advantages to us. Our competitors have developed and may continue to develop and obtain patents for technologies that are similar or superior to our technologies. In addition, the laws of foreign jurisdictions in which we develop, manufacture or sell our products may not protect our intellectual property rights to the same extent, as do the laws of Canada or the United States.

Adverse outcomes in current or future legal disputes regarding patent and other intellectual property rights could result in the loss of our intellectual property rights, subject us to significant liabilities to third parties, require us to seek licenses from third parties on terms that may not be reasonable or favorable to us, prevent us from manufacturing, importing or selling our products, or compel us to redesign our products to avoid infringing third parties' intellectual property. As a result, we may be required to incur substantial costs to prosecute, enforce or defend our intellectual property rights if they are challenged. Any of these circumstances could have a material adverse effect on our business, financial condition and resources or results of operations.

***Dependence on our proprietary rights and failing to protect such rights or to be successful in litigation related to such rights may result in our payment of significant monetary damages or impact offerings in our product portfolios.***

Our long-term success largely depends on our ability to market technologically competitive products. If we fail to obtain or maintain adequate intellectual property protection, we may not be able to prevent third parties from using our proprietary technologies or may lose access to technologies critical to our products. Also, our currently pending industrial design patent or any future patents applications may not result in issued patents, and issued patents are subject to claims concerning priority, scope and other issues.

Furthermore, to the extent we do not file applications for patents domestically or internationally, we may not be able to prevent third parties from using our proprietary technologies or may lose access to technologies critical to our products in other countries.

***Enforcement of federal and state laws regarding privacy and security of patient information may adversely affect our business, financial condition or operations.***

The use and disclosure of certain health care information by health care providers and their business associates have come under increasing public scrutiny. Recent federal standards under the Health Insurance Portability and Accountability Act of 1996, or HIPAA, establish rules concerning how individually-identifiable health information may be used, disclosed and protected. Historically, state law has governed confidentiality issues, and HIPAA preserves these laws to the extent they are more protective of a patient's privacy or provide the patient with more access to his or her health information. As a result of the implementation of the HIPAA regulations, many states are considering revisions to their existing laws and regulations that may or may not be more stringent or burdensome than the federal HIPAA provisions. We must operate our business in a manner that complies with all applicable laws, both federal and state, and that does not jeopardize the ability of our customers to comply with all applicable laws. We believe that our operations are consistent with these legal standards. Nevertheless, these laws and regulations present risks for health care providers and their business associates that provide services to patients in multiple states. Because these laws and regulations are recent, and few have been interpreted by government regulators or courts, our interpretations of these laws and regulations may be incorrect. If a challenge to our activities is successful, it could have an adverse effect on our operations, may require us to forego relationships with customers in certain states and may restrict the territory available to us to expand our business. In addition, even if our interpretations of HIPAA and other federal and state laws and regulations are correct, we could be held liable for unauthorized uses or disclosures of patient information as a result of inadequate systems and controls to protect this information or as a result of the theft of information by unauthorized computer programmers who penetrate our network security. Enforcement of these laws against us could have a material adverse effect on our business, financial condition and results of operations.

***We may become subject, directly or indirectly, to federal and state health care fraud and abuse laws and regulations and if we are unable to fully comply with such laws, the Company could face substantial penalties.***

Although not affected at this time, our operations may in the future become directly or indirectly affected by various broad state and federal health care fraud and abuse laws, including the Federal Healthcare Programs' Anti-Kickback Statute and the Stark law, which among other things, prohibits a physician from referring Medicare and Medicaid patients to an entity with which the physician has a financial relationship, subject to certain exceptions. If our future operations are found to be in violation of these laws, we or our officers may be subject to civil or criminal penalties, including large monetary penalties, damages, fines, imprisonment and exclusion from Medicare and Medicaid program participation. If enforcement action were to occur, our business and results of operations could be adversely affected.

***We may be subject to federal and state false claims laws which impose substantial penalties.***

Many of the physicians and patients whom we expect to use our services will file claims for reimbursement with government programs such as Medicare and Medicaid. As a result, we may be subject to the federal False Claims Act if we knowingly "cause" the filing of false claims. Violations may result in substantial civil penalties, including treble damages. The federal False Claims Act also contains "whistleblower" or "qui tam" provisions that allow private individuals to bring actions on behalf of the government alleging that the defendant has defrauded the government. In recent years, the number of suits brought in the medical industry by private individuals has increased dramatically. Various states have enacted laws modeled after the federal False Claims Act, including "qui tam" provisions, and some of these laws apply to claims filed with commercial insurers. We are unable to predict whether we could be subject to actions under the federal False Claims Act, or the impact of such actions. However, the costs of defending claims under the False Claims Act, as well as sanctions imposed under the False Claims Act, could adversely affect our results of operations.

***Changes in the health care industry or tort reform could reduce the number of arrhythmia monitoring solutions ordered by physicians, which could result in a decline in the demand for our planned solutions, pricing pressure and decreased revenue.***

Changes in the health care industry directed at controlling health care costs or perceived over-utilization of arrhythmia monitoring solutions could reduce the volume of solutions ordered by physicians. If more health care cost controls are broadly instituted throughout the health care industry, the volume of cardiac monitoring solutions could decrease, resulting in pricing pressure and declining demand for our planned services, which could harm our operating results. In addition, it has been suggested that some physicians order arrhythmia monitoring solutions, even when the services may have limited clinical utility, primarily to establish a record for defense in the event of a claim of medical malpractice against the physician. Legal changes increasing the difficulty of initiating medical malpractice cases, known as tort reform, could reduce the amount of our services prescribed as physicians respond to reduced risks of litigation, which could harm our operating results.

**Risks Related to Our Securities and Other Risks**

***An active and visible public trading market for our Common Stock may not develop.***

We do not currently have an active or visible trading market. We cannot predict whether an active market for our common stock will ever develop in the future. In the absence of an active trading market:

● Investors may have difficulty buying and selling or obtaining market quotations;

● Market visibility for shares of our common stock may be limited; and

● A lack of visibility for shares of our common stock may have a depressive effect on the market price for shares of our Common Stock.

Our common stock is quoted over-the-counter on a market operated by OTC Markets Group, Inc. These markets are relatively unorganized, inter-dealer, over-the-counter markets that provide significantly less liquidity than NASDAQ or the NYSE MKT. No assurances can be given that our common stock, even if quoted on such markets, will ever actively trade on such markets, much less a senior market like NASDAQ or NYSE MKT. In this event, there would be a highly illiquid market for our common stock and you may be unable to dispose of your common stock at desirable prices or at all. Moreover, there is a risk that our common stock could be delisted from its current tier of the OTC Market, in which case our stock may be quoted on markets even more illiquid.

***The market price of our common stock may be volatile.***

The market price for our common stock may be volatile and subject to wide fluctuations in response to factors including the following:

● Our ability to successfully bring any of our proposed or planned products to market;

● Actual or anticipated fluctuations in our quarterly or annual operating results;

● Changes in financial or operational estimates or projections;

● Conditions in markets generally;

● Changes in the economic performance or market valuations of companies similar to ours;

● Announcements by us or our competitors of new products, acquisitions, strategic partnerships, joint ventures or capital commitments;

● Our intellectual property position; and

● General economic or political conditions in the United States or elsewhere.

In addition, the securities market has from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of shares of our common stock.

***Because we were engaged in a transaction that can be generally characterized as a "reverse merger," we may not be able to attract the attention of major brokerage firms.***

Additional risks may exist since we were engaged in a transaction that can be generally characterized as a "reverse merger." Securities analysts of major brokerage firms may not provide coverage of the Company since there is little incentive to brokerage firms to recommend the purchase of the common stock. No assurance can be given that brokerage firms will want to conduct any secondary offerings on behalf of the Company in the future.

***Our Company may have undisclosed liabilities and any such liabilities could harm our revenues, business, prospects, financial condition and results of operations.***

Before the Acquisition Transaction, iMedical conducted due diligence on our Company customary and appropriate for a transaction similar to the Acquisition Transaction. However, the due diligence process may not reveal all material liabilities of our Company currently existing or which may be asserted in the future against our Company relating to its activities before the consummation of the Acquisition Transaction. In addition, the Exchange Agreement contains representations with respect to the absence of any liabilities. However, there can be no assurance that our Company will not have any liabilities in connection with the closing of the Acquisition Transaction that we are unaware of or that we will be successful in enforcing any indemnification provisions or that such indemnification provisions will be adequate to reimburse us. Any such liabilities of our Company that survive the Acquisition Transaction could harm our revenues, business, prospects, financial condition and results of operations.

***There may be a significant number of shares of common stock eligible for sale, which could depress the market price of such stock.***

We have 31,508,241 outstanding shares as of July 11, 2019, of which 13,480,952 are unrestricted shares of common stock, such that a large number of shares of our common stock could be made available for sale in the public market, which could harm the market price of the stock.

***Our largest stockholder will substantially influence our Company for the foreseeable future, including the outcome of matters requiring shareholder approval and such control may prevent you and other stockholders from influencing significant corporate decisions and may result in conflicts of interest that could cause the Company's stock price to decline.***

Mr. Al-Siddiq beneficially owns approximately 20.56% of our outstanding shares of common stock and common stock underlying the Exchangeable Shares. As a result, coupled with his board seat, he will have the ability to influence the election of our directors and the outcome of corporate actions requiring shareholder approval, such as: (i) a merger or a sale of our Company, (ii) a sale of all or substantially all of our assets, and (iii) amendments to our articles of incorporation and bylaws. This concentration of voting power and control could have a significant effect in delaying, deferring or preventing an action that might otherwise be beneficial to our other shareholders and be disadvantageous to our shareholders with interests different from those entities and individuals. Mr. Al-Siddiq also has significant control over our business, policies and affairs as an executive officer or director of our Company. He may also exert influence in delaying or preventing a change in control of the Company, even if such change in control would benefit the other stockholders of the Company. In addition, the significant concentration of stock ownership may adversely affect the market value of the Company's common stock due to investors' perception that conflicts of interest may exist or arise.

***The Company could be subject to liability related to certain inaccurate statements about its purported FDA approval.***

On January 3, 2017, a firm that the Company had engaged, but without the Company's input or knowledge, published an article titled "Wearable Devices Market Continues to be Driven by Innovation." A portion of this article was also inadvertently posted on the Company's website. The article contained certain inaccuracies in that it stated that the Company had received the necessary Food and Drug Administration clearance, which the Company had not obtained. The firm removed this article from its source websites and the Company also removed the excerpt that had been posted on the Company website. The Company subsequently obtained this clearance. However, the Company could still be subject to liability for this statement and other similar statements on the Company's website or otherwise available on the internet.

***The January 3, 2017 Article titled Wearable Devices Market continues to be driven by Innovation could constitute a free writing prospectus.***

Because the January 3, 2017 article was disseminated prior to the effectiveness of the Registration Statement, it could be considered to be a free writing prospectus in connection with an offering by selling shareholders; however the Company is not eligible to use a free writing prospectus and as a result could be subject to liability for improperly using such prospectus.

***Material weaknesses may exist when the Company reports on the effectiveness of its internal control over financial reporting for purposes of its reporting requirements.***

We are required to provide management's report on the effectiveness of internal control over financial reporting in our Annual Reports on Form 10-K, as required by Section 404 of Sarbanes-Oxley. Material weaknesses may exist when the Company reports on the effectiveness of its internal control over financial reporting for purposes of its reporting requirements under the Exchange Act or Section 404 of Sarbanes-Oxley following the completion of the Acquisition Transaction. The existence of one or more material weaknesses would preclude a conclusion that the Company maintains effective internal control over financial reporting. Such a conclusion would be required to be disclosed in the Company's future Annual Reports on Form 10-K and could harm the Company's reputation and cause the market price of its common stock to drop.

***Our issuance of additional common stock or preferred stock may cause our common stock price to decline, which may negatively impact your investment.***

Issuances of a substantial number of additional shares of our common or preferred stock, or the perception that such issuances could occur, may cause prevailing market prices for our common stock to decline. In addition, our board of directors is authorized to issue additional series of shares of preferred stock without any action on the part of our stockholders. Our board of directors also has the power, without stockholder approval, to set the terms of any such series of shares of preferred stock that may be issued, including voting rights, conversion rights, dividend rights, preferences over our common stock with respect to dividends or if we liquidate, dissolve or wind up our business and other terms. If we issue cumulative preferred stock in the future that has preference over our common stock with respect to the payment of dividends or upon our liquidation, dissolution or winding up, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the market price of our common stock could decrease.

***Anti-takeover provisions in the Company's charter and bylaws may prevent or frustrate attempts by stockholders to change the board of directors or current management and could make a third-party acquisition of the Company difficult.***

The Company's certificate of incorporation and bylaws contain provisions that may discourage, delay or prevent a merger, acquisition or other change in control that stockholders may consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares. For example, our Certificate of Incorporation permits the Board of Directors without stockholder approval to issue up to 10,000,000 shares of preferred stock and to fix the designation, power, preferences, and rights of the shares and preferred stock. Furthermore, the Board of Directors has the ability to increase the size of the Board and fill the newly created vacancies without stockholder approval. These provisions could limit the price that investors might be willing to pay in the future for shares of the Company's common stock.

***Our common stock is subject to the SEC's penny stock rules and accordingly, broker-dealers may experience difficulty in completing customer transactions and trading activity in our securities may be adversely affected.***

The SEC has adopted regulations, which generally define "penny stock" to be an equity security that has a market price of less than $5.00 per share, subject to specific exemptions. The market price of our common stock is less than $5.00 per share and therefore would be a "penny stock" according to SEC rules, unless we are listed on a national securities exchange. Under these rules, broker-dealers who recommend such securities to persons other than institutional accredited investors must:

● Make a special written suitability determination for the purchaser;

● Receive the purchaser's prior written agreement to the transaction;

● Provide the purchaser with risk disclosure documents which identify certain risks associated with investing in "penny stocks" and which describe the market for these "penny stocks" as well as a purchaser's legal remedies; and

● Obtain a signed and dated acknowledgment from the purchaser demonstrating that the purchaser has actually received the required risk disclosure document before a transaction in a "penny stock" can be completed.

As our common stock is subject to these rules, broker-dealers may find it difficult to effectuate customer transactions and trading activity in our securities may be adversely affected. As a result, the market price of our securities may be depressed, and you may find it more difficult to sell your securities.

***The market for penny stocks has experienced numerous frauds and abuses, which could adversely impact investors in our stock.***

OTC Market securities are frequent targets of fraud or market manipulation, both because of their generally low prices and because reporting requirements are less stringent than those of the stock exchanges such as NASDAQ. Patterns of fraud and abuse include:

● Control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer;

● Manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases;

● "Boiler room" practices involving high pressure sales tactics and unrealistic price projections by inexperienced sales persons;

● Excessive and undisclosed bid-ask differentials and markups by selling broker-dealers; and

● Wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired level, along with the inevitable collapse of those prices with consequent investor losses.

Our management is aware of the abuses that have occurred historically in the penny stock market.

***We have not paid dividends in the past and do not expect to pay dividends in the future, and any return on investment may be limited to the value of our stock.***

We have never paid any cash dividends on our common stock and do not anticipate paying any cash dividends on our common stock in the foreseeable future and any return on investment may be limited to the value of our common stock. We plan to retain any future earning to finance growth.

**ITEM 1B. UNRESOLVED STAFF COMMENTS**

Not applicable.

**ITEM 2. PROPERTIES**

Our principal executive office is located in leased premises of approximately 3,500 square feet at 275 Shoreline Drive, Redwood City, California. We also have executive offices at leased premises of approximately 5,000 square feet at 75 International Blvd., Suite 300, Toronto, ON Canada M9W 6L9. We believe that these facilities are adequate for our needs, including providing the space and infrastructure to accommodate our development work based on our current operating plan. We do not own any real estate.

**ITEM 3. LEGAL PROCEEDINGS**

From time to time, we may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm business.

We are not currently a party in any legal proceeding or governmental regulatory proceeding nor are we currently aware of any pending or potential legal proceeding or governmental regulatory proceeding proposed to be initiated against us that would have a material adverse effect on us or our business.

**ITEM 4. MINE SAFETY DISCLOSURES.**

Not applicable.

## PART II

### ITEM 5. MARKET FOR COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

**Market for our Common Stock**

Our common stock is traded on the OTCQB marketplace under the symbol "BTCY" since February 1, 2016 but did not commence trading until February 18, 2016. Prior to that, our common stock was quoted on the OTCQB marketplace under the symbol "MTSU" but there was no trading activities and no quoted prices. On July 11, 2019 the closing price of our common stock as reported on the OTCQB marketplace was $0.60 per share.

The following table sets forth the range of high and low bid prices for our common stock for each of the periods indicated as reported by such marketplaces. These quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

| Period | High | Low |
|---|---|---|
| **Year Ended March 31, 2019:** | | |
| Fourth Quarter | $ 1.70 | $ 0.57 |
| Third Quarter | $ 2.28 | $ 0.47 |
| Second Quarter | $ 3.23 | $ 1.24 |
| First Quarter | $ 4.74 | $ 2.97 |
| | | |
| **Year Ended March 31, 2018:** | | |
| Fourth Quarter | $ 8.15 | $ 3.03 |
| Third Quarter | $ 19.50 | $ 1.90 |
| Second Quarter | $ 2.80 | $ 1.81 |
| First Quarter | $ 3.00 | $ 2.30 |

We consider our common stock to be thinly traded and, accordingly, reported sales prices or quotations may not be a true market-based valuation of our common stock.

**Shareholders of Record**

As of July 11, 2019, an aggregate of 31,508,241 shares of the Company's common stock were issued and outstanding and owned by approximately 131 shareholders of record. As of July 11, 2019, 4,313,085 Exchangeable Shares were also issued and outstanding and held by approximately 18 holders of record. The numbers of record holders do not include beneficial owners holding shares through nominee names.

There is one share of the Special Voting Preferred Stock issued and outstanding, held by the Trustee.

**Dividends**

We do not anticipate paying any cash dividends in the foreseeable future and we intend to retain all of our earnings, if any, to finance our growth and operations and to fund the expansion of our business. Payment of any dividends will be made in the discretion of our Board of Directors, after our taking into account various factors, including our financial condition, operating results, current and anticipated cash needs and plans for expansion. No dividends may be declared or paid on our Common Stock, unless a dividend, payable in the same consideration or manner, is simultaneously declared or paid, as the case may be, on our shares of preferred stock, if any.

**Issuance of Securities**

During the year ended March 31, 2018, the Company raised capital by issuing (i) convertible notes that then converted into common stock, (ii) units of common stock and warrants sold in a private offering (described in the following paragraphs) and the exercise of warrants previously issued. During the year then ended, pursuant to a private offering of a minimum of $1,000,000, up to a maximum of $8,000,000 (the "Common Share Offering") that commenced in the prior year, the Company offered accredited investors units ("Units") at a purchase price of $1.75 per Unit, each consisting of common stock, par value $0.001 per share and a three-year warrant to purchase one-half share of common stock at an initial exercise price of $3.00 per whole share. During the year ended March 31, 2018, the Company sold to accredited investors a total of 1,282,767 Units, for gross proceeds of $2,244,845 (net proceeds of $1,926,780), prior to closing its private placement offering on or about July 31, 2017. Cash issuance costs of $46,950 were adjusted against additional paid in capital. In connection with this private placement, the Company also issued 21,055 broker warrants and 131,594 warrants to investors (refer to warrant issuances). Cash issuance costs of $320,355 relating to the above private placements have been adjusted against additional paid in capital. In connection with the above private placements and conversion of notes as detailed in Note 5, the Company issued broker warrants and warrants to investors having fair values of $385,635 and $3,183,614, respectively, which were initially classified as derivative liabilities with corresponding debit to additional paid in capital. On raising a total of $3,000,000 in aggregate proceeds from the Common Share Offering, this would qualify that offering as a Qualified Financing that would allow the Company, at its discretion, to convert the principal amount of the Bridge Notes (discussed in Note 5), along with accrued interest thereon, into units of the Common Share Offering. Conversion would be based upon the price that is the lesser of: (i) $1.60 per New Round Stock and (ii) the quotient obtained by dividing (x) the Outstanding Balance on the conversion date multiplied by 1.20 by (y) the actual price per New Round Stock in the Qualified Financing. The notes and the warrants were further subject to a "most-favored nation" clause in the event the Company, prior to maturity of the notes, consummates a financing that is not a Qualified Financing. Upon completion of a Qualified Financing, in connection with the conversion of the Bridge Notes, the Company would also pay the Placement Agent up to 8% in cashless broker warrants with an exercise price of $3.00 and an expiry date of two years from the date of issuance. Based on achieving this milestone, on May 31, 2017, the Company converted Bridge Notes with the aggregate principal amount of $2,455,000 plus accrued interest thereon, into a further 1,823,020 Units of its Common Share Offering (each of which corresponded to one share and half of one warrant). During the year ended March 31, 2018, the Company completed a registered offering, which raised net proceeds of $2,520,561 through the issuance of 450,164 common shares. During the year ended March 31, 2018, the Company issued an aggregate of 527,941 common stock and has recognized its obligation to issue a further 20,250 shares of common stock (see paragraph d, below), to various consultants. The fair value of these shares amounted to $1,908,481 were recognized as general and administrative and research and development expenses, as applicable, in the statement of operations, with a corresponding credit to additional paid-in-capital. During the year ended March 31, 2018, the Company also issued an aggregate of 252,798 shares of its common stock upon exercise of warrants and received $428,311 of exercise cash proceeds. In addition, during this year, the Company issued 58,795 shares of common stock to brokers who opted to perform cashless exercise of their 108,799 warrants. See paragraph e, below.

During the year ended March 31, 2019, the Company issued common shares as part of series of closings under a registered offering, which raised gross proceeds of $3,718,010 through the issuance of 2,635,353 common shares; issuance costs of $80,000 were incurred pursuant to this offering. During the year ended March 31, 2019, the Company also issued an aggregate of 641,329 common stock and has recognized its obligation to issue a further 41,835 shares of common stock (see paragraph d, below), to various consultants. The fair value of these shares amounted to $1,145,455 were recognized as general and administrative and research and development expenses, as applicable, in the statement of operations, with corresponding credit to common stock, shares to be issued, and additional paid-in-capital, respectively. During the year ended March 31, 2019, the Company also issued an aggregate of 227,428 shares of its common stock upon exercise of employee stock options and warrants; it received $50,835 of exercise cash proceeds.

***Securities Authorized for Issuance under Equity Compensation Plans***

We adopted an equity incentive plan effective as of February 2, 2016 to attract and retain employees, directors and consultants. The equity incentive plan is administered by our Board of Directors which may determine, among other things, the (a) terms and conditions of any option or stock purchase right granted, including the exercise price and the vesting schedule, (b) persons who are to receive options and stock purchase rights and (c) the number of shares to be subject to each option and stock purchase right. The equity incentive plan may also be administered by a special committee, as determined by the Board of Directors.

The maximum aggregate number of shares of our common stock that may be issued under the equity incentive plan is 4,748,843, which, except as provided in the plan shall automatically increase on January 1 of each year for no more than 10 years, so the number of shares that may be issued is an amount no greater than 15% of our outstanding shares of common stock and Exchangeable Shares as of such January 1. The equity incentive plan provides for the grant of, among other awards, (i) "incentive" options (qualified under section 422 of the Internal Revenue Code of 1986, as amended) to our employees and (ii) non-statutory options and restricted stock to our employees, directors or consultants.

Shown below is information as of March 31, 2019 with respect to the common stock of the Company that may be issued under its equity compensation plans.

| **Plan Category** | **(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights** | **(b) Weighted-average exercise price of outstanding options, warrants and rights** | **(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))** |
|---|---|---|---|
| Equity compensation plans approved by security holders (1) | 4,418,019 | $ 3.1038 | 1,099,177 |
| Equity compensation plans not approved by security holders (2) | | | |
| Directors, Officers and Employees Stock Option Plan (3) | - | - | - |
| Warrants granted to Directors and Officers (4) | 388,806 | 1.99 | - |
| Broker Warrants | 321,314 | 1.7985 | - |
| Consultant Warrants (4) | 788,351 | 2.783 | - |
| **Total** | **5,916,490** | | **1,099,177** |

(1) Represents the Company's 2016 Equity Incentive Plan and includes options to purchase an aggregate of 2,499,998 shares of our common stock granted to Mr. Al-Siddiq pursuant to his employment agreement at an exercise price of $2.20, as well as a further grant to Mr. Al-Siddiq of 1,300,000 options in January 2018. During the year ended March 31, 2019, 75,521 of options to purchase common stock, at an exercise price of $2.00, were granted to non-executive Directors of the Company.

(2) At the time of the Acquisition Transaction on February 2, 2016, each (a) outstanding option granted or issued pursuant to iMedical's existing equity compensation plan was exchanged for approximately 1.197 economically equivalent replacement options with a corresponding adjustment to the exercise price and (b) outstanding warrant granted or issued pursuant to iMedical's equity compensation plans was adjusted so the holder receives approximately 1.197 shares of common stock with a corresponding adjustment to the exercise price. Does not include options granted to Mr. Al-Siddiq discussed in (1) above.

(3) On March 30, 2015, iMedical approved Directors, Officers and Employees Stock Option Plan, under which it authorized and issued 3,000,000 options. This plan was established to enable the Company to attract and retain the services of highly qualified and experience directors, officers, employees and consultants and to give such person an interest in the success of the Company. As of March 31, 2018, there were 137,500 outstanding options at an exercise price of $.0001 under this plan. These options represented the right to purchase 164,590 shares of the Company's common stock using the ratio of 1.1969:1. All of these options were exercised during the year ended March 31, 2019. No other grants will be made under this plan.

(4) Consultant Warrants do not include 188,806 warrants provided to an officer of the Company as compensation while he was not a member of any Company options plan, otherwise included in Warrants granted to Directors and Officers. This category relates to individuals not part of the Company's 2016 Equity Incentive Plan.

## ITEM 6. SELECTED FINANCIAL DATA

Not applicable to a smaller reporting company.

## ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS [UPDATE]

*The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("*MD&A*") covers information pertaining to the Company up to March 31, 2019 and should be read in conjunction with our financial statements and related notes of the Company as of and for the fiscal years ended March 31, 2019 and 2018 contained elsewhere in this Annual Report on Form 10-K. Except as otherwise noted, the financial information contained in this MD&A and in the financial statements has been prepared in accordance with accounting principles generally accepted in the United States of America. All amounts are expressed in U.S. dollars unless otherwise noted.*

### Forward Looking Statements

Certain information contained in this MD&A and elsewhere in this Annual Report on Form 10-K includes "forward-looking statements." Statements which are not historical reflect our current expectations and projections about our future results, performance, liquidity, financial condition and results of operations, prospects and opportunities and are based upon information currently available to us and our management and their interpretation of what is believed to be significant factors affecting our existing and proposed business, including many assumptions regarding future events. Actual results, performance, liquidity, financial condition and results of operations, prospects and opportunities could differ materially and perhaps substantially from those expressed in, or implied by, these forward-looking statements as a result of various risks, uncertainties and other factors, including those risks described in detail in the section entitled "Risk Factors" as well as elsewhere herein.

Forward-looking statements, which involve assumptions and describe our future plans, strategies, and expectations, are generally identifiable by use of the words "may," "should," "would," "will," "could," "scheduled," "expect," "anticipate," "estimate," "believe," "intend," "seek," or "project" or the negative of these words or other variations on these words or comparable terminology.

In light of these risks and uncertainties, and especially given the nature of our existing and proposed business, there can be no assurance that the forward-looking statements contained in this section and elsewhere in herein will in fact occur. Potential investors should not place undue reliance on any forward-looking statements. Except as expressly required by the federal securities laws, there is no undertaking to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason.

**Company Overview**

We are a healthcare technology company committed to the development of software and hardware solutions to help the management of chronic health issues. Our first product is a turnkey, wearable medical cardiac solution that provides physicians the ability to monitor patients remotely. We are also developing other remote patient monitoring solutions for physicians and public consumers. To achieve this, we are dedicated to continuing our research and development programs, honing our medical-device expertise, increasing our deep knowledge of biometrics, developing both software and hardware components and nurturing a cohesive medical network.

**Critical Accounting Policies**

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and are expressed in United States Dollars. Significant accounting policies are summarized below:

*Revenue Recognition*

The Company adopted Accounting Standards Codification Topic 606, "Revenue from Contracts with Customers" ("ASC 606") on April 1, 2018. In accordance with ASC 606, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services by applying the core principles – 1) identify the contract with a customer, 2) identify the performance obligations in the contract, 3) determine the transaction price, 4) allocate the transaction price to performance obligations in the contract, and 5) recognize revenue as performance obligations are satisfied.

The Bioflux mobile cardiac telemetry device, a wearable device, is worn by patients for a monitoring period up to 30 days. The cardiac data that the device monitors and collects is curated and analyzed by the Company's proprietary algorithms and then securely communicated to a remote monitoring facility for electronic reporting and conveyance to the patient's prescribing physician or other certified cardiac medical professional. Revenues earned with respect to this device are comprised of device sales revenues and technology fee revenues (software as a service). The device, together with its licensed software, is available for sale to the medical center or physician, who is responsible for the delivery of clinical diagnosis and therapy. The remote monitoring, data collection and reporting services performed by the technology culminate in a patient study that is generally billable when it is complete and is issued to the physician. In order to recognize revenue, management considers whether or not the following criteria are met: persuasive evidence of a commercial arrangement exists, and delivery has occurred or services have been rendered. For sales of devices, which are invoiced directly, additional revenue recognition criteria include that the price is fixed and determinable and collectability is reasonably assured; for revenue that is earned based on customer usage of the proprietary software to render a patient's cardiac study, the Company recognizes revenue when the study ends based on a fixed billing rate. Costs associated with providing the services are recorded as the service is provided regardless of whether or when revenue is recognized.

*Inventory*

Inventory is stated at the lower of cost or net realizable value, cost being determined on a weighted average cost basis, and market being determined as the lower of cost or net realizable value. The Company records write-downs of inventory that is obsolete or in excess of anticipated demand or market value based on consideration of product lifecycle stage, technology trends, product development plans and assumptions about future demand and market conditions. Actual demand may differ from forecasted demand, and such differences may have a material effect on recorded inventory values. Inventory write-downs are charged to cost of revenue and establish a new cost basis for the inventory.

*Use of Estimates*

The preparation of the consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Areas involving significant estimates and assumptions include: deferred income tax assets and related valuation allowance, accruals and valuation of derivatives, convertible promissory notes, stock options, and assumptions used in the going concern assessment. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

*Earnings (Loss) Per Share*

The Company has adopted the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 260-10 which provides for calculation of "basic" and "diluted" earnings per share. Basic earnings per share includes no dilution and is computed by dividing net income or loss available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflect the potential dilution of securities that could share in the earnings of an entity. Diluted earnings per share exclude all potentially dilutive shares if their effect is anti-dilutive. There were no potentially dilutive shares outstanding as at March 31, 2019 and 2018.

*Cash*

Cash includes cash on hand and balances with banks.

*Foreign Currency Translation*

The functional currency of the Company's Canadian-based subsidiary is the Canadian dollar and the US-based parent is the U.S. dollar. Transactions denominated in currencies other than the functional currency are translated into the functional currency at the exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the balance sheet date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All exchange gains or losses arising from translation of these foreign currency transactions are included in net income (loss) for the year. In translating the financial statements of the Company's Canadian subsidiaries from their functional currency into the Company's reporting currency of United States dollars, balance sheet accounts are translated using the closing exchange rate in effect at the balance sheet date and income and expense accounts are translated using an average exchange rate prevailing during the reporting period. Adjustments resulting from the translation, if any, are included in cumulative other comprehensive income (loss) in stockholders' equity. The Company has not, to the date of these consolidated financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

*Accounts Receivable*

Accounts receivable consists of amounts due to the Company from medical facilities, which receive reimbursement from institutions and third-party government and commercial payors and their related patients, as a result of the Company's normal business activities. Accounts receivable is reported on the balance sheets net of an estimated allowance for doubtful accounts. The Company establishes an allowance for doubtful accounts for estimated uncollectible receivables based on historical experience, assessment of specific risk, review of outstanding invoices, and various assumptions and estimates that are believed to be reasonable under the circumstances, and recognizes the provision as a component of selling, general and administrative expenses. Uncollectible accounts are written off against the allowance after appropriate collection efforts have been exhausted and when it is deemed that a balance is uncollectible.

*Fair Value of Financial Instruments*

ASC 820 defines fair value, establishes a framework for measuring fair value and expands required disclosure about fair value measurements of assets and liabilities. ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820-10 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

● Level 1 – Valuation based on quoted market prices in active markets for identical assets or liabilities.

● Level 2 – Valuation based on quoted market prices for similar assets and liabilities in active markets.

● Level 3 – Valuation based on unobservable inputs that are supported by little or no market activity, therefore requiring management's best estimate of what market participants would use as fair value.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments or interest rates that are comparable to market rates. These financial instruments include cash, accounts receivable, deposits and other receivables, convertible promissory notes, and accounts payable and accrued liabilities. The Company's cash and derivative liabilities, which are carried at fair values, are classified as a Level 1 and Level 2, respectively. The Company's bank accounts are maintained with financial institutions of reputable credit, therefore, bear minimal credit risk.

*Operating Leases*

The Company leases office space and certain office equipment under operating lease agreements. The lease term begins on the date of initial possession of the leased property for purposes of recognizing lease expense on a straight-line basis over the term of the lease. Lease renewal periods are considered on a lease-by-lease basis and are generally not included in the initial lease term.

*Income Taxes*

The Company accounts for income taxes in accordance with ASC 740. The Company provides for Federal and Provincial income taxes payable, as well as for those deferred because of the timing differences between reporting income and expenses for financial statement purposes versus tax purposes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recoverable or settled. The effect of a change in tax rates is recognized as income or expense in the period of the change. A valuation allowance is established, when necessary, to reduce deferred income tax assets to the amount that is more likely than not to be realized.

*Research and Development*

Research and development costs, which relate primarily to product and software development, are charged to operations as incurred. Under certain research and development arrangements with third parties, the Company may be required to make payments that are contingent on the achievement of specific developmental, regulatory and/or commercial milestones. Before a product receives regulatory approval, milestone payments made to third parties are expensed when the milestone is achieved**.** Milestone payments made to third parties after regulatory approval is received are capitalized and amortized over the estimated useful life of the approved product.

*Stock Based Compensation*

The Company accounts for share-based payments in accordance with the provision of ASC 718, which requires that all share-based payments issued to acquire goods or services, including grants of employee stock options, be recognized in the statement of operations based on their fair values, net of estimated forfeitures. ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Compensation expense related to share-based awards is recognized over the requisite service period, which is generally the vesting period.

The Company accounts for stock based compensation awards issued to non-employees for services, as prescribed by ASC 718-10, at either the fair value of the services rendered or the instruments issued in exchange for such services, whichever is more readily determinable, using the guidelines in ASC 505-50. The Company issues compensatory shares for services including, but not limited to, executive, management, accounting, operations, corporate communication, financial and administrative consulting services.

*Convertible Notes Payable and Derivative Instruments*

The Company has adopted the provisions of ASU 2017-11 to account for the down round features of warrants issued with private placements effective as of April 1, 2017. In doing so, warrants with a down round feature previously treated as derivative liabilities in the consolidated balance sheet and measured at fair value are henceforth treated as equity, with no adjustment for changes in fair value at each reporting period. Previously, the Company accounted for conversion options embedded in convertible notes in accordance with ASC 815. ASC 815 generally requires companies to bifurcate conversion options embedded in convertible notes from their host instruments and to account for them as free-standing derivative financial instruments. ASC 815 provides for an exception to this rule when convertible notes, as host instruments, are deemed to be conventional, as defined by ASC 815-40. The Company accounts for convertible notes deemed conventional and conversion options embedded in non-conventional convertible notes which qualify as equity under ASC 815, in accordance with the provisions of ASC 470-20, which provides guidance on accounting for convertible securities with beneficial conversion features. Accordingly, the Company records, as a discount to convertible notes, the intrinsic value of such conversion options based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt.

*Recently Issued Accounting Pronouncements*

In June 2018, the FASB issued an accounting pronouncement (FASB ASU 2018-07) to expand the scope of ASC Topic 718, Compensation - Stock Compensation, to include share-based payment transactions for acquiring goods and services from nonemployees. The pronouncement is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2018, with early adoption permitted. We are currently in the process of evaluating the effects of this pronouncement on our consolidated financial statements, including potential early adoption.

On April 1, 2018, the Company adopted the accounting pronouncement issued by the Financial Accounting Standards Board ("FASB") to clarify existing guidance on revenue recognition. This guidance includes the required steps to achieve the core principle that a company should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The Company adopted this pronouncement on a modified retrospective and such adoption did not have a material impact on our financial position and/or results of operations.

On April 1, 2018, the Company adopted the accounting pronouncement issued by the FASB to clarify how entities should present restricted cash and restricted cash equivalents in the statement of cash flows. This guidance requires entities to show changes in the total of cash, cash equivalents and restricted cash in the combined statement of cash flows. This guidance was adopted on a retrospective basis, and such adoption did not have a material impact on combined financial position and/or results of operations.

In July 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2017-11 ("ASU 2017-11"), which addressed accounting for (I) certain financial instruments with down round features and (II) replacement of the indefinite deferral for mandatorily redeemable financial instruments of certain nonpublic entities and certain mandatorily redeemable non-controlling interests with a scope exception. The main provisions of Part I of ASU 2017-11 "change the classification analysis of certain equity-linked financial instruments (or embedded features) with down round features. When determining whether certain financial instruments should be classified as liabilities or equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity's own stock. The amendments also clarify existing disclosure requirements for equity-classified instruments. As a result, a freestanding equity-linked financial instrument (or embedded conversion option) no longer would be accounted for as a derivative liability at fair value as a result of the existence of a down round feature. For freestanding equity classified financial instruments, the amendments require entities that present earnings per share (EPS) to recognize the effect of the down round feature when it is triggered. That effect is treated as a dividend and as a reduction of income available to common shareholders in basic EPS." Under previous US GAAP, warrants with a down round feature are not being considered indexed to the entity's own stock, which results in classification of the warrant as a derivative liability. Under ASU 2017-11, the down round feature qualifies for a scope exception from derivative treatment. ASU 2017-11 is effective for public companies as of December 15, 2018 and interim periods within that fiscal year. Early adoption is permitted, including adoption in an interim period, with adjustments reflected as of the beginning of the fiscal year. The Company has issued financial instruments with down round features. The Company opted to adopt ASU 2017-11 in its three-month interim period ended September 30, 2017, which is effective from April 1, 2017, with adjustments reflected in the accumulated deficit of stockholders' deficiency as of April 1, 2017. Please refer to Note 6.

The amendments in this Update require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in this Update do not provide a definition of restricted cash or restricted cash equivalents. The amendments in this Update are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The amendments in this Update should be applied using a retrospective transition method to each period presented. Management does not expect to have a significant impact of this ASU on the Company's unaudited interim condensed consolidated financial statements.

In May 2017, an accounting pronouncement was issued by the Financial Accounting Standards Board ("FASB") ASU 2017-09, "Compensation - Stock Compensation: Scope of Modification Accounting." ASU 2017-09 provides guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting. The updated guidance is effective for interim and annual periods beginning after December 15, 2017, and early adoption is permitted. The adoption of this pronouncement is not expected to have a material impact on the unaudited interim condensed consolidated financial position and/or results of operations.

On April 1, 2017, the Company adopted the accounting pronouncement issued by the Financial Accounting Standards Board ("FASB") to simplify the presentation of deferred income taxes within the balance sheet. This pronouncement eliminates the requirement that deferred tax assets and liabilities are presented as current or noncurrent based on the nature of the underlying assets and liabilities. Instead, the pronouncement requires that all deferred tax assets and liabilities, including valuation allowances, be classified as noncurrent. We adopted this pronouncement on a retrospective basis. The adoption of this guidance did not have a material impact on the Company's unaudited interim condensed consolidated financial position and/or results of operations.

In February 2016, an accounting pronouncement was issued by the FASB to replace existing lease accounting guidance. This pronouncement is intended to provide enhanced transparency and comparability by requiring lessees to record right-of-use assets and corresponding lease liabilities on the balance sheet for most leases. Expenses associated with leases will continue to be recognized in a manner similar to current accounting guidance. This pronouncement is effective for annual and interim periods beginning after December 15, 2018, with early adoption permitted. The adoption is required to be applied on a modified retrospective basis for each prior reporting period presented. Although the Company has not yet quantified the impact that the adoption of this pronouncement will have on the consolidated financial position and/or results of operations, however, the management has begun a process to identify a complete population of the leases. Such process includes reviewing various contracts to identify whether such arrangements convey the right to control the use of an identified asset. The Company continue to evaluate the impact of the new accounting pronouncement, including enhanced disclosure requirements, on our business processes, controls and systems.

**Results of Operations**

The fiscal year ended March 31, 2019 was the first year of commercialization of the Bioflux MCT device, which was launched in April 2018, after receiving its second and final required FDA clearance in December 2017. To commence commercialization, we ordered device inventory from our FDA-approved manufacturer and hired a small, captive sales force, with deep experience in cardiac technology sales. We then commenced a limited market release of our product by identifying potential anchor clients who could be early adopters of our technology. We physically located our sales persons at those medical offices to ensure successful launch of our services and the implementation of proper workflow. During the first year of this limited market release, by March 31, 2019, we sold approximately 300 devices, which were used to perform MCT studies on patents, such that the Company earned combined device sales and technology fee income totally $398,200. Based on our success, in April 2019, we decided to expand sales of the product beyond limited release by doubling the size of our salesforce and our geographic footprint to 11 US states, and the sales pipeline of our product has begun to grow. During the year ended March 31, 2019, Biotricity incurred a net loss of $8.9 million (loss per share of 26.8 cents), such that from its inception in 2009 to this date, the Company has generated an accumulated deficit of $35,039,495. During the period of initial commercialization of the Bioflux, we devoted, and expect to continue to devote, significant resources in the areas of capital expenditures and research and development costs. We also expect to incur additional operating losses, we build the infrastructure required to support higher sales volume.

***For the Fiscal Year Ended March 31, 2019 Compared to the Fiscal Year Ended March 31, 2018***

*Operating Expenses*

Total operating expenses for the fiscal year ended March 31, 2019 were $8,741,601 compared to $7,723,734 for the fiscal year ended March 31, 2018, as further described below.

*General and administrative expenses*

Our general and administrative expenses increased for the fiscal year ended March 31, 2019 by 1,497,682 to 7,458,855, compared to $5,961,173 during the fiscal year ended March 31, 2018. The increase was primarily due to the cost of installing a sales force, as well as increased the other increases in payroll and compensation-related cost associated with building an engineering division that is less reliant on contract consultants, in addition to professional fees and product marketing and promotion incurred as part of the launch of our first product.

*Research and development expenses*

During the fiscal year ended March 31, 2019, we incurred research and development expenses of $1,282,746 compared to $1,762,561, incurred in the fiscal year ended March 31, 2018. The higher prior period amount reflects the increased activity associated with completing our FDA approval process, and preparation of Bioflux for commercialization during that period. The research and development of new products and engineering future product enhancements continues and has grown during the year ended March 31, 2019.

*Accretion expense*

During the fiscal year ended March 31, 2019, we incurred no accretion expense, compared to $879,416 incurred in the comparable prior period; this resulted from the Company's adoption of ASU 2017-11 during the year ended March 31, 2018.

*Change in fair value of derivative liabilities*

During the year ended March 31, 2019, the Company's adoption of ASU 2017-11 resulted in no change in fair value of derivative liabilities being recognized post-adoption.

*Net Loss*

As a result of the foregoing, the net loss for the fiscal year ended March 31, 2019 was $8,592,065 compared to a net loss of $8,623,738 during the fiscal year ended March 31, 2018.

*Translation Adjustment*

Translation adjustment for the fiscal year ended March 31, 2019 was a loss of $111,834 as compared to a loss of $229,745, for the fiscal year ended March 31, 2018. This translation adjustment represents gains and losses that result from the translation of currency in the financial statements from our functional currency of Canadian dollars to the reporting currency in U.S. dollars over the course of the reporting period.

**Liquidity and Capital Resources**

The Company is in commercialization mode, while continuing to pursue the development of its next generation MCT product as well as new products that are being developed.

We generally require cash to:

- purchase devices that will be placed in the field for pilot projects and to produce revenue,
- launch sales initiatives,
- fund our operations and working capital requirements,
- develop and execute our product development and market introduction plans,
- fund research and development efforts, and
- pay any expense obligations as they come due.

As a result of its pre-revenue operations, the Company has incurred recurring losses from operations, and as at March 31, 2019, has an accumulated deficit of $35,039,495, Management anticipates the Company will attain profitable status and improve its liquidity through continued business development and after additional debt or equity investment in the Company. To do this, the Company has developed and continues to pursue sources of funding, including but not limited to those described below.

During the year ended March 31, 2018, the Company raised capital by issuing (i) convertible notes that then converted into common stock, (ii) units of common stock and warrants sold in a private offering (described in the following paragraphs) and the exercise of warrants previously issued. During the year then ended, pursuant to a private offering of a minimum of $1,000,000, up to a maximum of $8,000,000 (the "Common Share Offering") that commenced in the prior year, the Company offered accredited investors units ("Units") at a purchase price of $1.75 per Unit, each consisting of common stock, par value $0.001 per share and a three-year warrant to purchase one-half share of common stock at an initial exercise price of $3.00 per whole share. During the year ended March 31, 2018, the Company sold to accredited investors a total of 1,282,767 Units, for gross proceeds of $2,244,845 (net proceeds of $1,926,780), prior to closing its private placement offering on or about July 31, 2017. Cash issuance costs of $46,950 were adjusted against additional paid in capital. In connection with this private placement, the Company also issued 21,055 broker warrants and 131,594 warrants to investors (refer to warrant issuances). Cash issuance costs of $320,355 relating to the above private placements have been adjusted against additional paid in capital. In connection with the above private placements and conversion of notes as detailed in Note 5, the Company issued broker warrants and warrants to investors having fair values of $385,635 and $3,183,614, respectively, which were initially classified as derivative liabilities with corresponding debit to additional paid in capital. On raising a total of $3,000,000 in aggregate proceeds from the Common Share Offering, this would qualify that offering as a Qualified Financing that would allow the Company, at its discretion, to convert the principal amount of the Bridge Notes (discussed in Note 5), along with accrued interest thereon, into units of the Common Share Offering. Conversion would be based upon the price that is the lesser of: (i) $1.60 per New Round Stock and (ii) the quotient obtained by dividing (x) the Outstanding Balance on the conversion date multiplied by 1.20 by (y) the actual price per New Round Stock in the Qualified Financing. The notes and the warrants were further subject to a "most-favored nation" clause in the event the Company, prior to maturity of the notes, consummates a financing that is not a Qualified Financing. Upon completion of a Qualified Financing, in connection with the conversion of the Bridge Notes, the Company would also pay the Placement Agent up to 8% in cashless broker warrants with an exercise price of $3.00 and an expiry date of two years from the date of issuance. Based on achieving this milestone, on May 31, 2017, the Company converted Bridge Notes with the aggregate principal amount of $2,455,000 plus accrued interest thereon, into a further 1,823,020 Units of its Common Share Offering (each of which corresponded to one share and half of one warrant). During the year ended March 31, 2018, the Company completed a registered offering, which raised net proceeds of $2,520,561 million through the issuance of 450,164 common shares. During the year ended March 31, 2018, the Company issued an aggregate of 527,941 common stock and has recognized its obligation to issue a further 20,250 shares of common stock (see paragraph d, below), to various consultants. The fair value of these shares amounted to $1,908,481 were recognized as general and administrative and research and development expenses, as applicable, in the statement of operations, with a corresponding credit to additional paid-in-capital. During the year ended March 31, 2018, the Company also issued an aggregate of 252,798 shares of its common stock upon exercise of warrants and received $428,311 of exercise cash proceeds. In addition, during this year, the Company issued 58,795 shares of common stock to brokers who opted to perform cashless exercise of their 108,799 warrants.

During the year ended March 31, 2019, the Company issued common shares as part of series of closings under a registered offering, which raised net proceeds of $3,638,010 through the issuance of 2,635,353 common shares. During the year ended March 31, 2019, the Company also issued an aggregate of 641,329 common stock and has recognized its obligation to issue a further 41,835 shares of common stock to various consultants. The fair value of these shares amounted to $1,145,455 were recognized as general and administrative and research and development expenses, as applicable, in the statement of operations, with corresponding credit to common stock, shares to be issued, and additional paid-in-capital, respectively. During the year ended March 31, 2019, the Company also issued an aggregate of 227,428 shares of its common stock upon exercise of employee stock options warrants; it received $50,835 of exercise cash proceeds.

As we proceed with the commercialization of the Bioflux product development, we expect to continue to devote significant resources on capital expenditures, as well as research and development costs and operations, marketing and sales expenditures.

We expect to require additional funds to further develop our business plan, including the anticipated commercialization of the Bioflux and Biolife products. Based on our current operating plans, we will require approximately $4 million ($7 million in order to accelerate commercialization) to grow our sales team and order devices that will be placed in the field to produce revenue. A portion of these funds will also go towards the further development of Bioflux in its next generation, in addition to including marketing, sales, regulatory and clinical costs to better introduce the product into the market place. We expect to require an additional approximately $4 million to also complete the development of our Biolife product and increase penetration in new and existing markets and expand our intellectual property platform, which we anticipate would lead to profitability. Since it is impossible to predict with certainty the timing and amount of funds required to launch the Bioflux and Biolife product in any other markets or any of our other proposed products, we anticipate that we will need to raise additional funds through equity or debt offerings or otherwise in order to meet our expected future liquidity requirements. In order to assist with these goals, the Company has entered into an arrangement with a private equity firm, that allows it to have use of a committed facility that allows it to raise up to $25 million in additional capital, at its discretion, but subject to certain conditions set forth in the purchase agreement for the equity facility including there being an effective registration statement registering the shares of common stock issuable under the equity purchase facility),

Based on the above facts and assumptions, we believe our existing cash and cash equivalents, along with anticipated near-term equity financings, will be sufficient to meet our needs for the next twelve months from the filing date of this Annual Report on Form 10-K. However, we will need to seek additional debt or equity capital to respond to business opportunities and challenges, including our ongoing operating expenses, protecting our intellectual property, developing or acquiring new lines of business and enhancing our operating infrastructure. The terms of our future financings may be dilutive to, or otherwise adversely affect, holders of our common stock. We may also seek additional funds through arrangements with collaborators or other third parties. There can be no assurance we will be able to raise this additional capital on acceptable terms, or at all. If we are unable to obtain additional funding on a timely basis, we may be required to modify our operating plan and otherwise curtail or slow the pace of development and commercialization of our proposed product lines.

**Net Cash Used in Operating Activities**

During the fiscal year ended March 31, 2019, we used cash in operating activities of $5,220,847 compared to $4,874,535 for the fiscal year ended March 31, 2018. For each of the fiscal years ended March 31, 2019 and March 31, 2018, the cash in operating activities was primarily due to research, product development, business development, marketing and operations.

**Net Cash Provided by Financing Activities**

Net cash provided by financing activities was $4,556,544 for the fiscal year ended March 31, 2019, compared $5,289,281 for the fiscal year ended March 31, 2018. For the fiscal year ended March 31, 2018, the cash provided by financing activities was primarily due to the issuance of common shares and promissory notes.

**Net Cash Used in Investing Activities**

The Company did not use any net cash in investing activities in the fiscal years ended March 31, 2019 and March 31, 2018.

**Off Balance Sheet Arrangements**

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

## ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable to a smaller reporting company.

## ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our financial statements and corresponding notes thereto called for by this item may be found beginning on page F-1 of this Annual Report on Form 10-K.

## ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

## ITEM 9A. CONTROLS AND PROCEDURES

***Evaluation of Disclosure Controls and Procedures***

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's Exchange Act reports is recorded, processed, summarized and reported within the time communicated to the Company's management, including its Chief Executive Officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure based closely on the definition of "disclosure controls and procedures" in Rule 13a-15(e). The Company's disclosure controls and procedures are designed to provide a reasonable level of assurance of reaching the Company's desired disclosure control objectives. In designing periods specified in the SEC's rules and forms, and that such information is accumulated and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The Company's certifying officers have concluded that the Company's disclosure controls and procedures are effective in reaching that level of assurance.

At the end of the period being reported upon, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and principal financial officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on the foregoing, our Chief Executive Officer and principal financial officer concluded that our disclosure controls and procedures were effective to ensure that the material information required to be included in our Securities and Exchange Commission reports is accumulated and communicated to our management, including our principal executive and financial officer, recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms relating to the Company, based on the assessment and control of disclosure decisions currently performed by a small team. The Company plans to expand its management team and build a fulsome internal control framework required by a more complex entity.

***Management's Report on Internal Control over Financial Reporting***

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Section 13a-15(f) of the Securities Exchange Act of 1934, as amended). Internal control over financial reporting is a process designed by, or under the supervision of, the Company's principal financial officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external reporting purposes in conformity with U.S. generally accepted accounting principles and include those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and disposition of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

As of March 31, 2019, management conducted an assessment of the effectiveness of the Company's internal control over financial reporting based on the framework established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Based on the criteria established by COSO management concluded that the Company's internal control over financial reporting was effective as of March 31, 2019.

This Report does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting as smaller reporting companies are not required to include such report and EGC's are exempt from this requirement entirely until they are no longer an EGC. Management's report is not subject to attestation by the Company's independent registered public accounting firm.

***Limitations on the Effectiveness of Controls***

Management has confidence in its internal controls and procedures. The Company's management believes that a control system, no matter how well designed and operated can provide only reasonable assurance and cannot provide absolute assurance that the objectives of the internal control system are met, and no evaluation of internal controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. Further, the design of an internal control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitation in all internal control systems, no evaluation of controls can provide absolute assurance that all control issuers and instances of fraud, if any, within the Company have been detected.

***Changes in Internal Controls***

There were no changes in the Company's internal controls over financial reporting that occurred during the fiscal year ended March 31, 2018 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Internal control systems, no matter how well designed and operated, have inherent limitations. Therefore, even a system which is determined to be effective cannot provide absolute assurance that all control issues have been detected or prevented. Our systems of internal controls are designed to provide reasonable assurance with respect to financial statement preparation and presentation.

**ITEM 9B. OTHER INFORMATION**

None.

## PART III

## ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Our executive officers and directors are as follows:

| Name | Age | Position |
|---|---|---|
| Waqaas Al-Siddiq | 33 | President, Chief Executive Officer and Chairman of the Board of Directors |
| Dr. Norman M. Betts | 63 | Director |
| David A. Rosa | 53 | Director |
| John Ayanoglou | 53 | Chief Financial Officer |

***Waqaas Al-Siddiq: President, Chief Executive Officer and Chairman of the Board of Directors.*** Waqaas Al-Siddiq is the founder of iMedical and has been its Chairman and Chief Executive Officer since inception in July 2014. Prior to that, from July 2010 through July 2014, he was the Chief Technology Officer of Sensor Mobility Inc., a Canadian private company engaged in research and development activities within the remote monitoring segment of preventative care and that was acquired by iMedical in August 2014. Mr. Al-Siddiq also during this time provided consulting services with respect to technology strategy.

Mr. Al-Siddiq serves as a member of the Board of Directors as he is the founder of iMedical and his current executive position with the Company. We also believe that Mr. Al-Siddiq is qualified due to his experience as an entrepreneur and raising capital.

***Dr. Norman M. Betts: Director.*** Dr. Betts has been a director of the Company since April 27, 2016. He is an associate professor, Faculty of Business Administration, University of New Brunswick and a Chartered Accountant Fellow. Dr. Betts serves as a director of Tanzanian Royalty Exploration Corporation, a mineral resource company with exploration stage properties, the common shares of which are listed on the Toronto Stock Exchange under the symbol "TNX" and on the NYSE MKT LLC under the symbol "TRX." He is also Lead Independent Director of the Board of Adex Mining Inc. (TSX-V:ADE), a Canada-based mining company; and 49 North Resources Inc. (TSXV: FNR), a Saskatchewan focused resource investment company. Dr. Betts is also a former member of the Board of Directors of the Bank of Canada. Additionally, Dr. Betts was a member of the New Brunswick Legislative Assembly from 1993 to 2003 and held three different cabinet posts, including Minister of Finance from 1999 to 2001. He was awarded a PhD in Management from the School of Business at Queen's University in 1992.

We believe Dr. Betts is qualified to serve as a director due to his extensive accounting, financial management and board of director and governance experience.

***Patricia Kennedy: Director.*** Patricia has spent over 25 years in a variety of global sales and distribution positions in the medical device industry, focusing on the specifically in the field of Electrophysiology. In 2015, she founded and is currently the Managing Director of PJM Medical Consultants, supporting medical device companies entering the international market with market entry and product commercialization strategies. From 2008 to 2015, Pat served as VP – International and General Manager for Atricure, Inc. She achieved significant sales, market development, and clinical science milestones while defining strategic plans and pursuing technology development and acquisitions. From 2001 to 2008, Pat worked with Stereotaxis, Inc. in numerous executive positions including Worldwide VP – Clinical Services and VP – International Sales and Marketing. Prior to Stereotaxis, Pat worked with EP MedSystems as International Marketing Manager for defibrillation and diagnostic catheters. She began her career in the medical industry at Boston Scientific from 1992 to 1997 while occupying several positions in several positions, including Sales and International Product Manager for EPT. Pat has earned a Bachelor of Science Degree in Marketing from the University of Florida and a Bachelor of Science in Nursing degree from the University of North Florida.

We believe Ms. Kennedy is qualified to serve as a director due to her extensive accounting, financial management, board of director and governance experience.

***David Rosa: Director***. Mr. Rosa has been a director of the Company since May 3, 2016. He currently also serves as the CEO and President of NeuroOne, a medical technology company, having served in various capacities since October 2016. He was the CEO and President of Sunshine Heart, a publicly-held early-stage medical device company, from October 2009 through November 2015. From 2008 to November 2009, Mr. Rosa served as CEO of Milksmart, a company that specializes in medical devices for animals. From 2004 to 2008, Mr. Rosa served as the Vice President of Global Marketing for Cardiac Surgery and Cardiology at St. Jude Medical. He is a member of the Board of Directors of QXMedical, a Montreal-based medical device company, and other privately-held companies.

We believe Mr. Rosa is qualified to serve as a director due to his senior leadership experience in the medical device industry, and his expertise in market development, clinical affairs, commercialization and public and private financing. as well as his strong technical, strategic and global operating experience.

***John Ayanoglou: Chief Financial Officer.*** Mr. Ayanoglou has served as our Chief Financial Officer since October 27, 2017 and previously served as Chief Financial Officer of four financial services firms, three of which were publicly-listed companies. Mr. Ayanoglou currently serves as a director of Build Capital since October 2017. From October 2011 through October 26, 2017, Mr. Ayanoglou served as Executive Vice President of Build Capital. Prior to this, from May 2008 through September 2011, he served as Chief Financial Officer and Senior Vice President of Equitable Group Inc. (TSX: ETC) and its wholly-owned, OSFI-regulated subsidiary, Equitable Bank, which is Canada's 9$^{th}$ largest bank. Mr. Ayanoglou also served as CFO, Vice President and Corporate Secretary of Xceed Mortgage Corporation (TSX: XMC), from August 2000 through May 2008. He is a chartered accountant and a member of CPA Canada, Financial Executives International and has his ICD.D designation from the Institute of Corporate Directors at the Rotman School of Business.

There are no family relationships among any of our current officers and directors.

**Section 16(a) Beneficial Ownership Reporting Compliance**

During the fiscal year ended March 31, 2019, the Company did not have a class of securities registered pursuant to Section 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and therefore our executive officers, directors and holders of more than 10% of our equity securities were not subject to the reporting requirements of Section 16(a) of the Exchange Act.

**ITEM 11. EXECUTIVE COMPENSATION**

The following table set forth certain information as to the compensation paid to the executive officers of the Company and iMedical, its predecessor, for the fiscal years ended March 31, 2019 and March 31, 2018.

| Name and Principal Position | Year | Salary | Bonus | Stock Awards | Option Awards | Non-Equity Incentive Plan Compensation | All Other Compensation | Total |
|---|---|---|---|---|---|---|---|---|
| **Waqaas Al-Siddiq** | | | | | | | | |
| Chief Executive | 2019 | $360,000 | $150,000 | - | $1,235,040(1) | - | $ 30,208 | $1,775,248 |
| Officer | 2018 | $310,000 | $150,000 | - | $ 860,697(1) | - | $ 30,208 | $1,350,905 |
| **John Ayanoglou** | | | | | | | | |
| Chief Financial | 2019 | $152,870 | - | $43,750 | $ 116,217(1) | $ - | $ - | $ 312,837 |
| Officer(2) | 2018 | $129,513 | $ 19,505 | - | $ 118,188(1) | $ - | $ - | $ 267,206 |

(1) For assumptions made in such valuation, see Note 8 to our audited financial statements included in this Annual report on Form 10-K, commencing on page F-1. Amounts shown as option awards for Mr. Ayanoglou were granted as warrants since he is not a member of the Company's options program.

(2) Funds paid to Mr. Ayanoglou include $70,998 as consulting fee, paid through a corporation, with respect to contractual services being provided to the Company prior to his appointment as Chief Financial Officer.

**Outstanding Equity Awards**

The following table provides information about the number of outstanding equity awards held by our named executive officers at March 31, 2019.

| | Option awards | | | | | Stock awards | | | |
|---|---|---|---|---|---|---|---|---|---|
| Name | Number of securities underlying unexercised options (#) exercisable | Number of securities underlying unexercised options (#) unexercisable | Equity incentive plan awards: Number of securities underlying unexercised unearned options (#) | Option exercise price ($) | Option expiration date | Number of shares or units of stock that have not vested (#) | Market value of shares or units of stock that have not vested as of 12/31/15 ($) | Equity incentive plan awards: Number of unearned shares, units or other rights that have not vested (#) | Equity incentive plan awards: Market or payout value of unearned shares, units or other rights that have not vested ($) |
| Waqaas Al-Siddiq | 2,941,654 | 858,344 | - | $ 3.37 | August 4, 2021 to March 30, 2024 | - | - | - | - |
| John Ayanoglou | 300,000 | - | - | $ 1.85 | March 31, 2021 | - | - | - | - |

**Employment Agreements**

***Waqaas Al-Siddiq***

We entered into an employment agreement with Mr. Al-Siddiq on April 12, 2016, to serve as our Chief Executive Officer, on an indefinite basis subject to the termination provisions described in the agreement. Pursuant to the terms of the agreement, Mr. Al-Siddiq receives an annual base salary to be reviewed annually by the Board of Directors. Mr. Al-Siddiq is also eligible to receive a minimum annual bonus of 50% of annual base salary for the prior year based on his individual performance and the achievement of corporate objectives as determined by the Board. During January 2018, the Board approved an increase to Mr. Al-Siddiq's annual base salary from $300,000 per annum to a revised salary of $360,000 per annum.

Pursuant to his employment agreement, as of July 12, 2016, we granted to Mr. Al-Siddiq options to purchase 2,499,998 shares of our common stock, representing 10% of our outstanding shares at such date, at an exercise price per share of $2.20. Mr. Al-Siddiq shall be entitled to participate in our benefit plans generally made available to employees in accordance with the terms of such plans. During January 2018, the Board approved a new additional grant of options to Mr. Al-Siddiq to purchase 1,300,000 shares or our common stock at an exercise price of $5.44 per share, vesting equally over 30 months.

We may terminate Mr. Al-Siddiq's employment at any time for just cause without payment of any compensation either by way of anticipated earnings or damages of any kind, except for annual base salary and vacation pay accrued and owing up to the effective date of termination. "Just cause" shall mean (a) a material breach by Mr. Al-Siddiq of the terms of the agreement; (b) a conviction of or plea of guilty or nolo contendere to any felony or any other crime involving dishonesty or moral turpitude, (c) the commission of any act of fraud or dishonesty, or theft of or intentional damage to our property, (d) willful or intentional breach of Mr. Al-Siddiq's fiduciary duties, (e) the violation of a material policy as in effect from time to time or (f) any act or conduct that would constitute cause at common law.

If Mr. Al-Siddiq's employment is terminated by us for any reason other than for just cause, we shall provide Mr. Al-Siddiq with: (a) a severance payment equal to 12 months of his then annual base salary plus an amount equal to the last annual bonus paid to him; (b) all annual base salary and vacation pay accrued and owing; and (c) a continuation of our contributions necessary to maintain his Executive's participation for the minimum period prescribed by applicable employment standards legislation in all group insurance and benefit or pension plans or programs provided to him immediately prior to the termination of employment.

The agreement contains customary non-competition and non-solicitation provisions pursuant to which Mr. Al-Siddiq agrees not to compete and solicit with us. Mr. Al-Siddiq also agreed to customary terms regarding confidentiality, ownership of intellectual property and non-disparagement.

This summary is qualified in all respects by the actual terms of the employment agreement, which was filed as Exhibit 10.7 to our annual report on Form 10-K for the transition period from September 1, 2015 to December 31, 2015.8-k

***John Ayanoglou***

In connection with Mr. Ayanoglou's appointment as Chief Financial Officer effective as of October 27, 2017, the Company agreed to pay Mr. Ayanoglou a base salary of CDN$180,000. In addition, the Company agreed to grant Mr. Ayanoglou warrants to purchase 200,000 shares of the Company's common stock, during his first 12 months of tenure, granted in equal quarterly installments starting with the first fiscal quarter of employment. The warrants vest monthly on a pro-rata basis over this period of 12 months. This contract was renewed at a base salary level of USD200,00 and a further grant of 200,000 warrants to purchase shares of the Company's common stock, during the first 12 months of the renewed contract, vesting monthly on a pro rata basis during this period.

**Corporate Governance**

The business and affairs of the Company are managed under the direction of our Board of Directors, which is comprised of Mr. Al-Siddiq, Dr. Betts and Mr. Rosa.

**Term of Office**

Directors are appointed to hold office until the next annual general meeting of stockholders or until removed from office in accordance with our bylaws. Our officers are appointed by our Board and hold office until removed by our Board.

All officers and directors listed above will remain in office until the next annual meeting of our stockholders, and until their successors have been duly elected and qualified. Our bylaws provide that officers are appointed annually by our Board and each executive officer serves at the discretion of our Board.

**Director Compensation**

The following table sets forth a summary of the compensation we paid to our non-employee directors during the fiscal years ended March 31, 2019 and March 31, 2018.

| Name | Year | Fees Earned or Paid in Cash | Stock Awards | Option Awards | Non-Equity Incentive Plan Compensation | Nonqualified Deferred Compensation Earnings | All Other Compensation | Total |
|---|---|---|---|---|---|---|---|---|
| **Dr. Norman M. Betts** | 2019 | $ 24,000 | - | $ 15,980 | - | - | - | $ 39,980 |
| | 2018 | $ 8,000 | $ 75,400 | $ 36,205 | - | - | - | $ 119,605 |
| | | | | | | | | |
| **Patricia Kennedy (1)** | 2019 | $ 9,000 | - | $ 3,697 | - | - | $ - | $ 12,.697 |
| | 2018 | - | - | - | - | - | - | $ - |
| | | | | | | | | |
| **David A. Rosa** | 2019 | $ 24,000 | - | $ 15,980 | - | - | $ - | $ 39,980 |
| | 2018 | $ 6,000 | $ 75,400 | $ 41,925 | - | - | $ 1,251 | $ 124,576 |

(1) Ms. Kennedy joined the Board on November 18, 2018.

**Board Committees**

On March 9, 2017, the Board of Directors established an audit committee and a compensation committee, each consisting initially of one director. Dr. Betts, an independent Board member, was appointed to serve as the initial sole member of the audit committee. Mr. Rosa, an independent Board member, was appointed to serve as the initial sole member of the compensation committee. Our Board of Directors will establish any other committees that are required in order to be listed on a national securities exchange.

**Code of Business Conduct and Ethics Policy**

We adopted a Code of Business Conduct and Ethics as of April 12, 2016, that applies to, among other persons, our principal executive officers, principal financial officer, principal accounting officer or controller, and persons performing similar functions. Our Code of Business Conduct and Ethics is available on our website www.biotricity.com.

**Director Independence**

We use the definition of "independence" of The NASDAQ Stock Market to make this determination. NASDAQ Listing Rule 5605(a)(2) provides that an "independent director" is a person other than an officer or employee of the company or any other individual having a relationship, which, in the opinion of the Company's Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The NASDAQ listing rules provide that a director cannot be considered independent if:

- The director is, or at any time during the past three years was, an employee of the company;
- The director or a family member of the director accepted any compensation from the company in excess of $120,000 during any period of 12 consecutive months within the three years preceding the independence determination (subject to certain exclusions, including, among other things, compensation for board or board committee service);
- A family member of the director is, or at any time during the past three years was, an executive officer of the company;
- The director or a family member of the director is a partner in, controlling stockholder of, or an executive officer of an entity to which the company made, or from which the company received, payments in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenue for that year or $200,000, whichever is greater (subject to certain exclusions);
- The director or a family member of the director is employed as an executive officer of an entity where, at any time during the past three years, any of the executive officers of the company served on the compensation committee of such other entity; or
- The director or a family member of the director is a current partner of the company's outside auditor, or at any time during the past three years was a partner or employee of the company's outside auditor, and who worked on the company's audit.

Under such definitions, Dr. Betts, Ms. Kennedy and Mr. Rosa are independent directors.

**ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table shows the beneficial ownership of our common stock as of July 11, 2019 held by (i) each person known to us to be the beneficial owner of more than five percent of our common stock; (ii) each director; (iii) each executive officer; and (iv) all directors, director nominees and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC, and generally includes voting power and/or investment power with respect to the securities held. Shares of common stock subject to options and warrants currently exercisable or which may become exercisable within 60 days of July 11, 2019 are deemed outstanding and beneficially owned by the person holding such options or warrants for purposes of computing the number of shares and percentage beneficially owned by such person, but are not deemed outstanding for purposes of computing the percentage beneficially owned by any other person. Except as indicated in the footnotes to this table, the persons or entities named have sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them.

The following table assumes 35,810,310 shares are outstanding as of July 11, 2019, consisting of 31,508,225 shares of common stock and 4,313,085 Exchangeable Share common stock equivalents. The percentages below assume the exchange by all of the holders of Exchangeable Shares of iMedical for an equal number of shares of our common stock in accordance with the terms of the Exchangeable Shares. Unless otherwise indicated, the address of each beneficial holder of our common stock is our corporate address.

| Name of Beneficial Owner | Shares of Common Stock Beneficially Owned | % of Shares of Common Stock Beneficially Owned |
|---|---|---|
| Waqaas Al-Siddiq (1) | 8,048,987 | 20.56% |
| Isa Khalid Abdulla Al-Khalifa | 2,814,594 | 7.86% |
| Riazul Huda (2)(3) | 2,142,515 | 5.98% |
| John Ayanoglou (4) | 480,473 | 1.34% |
| Norman M. Betts (5) | 196,250 | * |
| Patricia Kennedy (5) | 125,000 | * |
| David A. Rosa (5) | 196,250 | * |
| All directors and executive officers as a group (5 person) (1)(4)(5) | 9,046,960 | 23.10% |

* Less than 1%

(1) Includes an option to purchase an aggregate of 3,336,651 shares of our common stock granted to Mr. Al-Siddiq pursuant to his employment agreement and compensation resolutions of the Company's board of directors. Excludes an additional 856,344 shares underlying such option that are not exercisable within 60 days of July 11, 2018.

(2) Such shares are held as Exchangeable Shares for tax purposes. The Exchangeable Shares have the following attributes, among others:

- Be, as nearly as practicable, the economic equivalent of the common stock as of the consummation of the Acquisition Transaction;
- Have dividend entitlements and other attributes corresponding to the common stock;
- Be exchangeable, at each holder's option, for common stock; and
- Upon the direction of our Board of Directors, be exchanged for common stock on the 10 year anniversary of the Acquisition Transaction, subject to applicable law, unless exchanged earlier upon the occurrence of certain events.

The holders of the Exchangeable Shares, through the Special Voting Preferred Stock, will have voting rights and other attributes corresponding to the common stock.

(3) Of such shares, 837,855 are held indirectly by 1903790 Ontario Inc., for which Mr. Huda has voting and dispositive control.

(4) Represents warrants that were granted during 2016 and 2017, and are exercisable within 60 days of July 11, 2018. Excludes an additional 50,000 shares underlying such warrants, which form part of Mr. Ayanoglou's compensation arrangement, that are not exercisable within 60 days of July 11, 2018.

(5) Represents shares and warrants that were granted and are exercisable within 60 days of July 11, 2018.

## ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

None.

## ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table presents the fees for professional audit services for the fiscal years ended March 31, 2019 and March 31, 2018.

| Fee Category | 2019 | 2018 |
|---|---|---|
| Audit Fees (1) | $ 72,775 | $ 65,787 |
| Audit-Related Fees | - | - |
| Tax Fees | - | - |
| All Other Fees | - | - |
| Total Fees | $ 72,775 | $ 65,787 |

(1) Audit fees consist of audit and review services, consents and review of documents filed with the SEC.

### Pre-Approval Policies and Procedures

In its capacity, the Board pre-approves all audit (including audit-related) and permitted non-audit services to be performed by the independent auditors. The Board will annually approve the scope and fee estimates for the year-end audit to be performed by the Company's independent auditors for the fiscal year. With respect to other permitted services, the Board pre-approves specific engagements, projects and categories of services on a fiscal year basis, subject to individual project and annual maximums. To date, the Company has not engaged its auditors to perform any non-audit related services.

## PART IV

**Item 15. Exhibits, Financial Statement Schedules**

| Exhibit | Description |
|---|---|
| 3.1 | Amended and Restated Articles of Incorporation (filed as Exhibit 3(i) to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2016 and incorporated herein by reference). |
| 3.2 | Amended and Restated By-Laws (filed as Exhibit 3(ii) to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2016 and incorporated herein by reference). |
| 4.1 | Certificate of Designation of Preferences, Rights and Limitations of Special Voting Preferred Stock of Biotricity Inc. (filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2016 and incorporated herein by reference). |
| 4.2 | Exchangeable Share provisions with respect to the special rights and restrictions attached to Exchangeable Shares (filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2016 and incorporated herein by reference). |
| 4.3 | Form of Secured Convertible Debenture due September 21, 2017 (filed as Exhibit 4.3 to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2016 and incorporated herein by reference). |
| 4.4 | Form of Warrant (filed as Exhibit 4.4 to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2016 and incorporated herein by reference). |
| 4.5 | Form of Convertible Promissory Note (filed as Exhibit 4.5 to the Registrant's Transition Report on Form 10-KT filed with the SEC on April 13, 2016 and incorporated herein by reference). |
| 4.6 | Form of Warrant (filed as Exhibit 4.6 to the Registrant's Transition Report on Form 10-KT filed with the SEC on April 13, 2016 and incorporated herein by reference). |
| 4.7 | Form of Warrant (filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 9, 2017 and incorporated herein by reference). |
| 4.8 | Form of Placement Agent Warrant (filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the SEC on March 9, 2017 and incorporated herein by reference). |
| 4.9 | Form of Promissory Note (filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed with the SEC on March 9, 2017 and incorporated herein by reference). |
| 10.1 | Exchange Agreement, dated February 2, 2016, among Biotricity Inc., Biotricity Callco Inc., Biotricity Exchangeco Inc., iMedical Innovation Inc. and the Shareholders of iMedical Innovations Inc. (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2016 and incorporated herein by reference). |
| 10.2 | Assignment and Assumption Agreement, dated as of February 2, 2016, by and between Biotricity Inc. and W270 SA (filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2016 and incorporated herein by reference). |
| 10.3 | Voting and Exchange Trust Agreement, as of February 2, 2016, among Biotricity Inc., Biotricity Callco Inc., Biotricity Exchangeco Inc. and Computershare filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2016 and incorporated herein by reference). |
| 10.4 | Support Agreement, made as of February 2, 2016, among Biotricity Inc., Biotricity Callco Inc. and Biotricity Exchangeco Inc. (filed as Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2016 and incorporated herein by reference). |
| 10.5* | 2016 Equity Incentive Plan (filed as Exhibit 10.5 to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2016 and incorporated herein by reference). |
| 10.6 | Exclusivity & Royalty Agreement, dated as of September 15, 2014, by and between iMedical Innovation Inc. and CardioComm Solutions, Inc. (Filed as Exhibit 10.6 to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2016 and incorporated herein by reference). |

| | |
|---|---|
| 10.7* | Employment Agreement dated April 12, 2016 with Waqaas Al-Siddiq (filed as Exhibit 10.7 to the Registrant's Transition Report on Form 10-KT filed with the SEC on April 13, 2016 and incorporated herein by reference). |
| 10.8 | Form of Subscription Agreement for convertible promissory notes and warrants (filed as Exhibit 10.8 to the Registrant's Transition Report on Form 10-KT filed with the SEC on April 13, 2016 and incorporated herein by reference). |
| 10.9 | Investment Banking Agreement, as amended (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 9, 2017 and incorporated herein by reference). |
| 10.10 | Form of Subscription Agreement (filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on March 9, 2017 and incorporated herein by reference). |
| 10.11+ | Software Development and Services Agreement, dated as of September 15, 2014, by and between iMedical Innovations Inc. and CardioComm Solutions, Inc. (filed as Exhibit 10.11 to the Registrant's Transition Report on Form 10-KT filed with the SEC on June 29, 2017 and incorporated herein by reference). |
| 10.12 | Form of Securities Purchase Agreement (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on December 26, 2017 and incorporated herein by reference). |
| 10.13 | Purchase Agreement, dated as of June 28, 2018, by and between Biotricity, Inc. and Lincoln Park Capital Fund, LLC (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on June 28, 2018 and incorporated herein by reference). |
| 10.14 | Form of Promissory Note (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on January 15, 2019 and incorporated herein by reference). |
| 10.15 | Form of Purchase Agreement (filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on January 15, 2019 and incorporated herein by reference). |
| 14.1 | Code of Business Conduct and Ethics (filed as Exhibit 14.1 to the Registrant's Transition Report on Form 10-KT filed with the SEC on April 13, 2016 and incorporated herein by reference). |
| 21.1 | List of Subsidiaries (filed as Exhibit 21.1 to the Registrant's Transition Report on Form 10-KT filed with the SEC on April 13, 2016 and incorporated herein by reference). |
| 31.1 | Section 302 Certification of Principal Executive Officer |
| 31.2 | Section 302 Certification of Principal Financial and Accounting Officer |
| 32.1 | Section 906 Certification of Principal Executive Officer |
| 32.2 | Section 906 Certification of Principal Financial and Accounting Officer |
| 101.INS | XBRL Instance Document |
| 101.SCH | XBRL Taxonomy Extension Schema Document Accounting Officer |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document |

* Indicates management contract or compensatory plan or arrangement.

\+ Portions of this document have been omitted and submitted separately with the Securities and Exchange Commission pursuant to a request for "Confidential Treatment".

**SIGNATURES**

Pursuant to the requirements of the Section 13 or 15 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on the 16th day of July, 2019.

**BIOTRICITY INC.**

By: */s/ Waqaas Al-Siddiq*
Waqaas Al-Siddiq
Chief Executive Officer and President

In accordance with the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

| Signature | Title | Date |
|---|---|---|
| */s/ Waqaas Al-Siddiq*<br>Waqaas Al-Siddiq | Chairman, President and Chief Executive Officer (principal executive officer) | July 16, 2019 |
| */s/ John Ayanoglou*<br>John Ayanoglou | Chief Financial Officer (principal financial and accounting officer) | July 16, 2019 |
| */s/ Norman M. Betts*<br>Norman M. Betts | Director | July 16, 2019 |
| */s/ DavidA. Rosa*<br>DavidA. Rosa | Director | July 16, 2019 |

**Consolidated Financial Statements**

**Biotricity Inc.**

**For the years ended March 31, 2019 and 2018**

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SRCO Professional Corporation
Chartered Professional Accountants
Licensed Public Accountants
Park Place Corporate Centre
15 Wertheim Court, Suite 409
Richmond Hill, ON L4B 3H7, Canada
Tel: 905 882 9500 & 416 671 7292
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Email: info@srco.ca
www.srco.ca

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Biotricity Inc.:

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Biotricity Inc. and subsidiaries (the Company) as of March 31, 2019 and 2018 and the related consolidated statements of operations and comprehensive loss, stockholders' (deficiency) equity, and cash flows for each of the years in the two-year period ended March 31, 2019 and related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2019 and 2018 and the results of its operations and its cash flows for each of the years in the two-year period ended March 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

*/s/ SRCO Professional Corporation*

We have served as the Company's auditor since 2015
Richmond Hill, Ontario, Canada
July 15, 2019

CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

**BIOTRICITY INC.**

**CONSOLIDATED BALANCE SHEETS**

(Expressed in US dollars)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | $ | $ |
| **CURRENT ASSETS** | | |
| Cash | **63,647** | **843,643** |
| Accounts receivable, net | **208,099** | **-** |
| Inventory – in transit | **24,604** | **-** |
| Harmonized sales tax recoverable | **59,925** | **35,737** |
| Deposits and other receivables | **101,385** | **17,046** |
| **Total current assets** | **457,660** | **896,426** |
| **NON-CURRENT ASSETS** | | |
| Deposits and other receivables | **33,000** | **33,000** |
| **TOTAL ASSETS** | **490,660** | **929,426** |
| | | |
| **CURRENT LIABILITIES** | | |
| Accounts payable and accrued liabilities *[Note 4]* | **1,400,642** | **756,179** |
| Convertible promissory notes *[Note 5]* | **867,699** | **-** |
| **TOTAL LIABILITIES** | **2,268,341** | **756,179** |
| | | |
| **STOCKHOLDERS' DEFICIENCY (EQUITY)** | | |
| Preferred stock, $0.001 par value, 10,000,000 authorized as at March 31, 2019 and March 31, 2018, respectively, 1 share issued and outstanding as at March 31, 2019 and March 31, 2018, respectively *[Note 7]* | 1 | 1 |
| Common stock, $0.001 par value, 125,000,000 authorized as at March 31, 2019 and March 31, 2018, respectively. Issued and outstanding common shares: 31,048,571 and 23,713,602 as at March 31, 2019 and 2018, respectively, and exchangeable shares of 4,313,085 and 8,143,944 outstanding as at March 31, 2019 and 2018, respectively *[Note 7]* | **35,362** | **31,858** |
| Shares to be issued (62,085 and 20,250 shares of common stock as at March 31, 2019 and 2018, respectively) *[Note 7]* | **91,498** | **69,963** |
| Additional paid-in-capital | **33,889,916** | **27,161,984** |
| Accumulated other comprehensive loss | **(754,963)** | **(643,129)** |
| Accumulated deficit | **(35,039,495)** | **(26,447,430)** |
| **TOTAL STOCKHOLDERS' DEFICIENCY (EQUITY)** | **(1,777,681)** | **173,247** |
| **TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY (EQUITY)** | **490,660** | **929,426** |

Commitments and Contingencies [Note 10]
Subsequent events [Note 11]

*See accompanying notes to the consolidated financial statements.*

**BIOTRICITY INC.**

**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(Expressed in US dollars)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| | $ | $ |
| **REVENUE** | **398,200** | **-** |
| Cost of Revenue | **248,664** | **-** |
| **NET REVENUE** | **149,536** | - |
| **EXPENSES** | | |
| General and administrative expenses *[Note 5, 7, 9 and 10]* | **7,458,855** | **5,961,173** |
| Research and development expenses | **1,282,746** | **1,762,561** |
| **TOTAL OPERATING EXPENSES** | **8,741,601** | **7,723,734** |
| Accretion expense *[Note 5]* | **-** | **879,416** |
| Change in fair value of derivative liabilities *[Note 6]* | **-** | **20,588** |
| **NET LOSS BEFORE INCOME TAXES** | **(8,592,065)** | **(8,623,738)** |
| Income taxes *[Note 8]* | **-** | **-** |
| **NET LOSS** | **(8,592,065)** | **(8,623,738)** |
| Translation adjustment | (111,834) | (229,745) |
| **COMPREHENSIVE LOSS** | **(8,703,899)** | **(8,853,483)** |
| **LOSS PER SHARE, BASIC AND DILUTED** | (0.257) | (0.286) |
| **WEIGHTED AVERAGE NUMBER OF COMMON AND EXCHANGEABLE SHARES OUTSTANDING** | **33,376,068** | **30,165,638** |

*See accompanying notes to the consolidated financial statements.*

**BIOTRICITY INC.**

**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' (DEFICIENCY) EQUITY**

(Expressed in US dollars)

| | Preferred stock | | Common stock and exchangeable common shares | | Shares to be Issued | | Additional paid in capital | Accumulated other comprehensive (loss) income | Accumulated deficit | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | Shares | $ | Shares | $ | Shares | $ | $ | $ | $ | $ |
| March 31, 2017 | 1 | 1 | 27,198,879 | 27,199 | - | - | 14,308,583 | (413,384) | (18,307,215) | (4,384,816) |
| Adjustment to derivative liabilities upon adoption of ASU 2017-11 | - | - | - | - | - | - | 3,569,250 | - | 483,523 | 4,052,773 |
| Issuance of shares for private placement | - | - | 1,996,119 | 1,996 | - | - | 5,179,329 | - | - | 5,181,325 |
| Cash issuance costs | - | - | - | - | - | - | (320,351) | - | - | (320,351) |
| Issuance of warrants for private placement investors | - | - | - | - | - | - | (3,183,614) | - | - | (3,183,614) |
| Issuance costs - warrants to brokers | - | - | - | - | - | - | (385,635) | - | - | (385,635) |
| Conversion of convertible notes into common shares | - | - | 1,823,014 | 1,823 | - | - | 4,355,874 | - | - | 4,357,697 |
| Issuance of shares for services | - | - | 527,941 | 528 | 20,250 | 69,963 | 1,837,990 | - | - | 1,908,481 |
| Exercise of warrants for cash | - | - | 252,798 | 253 | - | - | 428,058 | - | - | 428,311 |
| Issuance of warrants for services | - | - | - | - | - | - | 370,358 | - | - | 370,358 |
| Stock based compensation - ESOP | - | - | - | - | - | - | 1,002,201 | - | - | 1,002,201 |
| Cashless exercise of warrants | - | - | 58,795 | 59 | - | - | (59) | - | - | - |
| Translation adjustment | - | - | - | - | - | - | - | (229,745) | - | (229,745) |
| Net loss for the year | - | - | - | - | - | - | - | - | (8,623,738) | (8,623,738) |
| March 31, 2018 | 1 | 1 | 31,857,546 | 31,858 | 20,250 | 69,963 | 27,161,984 | (643,129) | (26,447,430) | 173,247 |
| **Issuance of shares for private placement** | **-** | **-** | **2,635,353** | **2,635** | **-** | **-** | **3,715,375** | **-** | **-** | **3,718,010** |
| **Cash issuance costs** | **-** | **-** | **-** | **-** | **-** | **-** | **(80,000)** | **-** | **-** | **(80,000)** |
| **Issuance of shares for services** | **-** | **-** | **641,329** | **641** | **41,835** | **21,535** | **1,123,278** | **-** | **-** | **1,145,455** |
| **Exercise of options and warrants for cash** | **-** | **-** | **227,428** | **228** | **-** | **-** | **50,607** | **-** | **-** | **50,835** |
| **Issuance of warrants for services** | **-** | **-** | **-** | **-** | **-** | **-** | **467,411** | **-** | **-** | **467,411** |
| **Stock based compensation - ESOP** | **-** | **-** | **-** | **-** | **-** | **-** | **1,451,261** | **-** | **-** | **1,451,261** |
| **Translation adjustment** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **(111,834)** | **-** | **(111,834)** |
| **Net loss for year** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **(8,592,065)** | **(8,592,065)** |
| **March 31, 2019** | **1** | **1** | **35,361,656** | **35,362** | **62,085** | **91,498** | **33,889,916** | **(754,963)** | **(35,039,495)** | **(1,777,681)** |

*See accompanying notes to the consolidated financial statements*

**BIOTRICITY INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Expressed in US dollars)

| | Year Ended March 31, 2019 $ | Year Ended March 31, 2018 $ |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Net loss | **(8,592,065)** | **(8,623,738)** |
| ***Adjustments to reconcile net loss to net cash used in operations*** | | |
| Stock based compensation | **1,451,261** | **1,002,201** |
| Issuance of shares for services | **1,145,455** | **1,908,481** |
| Issuance of warrants for services, at fair value | **467,411** | **370,358** |
| Accretion expense, including day one derivative loss | **-** | **879,416** |
| Change in fair value of derivative liabilities | **-** | **20,588** |
| ***Changes in operating assets and liabilities:*** | | |
| Accounts receivable, net | **(208,099)** | **-** |
| Inventory | **(24,604)** | **-** |
| Harmonized sales tax recoverable | **(25,907)** | **(34,798)** |
| Deposits and other receivables | **(86,996)** | **3,678** |
| Accounts payable and accrued liabilities | **652,697** | **(400,543)** |
| **Net cash used in operating activities** | **(5,220,847)** | **(4,874,535)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Issuance of shares, net | **3,638,010** | **4,860,970** |
| Proceeds from exercise of stock options and warrants | **50,835** | **428,311** |
| Proceeds from issuance of promissory notes, net | **867,699** | **-** |
| **Net cash provided by financing activities** | **4,556,544** | **5,289,281** |
| Effect of foreign currency translation | **(115,693)** | **4,029** |
| Net increase in cash during the year | **(664,303)** | **414,746** |
| Cash, beginning of year | **843,643** | **424,868** |
| **Cash, end of year** | **63,647** | **843,643** |
| | | |
| **Supplementary Cash Flow Information** | | |
| Interest paid | **18,587** | **-** |
| Taxes paid | - | - |
| Conversion of debt to equity on adoption of ASU 2017-11 | - | **4,074,312** |
| Conversion of convertible notes into common stock | - | - |

*See accompanying notes to the consolidated financial statements*

## 1. NATURE OF OPERATIONS

Biotricity Inc. (formerly MetaSolutions, Inc.) (the "Company") was incorporated under the laws of the State of Nevada on August 29, 2012.

iMedical Innovations Inc. ("iMedical") was incorporated on July 3, 2014 under the laws of the Province of Ontario, Canada.

Both the Company and iMedical are engaged in research and development activities within the remote monitoring segment of preventative care. They are focused on a realizable healthcare business model that has an existing market and commercialization pathway. As such, its efforts to date have been devoted in building technology that enables access to this market through the development of a tangible product.

On February 2, 2016, the Company entered into an exchange agreement with 1061806 BC LTD. ("Callco"), a British Columbia corporation and wholly owned subsidiary (incorporated on February 2, 2016), 1062024 B.C. LTD., a company existing under the laws of the Province of British Columbia ("Exchangeco"), iMedical, and the former shareholders of iMedical (the "Exchange Agreement"), whereby Exchangeco acquired 100% of the outstanding common shares of iMedical, taking into account certain shares pursuant to the Exchange Agreement as further explained in Note 9 to the consolidated financial statements. These subsidiaries were solely used for the issuance of exchangeable shares in the reverse takeover transaction and have no other transactions or balances. After giving effect to this transaction, the Company acquired all of iMedical's assets and liabilities and commenced operations through iMedical.

As a result of the Share Exchange, iMedical is now a wholly-owned subsidiary of the Company. This transaction has been accounted for as a reverse merger. Consequently, the assets and liabilities and the historical operations reflected in the consolidated financial statements for the periods prior to February 2, 2016 are those of iMedical and are recorded at the historical cost basis. After February 2, 2016, the Company's consolidated financial statements include the assets and liabilities of both iMedical and the Company and the historical operations of both after that date as one entity.

## 2. BASIS OF PRESENTATION, MEASUREMENT AND CONSOLIDATION

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and are expressed in United States dollars ("USD").

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. Significant intercompany accounts and transactions have been eliminated.

**Liquidity and Basis of Presentation**

The Company is an emerging growth entity that is in the early stages of commercializing its first product and is concurrently in development mode, operating a research and development program in order to develop, obtain regulatory approval for, and commercialize other proposed products. The Company has incurred recurring losses from operations, and as at March 31, 2019, has an accumulated deficit of $35,039,495 and a working capital deficiency of $1,810,681. During the year ended March 31, 2019, the Company launched its first commercial sales program, using an experienced professional in-house sales team. Management anticipates the Company will attain profitable status and improve its liquidity through continued business development and after additional equity or debt capitalization of the Company. The Company has developed and continues to pursue sources of funding that management believes if successful would be sufficient to support the Company's operating plan and alleviate any substantial doubt as to its ability to meet its obligations at least for one year from the date these consolidated financial statements are issued. As an example of this, the Company has raised $3,638,010 in funding from an agreement it has with a private equity fund, in which the fund has committed to purchase up to $25 million in additional shares of the Company at the direction and sole discretion of the Company subject to the Company's compliance with any funding conditions, including there being an effective registration statement registering the shares of common stock issuable under the equity line. The Company has also been able to raise promissory note funding from accredited individuals of $867,699 during the year ended March 31, 2019 and a further $923,531 subsequently, and has a written commitment for an additional $5 million in debt financing from a private debt fund (see Note 11 – *Subsequent Events*).

The Company's operating plan is predicated on a variety of assumptions including, but not limited to, the level of product demand, cost estimates, its ability to continue to raise additional financing and the state of the general economic environment in which the Company operates. There can be no assurance that these assumptions will prove to be accurate in all material respects, or that the Company will be able to successfully execute its operating plan. In the absence of additional appropriate financing, the Company may have to modify its operating plan or slow down the pace of development and commercialization of its proposed products.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Revenue Recognition*

The Company adopted Accounting Standards Codification Topic 606, "Revenue from Contracts with Customers" ("ASC 606") on April 1, 2018. In accordance with ASC 606, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services by applying the core principles – 1) identify the contract with a customer, 2) identify the performance obligations in the contract, 3) determine the transaction price, 4) allocate the transaction price to performance obligations in the contract, and 5) recognize revenue as performance obligations are satisfied.

The Bioflux mobile cardiac telemetry device, a wearable device, is worn by patients for a monitoring period up to 30 days. The cardiac data that the device monitors and collects is curated and analyzed by the Company's proprietary algorithms and then securely communicated to a remote monitoring facility for electronic reporting and conveyance to the patient's prescribing physician or other certified cardiac medical professional. Revenues earned with respect to this device are comprised of device sales revenues and technology fee revenues (software as a service). The device, together with its licensed software, is available for sale to the medical center or physician, who is responsible for the delivery of clinical diagnosis and therapy. The remote monitoring, data collection and reporting services performed by the technology culminate in a patient study that is generally billable when it is complete and is issued to the physician. In order to recognize revenue, management considers whether or not the following criteria are met: persuasive evidence of a commercial arrangement exists, and delivery has occurred or services have been rendered. For sales of devices, which are invoiced directly, additional revenue recognition criteria include that the price is fixed and determinable and collectability is reasonably assured; for revenue that is earned based on customer usage of the proprietary software to render a patient's cardiac study, the Company recognizes revenue when the study ends based on a fixed billing rate. Costs associated with providing the services are recorded as the service is provided regardless of whether or when revenue is recognized.

*Inventory*

Inventory is stated at the lower of cost or net realizable value, cost being determined on a weighted average cost basis, and market being determined as the lower of cost or net realizable value. The Company records write-downs of inventory that is obsolete or in excess of anticipated demand or market value based on consideration of product lifecycle stage, technology trends, product development plans and assumptions about future demand and market conditions. Actual demand may differ from forecasted demand, and such differences may have a material effect on recorded inventory values. Inventory write-downs are charged to cost of revenue and establish a new cost basis for the inventory.

*Use of Estimates*

The preparation of the consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Areas involving significant estimates and assumptions include: deferred income tax assets and related valuation allowance, accruals and valuation of derivatives, convertible promissory notes, stock options, and assumptions used in the going concern assessment. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

*Earnings (Loss) Per Share*

The Company has adopted the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 260-10 which provides for calculation of "basic" and "diluted" earnings per share. Basic earnings per share includes no dilution and is computed by dividing net income or loss available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflect the potential dilution of securities that could share in the earnings of an entity. Diluted earnings per share exclude all potentially dilutive shares if their effect is anti-dilutive. There were no potentially dilutive shares outstanding as at March 31, 2019 and 2018.

*Cash*

Cash includes cash on hand and balances with banks.

*Foreign Currency Translation*

The functional currency of the Company's Canadian-based subsidiary is the Canadian dollar and the US-based parent is the U.S. dollar. Transactions denominated in currencies other than the functional currency are translated into the functional currency at the exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the balance sheet date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All exchange gains or losses arising from translation of these foreign currency transactions are included in net income (loss) for the year. In translating the financial statements of the Company's Canadian subsidiaries from their functional currency into the Company's reporting currency of United States dollars, balance sheet accounts are translated using the closing exchange rate in effect at the balance sheet date and income and expense accounts are translated using an average exchange rate prevailing during the reporting period. Adjustments resulting from the translation, if any, are included in cumulative other comprehensive income (loss) in stockholders' equity. The Company has not, to the date of these consolidated financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

*Accounts Receivable*

Accounts receivable consists of amounts due to the Company from medical facilities, which receive reimbursement from institutions and third-party government and commercial payors and their related patients, as a result of the Company's normal business activities. Accounts receivable is reported on the balance sheets net of an estimated allowance for doubtful accounts. The Company establishes an allowance for doubtful accounts for estimated uncollectible receivables based on historical experience, assessment of specific risk, review of outstanding invoices, and various assumptions and estimates that are believed to be reasonable under the circumstances, and recognizes the provision as a component of selling, general and administrative expenses. Uncollectible accounts are written off against the allowance after appropriate collection efforts have been exhausted and when it is deemed that a balance is uncollectible.

*Fair Value of Financial Instruments*

ASC 820 defines fair value, establishes a framework for measuring fair value and expands required disclosure about fair value measurements of assets and liabilities. ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820-10 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

● Level 1 – Valuation based on quoted market prices in active markets for identical assets or liabilities.

● Level 2 – Valuation based on quoted market prices for similar assets and liabilities in active markets.

● Level 3 – Valuation based on unobservable inputs that are supported by little or no market activity, therefore requiring management's best estimate of what market participants would use as fair value.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments or interest rates that are comparable to market rates. These financial instruments include cash, accounts receivable, deposits and other receivables, convertible promissory notes, and accounts payable and accrued liabilities. The Company's cash and derivative liabilities, which are carried at fair values, are classified as a Level 1 and Level 2, respectively. The Company's bank accounts are maintained with financial institutions of reputable credit, therefore, bear minimal credit risk.

*Operating Leases*

The Company leases office space and certain office equipment under operating lease agreements. The lease term begins on the date of initial possession of the leased property for purposes of recognizing lease expense on a straight-line basis over the term of the lease. Lease renewal periods are considered on a lease-by-lease basis and are generally not included in the initial lease term.

*Income Taxes*

The Company accounts for income taxes in accordance with ASC 740. The Company provides for Federal, State and Provincial income taxes payable, as well as for those deferred because of the timing differences between reporting income and expenses for financial statement purposes versus tax purposes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recoverable or settled. The effect of a change in tax rates is recognized as income or expense in the period of the change. A valuation allowance is established, when necessary, to reduce deferred income tax assets to the amount that is more likely than not to be realized.

*Research and Development*

Research and development costs, which relate primarily to product and software development, are charged to operations as incurred. Under certain research and development arrangements with third parties, the Company may be required to make payments that are contingent on the achievement of specific developmental, regulatory and/or commercial milestones. Before a product receives regulatory approval, milestone payments made to third parties are expensed when the milestone is achieved**.** Milestone payments made to third parties after regulatory approval is received are capitalized and amortized over the estimated useful life of the approved product.

*Stock Based Compensation*

The Company accounts for share-based payments in accordance with the provision of ASC 718, which requires that all share-based payments issued to acquire goods or services, including grants of employee stock options, be recognized in the statement of operations based on their fair values, net of estimated forfeitures. ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Compensation expense related to share-based awards is recognized over the requisite service period, which is generally the vesting period.

The Company accounts for stock based compensation awards issued to non-employees for services, as prescribed by ASC 718-10, at either the fair value of the services rendered or the instruments issued in exchange for such services, whichever is more readily determinable, using the guidelines in ASC 505-50. The Company issues compensatory shares for services including, but not limited to, executive, management, accounting, operations, corporate communication, financial and administrative consulting services.

*Convertible Notes Payable and Derivative Instruments*

The Company has adopted the provisions of ASU 2017-11 to account for the down round features of warrants issued with private placements effective as of April 1, 2017. In doing so, warrants with a down round feature previously treated as derivative liabilities in the consolidated balance sheet and measured at fair value are henceforth treated as equity, with no adjustment for changes in fair value at each reporting period. Previously, the Company accounted for conversion options embedded in convertible notes in accordance with ASC 815. ASC 815 generally requires companies to bifurcate conversion options embedded in convertible notes from their host instruments and to account for them as free-standing derivative financial instruments. ASC 815 provides for an exception to this rule when convertible notes, as host instruments, are deemed to be conventional, as defined by ASC 815-40. The Company accounts for convertible notes deemed conventional and conversion options embedded in non-conventional convertible notes which qualify as equity under ASC 815, in accordance with the provisions of ASC 470-20, which provides guidance on accounting for convertible securities with beneficial conversion features. Accordingly, the Company records, as a discount to convertible notes, the intrinsic value of such conversion options based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt.

*Recently Issued Accounting Pronouncements*

In June 2018, the FASB issued an accounting pronouncement (FASB ASU 2018-07) to expand the scope of ASC Topic 718, Compensation - Stock Compensation, to include share-based payment transactions for acquiring goods and services from nonemployees. The pronouncement is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2018, with early adoption permitted. We are currently in the process of evaluating the effects of this pronouncement on our consolidated financial statements, including potential early adoption.

On April 1, 2018, the Company adopted the accounting pronouncement issued by the Financial Accounting Standards Board ("FASB") to clarify existing guidance on revenue recognition. This guidance includes the required steps to achieve the core principle that a company should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The Company adopted this pronouncement on a modified retrospective and such adoption did not have a material impact on our financial position and/or results of operations.

On April 1, 2018, the Company adopted the accounting pronouncement issued by the FASB to clarify how entities should present restricted cash and restricted cash equivalents in the statement of cash flows. This guidance requires entities to show changes in the total of cash, cash equivalents and restricted cash in the combined statement of cash flows. This guidance was adopted on a retrospective basis, and such adoption did not have a material impact on combined financial position and/or results of operations.

In July 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2017-11 ("ASU 2017-11"), which addressed accounting for (I) certain financial instruments with down round features and (II) replacement of the indefinite deferral for mandatorily redeemable financial instruments of certain nonpublic entities and certain mandatorily redeemable non-controlling interests with a scope exception. The main provisions of Part I of ASU 2017-11 "change the classification analysis of certain equity-linked financial instruments (or embedded features) with down round features. When determining whether certain financial instruments should be classified as liabilities or equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity's own stock. The amendments also clarify existing disclosure requirements for equity-classified instruments. As a result, a freestanding equity-linked financial instrument (or embedded conversion option) no longer would be accounted for as a derivative liability at fair value as a result of the existence of a down round feature. For freestanding equity classified financial instruments, the amendments require entities that present earnings per share (EPS) to recognize the effect of the down round feature when it is triggered. That effect is treated as a dividend and as a reduction of income available to common shareholders in basic EPS." Under previous US GAAP, warrants with a down round feature are not being considered indexed to the entity's own stock, which results in classification of the warrant as a derivative liability. Under ASU 2017-11, the down round feature qualifies for a scope exception from derivative treatment. ASU 2017-11 is effective for public companies as of December 15, 2018 and interim periods within that fiscal year. Early adoption is permitted, including adoption in an interim period, with adjustments reflected as of the beginning of the fiscal year. The Company has issued financial instruments with down round features. The Company opted to adopt ASU 2017-11 in its three-month interim period ended September 30, 2017, which is effective from April 1, 2017, with adjustments reflected in the accumulated deficit of stockholders' deficiency as of April 1, 2017. Please refer to Note 6.

The amendments in this Update require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in this Update do not provide a definition of restricted cash or restricted cash equivalents. The amendments in this Update are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The amendments in this Update should be applied using a retrospective transition method to each period presented. Management does not expect to have a significant impact of this ASU on the Company's unaudited interim condensed consolidated financial statements.

In May 2017, an accounting pronouncement was issued by the Financial Accounting Standards Board ("FASB") ASU 2017-09, "Compensation - Stock Compensation: Scope of Modification Accounting." ASU 2017-09 provides guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting. The updated guidance is effective for interim and annual periods beginning after December 15, 2017, and early adoption is permitted. The adoption of this pronouncement is not expected to have a material impact on the unaudited interim condensed consolidated financial position and/or results of operations.

On April 1, 2017, the Company adopted the accounting pronouncement issued by the Financial Accounting Standards Board ("FASB") to simplify the presentation of deferred income taxes within the balance sheet. This pronouncement eliminates the requirement that deferred tax assets and liabilities are presented as current or noncurrent based on the nature of the underlying assets and liabilities. Instead, the pronouncement requires that all deferred tax assets and liabilities, including valuation allowances, be classified as noncurrent. We adopted this pronouncement on a retrospective basis. The adoption of this guidance did not have a material impact on the Company's unaudited interim condensed consolidated financial position and/or results of operations.

In February 2016, an accounting pronouncement was issued by the FASB to replace existing lease accounting guidance. This pronouncement is intended to provide enhanced transparency and comparability by requiring lessees to record right-of-use assets and corresponding lease liabilities on the balance sheet for most leases. Expenses associated with leases will continue to be recognized in a manner similar to current accounting guidance. This pronouncement is effective for annual and interim periods beginning after December 15, 2018, with early adoption permitted. The adoption is required to be applied on a modified retrospective basis for each prior reporting period presented. Although the Company has not yet quantified the impact that the adoption of this pronouncement will have on the consolidated financial position and/or results of operations, however, the management has begun a process to identify a complete population of the leases. Such process includes reviewing various contracts to identify whether such arrangements convey the right to control the use of an identified asset. The Company continue to evaluate the impact of the new accounting pronouncement, including enhanced disclosure requirements, on our business processes, controls and systems.

## 4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | $ | $ |
| Trade and other payables | **878,453** | **547,858** |
| Accrued liabilities | **522,189** | **208,321** |
| | **1,400,642** | **756,179** |

Trade and other payables and accrued liabilities as at March 31, 2019 and 2018 include $277,278 and $161,481, respectively, due to a shareholder and executive of the Company in that individual's capacity as employee.

## 5. CONVERTIBLE PROMISSORY NOTES

Prior to April 1, 2016, pursuant to a term sheet offering of up to $2,000,000, the Company issued convertible promissory notes to various accredited investors amounting to $1,368,978 in face value. These notes had a maturity date of 24 months and carried an annual interest rate of 11%. The note holders had the right to convert any outstanding and unpaid principal portion of the note, and accrued interest, into fully paid and non-assessable shares of common stock any time until the note was fully paid. The notes had a conversion price initially set at $1.78. Upon any future financings completed by the Company, the conversion price was to reset to 75% of the future financing pricing. These notes did not contain prepayment penalties upon redemption. These notes were secured by all of the present and after acquired property of the Company. However, the Company could force conversion of these notes, if during the term of the agreement, the Company completed a public listing and the Common Share price exceeded the conversion price for at least 20 consecutive trading days. At the closing of the Notes, the Company issued cash (7%) and warrants (7% of the number of Common Shares into which the Notes may be converted) to a broker. The broker received 3% in cash and warrants for those investors introduced by the Company. The warrants had a term of 24 months and a similar reset provision based on future financings.

Pursuant to the conversion provisions, in August 2016, the Company converted the promissory notes, in the aggregate face value of $1,368,978, into 912,652 shares of common shares as detailed below. The fair value of the common shares was $2,907,912 and $1,538,934 was allocated to the related derivative liabilities (see note 6) and the balance to the carrying value of the notes.

| | $ |
|---|---|
| Accreted value of convertible promissory notes as at December 31, 2015 | 783,778 |
| Face value of convertible promissory notes issued during March 2016 | 175,000 |
| Discount recognized at issuance due to embedded derivatives | (74,855) |
| Accretion expense for three months March 31, 2016 | 73,572 |
| **Accreted value of convertible promissory notes as at March 31, 2016** | **957,495** |
| Accretion expense - including loss on conversion of $88,530 | 411,483 |
| Conversion of the notes transferred to equity | (1,368,978) |
| **Accreted value of convertible promissory notes as at March 31, 2019, 2018 and 2017** | **-** |

In March 2016, the Company commenced a bridge offering of up to an aggregate of $2,500,000 of convertible promissory notes. Up to March 31, 2017, the Company issued, to various investors, a new series of convertible notes ("Bridge Notes") in the aggregate face value of $2,455,000 (December 31, 2016 – $2,230,000). The Bridge Notes have a maturity date of 12 months and carry an annual interest rate of 10%. The Bridge Notes principal and all outstanding accrued interest may be converted into common stock based on the average of the lowest 3 trading days volume weighted average price over the last 10 trading days plus an embedded warrant at maturity. However, all the outstanding principal and accrued interest would convert into units/securities upon the consummation of a qualified financing, based upon the lesser of: (i) $1.65 per units/securities and (ii) the quotient obtained by dividing (x) the balance on the Forced Conversion date multiplied by 1.20 by (y) the actual price per unit/security in the qualified financing. Upon the maturity date of the notes, the Company also has an obligation to issue warrants exercisable into a number of shares of the Company securities equal to (i) in the case of a qualified financing, the number of shares issued upon conversion of the note and (ii) in all other cases, the number of shares of the Company's common stock equal to the quotient obtained by dividing the outstanding balance by 2.00.

In connection with the Bridge Notes offering, the accreted value of this offering was as follows as at March 31, 2017:

| **As at March 31, 2017** | $ |
|---|---|
| Face value of Bridge Notes issued | 2,455,000 |
| Day one derivative loss recognized during the year | 35,249 |
| Discount recognized at issuance due to embedded derivatives | (1,389,256) |
| Cash financing costs | (174,800) |
| Accretion expense | 630,797 |
| **Accreted value of Bridge Notes** | **1,556,990** |

On May 31, 2017, all Bridge Notes, having a face value of $2,436,406, were converted into Units of a private placement offering of the Company's common stock:

| | $ |
|---|---|
| Accreted value of Bridge Note as of March 31, 2017 | 1,556,990 |
| Accretion expense | 879,416 |
| Conversion of Bridge Notes transferred to equity (Note 7, c) | (2,436,406) |
| **Face value of Bridge Notes as of March 31, 2019 and 2018** | **-** |

The embedded conversion features and reset feature in the notes and broker warrants were initially accounted for as a derivative liability based on FASB guidance that was current at that time (see Note 6).

During the year ended March 31, 2019, the Company issued $867,699 in promissory notes to certain of its accredited investors. These are notes with a 1-year term at an interest rate of 10%, with allowance for the Company to repay early with no penalty, or the ability to convert into equity in the future, but only on mutual consent. Management has evaluated the terms of these notes in accordance with the guidance provided by ASC 470 and ASC 815 and concluded that there is no derivative or beneficial conversion feature attached to these notes.

General and administrative expenses include interest expense on the above notes of $11,669 and $41,029 for the year ended March 31, 2019 and 2018, respectively.

## 6. DERIVATIVE LIABILITIES

As explained in Note 3 under *New Accounting Pronouncements* ASU 2017-11 provides a change to the classification analysis of certain equity-linked financial instruments (or embedded features) with down round features. When determining whether certain financial instruments should be classified as liabilities or equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity's own stock. During the quarter ended September 30, 2017, the Company adopted the provisions of ASU 2017-11 to account for the down round features of its warrants issued with its private placements effective April 1, 2017. The Company used a modified retrospective approach to adoption, which does not restate its financial statements prior to year ended March 31, 2017. Adoption is effective as of April 1, 2017, the beginning of the Company's current fiscal year. The cumulative effect of this accounting standard update adjusted accumulated deficit as of April 1, 2017 by $483,524, with a corresponding adjustment to derivative liabilities:

| **Balance Sheet Impacts Under ASU 2017-11** | **As of April 1, 2017** |
|---|---|
| Accumulated Deficit | $ 483,524 |
| Derivative Liabilities | (483,524) |

The impact on the unaudited June 30, 2017 Balance Sheet and Statement of Operations is as follows:

| **Balance Sheet Impacts Under ASU 2017-11** | **As of June 30, 2017** |
|---|---|
| Derivative Liabilities | $ (4,074,312) |
| Additional Paid in Capital | 3,569,248 |
| Accumulated Deficit | 483,524 |

| **Income Statement Impacts Under ASU 2017-11** | **As of June 30, 2017** |
|---|---|
| Reversal of change in fair value of derivative liabilities | $ 21,540 |

In connection with the sale of debt or equity instruments, the Company may sell options or warrants to purchase its common stock. In certain circumstances, these options or warrants have previously been classified as derivative liabilities, rather than as equity. Additionally, the debt or equity instruments may contain embedded derivative instruments, which in certain circumstances may be required to be bifurcated from the associated host instrument and accounted for separately as a derivative instrument liability.

Previously, the Company's derivative instrument liabilities were re-valued at the end of each reporting period, with changes in the fair value of the derivative liability recorded as charges or credits to income in the period in which the changes occurred. For options, warrants and bifurcated embedded derivative features that were accounted for as derivative instrument liabilities, the Company estimated fair value using either quoted market prices of financial instruments with similar characteristics or other valuation techniques. The valuation techniques require assumptions related to the remaining term of the instruments and risk-free rates of return, our current common stock price and expected dividend yield, and the expected volatility of our common stock price over the life of the option. The details of derivative liabilities (pre and post adoption of ASU 2017-11) were as follows:

| | Total |
|---|---|
| | $ |
| **Derivative liabilities as at March 31, 2017** | 2,163,884 |
| Derivative fair value at issuance | 3,569,249 |
| Transferred to equity upon conversion of notes (Notes 5 and 7) | (1,700,949) |
| Change in fair value of derivatives | 42,128 |
| **Derivative liabilities as at June 30, 2017 (pre-adoption)** | 4,074,312 |
| **Adjustments relating to adoption of ASU 2017-11** | |
| Reversal of fair value | (21,540) |
| Transferred to accumulated deficit | (483,524) |
| Transferred to additional paid-in-capital | (3,569,248) |
| **Derivative liabilities as at September 30, 2017 (post-adoption) and March 31, 2019 and 2018** | - |

The lattice methodology was used to value the derivative components, using the following assumptions:

| | Assumptions |
|---|---|
| Dividend yield | 0.00% |
| Risk-free rate for term | 0.62% – 1.14% |
| Volatility | 103% – 118% |
| Remaining terms (Years) | 0.01 – 1.0 |
| Stock price ($ per share) | $2.50 and $2.70 |

The projected annual volatility curve for valuation at issuance and period end was based on the comparable company's annual volatility. The Company used market trade stock prices at issuance and period end date.

## 7. STOCKHOLDERS' DEFICIENCY (EQUITY)

### *a) Authorized and Issued Stock*

In contemplation of the acquisition of iMedical on February 2, 2016, the Company's Board of Directors and shareholders approved the increase in authorized capital stock from 100,000,000 shares of common stock to 125,000,000 shares of common stock, with a par value of $0.001 per share, and from 1,000,000 shares of preferred stock to 10,000,000 shares of preferred stock, with a par value of $0.001 per share. As at March 31, 2019, the Company is authorized to issue 125,000,000 (March 31, 2018 – 125,000,000) shares of common stock ($0.001 par value) and 10,000,000 (March 31, 2018 – 10,000,000) shares of preferred stock ($0.001 par value).

At March 31, 2019, common shares and shares directly exchangeable into equivalent common shares that were issued and outstanding totaled 35,361,656 (2018 – 31,857,546) shares; these were comprised of 31,048,571 (March 31, 2018 – 23,713,602) shares of common stock and 4,313,085 (March 31, 2018 – 8,143,944) exchangeable shares. There is currently one share of the Special Voting Preferred Stock issued and outstanding held by one holder of record, which is the Trustee in accordance with the terms of the Trust Agreement.

### *b) Exchange Agreement*

As explained in detail in Note 1 to the consolidated financial statements, with the closing of the Acquisition Transaction on February 2, 2016:

- Biotricity's sole existing director resigned and a new director who is the sole director of the Company was appointed to fill the vacancy;

- Biotricity's sole Chief Executive Officer and sole officer, who beneficially owned 6,500,000 shares of outstanding common stock, resigned from all positions and transferred all of his shares back for cancellation;

- The existing management of the Company were appointed as executive officers; and

- The existing shareholders of the Company entered into a transaction whereby their existing common shares of the Company were exchanged for either (a) a new class of shares that are exchangeable for shares of Biotricity's common stock, or (b) shares of Biotricity's common stock, which (assuming exchange of all such exchangeable shares) would equal in the aggregate a number of shares of Biotricity's common stock that constitute 90% of Biotricity's issued and outstanding shares.

In addition, effective on the closing date of the acquisition transaction:

- Biotricity issued approximately 1.197 shares of its common stock in exchange for each common share of the Company held by the Company shareholders who in general terms, are not residents of Canada (for the purposes of the Income Tax Act (Canada). Accordingly, the Company issued 13,376,947 shares;

- Shareholders of the Company who in general terms, are Canadian residents (for the purposes of the Income Tax Act (Canada)) received approximately 1.197 Exchangeable Shares in the capital of Exchangeco in exchange for each common share of the Company held. Accordingly, the Company issued 9,123,031 Exchangeable Shares;

- Each outstanding option to purchase common shares in the Company (whether vested or unvested) was exchanged, without any further action or consideration on the part of the holder of such option, for approximately 1.197 economically equivalent replacement options with an inverse adjustment to the exercise price of the replacement option to reflect the exchange ratio of approximately 1.197:1;

- Each outstanding warrant to purchase common shares in the Company was adjusted, in accordance with the terms thereof, such that it entitles the holder to receive approximately 1.197 shares of the common stock of Biotricity for each Warrant, with an inverse adjustment to the exercise price of the Warrants to reflect the exchange ratio of approximately 1.197:1

- Each outstanding advisor warrant to purchase common shares in the Company was adjusted, in accordance with the terms thereof, such that it entitles the holder to receive approximately 1.197 shares of the common stock of Biotricity for each Advisor Warrant, with an inverse adjustment to the exercise price of the Advisor Warrants to reflect the exchange ratio of approximately 1.197:1; and

- The outstanding 11% secured convertible promissory notes of the Company were adjusted, in accordance with the adjustment provisions thereof, as and from closing, so as to permit the holders to convert (and in some circumstances permit the Company to force the conversion of) the convertible promissory notes into shares of the common stock of Biotricity at a 25% discount to purchase price per share in Biotricity's next offering.

Issuance of common stock, exchangeable shares and cancellation of shares in connection with the reverse takeover transaction as explained above represents recapitalization of capital retroactively adjusting the accounting acquirer's legal capital to reflect the legal capital of the accounting acquiree.

*c) Share issuances*

***Share issuances during the year ended March 31, 2018***

During the year ended March 31, 2018, pursuant to a private offering of a minimum of $1,000,000, up to a maximum of $8,000,000 (the "Common Share Offering") that commenced in the prior year, the Company offered accredited investors units ("Units") at a purchase price of $1.75 per Unit, each consisting of common stock, par value $0.001 per share and a three-year warrant to purchase one-half share of common stock at an initial exercise price of $3.00 per whole share.

During the year ended March 31, 2018, the Company sold to accredited investors a total of 1,282,767 Units, for gross proceeds of $2,244,845 (net proceeds of $1,926,780).

During the year ended March 31, 2018, prior to closing its private placement offering on or about July 31, 2017, the Company sold to accredited investors a further total of 263,188 Units for gross proceeds of $460,579 (net proceeds of $413,629). Cash issuance costs of $46,950 were adjusted against additional paid in capital. In connection with this private placement, the Company also issued 21,055 broker warrants and 131,594 warrants to investors (refer to warrant issuances).

During the year ended March 31, 2018, the Company completed a registered offering, which raised net proceeds of $2,520,561 through the issuance of 450,164 common shares.

Cash issuance costs of $320,355 relating to the above private placements have been adjusted against additional paid in capital. In connection with the above private placements and conversion of notes as detailed in Note 5, the Company issued broker warrants and warrants to investors having fair values of $385,635 and $3,183,614, respectively, which were initially classified as derivative liabilities with corresponding debit to additional paid in capital.

On raising a total of $3,000,000 in aggregate proceeds from the Common Share Offering, this would qualify that offering as a Qualified Financing that would allow the Company, at its discretion, to convert the principal amount of the Bridge Notes (discussed in Note 5), along with accrued interest thereon, into units of the Common Share Offering. Conversion would be based upon the price that is the lesser of: (i) $1.60 per New Round Stock and (ii) the quotient obtained by dividing (x) the Outstanding Balance on the conversion date multiplied by 1.20 by (y) the actual price per New Round Stock in the Qualified Financing. The notes and the warrants were further subject to a "most-favored nation" clause in the event the Company, prior to maturity of the notes, consummates a financing that is not a Qualified Financing. Upon completion of a Qualified Financing, in connection with the conversion of the Bridge Notes, the Company would also pay the Placement Agent up to 8% in cashless broker warrants with an exercise price of $3.00 and an expiry date of two years from the date of issuance. Based on achieving this milestone, on May 31, 2017, the Company converted Bridge Notes with the aggregate principal amount of $2,455,000 plus accrued interest thereon, into a further 1,823,020 Units of its Common Share Offering (each of which corresponded to one share and half of one warrant).

During the year ended March 31, 2018, the Company issued an aggregate of 527,941 common stock and has recognized its obligation to issue a further 20,250 shares of common stock (see paragraph d, below), to various consultants. The fair value of these shares amounted to $1,908,481 were recognized as general and administrative and research and development expenses, as applicable, in the statement of operations, with a corresponding credit to additional paid-in-capital.

During the year ended March 31, 2018, the Company also issued an aggregate of 252,798 shares of its common stock upon exercise of warrants and received $428,311 of exercise cash proceeds. In addition, during this year, the Company issued 58,795 shares of common stock to brokers who opted to perform cashless exercise of their 108,799 warrants. See paragraph e, below.

***Share issuances during the year ended March 31, 2019***

During the year ended March 31, 2019, the Company issued common shares as part of series of closings under a registered offering, which raised gross proceeds of $3,718,010 through the issuance of 2,635,353 common shares. Issuance costs pursuant to this offering amounted to $80,000.

During the year ended March 31, 2019, the Company also issued an aggregate of 641,329 common stock and has recognized its obligation to issue a further 41,835 shares of common stock (see paragraph d, below), to various consultants. The fair value of these shares determined by using the market price of the common stock as at the date of issuance amounted to $1,145,455 were recognized as general and administrative and research and development expenses, as applicable, in the statement of operations, with corresponding credit to common shares, shares to be issued and additional paid-in-capital, respectively.

During the year ended March 31, 2019, the Company also issued an aggregate of 227,428 shares of its common stock upon exercise of employee stock options and warrants; it received $50,835 of exercise cash proceeds.

***d) Shares to be issued***

As of March 31, 2019, the Company had recognized its contractual obligations to issue a total of 62,085 shares of common stock to consultants, advisors and other service providers, (including an obligation to issue 41,835 shares recognized during the year then ended, as explained in paragraph c, above). The fair value of these shares amounted to $91,498 and has been expensed to general and administrative and research and development expenses in the consolidated statement of operations, with a corresponding credit to additional paid-in-capital. The fair value of these shares was determined by using the market price of the common stock as at the date of issuance.

***e) Warrant exercises***

***Warrant exercises during the year ended March 31, 2018***

During December 2017, 112,798 broker warrants were exercised at exercises price of between $1.04 and $1.49, such that the Company received cash proceeds of $124,718. Also during December 2017, 140,000 consultant warrants were exercised at exercise prices between $2.00 and 2.58, for cash proceeds to the Company of $303,200.

During March 2018, 108,799 broker warrants were exercised into 58,795 common shares through the cashless exercise. The Purchaser may, in its sole discretion, exercise all or any part of this Warrant in a "cashless" or "net-issue" exercise (a "Cashless Exercise") by delivering to the Company (1) the Notice of Exercise and (2) the original Warrant, pursuant to which the Purchaser shall surrender the right to receive upon exercise of this Warrant the full number of Warrant Shares set forth in Section 1 hereof and instead, without cash payment, shall receive a number of Warrant Shares calculated by using the following formula: X = Y (A - B)/A with: X = the number of Warrant Shares to be issued to the Purchaser Y = the number of Warrant Shares with respect to which the Warrant is being exercised A = the fair value per share of Common Stock on the date of exercise of this Warrant B = the then-current Exercise Price of the Warrant. The average of the closing sales prices, as quoted on the primary national or regional stock exchange on which the Common Stock is listed, or, if not listed, on the Nasdaq Market if quoted thereon, or, if not listed or quoted, the OTC Bulletin Board (or any tier of the OTC Markets) if quoted thereon, on the twenty (20) consecutive Trading Days immediately preceding the date on which the Notice of Exercise is deemed to have been sent to the Company, or (B) if the Common Stock is not publicly traded as set forth above, as reasonably and in good faith determined by the Board of Directors of the Company as of the date which the Notice of Exercise is deemed to have been sent to the Company.

***Warrant exercises during the year ended March 31, 2019***

During the year ended March 31, 2019, 62,838 warrants issued to consultants and advisors were exercised at an average exercise price of $0.81, such that the Company received cash proceeds of $50,835.

### *f) Warrant issuances*

***Warrant issuances during the year ended March 31, 2018***

During the year ended March 31, 2018, the Company issued 62,500 warrants as compensation for services, which were fair valued at $142,989 and expensed in general and administrative expenses, with a corresponding credit to additional paid in capital. The fair value has been estimated using a multi-nominal lattice model with an expected life ranging from 0.07 to 0.64 years, risk free rate ranging from 0.84% to 1.14%, stock price of $2.50 to $2.70 and expected volatility of 118%.

During the year ended March 31, 2018, the Company issued 47,500 warrants, which were fair valued at $31,987, and recorded as compensation for services, which have been expensed to general and administrative expenses in the consolidated statement of operations, with a corresponding credit to additional paid-in-capital. The fair value has been estimated using a multi-nominal lattice model with an expected life of 3 years, a risk-free rate of 1.47% stock price of $2.18, annual attrition rate of 0% and expected volatility of 137.63%, determined based on comparable companies' historical volatilities.

During the year ended March 31, 2018, the Company issued 98,806 warrants, which were fair valued at a cumulative $97,654, and recorded as compensation for services, which have been expensed to general and administrative expenses in the consolidated statement of operations, with a corresponding credit to additional paid-in-capital. The fair values have been estimated using a multi-nominal lattice model with an expected life of 3 years, risk free rates of 1.62% to 1.98%, stock prices of $2.18 to $7.59, an annual attrition rate of 0% and expected volatilities of 136.77% to 145.99%, determined based on comparable company historical volatilities.

During the year ended March 31, 2018, the Company issued 65,000 warrants, which were fair valued at a cumulative $97,728 and recorded as compensation for services, which have been expensed to general and administrative expenses in the consolidated statement of operations, with a corresponding credit to additional paid-in-capital. The fair values have been estimated using a multi-nominal lattice model with an expected life of 3 years, risk free rates of 1.98% to 2.39%, stock price of $3.69 to $7.59, annual attrition rate of 0% and expected volatility of 139.75% to 145.99%.

***Warrant issuances during the year ended March 31, 2019***

During the year ended March 31, 2019, the Company issued 849,601 warrants as compensation for advisor and consultant services, which were fair valued at $467,411 and expensed in general and administrative expenses, with a corresponding credit to additional paid in capital. Their fair value has been estimated using a multi-nominal lattice model with an expected life of 2 to 3 years, a risk free rate ranging from 2.13% to 2.81%, stock price of $0.48 to $4.15 and expected volatility of 97.8% to 141.1%.

Warrant issuances, exercises and expirations or cancellations during the years ended March 31, 2019 and 2018, were as follows, resulting in warrants outstanding at the end of those respective periods:

| | Broker Warrants | Consultant Warrants | Warrants Issued on Conversion of Convertible Notes | Private Placement Warrants | Total |
|---|---|---|---|---|---|
| As at December 31, 2015 | 271,742 | 380,000 | - | - | 651,742 |
| RTO adjustment* | 53,507 | 74,860 | - | - | 128,367 |
| After RTO | 325,249 | 454,860 | - | - | 780,109 |
| Less: Exercised | - | (131,365) | - | - | (131,365) |
| Less: Expired/cancelled | - | (285,279) | - | - | (285,279) |
| Add: Issued | 55,433 | 878,250 | - | 390,744 | 1,324,427 |
| As at March 31, 2017 | 380,682 | 916,466 | - | 390,744 | 1,687,892 |
| Less: Exercised | (222,690) | (140,000) | - | - | (362,690) |
| Less: Expired/cancelled | (19,935) | (380,300) | - | - | (400,235) |
| Add: Issued | 246,095 | 273,806 | 2,734,530 | 772,978 | 4,027,409 |
| As at March 31, 2018 | 384,152 | 669,972** | 2,734,530 | 1,163,722 | 4,952,376 |
| Less: Exercised | (62,838) | - | - | - | (62,838) |
| Less: Expired/cancelled | - | (342,416) | - | - | (342,416) |
| Add: Issued | - | 849,601 | - | - | 849,601 |
| As at March 31, 2019 | 321,314 | 1,177,157** | 2,734,530 | 1,163,722 | 5,396,723 |
| | | | | | |
| Exercise Price | $0.78-$3.00 | $0.48-$7.59 | 2.00 | 3.00 | |
| Expiration Date | March 2022 to July 2022 | September 2019 to March 2022 | March 2020 to November 2022 | April 2020 to July 2020 | |

*As explained above, on February 2, 2016 all outstanding warrants at that time had been increased by a factor of 1.197.

**Consultant Warrants do not include 188,806 warrants provided to an officer of the Company as compensation while he was not a member of any Company options plan, otherwise disclosed in Note 9 under stock-based compensation.

***g) Stock-based compensation***

2015 Equity Incentive Plan

On March 30, 2015, iMedical approved Directors, Officers and Employees Stock Option Plan, under which it authorized and issued 3,000,000 options. This plan was established to enable the Company to attract and retain the services of highly qualified and experience directors, officers, employees and consultants and to give such person an interest in the success of the Company. As of March 31, 2018 and March 31, 2017, there were no outstanding vested options and 137,500 unvested options at an exercise price of $.0001 under this plan. These options now represent the right to purchase shares of the Company's common stock using the same exchange ratio of approximately 1.1969:1, thus there were 164,590 (35,907 had been cancelled) adjusted unvested options as at March 31, 2018. These remaining 164,590 options were exercised during the year ended March 31, 2019. No other grants will be made under this plan.

The following table summarizes the stock option activities of the Company:

| | Number of options | Weighted average exercise price ($) |
|---|---|---|
| Granted | 3,591,000 | 0.0001 |
| Exercised | (3,390,503) | 0.0001 |
| Outstanding as of December 31, 2015 | 200,497 | 0.0001 |
| Cancelled during 2016 | (35,907) | 0.0001 |
| Outstanding as of March 31, 2018 | 164,590 | 0.0001 |
| Exercised | (164,590) | 0.0001 |
| Outstanding as of March 31, 2019 | - | - |

The fair value of options at the issuance date were determined at $2,257,953 which were fully expensed during the twelve months ended December 31, 2015 based on vesting period and were included in general and administrative expenses with corresponding credit to additional paid-in-capital. During the twelve months ended December 31, 2015, 3,390,503 (2,832,500 Pre-exchange Agreement) options were exercised by those employees who met the vesting conditions; 50% of the grants either vest immediately or at the time of U.S. Food and Drug Administration (FDA) filing date and 50% will vest upon Liquidity Trigger. Liquidity Trigger means the day on which the board of directors resolve in favour of i) the Company is able to raise a certain level of financing; ii) a reverse takeover transaction that results in the Company being a reporting issuer, and iii) initial public offering that results in the Company being a reporting issuer.

2016 Equity Incentive Plan

On February 2, 2016, the Board of Directors of the Company approved 2016 Equity Incentive Plan (the "Plan"). The purpose of the Plan is to advance the interests of the participating company group and its stockholders by providing an incentive to attract, retain and reward persons performing services for the participating company group and by motivating such persons to contribute to the growth and profitability of the participating company group. The Plan seeks to achieve this purpose by providing for awards in the form of options, stock appreciation rights, restricted stock purchase rights, restricted stock bonuses, restricted stock units, performance shares, performance units and other stock-based awards.

The Plan shall continue in effect until its termination by the Committee; provided, however, that all awards shall be granted, if at all, on or before the day immediately preceding the tenth (10th) anniversary of the effective date. The maximum number of shares of stock that may be issued under the Plan pursuant to awards shall be equal to 3,750,000 shares; provided that the maximum number of shares of stock that may be issued under the Plan pursuant to awards shall automatically and without any further Company or shareholder approval, increase on January 1 of each year for not more than 10 years from the Effective Date, so the number of shares that may be issued is an amount no greater than 15% of the Company's outstanding shares of stock and shares of stock underlying any outstanding exchangeable shares as of such January 1; provided further that no such increase shall be effective if it would violate any applicable law or stock exchange rule or regulation, or result in adverse tax consequences to the Company or any participant that would not otherwise result but for the increase.

During July 2016, the Company granted an officer options to purchase an aggregate of 2,499,998 shares of common stock at an exercise price of $2.20 subject to a 3 year vesting period, with the fair value of the options being expensed over a 3 year period. Two additional employees were also granted 175,000 options to purchase shares of common stock at an exercise price of $2.24 with a 1 year vesting period, with the fair value of the options being expensed over a 1 year period. One additional employee was also granted 35,000 options to purchase shares of common stock at an exercise price of $2.24 with a 2 year vesting period, with the fair value of the options expensed over a 2 year period.

During the year ended March 31, 2018, an additional 1,437,500 stock options were granted with a weighted average remaining contractual life from 2.76 to 9.51 years.

During the year ended March 31, 2019, an additional 270,521 stock options were granted with a weighted average remaining contractual life from 2.76 to 9.51 years. During the year ended March 31, 2019, the Company recorded stock based compensation of $1,451,261 in connection with ESOP 2016 Plan (March 31, 2018 - $1,002,201) under general and administrative expenses with corresponding credit to additional paid in capital.

| | Number of options | Weighted average exercise price ($) |
|---|---|---|
| Granted | 2,709,998 | 2.2031 |
| Exercised | - | - |
| **Outstanding as of March 31, 2017** | **2,709,998** | **2.2031** |
| Granted | 1,437,500 | 5.1676 |
| Exercised | - | - |
| **Outstanding as of March 31, 2018** | **4,147,498** | **3.2306** |
| Granted | 270,521 | 1.8096 |
| Exercised | - | - |
| **Outstanding as of March 31, 2019** | **4,418,019** | 3.1436 |

The fair value of each option granted is estimated at the time of grant using multi-nominal lattice model using the following assumptions, for each of the respective years ended March 31**:**

| | 2019 | 2018 | 2017 |
|---|---|---|---|
| Exercise price ($) | 1.40-2.00 | 3.69-7.59 | 2.00 – 2.58 |
| Risk free interest rate (%) | 2.27-2.81 | 1.98-2.39 | 0.45 - 1.47 |
| Expected term (Years) | 2.0-3.0 | 3.0 | 1.0 - 3.0 |
| Expected volatility (%) | 97.8-141.1 | 139.75-145.99 | 101 – 105 |
| Expected dividend yield (%) | 0.00 | 0.00 | 0.00 |
| Fair value of option ($) | 0.588 | 1.032 | 0.88 |
| Expected forfeiture (attrition) rate (%) | 0.00 | 0.00 | 0.00 – 5.00 |

The intrinsic value of all the options as at March 31, 2019 were zero.

**8. INCOME TAXES**

*Income taxes*

The provision for income taxes differs from that computed at combined corporate tax rate of approximately 26% as follows:

**Income tax recovery**

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| | $ | $ |
| Net loss | (8,952,065) | (8,623,738) |
| | | |
| Expected income tax recovery | (2,233,937) | (2,242,172) |
| Non-deductible expenses | 796,673 | 1,068,744 |
| Other temporary differences | (44,048) | (41,773) |
| Change in valuation allowance | 1,481,312 | 1,251,201 |
| | - | - |

**Deferred tax assets**

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | $ | $ |
| Non-capital loss carry forwards | 2,626,861 | 1,145,549 |
| Other temporary differences | 123,810 | 147,057 |
| Change in valuation allowance | (2,750,671) | (1,292,606) |
| | - | - |

As of March 31, 2019 and 2018, the Company decided that a valuation allowance relating to the above deferred tax assets of the Company was necessary, largely based on the negative evidence represented by losses incurred and a determination that it is not more likely than not to realize these assets, such that, a corresponding valuation allowance, for each respective period, was recorded to offset deferred tax assets.

As of March 31, 2019 and 2018 the Company has approximately $10,103,310 and $4,405,959, respectively, of non-capital losses available to offset future taxable income. These losses will expire between 2033 to 2036.

As of March 31, 2019 and 2018 the Company is not subject to any uncertain tax positions.

**9. RELATED PARTY TRANSACTIONS**

The Company's transactions with related parties were carried out on normal commercial terms and in the course of the Company's business. Other than disclosed elsewhere in the Company's consolidated financial statements, related party transactions are as follows.

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| | $ | $ |
| Salary and allowance* | 750,078 | 654,477 |
| Stock based compensation** | 1,430,663 | 1,200,617 |
| **Total** | **2,180,741** | **1,855,094** |

* Salary, allowance and other include salary, consulting fees, car allowance, vacation pay, bonus and other allowances paid or payable to a shareholder, directors and executive officers of the Company.

** Stock based compensation represent the fair value of the options, shares, warrants and equity incentive plan for directors, shareholders and executive officers of the Company.

**10. COMMITMENTS AND CONTINGENCIES**

On January 8, 2016, the Company entered into a 40-month lease agreement for its office premises in California, USA. The monthly rent from the date of commencement to the 12th month is $16,530, from the 13th to the 24th month is $17,026, from the 25th to the 36th month is $17,536, whereas the final 4 months is $18,062. This term of this lease was extended to June 30, 2021, with monthly rent from July 1, 2019 to June 30, 2020 and July 1, 2020 to June 30, 2021 increased to $18,618 and $19,176, respectively.

There are no claims against the company that were assessed as significant, which were outstanding as at March 31, 2019 and, consequently, no provision for such has been recognized in the consolidated financial statements.

**11. SUBSEQUENT EVENTS**

The Company's management has evaluated subsequent events up to July 11, 2019, the date the consolidated financial statements were issued, pursuant to the requirements of ASC 855 and has determined the following material subsequent events:

**Issuance of Promissory Notes**

Subsequent to year end, the Company issued $923,531 in promissory notes to accredited investors. The notes mature between twelve and twenty-four months from the date of issuance. Interest on the notes ranges from 10% to 13% and accrues quarterly in arrears. In certain cases, pursuant to the subscription agreement between the Company and the investors, the Notes may be convertible, subject to mutual agreement of the Company and the Holders of the Notes at a 20% discount to the next equity financing of greater than $5,000,000 excluding the conversion of the Notes. The Notes referenced above were offered and sold pursuant to an exemption from the registration requirements under Section 4(a)(2) of the Securities Act since, among other things, the transactions did not involve a public offering.

**Exhibit 31.1**

**BIOTRICITY, INC.**

CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Waqaas Al-Siddiq, certify that:

1. I have reviewed this Annual Report on Form 10-K of Biotricity, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: July 16, 2019

*/s/ Waqaas Al-Siddiq*
Waqaas Al-Siddiq
Chief Executive Officer
(principal executive officer)

**Exhibit 31.2**

**BIOTRICITY, INC.**

CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Waqaas Al-Siddiq, certify that:

1. I have reviewed this Annual Report on Form 10-K of Biotricity, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: July 16, 2019

*/s/ John Ayanoglou*

John Ayanoglou
(principal financial officer and principal accounting officer)

**Exhibit 32.1**

**BIOTRICITY, INC.**

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Biotricity Inc. (the "Company") for the fiscal year ended March 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Waqaas Al-Siddiq, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 16, 2019

*/s/ Waqaas Al-Siddiq*
Waqaas Al-Siddiq
Chief Executive Officer
(principal executive officer)

**Exhibit 32.2**

**BIOTRICITY, INC.**

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Biotricity, Inc. (the "Company") for the fiscal year ended March 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Ayanoglou, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 16, 2019

*/s/ John Ayanoglou*
John Ayanoglou
(principal financial officer and principal accounting officer)