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

FORM 10-K

[ ] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended:

[X] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from January 1, 2017 to March 31, 2017

Commission File Number: 333-201719

BIOTRICITY INC.

(Exact name of registrant as specified in its charter)

NEVADA	47-2548273
(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)

(416) 214-3678
(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 [ ] No [x]

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 past 90 days. Yes [x] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). 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. [x]
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

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. [x]

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: $27,419,253.

The number of shares outstanding of each of the registrant’s classes of common stock, as of June 28, 2017, was 21,025,619.

DOCUMENTS INCORPORATED BY REFERENCE

None.

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PART I

ITEM 1. BUSINESS

Summary

Biotricity Inc. ("Company", "Biotricity", "we", "us" or "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.

To date, we are developing our Bioflux MCT technology which is comprised of a monitoring device and software component, and are in the process of building strategic relationships to accelerate our go-to-market strategy and growth.

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. and increased the authorized number of shares of common stock from 100,000,000 to 125,000,000 and "blank check" preferred stock from 1,000,000 to 10,000,000.

iMedical was incorporated on July 3, 2014 under the Canada Business Corporations Act. Sensor Mobility Inc. was incorporated on July 22, 2009 under the laws of the Province of Ontario, Canada. Sensor Mobility was also engaged in research and development activities within the remote monitoring segment of preventative care. On August 11, 2014, all the stockholders of Sensor Mobility entered into a series of rollover agreements for the sale of their shares to iMedical. Pursuant to these agreements, all the stockholders of Sensor Mobility received twice the number of shares of iMedical in exchange for their shares in Sensor Mobility. Accordingly, iMedical issued 11,829,500 shares in exchange for 5,914,750 shares of Sensor Mobility, which were subsequently cancelled, effective November 21, 2014. As the former stockholders of Sensor Mobility became the majority stockholders of iMedical in such transaction, it was accounted for as a reverse merger and was treated as an acquisition of iMedical (legal acquirer) and a recapitalization of Sensor Mobility (accounting acquirer). As Sensor Mobility was the accounting acquirer, the results of its operations carried over. Consequently, the assets and liabilities and the historical operations reflected in this Transition Report on Form 10-K for the periods prior to November 21, 2014 are those of Sensor Mobility. Effective from November 21, 2014, the financial statements include the assets, liabilities and operations of iMedical.

Our principal executive office is located at 275 Shoreline Drive, Redwood City, California, and our telephone number is (416) 214-3678. 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 Transition Report on Form 10-K.

The Acquisition Transaction

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

In conjunction with the closing of the Acquisition Transaction, an aggregate of 6,500,000 shares of our common stock were deemed cancelled, all of which were held by our former President and Chief Executive Officer.

Following the Acquisition Transaction, as of the date of the closing of the Acquisition Transaction, there were an equivalent of approximately 25,000,000 shares of our common stock issued and outstanding of which pre-existing stockholders hold 2,500,000 and former iMedical shareholders hold: (a) an equivalent of 9,123,031 shares of our common stock through their ownership of 100% of the Exchangeable Shares and (b) 13,376,947 shares of our common stock directly.

As a result, our pre-Acquisition Transaction stockholders hold approximately 10% of our issued and outstanding shares of common stock (which could be decreased to approximately 7.2%), and the former stockholders of iMedical hold approximately 90% of our issued and outstanding shares of common stock (which could be increased to approximately 92.8%) either directly or indirectly through their ownership of 100% of the Exchangeable Shares.

Furthermore, up to 458,750 shares of our common stock that were outstanding prior to the Acquisition Transaction are held in escrow (down from an original 750,000) and are subject to forfeiture in the event we are not able to raise $6 million by the forfeiture date, which was extended from the previous deadlines of November 2, 2016 and May 2, 2017 and is expected to be July 31, 2017. The 458,750 escrowed shares are subject to a pro rata reduction on forfeiture date to the extent we raise less than the $6,000,000, based on the aggregate amount raised through the convertible debt offering or otherwise. As of June 28, 2017, based on the capital raises completed and a pro rata calculation, up to a further 23,290 shares remain in escrow and are subject to potential forfeiture.

Any shares of our common stock and any Exchangeable Shares, in either case that were issued in the Exchangeable Share Transaction, are subject to the following lock-up schedule (unless such schedule is accelerated at the discretion of our board of directors, with the written consent of Highline Research Advisors, LLC, an adviser as further described below):

- 10% shall be released upon effectiveness of the Company's registration statement in Form S-1 filed with the U.S. Securities and Exchange Commission but not yet effective, allowing for the resale of such shares as provided therein (the "S-1 Filing");
- 25% shall be released on the 6 month anniversary of effectiveness of the S-1 Filing;
- 50% shall be released on the 9 month anniversary of effectiveness of the S-1 Filing; and
- the remaining 15% shall be released on the 12 month anniversary of effectiveness of the S-1 Filing.

iMedical entered into a placement agent agreement dated October 31, 2015 with Highline Research Advisors LLC, a former affiliate of Merriman Capital, Inc., pursuant to which, among other things, they agreed to assist iMedical with going public by merger with a public company. The above consent was required to prevent us from unilaterally waiving the lock-up requirements, which was a condition to the Acquisition Transaction in the event Highline was subsequently retained to raise funds on our behalf after the closing of the Acquisition Transaction.

Description of Business

Company Overview

Through December 31, 2015 and until the Acquisition Transaction we were an energy intelligence company that sought to provide comprehensive energy efficiency solutions to the commercial market. Following the close of the Acquisition Transaction, we became 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.

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 go-to-market strategy and growth.

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 massive growth in the connected health market, which is projected to reach $59 billion by 2020 at a compound annual growth rate (CAGR) of 33.4%. Remote patient monitoring (RPM), one of the key areas of focus for self-management and evidence-based practice, is growing at a CAGR of 49%, with an estimated 36 million patients using such solutions by 2020. Currently, over 50% of hospitals are already using RPM solutions to improve risk management and care quality.

The number one cost to the healthcare system is cardiovascular disease (CVD), responsible for 1 in every 6 healthcare dollars spent in the US. By 2030, CVD is expected to have an impact of over $1 trillion in medical expenses and lost productivity. With CVD also being 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 expected to be worth $28 billion in 2021 and is growing at a CAGR of 4.8%. 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 36% of the global ECG market. Assuming this rate remains unchanged, the US portion of the ECG market is expected to be worth approximately $10 billion in 2021 and is comprised of three major segments: resting (non-stress) ECG systems, stress ECG systems, and event 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 substantially similar or better reimbursement rates.

We intend to enter our MCT diagnostic device and software solution and compete in the market and employ an insourcing business model. This proposed business model is applicable to a significantly larger portion of the total available market, which include hospitals, physicians' offices and other IDTFs. We believe our insourcing model has the benefit of a reduced operating overhead by offering our solution on a pay-per-use basis, enabling 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 the providers and the patients. The solution is designed as a platform to encompass all segments of the event monitoring market, and future market growth.

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 projected to be worth $28 billion in 2021, and, assuming the U.S. continues to hold approximately 36% of the global market based on 2015 numbers, approximately $10 billion would be attributed to the US ECG market. In the US in 2012, there were 26.6 million people living with cardiovascular disease with an additional 2.5 million people being diagnosed every year. 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.

Despite our belief that MCT is the optimal solution and the preferred system, the MCT Market is the smallest segment of event monitoring systems with an estimated size of approximately $918 million. This is because the reimbursement revenues associated with MCT incentivizes the dominant solution providers to earn the fees independent of the physician. This creates a critical problem in the marketplace where physicians have the choice to either use the Holter/Event monitor, or lose money and prescribe an MCT. An additional option is to incur huge costs to build out MCT capabilities in order to prescribe MCT. As a result, we believe that physicians will mostly prescribe MCT tests on high-risk patients only, where real-time communication is critical.

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, of which there are both solution providers and device manufacturers. There also exists overlap amongst the providers and device manufacturers, leading to further confusion and marketplace complexities.

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 the key reasons as to why Holter and Event Loop have maintained a significant portion of the $4.66 billion 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 introduction and access to a third-party 24/7 ECG monitoring center. As of the date of this Transition Report on Form 10-K, we are in discussions with existing third-party monitoring centers to provide such monitoring services if requested by customers, but no definitive agreement or relationship has as of yet been entered into. Bioflux employs an insourced business model, as the entire Bioflux solution is expected to be free to doctors and revenue is expected to be derived from insurance reimbursable ECG reads. We expect that service providers such as physicians, clinics and/or hospitals can request as many devices as they require, at no cost, provided they are utilized. This creates a revenue model based on usage, with reimbursement to the service provider with amounts then paid to us as a technology vendor and to the monitoring center for their services.

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 recurring reimbursements to doctors, hospitals and IDTFs;
- provide a revenue model that fits within the established insurance billing practices;
- 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 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 sometime in 2017, subject to additional funding.

Market Strategy

The Bioflux MCT device is expected to be deployed into hospitals, clinics, physicians' offices and IDTFs, on a pay-per-use basis. The MCT diagnostic read currently 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 3 and 14 days long).

We believe that Bioflux's pay-per-use strategy, with no fee for device purchases, is a significant and disruptive departure from the pricing and reimbursement strategies of the five existing competitors in the MCT market, which use a 'closed-garden' model to MCT diagnostics, where the entire procedure and reimbursement is restricted to an outsourced model. The physicians, clinics, hospitals and IDTFs do not receive any financial incentive to switch to the MCT diagnostic, from other non-MCT devices (i.e. Holter and Event Loop recording monitors).

Bioflux's pricing reimbursement strategy is expected to create a barrier to entry for other competitors seeking to emulate our strategy, which would be enabled by planned low-cost manufacturing and the planned useful life of each devise.

The pay-per-use strategy expected to be employed by us provides a financial incentive for the healthcare provider to switch devices or technologies (i.e. from Holter and Event Loop) and other cardiac diagnostic solutions. This strategy simultaneously incentivizes major medical distributors to place multiple devices in our target markets: physicians' offices, clinics, hospitals, and IDTFs.

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. We do not expect to require further clearance from the FDA for the final software product delivered to us by CardioComm in December 2016 or for any further design changes, as all key components of the software critical for regulatory review have been submitted to the FDA. Prior to roll-out, we will need to receive a 510(K) clearance for the hardware portion of our Bioflux product, which was submitted in April 2017 for FDA review, and is expected to take from three to 12 months from the date the application is submitted, but could take longer. An FDA clearance is required before we can sell the Bioflux product.

Assuming we obtain 510(k) clearance from the FDA in 2017, we expect to roll-out our first devices to cardiologists, physicians, research scientists and other opinion leaders. In 2018, we expect to begin widespread distribution with the addition of a major channel distributor to enable a market penetration 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.).

In November we announced a partnership with Global to Local (G2L), an organization dedicated to providing programs that improve individual and community health outcomes, expand access to healthcare services, and empower economic development in the most diverse and underserved communities. The collaboration between Biotricity and G2L will initially focus on building innovative solutions for outcome measurements for individuals suffering from chronic disease. Our partnership with G2L is expected to help develop the next generation of chronic care solutions that address the gaps identified in existing solutions, like underserved populations which face barriers to basic health and economic resources, including a lack of access to preventative care. Under the term of our partnership and collaboration agreement with G2L our partnership may be terminated at any time on 60 days' notice and there are no payment obligations between us and G2L. Any payment obligations between us and G2L will be negotiated by the Company and G2L.

Through informal discussions with a limited number of cardiologists and electrophysiologists, we believe that our insourcing business model will be successful and will lead to end-users and payers switching to our MCT device from existing modalities, and accepting ongoing fees related to providing the technology platform, data charges and support; however, none of such cardiologists or electrophysiologists have committed to do so, and we have no definitive agreements in place with any end-users and payors. Accordingly, we can give no assurance that any of them will in fact follow through as they indicated or that our business model will prove successful once launched.

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 either on a lanyard around the neck or 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 with respect to the software. However, in order to market the product, we will need to receive an additional 510(k) clearance for the device, which is expected to take from three to 12 months from the date the application is submitted, but could take longer.

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.

Our ECG software component is a customized solution based on what we believe is the only FDA cleared ECG viewer software for use in MCT, from CardioComm Solutions Inc. CardioComm's ECG viewer software, which our software is based on, is already installed and utilized by approximately 300 hospitals and call centers, and we believe we can leverage this familiarity to gain access to decision makers at such hospitals and call centers and introduce the Bioflux device quickly and efficiently into the marketplace. We are integrating the ECG reporting software with the Bioflux device for a seamless user experience.

Future Markets

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 $300 billion annually, representing 3% to 10% of total US healthcare costs.

The above trends point to a need for preventative care solutions that are clinically relevant and designed for the consumer to promote compliance. Current consumer products are simple gadgets with limited, if any, clinical relevance. This forces patients to rely on clinical visits to gauge improvement, with time between visits being spent on following and implementing physician recommendations. Research has shown that the latter is closely linked to non-compliance due to the lack of feedback to patients.

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.

Preventative Care

The preventative care market (also referred to as the health and wellness market) is estimated at $452 billion in 2015. The preventative care market segments include: core diagnostic market and therapeutics ($42 billion), personalized medical care ($100 billion) and nutrition and wellness ($310 billion).

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 two 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 are approximately 60,000 fetal deaths per year. First time mothers are at the greatest risk for still births, approximating 20% of 840,000 pregnancies. Bionatal's fetal ECG monitoring solution has a total market of $2.3 million, with an initial target of 900,000 pregnancies.

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. With just a few adjustments to the software, Bioflux's MCT device is expected to be able to be used as a Holter or an Event loop monitor, which would open up the entire Holter and Event Loop monitor markets which are estimated to be $3.7 billion in 2020. Combined with Bioflux's global cellular chipset, the Bioflux MCT device can become a 3 in 1 device that is applicable to the global event monitoring market. Bioflux intends to offer this complete solution to its three target markets: physicians, clinics/hospitals and IDTFs, which includes the Bioflux MCT device, Bioflux ECG reporting software, and access to a third party ECG monitoring center. There will be no-cost to any of our customers for the device itself, and the entire revenue is derived from the pay-per-use service.

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, the MCT product segment is comprised of 5 main competitors that we are aware of. These competitors have increased market presence and distribution primarily 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. The five primary competitors in the MCT market are:

- *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*. 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. We believe that Lifewatch is currently in acquisition discussions with BioTelemetry.
- *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.

- *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, such as to eCardio as 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 have acquired a customized version of what we believe is the only FDA cleared ECG reporting software for use in MCT, from CardioComm Solutions Inc. The software is exclusive for the MCT market, except that CardioComm may continue to work with its pre-existing relationships with respect to existing MCT Solutions, including TZ Medical, although we do not believe that any 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, once we receive 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, confidentially 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.

Prior to our acquisition of iMedical in the Acquisition Transaction and for the transition period ended December 31, 2015 and the fiscal year ended August 31, 2015, we did not incur any research and development costs. We incurred research and development costs of $292,572 for the transition period ended March 31, 2017, and $1,089,472 for the fiscal year ended December 31, 2016. iMedical incurred research and development costs of $1,143,453 for the year ended December 31, 2015.

Government Regulation

General

Our proposed product is subject to regulation by the U.S. Food and Drug Administration ("FDA") 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 our medical device products.

In addition to the below, the only regulations we encounter are the 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 applies, before Biotricity can commercially distribute medical devices in the United States, it must 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.

Biotricity expects the custom software and hardware of its proposed products to be 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 require 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.

Assuming successful completion of all required testing, a detailed 510(k) premarket notification or 510(k) de-novo is submitted to the FDA requesting clearance to market the product. The notification includes 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 will authorize commercial marketing of the device for one or more specific indications for use.

After 510(k) clearance, Biotricity will be 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.

To obtain 510(k) clearance, Biotricity 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. Biotricity submitted a 510(k) notification to the FDA with respect to its custom software in June 2016, and successfully received clearance in October 2016. In April 2017, the Company also completed its 510(k) notification submission to the FDA with respect to its device hardware, on which it anticipates clearance during 2017.

There is no guarantee that the FDA will grant Biotricity 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 Biotricity receives a Not Substantially Equivalent determination for either of 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 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 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 jurisdictions. 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

As 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 are still evaluating our manufacturing strategy and goals but have identified a third-party manufacturer, Providence Enterprises, which is an FDA qualified manufacturer who we have started working with for contract manufacturing. Despite having a working relationship with Providence, we intend to continue to 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 absorb the cost of 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, including 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 5 full-time employees and 20 consultants who are based in our offices located in Toronto, Canada and Silicon Valley, California. 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.

Based on funding ability, we currently plan to hire 5 to 10 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.

Appointment to Board of Advisors

In November 2016, we appointed Dr. Rony Shimony to our Board of Advisors. Mr. Shimony is an internationally recognized clinical cardiologist who brings over 25 years of experience in cardiac patient care and related technology to the Company.

Dr. Shimony, MD, FACC and Associate Profession or Medicine and Cardiology at the Icahn School of Medicine at Mount Sinai in New York, brings vast knowledge and expertise in Cardiovascular Disease to Biotricity, and will help advise the Company as we develop and roll out our innovative biometric device for planned future commercialization. Dr. Shimony joins the existing members of the Board of Advisors – Dr. David Liepert, Thomas Nelson, Bernard Rice, John Rother and Danny Sands – and is expected to assist in guiding the Company on its growth and product development to positively affect patient outcomes.

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 creating a 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 revenue. As a result, any significant reduction in revenues would immediately and adversely affect our business, financial condition and operating results.

We have had no revenues since inception, and we cannot predict when we will achieve profitability.

We have not been profitable and cannot 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 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, if any, from the sale of any of 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, 2017, we had an accumulated deficit of $18,307,215.

We may never complete the development of the Bioflux or any of our other proposed products into marketable products.

We do not know when or whether we will successfully complete the development of the Bioflux or any other proposed or contemplated product, for any of our target markets. We continue to seek to improve our technologies before we are able to produce a commercially viable product. 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 to 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 made technological advances meeting our milestone schedules. 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 monitoring solution when prescribing cardiac monitoring; if we fail in convincing physicians in utilizing our solution, our revenue could fail to grow and could decrease.

The success of our planned cardiac monitoring business is expected to be 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 will be 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 products competitively in light of the current macroeconomic environment, which, particularly in the case of the medical device industry, are becoming increasingly price sensitive.

If we are unable to educate physicians regarding the benefits of MCT and 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. We believe our current or planned products will 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 may not be available on acceptable terms, if at all. 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 require a minimum of $6 million to fund our planned operations necessary to introduce Bioflux into the market. We can give no assurance that we will be successful in raising any funds. Additionally, if we are unable to generate sufficient revenues from our operating activities, we may need to raise additional funds through equity offerings or otherwise in order to meet our expected future liquidity requirements, including to introduce our other planned products or to pursue new product opportunities. Any such financing that we undertake will likely be dilutive to current stockholders and you.

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 its common stock. We may also seek 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 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 existing or proposed executive officers.

The impact of the Patient Protection and Affordable Care Act remains uncertain.

In 2010, significant reforms to the health care system were adopted as law in the United States. The law includes provisions that, among other things, reduce or limit Medicare reimbursement, require all individuals to have health insurance (with limited exceptions) and impose increased taxes. These factors, in turn, could result in reduced demand for our products and increased downward pricing pressure. Because parts of the 2010 health care law remain subject to implementation, the long-term impact on us is uncertain. The new law or any future legislation could reduce medical procedure volumes, lower reimbursement for our products, and impact the demand for our products or the prices at which we sell our products. Accordingly, while it is too early to understand and predict the ultimate impact of the new law on our business, the legislation and resulting regulations could have a material adverse effect on our business, cash flows, financial condition and results of operations. The law includes a 2.3% tax on sales of medical devices beginning January 1, 2013, which had the effect of increasing company operating expenses by the amount of the tax. Medical devices sold for export are exempt from the tax. On December 18, 2015, former President Obama signed into law the Consolidated Appropriations Act, 2016, which includes a two-year moratorium on the medical device excise tax, exempting medical device sales during the period of January 1, 2016 to December 31, 2017 from the tax. Absent further legislative action, the tax will be automatically reinstated on January 1, 2018, which would again result in an increase in our operating expenses. Because of the uncertainty of potential changes to or outright repeal of the Affordable Care Act, the long-term impact on us is uncertain.

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 no 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 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, while a significant portion of our business is conducted, and a substantial portion of our 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 five companies that also focus on the ECG market that we intend to enter: CardioNet, LifeWatch, 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 industry we operate in, in particular, the medical device industry 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 negatively impact our ability to sell current or future products in the affected category and could have a material adverse effect on its 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. 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.

When the Company's registration statement on Form S-1 is declared effective by the SEC, there will be a significant number of shares of common stock eligible for sale, which could depress the market price of our common stock.

We are registering for resale substantially all of the approximately 22,500,000 shares of common stock issued or issuable to the iMedical shareholders, in addition to an additional approximately 400,000 shares underlying warrants that we have outstanding. Although the 22,500,000 shares are subject to a lock-up agreement for a period of no more than one year from the effective date of the registration statement, a large number of shares of our common stock would become 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 18% 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 has not obtained. The firm has removed this article from its source websites and the Company has removed the excerpt that it has posted from its website. 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 Company's registration statement on Form S-1, 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.

IN ADDITION TO THE ABOVE RISKS, BUSINESSES ARE OFTEN SUBJECT TO RISKS NOT FORESEEN OR FULLY APPRECIATED BY MANAGEMENT. ALTHOUGH WE HAVE INCLUDED ALL RISKS THAT WE BELIEVE ARE MATERIAL AS OF THE DATE OF THIS TRANSITION REPORT ON FORM 10-K, IN REVIEWING THIS TRANSITION REPORT ON FORM 10-K, POTENTIAL INVESTORS SHOULD KEEP IN MIND THAT THERE MAY BE OTHER SUCH POSSIBLE RISKS.

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 3,500 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. Prior to that, from November 11, 2015, our common stock was quoted on the OTCQB marketplace under the symbol “MTSU,” but did not commence trading until February 15, 2016. On June 28, 2017, the closing price of our common stock as reported on the OTCQB marketplace was $2.65 per share.

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

Period	High	Low
2017:		
First Quarter	$2.72	$2.03
Second Quarter (through June 28, 2017)	$3.00	$1.99
2016:		
First Quarter (from February 15, 2016)	$4.00	$2.48
Second Quarter	$3.00	$0.51
Third Quarter	$3.15	$1.36
Fourth Quarter	$2.98	$1.71

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 June 28, 2017, an aggregate of 21,025,619 shares of the Company's common stock was issued and outstanding and owned by approximately 136 shareholders of record. Of such shares, as at March 31, 2017, 166,482 of an original 750,000 shares held in escrow continue to be subject to forfeiture if the Company is unable to raise a total of $6,000,000 in capital by the forfeiture date, (extended from the previous deadline of November 2, 2016 and May 2, 2017 and expected to be July 31, 2017), subject to a pro rata release of escrowed shares on that date. During the year ended March 31, 2017, aggregate gross proceeds of $2,455,000 were raised through the sale of unsecured convertible debentures and a further $1,367,573 were raised as part of a private placement of the Company's common shares. As such, thus a total of 292,268 shares were released from escrow, resulting in 166,482 shares of the Company's common stock remaining in escrow at year end. Subsequent to year end, an additional $1,872,820 was raised in aggregate proceeds of follow-on private placement common share issuances. As a result, an additional 143,193 of the Company's common stock was released from escrow, resulting in 23,290 shares remaining in escrow subsequent to year end. These remaining escrowed shares are subject to a pro rata reduction to the extent the Company raises less than its $6 million target prior to the forfeiture date. To the extent such shares are forfeited, the Company intends to either hold them in treasury or retire such shares so they are neither issued nor outstanding. As of June 28, 2017, 9,123,031 Exchangeable Shares were also issued and outstanding and held by approximately 31 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

From January 1, 2017 through March 31, 2017, we issued an aggregate of 132,564 shares of our common stock as payment for services rendered by consultants, vendors and other service providers in connection with business development, marketing and communications, medical research and other services provided by them. The issuance of such shares was not registered under the Securities Act of 1933, as amended (the "Securities Act"). We relied upon the exemption from securities registration provided by Section 4(a)(2) under the Securities Act for transactions not involving a public offering, as the issuance thereof was made to a limited number of persons or entities as compensation for services rendered.

From January 1, 2017 through March 31, 2017, we issued an aggregate of 255,750 vested options to consultants and vendors in connection with the services provided by them, with exercise prices between $2.24 and $3.00 and expiry dates ranging between October 3, 2018 and March 9, 2020. The issuance of such shares was not registered under the Securities Act. The Registrant relied upon the exemption from securities registration provided by Section 4(a)(2) under the Securities Act for transactions not involving a public offering, as the issuance thereof was made to a limited number of persons or entities as compensation for services rendered.

From January 1, 2017 through March 31, 2017, we issued unsecured convertible promissory notes for an aggregate principal amount of $225,000. The offering was made in reliance on the exemption from registration afforded under Section 4(a)(2) of the Securities Act as the offering was not conducted in connection with a public offering and no public solicitation or advertisement was made or relied upon by the investors in connection with the offering.

From January 1, 2017 to March 31, 2017, the Company sold to accredited investors, an aggregate of 781,481 units (the "Units") for gross proceeds of $1,367,573 at a purchase price of $1.75 per Unit, in a private offering of a minimum of $1,000,000 and up to a maximum of $8,000,000 (subject to an overallotment option) (the "Unit Offering"). Each Unit consists 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. After payment of placement agent fees and expenses but before the payment of other offering expenses such as legal and accounting expenses, we received net proceeds of approximately $1,232,427. The investors participating in the Unit Offering met the accredited investor definition of Rule 501 of the Securities Act. The offer and sale of the Units in the Unit Offering were made in reliance on the exemption from registration afforded under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D under the Securities Act. The Offering was not conducted in connection with a public offering, and no public solicitation or advertisement was made or relied upon by the investors in connection with the Offering.

Repurchase of Equity Securities

In May 2015, iMedical repurchased 1,100,000 of its outstanding common shares at cost from a related party, which were cancelled upon their repurchase. We have no plans, programs or other arrangements in regards to further repurchases of our common stock.

Securities Authorized for Issuance under Equity Compensation Plans

We adopted a new 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 3,949,812, 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, 2017 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)		2,709,998		$ 2.2031		1,239,814
Equity compensation plans not approved by security holders (2)						
Directors, Officers and						
Employees Stock Option Plan (3)		164,574		0.0001		-
Warrants granted to Directors		80,000		2.0000		-
Broker Warrants (4)		380,682		1.2020		-
Other Warrants						
Total		**3,335,254**				**1,239,814**

(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 subsequent to March 31, 2016 at an exercise price of $2.20. In addition, during 2016, three other employees were granted options to purchase an aggregate of 210,000 shares of our common stock at an exercise price of $2.24.

(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, 2017, there were 137,500 outstanding options at an exercise price of $.0001 under this plan. These options now represent the right to purchase 164,574 shares of the Company's common stock using the ratio of 1.1969:1. No other grants will be made under this plan.

(4) In addition to 325,249 shares that would be issued on exercise of warrants intended to compensate brokers for capital raising activities before the Company's reverse take-over, another 55,433 shares are intended as compensation for the capital raising efforts that led to the issuance of shares to those shareholders who subscribed to the first two closings of the Company's private placement common share offering.

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

*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, 2017 and should be read in conjunction with our financial statements and related notes of the Company as of and for the transitional three month period ended March 31, 2017, the fiscal year ended March 31, 2017, and the year ended December 31, 2016 and 2015 contained elsewhere in this Transition 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 Transition 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. We aim to provide a turnkey, wearable medical cardiac monitoring solution. 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:

Use of Estimates

The preparation of the audited 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, assumptions used in the going concern assessment and stock options. 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, 2017.

Cash

Cash includes cash on hand and balances with banks.

Research and Development

We are engaged in research and development work. Research and development costs, which relate primarily to software development, are charged to operations as incurred. Under certain research and development arrangements with third parties, we 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. Research and development costs were $292,572 and $1,089,472 for the three month transition period ended March 31, 2017 and the fiscal year ended December 31, 2016, respectively, and $1,143,453 for the year ended December 31, 2015.

Income Taxes

We account for income taxes in accordance with ASC 740. We provide 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.

Fair Value of Financial Instruments

Accounting Standards Codification Topic 820 “Fair Value Measurements and Disclosures” (“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. Our 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 and accounts payable. Our cash, which is carried at fair value, is classified as a Level 1 financial instrument. Our bank accounts are maintained with financial institutions of reputable credit, therefore, bear minimal credit risk.

Impairment of Long-Lived Assets

In accordance with ASC Topic 360-10, we, on a regular basis, review the carrying amount of long-lived assets for the existence of facts or circumstances, both internally and externally, that suggest impairment. We determine if the carrying amount of a long-lived asset is impaired based on anticipated undiscounted cash flows, before interest, from the use of the asset. In the event of impairment, a loss is recognized based on the amount by which the carrying amount exceeds the fair value of the asset. Fair value is determined based on appraised value of the assets or the anticipated cash flows from the use of the asset or asset group, discounted at a rate commensurate with the risk involved.

Stock Based Compensation

We account 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.

We account 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. We issue 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

We account 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.

We account 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, our 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

The Company adopted the accounting pronouncement issued by the Financial Accounting Standards Board ("FASB") to update guidance on how companies account for certain aspects of share-based payments to employees. This pronouncement is effective for fiscal years beginning after December 15, 2016, and interim periods within those years, with early adoption permitted. This guidance requires all income tax effects of awards to be recognized in the income statement when the awards vest or are settled and changes the presentation of excess tax benefits on the statement of cash flows. The Company adopted these provisions on a prospective basis. In addition, this pronouncement changes guidance on: (a) accounting for forfeitures of share-based awards and (b) employers' accounting for an employee's use of shares to satisfy the employer's statutory income tax withholding obligation. The adoption of this pronouncement did not have a material impact on the consolidated financial position and/or results of operations.

In March 2016, the Company adopted the accounting pronouncement issued by the FASB to update guidance on how companies account for certain aspects of share-based payments to employees. This pronouncement is effective for fiscal years beginning after December 15, 2016, and interim periods within those years, with early adoption permitted. This guidance requires all income tax effects of awards to be recognized in the income statement when the awards vest or are settled and changes the presentation of excess tax benefits on the statement of cash flows. The Company adopted these provisions on a prospective basis. In addition, this pronouncement changes guidance on: (a) accounting for forfeitures of share-based awards and (b) employers' accounting for an employee's use of shares to satisfy the employer's statutory income tax withholding obligation. The adoption of this pronouncement did not have a material impact on the Company's 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. The Company has not yet determined the effect that the adoption of this pronouncement may have on the consolidated financial position and/or results of operations.

On January 1, 2016, the Company adopted the accounting pronouncement issued by the FASB which eliminates the requirement that an acquirer in a business combination account for measurement-period adjustments retrospectively. Instead, an acquirer will recognize a measurement-period adjustment during the period in which it determines the amount of the adjustment. The adoption of this pronouncement did not have a material impact on the consolidated financial position and/or results of operations.

On January 1, 2016, the Company adopted the accounting pronouncement issued by the FASB to update the guidance related to the presentation of debt issuance costs. This guidance requires debt issuance costs, related to a recognized debt liability, be presented in the balance sheet as a direct deduction from the carrying amount of the related debt liability rather than being presented as an asset. The Company adopted this pronouncement on a retrospective basis, and the adoption did not have a material impact on the consolidated financial position and/or results of operations.

In November 2015, an accounting pronouncement was issued by the 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 all deferred tax assets and liabilities, including valuation allowances, be classified as noncurrent. This pronouncement is effective for fiscal years beginning after December 15, 2016, with early adoption permitted. The Company intends to adopt this pronouncement on January 1, 2017, and the adoption will not have a material impact on the consolidated financial position and/or results of operations.

Results of Operations

From our inception in July 2009 through March 31, 2017, Biotricity has generated a deficit of $18,307,216. We expect to incur additional operating losses, principally because of our continuing anticipated research and development costs and due to anticipated initial limited sales of the Bioflux, our planned first product. When we approach final stages of the anticipated commercialization of the Bioflux, we will have to devote and expect to continue to devote significant resources in the areas of capital expenditures and research and development costs. On April 21, 2017, our Board of Directors authorized the changing of our fiscal year-end from December 31 to March 31. The audited consolidated financial statements for the new fiscal year are reflected in this Transition Report on Form 10-K for the transition period ended March 31, 2017.

For the Three Month Transition Period Ended March 31, 2017 Compared to the Three Month Period Ended March 31, 2016

Operating Expenses

Total operating expenses for the transition period ended March 31, 2017 was $1,546,241 compared to $576,620 for the period ended March 31, 2016, as further described below.

General and administrative expenses

Our general and administrative expenses increased for the transition period ended March 31, 2017 by $918,583 to $1,253,669, compared to $335,086 during the period ended March 31, 2016. The increase was due to the increased professional fees and product marketing and promotion required in preparing for the launch of a developed product.

Research and development expenses

During the transition period ended March 31, 2017, we incurred research and development expenses of $292,572, compared to $241,534 incurred in the period ended March 31, 2016.

Accretion expense

During the transition period ended March 31, 2017, we incurred accretion expense of $276,375 compared to $73,572 incurred in the comparable prior period. The increase in accretion expense was a result of increased financing burden associated with developing the Company's flagship product.

Change in fair value of derivative liabilities

We recorded a gain of $25,006 due to changes in fair value of our derivative liabilities during the transition period ended March 31, 2017 compared to a loss of $618,959 during the period ended March 31, 2016.

Net Loss

As a result of the foregoing, the net loss for the transition period ended March 31, 2017 was $1,797,610 compared to a net loss of $1,269,151 during the period ended March 31, 2016.

Translation Adjustment

Translation adjustment for the transition period ended March 31, 2017 was a loss of $148,807, as compared to a loss of $61,518, for the period ended March 31, 2016. This translation adjustment represents loss resulted from the translation of currency in the financial statements from our functional currency of Canadian dollars to the reporting currency in U.S. dollars.

Fiscal Year Ended March 31, 2017 Compared to Fiscal Year Ended March 31, 2016

Operating Expenses

Total operating expenses for the fiscal year ended March 31, 2017 was $5,942,170 compared to $3,900,218 for the year ended March 31, 2016, as further described below.

General and administrative expenses

Our general and administrative expenses decreased for the year ended March 31, 2017 by $1,921,493 to $4,803,918 compared to $2,882,425 during the year ended March 31, 2016. The increase was, in part, due to increase in activities.

Research and development expenses

During the fiscal year ended March 31, 2017, we incurred research and development expenses of $1,138,252, compared to $1,017,793 incurred in the year ended March 31, 2016.

Accretion expense

During the fiscal year ended March 31, 2017, we incurred accretion expense of $1,177,674 compared to $133,447 incurred in the comparable prior year period. The increase in accretion expense was a result of the increased financing burden associated with developing the Company's flagship product.

Change in fair value of derivative liabilities

We recorded a loss of $689,447 due to changes in fair value of our derivative liabilities during the year ended March 31, 2017 compared to a loss of $614,933 during the year ended March 31, 2016.

Net Loss

As a result of the foregoing, the net loss for the fiscal year ended March 31, 2017 was $7,809,291 compared to a net loss of $4,648,598 during the year ended March 31, 2016.

Translation Adjustment

Translation adjustment for the fiscal year ended March 31, 2017 was a loss of $333,863, as compared to a loss of $107,725, for the year ended March 31, 2016. This translation adjustment represents loss resulted from the translation of currency in the financial statements from our functional currency of Canadian dollars to the reporting currency in U.S. dollars.

Fiscal Year Ended December 31, 2016 Compared to Fiscal Year Ended December 31, 2015

Operating Expenses

Total operating expenses for the fiscal year ended December 31, 2016 was $4,972,548 compared to $5,130,003 for the year ended December 31, 2015, as further described below.

General and administrative expenses

Our general and administrative expenses decreased for the year ended December 31, 2016 by $103,474 to $3,883,076 compared to $3,986,550 during the year ended December 31, 2015. The decrease was, in part, due to decreased level of activities and due to a decreased expense related to stock options granted in 2016 in comparison to the prior year.

Research and development expenses

During the fiscal year ended December 31, 2016, we incurred research and development expenses of $1,089,472, compared to $1,143,453 incurred in the year ended December 31, 2015.

Accretion expense

During the fiscal year ended December 31, 2016, we incurred accretion expense of $974,871 compared to $59,875 incurred in the comparable prior year period. The increase in accretion expense was a result of increased levels of borrowings in 2016 relating to our up-to $2.5 million private placement of bridge notes resulted in higher debt discount and related accretion expense.

Change in fair value of derivative liabilities

We recorded a loss of $1,333,412 due to changes in fair value of our derivative liabilities during the year ended December 31, 2016 compared to gain of $4,026 during the year ended December 31, 2015.

Net Loss

As a result of the foregoing, the net loss for the fiscal year ended December 31, 2016 was $7,280,831 compared to a net loss of $5,185,852 during the year ended December 31, 2015.

Translation Adjustment

Translation adjustment for the fiscal year ended December 31, 2016 was a loss of $246,575, as compared to a loss of $35,313, for the year ended December 31, 2015. This translation adjustment represents loss resulted from the translation of currency in the financial statements from our functional currency of Canadian dollars to the reporting currency in U.S. dollars.

Liquidity and Capital Resources

The Company is in development mode, operating a research and development program in order to develop, obtain regulatory approval for, and commercialize its proposed products.

We generally require cash to:

- 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 debt obligations as they come due.

As a result of its development-mode, pre-revenue operations, the Company has incurred recurring losses from operations, and as at March 31, 2017, has an accumulated deficit of $18,307,215 and a working capital deficiency of $4,417,816. 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. As indicated below and disclosed in Notes 5, 7 and 11 to the consolidated financial statements, the Company has developed and continues to pursue sources of funding, including but not limited to the following, that management believes will 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:

- Issuance of shares under private placements during the three months ended March 31, 2017 amounting to $1,237,923, net of issuance costs;
- Proceeds from issuance of convertible debentures during the three months ended March 31, 2017 amounting to $225,000, net of issuance costs; and
- Issuance of shares under private placements subsequent to March 31, 2017 amounting to $1,722,775, net of issuance costs

During the fiscal year ended March 31, 2017, our operating activities used cash of approximately $3,748,865 compared to approximately $1,810,147 used during the fiscal year ended March 31, 2016. Changes in working capital items used approximately $327,479 of cash during the fiscal year ended March 31, 2017 as compared to the $433,039 of cash they provided during the fiscal year ended March 31, 2016.

During the fiscal quarter ended March 31, 2017 and through June 28, 2017, we sold to accredited investors an aggregate of Units for gross proceeds of $3,240,393 at a purchase price of $1.75 per Unit (the "Purchase Price"), in a private offering of a minimum of $1,000,000 and up to a maximum of $8,000,000 (subject to an overallotment option). Each Unit consists of one share of our common stock and a three-year warrant to purchase one-half share of common stock at an initial exercise price of $3.00 per whole share. After payment of placement agent fees and expenses but before the payment of other offering expenses such as legal and accounting expenses, net proceeds received will be approximately $2,842,276. The Units will be offered until June 30, 2017 (extended from May 31, 2017 and then June 16, 2017), subject to the right to further extend the offering.

During the fiscal quarter ended March 31, 2017, we closed a bridge offering that raised an aggregate face value of $2,455,000 through the sale of convertible promissory notes to various investors. After the payment of placement agent fees but before the payment of other offering expenses such as legal and accounting fees, we received net proceeds of $2,303,561. These notes had a maturity date of 12 months and carry an annual interest rate of 10%. The principal is paid in cash and all outstanding accrued interest is 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. On May 31, 2017, the outstanding convertible promissory notes converted into an aggregate of 1,823,020 shares of common stock pursuant to the terms of the notes, which also included with warrants to purchase 911,510 shares, pursuant to the terms of the convertible notes, at an exercise price of $3.00. Furthermore, pursuant to the conversion terms of the notes, we issued to the holders thereof five-year warrants to purchase an aggregate of 1,823,020 shares of common stock at an exercise price per share of $2.00.

In August 2016, we converted notes in the aggregate face value of $1,368,978, issued in 2015, into 912,652 shares of common shares. The fair value of the common shares was $2,907,912 and $1,538,934 was allocated to the related derivative liabilities and the balance to the carrying value of the notes.

During the fiscal year ended March 31, 2017, we issued an aggregate of 1,367,573 shares of our common stock pursuant to a private offering, as well as a further 1,018,210 as compensation to consultants and other vendors.

As we proceed with the commercialization of the Bioflux product development we have devoted and expect to continue to devote significant resources in the areas of capital expenditures and 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 $6 million to complete the development of Bioflux including marketing, sales, regulatory and clinical costs to first introduce this 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. Any such financing that we undertake will likely be dilutive to existing stockholders. We are currently in discussion to raise additional equity financing of which we can give no assurance of success.

Based on the above facts and assumptions, we believe our existing cash and cash equivalents, along with private placement funds in escrow or in transit based on executed investor subscriptions of our private placement financing, will be sufficient to meet our needs for the next twelve months from the filing date of 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 three month transition period ended March 31, 2017, we used cash in operating activities of $1,086,461 compared to $551,511 for the three month period ended March 31, 2016. For each of the three month transition periods ended March 31, 2017 and March 31, 2016, the cash in operating activities was primarily due to research, product development, business development, marketing and operations.

During the fiscal year ended March 31, 2017, we used cash in operating activities of $3,748,865 compared to $1,810,147 for the year ended March 31, 2016. For each of the fiscal year ended March 31, 2017 and March 31, 2016, the cash in operating activities was primarily due to research, product development, business development, marketing and operations.

During the fiscal year ended December 31, 2016, we used cash in operating activities of $2,383,639 compared to $1,963,975 for the year ended December 31, 2015. For each of the fiscal year ended December 31, 2016 and December 31, 2015, 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 $1,486,102 for the three month transition period ended March 31, 2017, compared to $225,724 for the three month period ended March 31, 2016. For the three month transition period ended March 31, 2017, the cash provided by financing activities was primarily due to the issuance of common shares and convertible promissory notes.

Net cash provided by financing activities was $3,967,504 for the fiscal year ended March 31, 2017 compared to $1,986,973 for the year ended March 31, 2016. For the fiscal year ended March 31, 2017, the cash provided by financing activities was primarily due to the issuance of convertible promissory notes and common shares.

Net cash provided by financing activities was $2,180,200 for the fiscal year ended December 31, 2016 compared to $1,996,628 for the year ended December 31, 2015. For the fiscal year ended December 31, 2016, the cash provided by financing activities was primarily due to the issuance of convertible promissory notes and exercise of warrants.

Net Cash Used in Investing Activities

The Company did not use any net cash in investing activities in the three month transition period ended March 31, 2017, the three month period ended March 31, 2016, the fiscal years ended March 31, 2017 and 2016, and the fiscal years ended December 31, 2016 and 2015.

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 Transition 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 officer has 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 not 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, since the assessment and control of disclosure decisions is currently performed by a small team. The Company has improved this situation by adding additional review levels and plans to further remediate this issue as it 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, 2017, 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, 2017.

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

On March 9, 2017, the Board of Directors established an audit committee and a compensation committee, each consisting initially of one independent director. Our Board of Directors will establish any other committees, as required. There were no other changes in the Company's internal controls over financial reporting that occurred during the fiscal year ended March 31, 2017 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 (1)	32	President, Chief Executive Officer and Chairman of the Board of Directors
Dr. Norman M. Betts	62	Director
David A. Rosa	52	Director

(1) Mr. Al-Siddiq was appointed as President, Chief Executive Officer and Chairman of the Board of Directors on February 2, 2016.

Waqaas Al-Siddiq: President, Chief Executive Officer and Chairman of the Board of Directors. Mr. 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 a 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 was also appointed to the Board of Directors of the Bank of Canada and currently serves as a member of the audit and finance committee and the pension committee. 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, Board of Director and governance experience

David A. Rosa: Director. Mr. Rosa has been a director of the Company since May 3, 2016. He was the President and CEO of Sunshine Heart Inc., an early-stage medical device company trading on NASDAQ under the symbol "SSH," from October 2009 through November 2015. From 2008 to November 2009, Mr. Rosa served as Chief Executive Officer of Milksmart, Inc., 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, LLC, 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.

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

Section 16(a) Beneficial Ownership Reporting Compliance

The Company does 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 are 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 transition period ended March 31, 2017 ("2017T") and the fiscal years ended December 31, 2016 and 2015.

Name and Principal Position (1)	Year	Salary	Bonus	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	All Other Compensation	Total
Waqaas Al-Siddiq (2)	2017T	65,000	7,500		183,980		7,552	$264,032
	2016	$ 240,000	$150,000 (3)	-	$ 367,962 (4)	-	$44,042	$ 802,004
Chief Executive Officer	2015	$ 139,225	$ 63,000	-	$ 2,190,152(5)	-	$ 6,600	$ 2,398,977

(1) See "Management" above for information on the dates in which the named executive officers served as such on behalf of the Company.

(2) Mr. Al-Siddiq was appointed as President, Chief Executive Officer and Chairman of the Board of Directors of the Company on the closing of the Acquisition Transaction on February 2, 2016. Until Mr. Al-Siddiq entered into his employment agreement with the Company on April 12, 2016, he was paid as a consultant.

The information disclosed in Note 10 to our audited financial statements included in this Transition Report on Form 10-K for the 2016 and 2015 fiscal years includes amounts paid to Mr. Al-Siddiq and for 2015 only, includes payments made to another individual in addition to payments made to Mr. Al-Siddiq.

(3) Subsequent to year end, the Board approved a bonus payment of $150,000 to be made to Mr. Al-Siddiq in connection with fiscal 2016 performance. This amount has been accrued as at December 31, 2016, but paid out prior to June 28, 2017.

(4) For assumptions made in such valuation, see Note 8 to our audited financial statements included in this Transition Report on Form 10-K.

(5) For assumptions made in such valuation, see Note 8 to our audited financial statements included in this Transition Report on Form 10-K. All of such options were exercised by Mr. Al-Siddiq in 2015.

Outstanding Equity Awards

The following table provides information about the number of outstanding equity awards held by our named executive officers at March 31, 2017.

	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		624,996		1,875,002		-		$2.20	July 12, 2019		-		-		-		-

Employment Agreements

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 will receive an annual base salary of $240,000 per annum, to be reviewed annually by the Board of Directors. If we successfully secure an aggregate $6 million or more pursuant to one or more arm's length, third-party debt or equity financings, Mr. Al-Siddiq's annual base salary shall increase to $300,000. 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 March 2017, subsequent to year end, the Board approved an increase to Mr. Al-Siddiq's annual base salary to a revised salary of $300,000 per annum.

Pursuant to the agreement, we granted as of July 12, 2016 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.

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 is filed as Exhibit 10.7 to our Form 10-K for the transition period from September 1, 2015 to December 31, 2015.

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 transition period ended March 31, 2017 ("2017T") and the fiscal years ended December 31, 2016 and 2015.

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	2017T	-	-	$9,051	-	-	-	$9,051
	2016	-	-	$24,137	-	-	-	$24,137
	2015	-	-	-	-	-	-	-
David A. Rosa	2017T	-	-	$10,481	-	-	-	$10,481
	2016	-	-	27,950	-	-	-	$27,950
	2015		-	-	-	-	-	-

(1) Represents value of the warrants granted for financial reporting purposes for the year ended December 31, 2016.

Our directors are reimbursed for expenses incurred by them in connection with attending Board meetings and are eligible for stock option grants but they do not receive any other compensation for serving on the Board at this time. We plan to compensate independent directors in the future.

In connection with the appointment of Dr. Betts in April 2016 and Mr. Rosa in May 2016, we granted warrants to purchase 40,000 shares of our common stock to each, at an exercise price per share of $2.00 and with a 3 year expiry term. These awards are valued at issuance and the value is amortized over a one year term from the date of grant.

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, both Dr. Betts 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 June 28, 2017 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 and director nominee; (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 June 28, 2017 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 30,148,650 shares are outstanding as of June 28, 2017, consisting of 21,025,619 shares of common stock and 9,123,031 common stock equivalents through the Exchangeable Shares. 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)	5,615,108		18.08%
Isa Khalid Abdulla Al-Khalifa	2,814,594		9.34%
Riazul Huda (2)(3)	2,142,515		7.11%
Caldwell ICM Market Strategy Trust (2)(4)	1,522,184		5.05%
Ansari American Holdings, LLC (5)	1,436,322		4.76%
Norman M. Betts (6)	40,000		*
David A. Rosa (6)	40,000		*
All directors, director appointees and executive officers as a group (3 person) (1)(6)	5,695,108		18.29%

_____

* Less than 1%

(1) Includes an option to purchase an aggregate of 902,772 shares of our common stock granted to Mr. Al-Siddiq pursuant to his employment agreement. Excludes an additional 1,597,226 shares underlying such option that are not exercisable within 60 days of June 28, 2017.

(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., of which Mr. Huda is the sole owner and director.

(4) Includes warrants to acquire 325,249 shares of our common stock. Brendan T.N. Caldwell has voting and dispositive control over these shares.

(5) We believe that Mohsin Ansari has voting and dispositive control over these shares.

(6) Represents warrants that were granted during 2016 and are exercisable within 60 days of June 28, 2017.

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

As of February 2, 2016, as part of the Acquisition Transaction and the resignation of Mr. Hasan as our Chief Executive Officer, we cancelled an aggregate of 6,500,000 shares of the Company's common stock beneficially owned by him.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table presents the fees for professional audit services for the transition period and fiscal year ended March 31, 2017 and the fiscal years ended December 31, 2016 and 2015, and the fees billed for other services rendered during those periods.

Fee Category	2017T	2016 Fees	2015 Fees
Audit Fees	$30,000	$47,741	$42,619[(1)]
Audit-Related Fees	-	-	-
Tax Fees	-	-	-
All Other Fees	-	-	-
Total Fees	$30,000	$47,741	$42,619

(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 February 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 February 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 February 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 February 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 February 9, 2017 and incorporated herein by reference).
10.11+	Software Development and Services Agreement, dated as if September 15, 2014, by and between iMedical Innovations Inc. and CardioComm Solutions, Inc.
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).
23.1	Consent of Auditors
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	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 29th day of June 2017.

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 Waqaas Al-Siddiq	Chairman, President and Chief Executive Officer (principal executive, financial and accounting officer)	June 29, 2017
/s/Norman M. Betts Norman M. Betts	Director	June 29, 2017
/s/ David A. Rosa David A. Rosa	Director	June 29, 2017

Consolidated Financial Statements

Biotricity Inc.

For the three and twelve months ended March 31, 2017 and 2016 and for the twelve months ended December 31, 2016 and 2015

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SRCO Professional Corporation
Chartered Professional Accountants
Licensed Public Accountants
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying consolidated balance sheets of Biotricity Inc. and its subsidiaries [the "Company"] as of March 31, 2017, March 31, 2016, December 31, 2016 and December 31, 2015, and the related consolidated statements of operations and comprehensive loss, stockholders' deficiency, and cash flows for the three and twelve months ended March 31, 2017 and for the twelve months ended December 31, 2016 and December 31, 2015. The Company's management is responsible for these consolidated financial statements. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of March 31, 2017, March 31, 2016, December 31, 2016 and December 31, 2015, and the consolidated results of its operations and its consolidated cash flows for the three and twelve months ended March 31, 2017 and for the twelve months ended December 31, 2016 and December 31, 2015, in conformity with accounting principles generally accepted in the United States of America.

/s/ *SRCO Professional Corporation*

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

Richmond Hill, Ontario, Canada
June 29, 2017

BIOTRICITY INC.
CONSOLIDATED BALANCE SHEETS
(Expressed in US dollars)

	As at March 31, 2017	As at March 31, 2016	As at December 31, 2016	As at December 31, 2015
	(audited)	(audited)	(audited)	(audited)
	$	$	$	$
CURRENT ASSETS				
Cash	**424,868**	53,643	20,659	410,601
Harmonized sales tax recoverable	**939**	28,656	9,939	36,291
Deposits and other receivables	**14,705**	44,186	3,916	39,202
Total current assets	**440,512**	126,485	34,514	486,094
Deposits and other receivables	**33,000**	33,000	33,000	33,000
TOTAL ASSETS	**473,512**	159,485	67,514	519,094
CURRENT LIABILITIES				
Accounts payable and accrued liabilities *[Note 4]*	**1,137,454**	516,934	1,315,995	413,273
Convertible promissory notes *[Note 5]*	**1,556,990**	102,744	1,308,712	783,778
Derivative liabilities *[Note 6]*	**2,163,884**	75,111	1,511,358	561,220
Total current liabilities	**4,858,328**	694,789	4,136,065	1,758,271
Convertible promissory notes *[Note 5]*	**-**	854,751	-	-
Derivative liabilities *[Note 6]*	**-**	1,179,924	-	-
TOTAL LIABILITIES	**4,858,328**	2,729,464	4,136,065	1,758,271
STOCKHOLDERS' DEFICIENCY				
Preferred stock, $0.001 par value, 10,000,000 authorized as at March 31, 2017, December 31, 2016 and March 31, 2016, respectively (December 31, 2015 - 1,000,000), 1 share issued and outstanding as at March 31, 2017 and 2016 and December 31, 2016 and 2015, respectively *[Note 7]*	**1**	1	1	1
Common stock, $0.001 par value, 125,000,000 authorized as at March 31, 2017, December 31, 2016 and March 31, 2016, respectively (December 31, 2015 - 100,000,000). Issued and outstanding common shares: 18,075,841 as at March 31, 2017, 15,876,947 as at March 31, 2016, 17,131,589 as at December 31, 2016, 15,876,947 as at December 31, 2015, respectively, and exchangeable shares of 9,123,031 outstanding as at March 31, 2017 and 2016 and December 31, 2016 and 2015, respectively *[Note 7]*	**27,199**	25,000	26,255	25,000
Shares to be issued *[Note 7]*	**-**	-	200,855	-
Additional paid-in-capital	**14,308,583**	7,982,465	12,478,520	7,982,598
Accumulated other comprehensive loss	**(413,384)**	(79,520)	(264,577)	(18,002)
Accumulated deficit	**(18,307,215)**	(10,497,925)	(16,509,605)	(9,228,774)
Total stockholders' deficiency	**(4,384,816)**	(2,569,979)	(4,068,551)	(1,239,177)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY	**473,512**	159,485	67,514	519,094
Commitment [Note 10]				
Subsequent Events [Note 11]				
See accompanying notes to consolidated financial statements				

BIOTRICITY INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in US dollars)

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016	Twelve Months Ended March 31, 2017	Twelve Months Ended March 31, 2016	Twelve Months Ended December 31, 2016	Twelve Months Ended December 31, 2015
	(audited)	(unaudited)	(audited)	(unaudited)	(audited)	(audited)
	$	$	$	$	$	$
REVENUE	-	-	-	-	-	-
EXPENSES						
General and administrative expenses *[Notes 7 and 9]*	**1,253,669**	**335,086**	**4,803,918**	2,882,425	3,883,076	3,986,550
Research and development expenses	**292,572**	**241,534**	**1,138,252**	1,017,793	1,089,472	1,143,453
TOTAL OPERATING EXPENSES	**1,546,241**	**576,620**	**5,942,170**	3,900,218	4,972,548	5,130,003
Accretion expense including day one derivative loss *[Note 5]*	**276,375**	**73,572**	**1,177,674**	133,447	974,871	59,875
Change in fair value of derivative liabilities *[Note 6]*	**(25,006)**	**618,959**	**689,447**	614,933	1,333,412	(4,026)
NET LOSS BEFORE INCOME TAXES	**(1,797,610)**	**(1,269,151)**	**(7,809,291)**	(4,648,598)	(7,280,831)	(5,185,852)
Income taxes *[Note 8]*	-	-	-	-	-	-
NET LOSS	**(1,797,610)**	**(1,269,151)**	**(7,809,291)**	(4,648,598)	(7,280,831)	(5,185,852)
Translation adjustment	(148,807)	(61,518)	(333,863)	(107,725)	(246,575)	(35,313)
COMPREHENSIVE LOSS	**(1,946,417)**	**(1,330,669)**	**(8,143,154)**	(4,756,323)	(7,527,406)	(5,221,165)
LOSS PER SHARE, BASIC AND DILUTED	(0.07)	(0.05)	(0.31)	(0.19)	(0.29)	(0.24)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	**26,440,190**	**24,999,978**	**25,866,328**	24,999,978	25,813,228	21,852,834
See accompanying notes to financial statements						

BIOTRICITY INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY
(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	$	$	$	$	$
Balance, December 31, 2014 *[Notes 1 and 7]*	1	1	22,028,425	22,028	-	-	4,347,478	17,311	(4,042,922)	343,896
Exercise of warrants for cash *[Note 7]*	-	-	897,750	898	-	-	706,298	-	-	707,196
Cancellation of shares *[Note 7]*	-	-	(1,316,700)	(1,317)	-	-	1,228	-	-	(89)
Stock based compensation *[Note 7]*	-	-	-	-	-	-	2,257,953	-	-	2,257,953
Issuance of warrants for services *[Note 7]*	-	-	-	-	-	-	672,749	-	-	672,749
Exercise of stock option plan *[Note 7]*	-	-	3,390,503	3,391	-	-	(3,108)	-	-	283
Translation adjustment	-	-	-	-	-	-	-	(35,313)	-	(35,313)
Net loss for the twelve months ended December 31, 2015	-	-	-	-	-	-	-	-	(5,185,852)	(5,185,852)
Balance, December 31, 2015 (audited)	**1**	**1**	**24,999,978**	**25,000**	**-**	**-**	**7,982,598**	**(18,002)**	**(9,228,774)**	**(1,239,177)**
Translation adjustment	-	-	-	-	-	-	(133)	(61,518)	-	(61,651)
Net loss for the three months ended March 31, 2016	-	-	-	-	-	-	-	-	(1,269,151)	(1,269,151)
Balance, March 31, 2016 (audited)	**1**	**1**	**24,999,978**	**25,000**	**-**	**-**	**7,982,465**	**(79,520)**	**(10,497,925)**	**(2,569,979)**
Exercise of warrants for cash *[Note 7]*	-	-	131,365	131	-	-	105,369	-	-	105,500
Issuance of shares for services *[Note 7]*	-	-	210,625	211	-	-	604,264	-	-	604,475
Conversion of convertible notes *[Note 7]*			912,652	913	-	-	2,906,999	-		2,907,912
Issuance of warrants for services *[Note 7]*	-	-	-	-	-	-	474,232	-	-	474,232
Stock based compensation - ESOP *[Note 7]*	-	-	-	-	-	-	405,058	-	-	405,058
Shares to be issued			-	-	77,463	200,855	-	-		200,855
Translation adjustment	-	-	-	-	-	-	133	(185,057)	-	(184,924)
Net loss for the nine months ended December 31,	-	-	-	-	-	-	-	-	(6,011,680)	(6,011,680)

2016										
Balance, December 31, 2016 (audited)	**1**	**1**	**26,254,620**	**26,255**	**77,463**	**200,855**	**12,478,520**	**(264,577)**	**(16,509,605)**	**(4,068,551)**
Issuance of shares for private placement *[Note 7]*	-	-	**781,480**	**781**	-	-	**1,366,791**	-	-	**1,367,573**
Issuance of warrants for private placement investors *[Note 7]*	-	-	-	-	-	-	**(339,308)**	-	-	**(339,308)**
Issuance costs: warrants to brokers *[Note 7]*	-	-	-	-	-	-	**(104,627)**	-	-	**(104,627)**
Issuance of shares for services *[Note 7]*	-	-	**162,772**	**163**	**(77,463)**	**(200,855)**	**413,573**	-	-	**212,880**
Issuance of warrants for services *[Note 7]*	-	-	-	-	-	-	**402,206**	-	-	**402,206**
Stock based compensation - ESOP *[Note 7]*	-	-	-	-	-	-	**221,078**	-	-	**221,078**
Cash issuance costs *[Note 7]*	-	-	-	-	-	-	**(129,650)**	-	-	**(129,650)**
Translation adjustment	-	-	-	-	-	-	-	**(148,807)**	-	**(148,807)**
Net loss for the three months ended March 31, 2017	-	-	-	-	-	-	-	-	**(1,797,610)**	**(1,797,610)**
Balance, March 31, 2017 (audited)	**1**	**1**	**27,198,872**	**27,199**	-	-	**14,308,583**	**(413,384)**	**(18,307,215)**	**(4,384,816)**
See accompanying notes to financial statements										

BIOTRICITY INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in US dollars)

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016	Twelve Months Ended March 31, 2017	Twelve Months Ended March 31, 2016	Twelve Months Ended December 31, 2016	Twelve Months Ended December 31, 2015
	(audited)	(unaudited)	(audited)	(unaudited)	(audited)	(audited)
	$	$	$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES						
Net loss	(1,797,610)	(1,269,151)	(7,809,291)	(4,648,598)	(7,280,831)	(5,185,852)
Adjustments to reconcile net loss to net cash used in operations						
Stock based compensation	221,078	-	626,136	984,283	405,058	2,257,953
Issuance of shares for services	212,880	-	1,018,210	-	805,329	-
Issuance of warrants for services, at fair value	402,206	-	876,438	672,749	474,232	-
Accretion expense, including day one derivative loss	276,375	73,572	1,177,674	133,447	974,871	59,875
Change in fair value of derivative liabilities	(25,006)	618,959	689,447	614,933	1,333,412	(4,026)
Fair value of warrants issued	-	-	-	-	-	672,749
Changes in operating assets and liabilities:						
Harmonized sales tax recoverable	9,232	9,483	28,614	46,603	27,841	25,437
Deposits and other receivables	(10,761)	21,656	35,909	(37,032)	38,267	(77,740)
Accounts payable and accrued liabilities	(374,855)	(6,030)	(392,002)	423,468	838,182	287,629
Net cash used in operating activities	(1,086,461)	(551,511)	(3,748,865)	(1,810,147)	(2,383,639)	(1,963,975)
CASH FLOWS FROM FINANCING ACTIVITIES						
Issuance of shares, net	1,237,923	-	1,237,923	-	-	-
Proceeds from exercise of warrants	-	-	105,500	471,817	105,500	707,196
Proceeds from issuance of convertible debentures, net	225,000	175,000	2,455,000	1,464,149	2,074,700	1,289,149
Proceeds from issuance of stock options	-	-	-	283	-	283
Due to shareholders	23,179	50,724	169,081	50,724	-	-
Net cash provided by financing activities	1,486,102	225,724	3,967,504	1,986,973	2,180,200	1,996,628
Effect of foreign currency translation	4,568	(31,171)	152,586	(258,478)	(186,503)	(70,651)
Net increase (decrease) in cash during the period	399,641	(325,787)	218,639	176,826	(203,439)	32,653
Cash, beginning of period	20,659	410,601	53,643	135,295	410,601	448,599
Cash, end of period	424,868	53,643	424,868	53,643	20,659	410,601
See accompanying notes to financial statements						

BIOTRICITY INC.
NOTES TO 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.

On April 21, 2017, the Board of Directors of the Company authorized the changing of the Company's fiscal year-end from December 31 to March 31, as explained further in Note 11 to the consolidated financial statements. Accordingly, these consolidated financial statements have been prepared covering a transition period from January 1, 2017 to March 31, 2017.

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 in development mode, operating a research and development program in order to develop, obtain regulatory approval for, and commercialize its proposed products. The Company has incurred recurring losses from operations, and as at March 31, 2017, has an accumulated deficit of $18,307,215 and a working capital deficiency of $4,417,816. 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. As disclosed in Notes 5, 7 and 11 to these consolidated financial statements, the Company has developed and continues to pursue sources of funding, including but not limited to the following, that management believes are 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.

- Issuance of shares under private placements during the three months ended March 31, 2017 amounting to $1,237,923, net of issuance costs;
- Proceeds from issuance of convertible debentures during the three months ended March 31, 2017 amounting to $225,000, net of issuance costs; and
- Issuance of shares under private placements subsequent to March 31, 2017 amounting to $1,722,775, net of issuance costs

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 debt and equity 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 financing, the Company may have to modify its operating plan to slow down the pace for development and commercialization of its proposed products.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2017 and 2016, and as at December 31, 2016 and 2015.

Foreign Currency Translation

The functional currency of the Canadian based company is the Canadian dollar and the US based company is USD. 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.

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, 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.

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.

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.

Convertible Notes Payable and Derivative Instruments

The Company accounts 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

The Company adopted the accounting pronouncement issued by the Financial Accounting Standards Board ("FASB") to update guidance on how companies account for certain aspects of share-based payments to employees. This pronouncement is effective for fiscal years beginning after December 15, 2016, and interim periods within those years, with early adoption permitted. This guidance requires all income tax effects of awards to be recognized in the income statement when the awards vest or are settled and changes the presentation of excess tax benefits on the statement of cash flows. The Company adopted these provisions on a prospective basis. In addition, this pronouncement changes guidance on: (a) accounting for forfeitures of share-based awards and (b) employers' accounting for an employee's use of shares to satisfy the employer's statutory income tax withholding obligation. The adoption of this pronouncement did not have a material impact on the consolidated financial position and/or results of operations.

In March 2016, the Company adopted the accounting pronouncement issued by the FASB to update guidance on how companies account for certain aspects of share-based payments to employees. This pronouncement is effective for fiscal years beginning after December 15, 2016, and interim periods within those years, with early adoption permitted. This guidance requires all income tax effects of awards to be recognized in the income statement when the awards vest or are settled and changes the presentation of excess tax benefits on the statement of cash flows. The Company adopted these provisions on a prospective basis. In addition, this pronouncement changes guidance on: (a) accounting for forfeitures of share-based awards and (b) employers' accounting for an employee's use of shares to satisfy the employer's statutory income tax withholding obligation. The adoption of this pronouncement did not have a material impact on the Company's 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. The Company has not yet determined the effect that the adoption of this pronouncement may have on the consolidated financial position and/or results of operations.

On January 1, 2016, the Company adopted the accounting pronouncement issued by the FASB which eliminates the requirement that an acquirer in a business combination account for measurement-period adjustments retrospectively. Instead, an acquirer will recognize a measurement-period adjustment during the period in which it determines the amount of the adjustment. The adoption of this pronouncement did not have a material impact on the consolidated financial position and/or results of operations.

On January 1, 2016, the Company adopted the accounting pronouncement issued by the FASB to update the guidance related to the presentation of debt issuance costs. This guidance requires debt issuance costs, related to a recognized debt liability, be presented in the balance sheet as a direct deduction from the carrying amount of the related debt liability rather than being presented as an asset. The Company adopted this pronouncement on a retrospective basis, and the adoption did not have a material impact on the consolidated financial position and/or results of operations.

In November 2015, an accounting pronouncement was issued by the 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 all deferred tax assets and liabilities, including valuation allowances, be classified as noncurrent. This pronouncement is effective for fiscal years beginning after December 15, 2016, with early adoption permitted. The Company adopted this pronouncement on January 1, 2017, and the adoption did not have a material impact on the consolidated financial position and/or results of operations.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at March 31, 2017 $	As at March 31, 2016 $	As at December 31, 2016 $	As at December 31, 2015 $
Trade accounts payable	**866,188**	295,203	823,595	274,055
Accrued liabilities	**271,266**	168,125	337,400	139,218
Advances from investors	-	-	155,000	-
Due from related parties	-	53,606	-	-
	1,137,454	**516,934**	**1,315,995**	**413,273**

Trade accounts payable as at March 31, 2017 and 2016, and December 31, 2016 and 2015 include $nil, $112,047, $100,292, and $71,190, respectively, due to an entity owned by a shareholder and executive of the Company. The payable balances arose primarily due to consulting charges. Additionally, accrued liabilities as at March 31, 2017 and 2016, and December 31, 2016 and 2015 include $7,500, $nil, $171,902, and $nil, respectively due to the same shareholder and executive of the Company in his capacity as an employee of the Company.

Advances from investors as at December 31, 2016 represented funds received from investors prior to December 31, 2016 in connection with the Bridge Notes offering for which final subscriptions were not executed at December 31, 2016. Subsequent to December 31, 2016, this amount formed part of the additional $225,000 in convertible notes that consummated the convertible notes offering (see Note 5).

Amounts due from related parties are unsecured, non-interest bearing and due on demand.

5. CONVERTIBLE PROMISSORY NOTES

Pursuant to a term sheet offering of up to $2,000,000, during the year ended December 31, 2015, 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 have 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, 2017	**-**

As at March 31, 2016, the accreted value of $957,495 has been disclosed $102,744 as current and $854,751 as non-current.

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 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.

Subsequent to March 31, 2017, all Bridge Notes were converted into the Company's common shares, as explained in Note 11 to the consolidated financial statements.

In connection with the Bridge Notes offering, the accreted value of this offering was as follows as at March 31, 2017 and December 31, 2016, respectively:

	As at March 31, 2017 $	As at December 31, 2016 $
Face value of convertible promissory notes issued	2,455,000	2,230,000
Day one derivative loss recognized during the year	35,249	26,309
Discount recognized at issuance due to embedded derivatives	(1,389,256)	(1,155,660)
Cash financing costs	(174,800)	(155,300)
Accretion expense	630,797	363,363
Accreted value of convertible promissory notes	**1,556,990**	**1,308,712**

The embedded conversion features and reset feature in the notes and broker warrants have been accounted for as a derivative liability based on FASB guidance (see Note 7).

General and administrative expenses include interest expense on all above notes of $60,534, $196,650, and $32,837 for the three months ended March 31, 2017, twelve months ended December 31, 2016 and twelve months ended December 31, 2015, respectively.

Accrued expenses include interest accrual on above notes as at March 31, 2017 of $162,542 (as at December 31, 2016 and 2015 – $102,426, $nil, respectively).

6. DERIVATIVE LIABILITIES

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 are classified as derivative liabilities, rather than as equity. Additionally, the debt or equity instruments may contain embedded derivative instruments, such as embedded derivative features which in certain circumstances may be required to be bifurcated from the associated host instrument and accounted for separately as a derivative instrument liability.

The Company's derivative instrument liabilities are 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 occur. For options, warrants and bifurcated embedded derivative features that are accounted for as derivative instrument liabilities, the Company estimates 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, the Company's current common stock price and expected dividend yield, and the expected volatility of the Company's common stock price over the life of the option.

The derivative liabilities arising from convertible promissory notes/warrants and related issuance of broker warrants are as follows:

	Convertible Notes	Broker Warrants	Private Placement Investor Warrants	Total
	$	$	$	$
Derivative liabilities as at December 31, 2015	**480,952**	**80,268**	**-**	**561,220**
Derivative fair value at issuance (Note 5)	1,155,660	-	-	1,155,660
Transferred to equity upon conversion of notes (Notes 5 and 7)	(1,538,934)	-	-	(1,538,934)
Change in fair value of derivatives	1,325,972	7,440	-	1,333,412
Derivative liabilities as at December 31, 2016	**1,423,650**	**87,708**	**-**	**1,511,358**
Derivative fair value at issuance	233,597	104,627	339,308	677,532
Change in fair value of derivatives	23,114	(48,114)	(6)	(25,006)
Derivative liabilities as at March 31, 2017	**1,680,361**	**144,221**	**339,302**	**2,163,884**

The lattice methodology was used to value the derivative components, using the following assumptions at issuance and during the following periods:

Assumptions	As at March 31, 2017	As at March 31, 2016	As at December 31, 2016	As at December 31, 2015
Dividend yield	0.00%	0.00%	0.00%	0.00%
Risk-free rate for term	0.62% – 0.91%	0.21% - 0.59%	0.44% – 0.62%	0.33% - 0.72%
Volatility	103% – 106%	100% - 105%	101% – 105%	98% - 100%
Remaining terms (Years)	0.01 – 1.0	1 - 1.5	0.21 – 1.0	1.72 - 2.0
Stock price ($ per share)	$2.50 and $2.58	$2.55 and $2.48	$1.49 and $3.00	$2.00

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

a) Authorized 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, 2017, the Company is authorized to issue 125,000,000 (December 31, 2016 – 125,000,000) shares of common stock ($0.001 par value) and 10,000,000 (December 31, 2016 – 10,000,000) shares of preferred stock ($0.001 par value).

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.

At March 31, 2017, there were 18,075,841 (December 31, 2016 – 17,131,589, March 31, 2016 – 15,876,947, and December 31, 2015 – 15,876,947) shares of common stock issued and outstanding. Additionally, as of March 31, 2017, there were 9,123,031 outstanding 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.

Out of outstanding common stock of 27,198,872 as at March 31, 2017, 166,482 were held in escrow and subject to forfeiture (also refer to Note 11) in the event the Company does not raise at least $6 million by the forfeiture date which is expected to be July 31, 2017, with provisions for pro rata adjustments for capital financing raised in the meantime.

c) Share issuances

During May 2015, the Company repurchased 1,316,700 (1,100,000 Pre-Exchange Agreement) of its outstanding common shares at cost from a former director. These shares were cancelled upon their repurchase.

During the twelve months ended December 31, 2016, as explained in Note 6, the Company issued 912,652 shares of common stock in connection with the conversion of notes.

During the twelve months ended December 31, 2016, the Company issued an aggregate of 210,625 shares of common stock to six consultants. $604,475 representing the fair value of the shares issued was charged to operations. An additional 77,463 shares are to be issued, subsequent to year-end, in connection with commitments relating to the December 31, 2016 year end, $200,855 representing the fair value of these shares charged to operations. The fair value of these shares was determined by using the market price of the common stock as at the date of issuance.

During the twelve months ended December 31, 2016, the Company issued an aggregate of 131,365 shares of its common stock upon exercise of warrants and received $105,500 of exercise cash proceeds.

During the three months ended March 31, 2017, the Company sold to accredited investors, an aggregate of 781,480 units (the "Units") for gross proceeds of $1,367,573 at a purchase price of $1.75 per Unit, pursuant to a private offering of a minimum of $1,000,000, up to a maximum of $8,000,000 (the "Common Share Offering"). Each unit consist 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. If the Company successfully raises a total of $3,000,000 in aggregate proceeds from the Common Share Offering (a "Qualified Financing"), the principal amount of the Bridge Notes along with the accrued interest as explained in Note 6 are convertible into units of the Common Share Offering, based upon 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 are 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 will also pay the Placement Agent up to 8% in broker warrants with an exercise price of $3.00 and an expiry date of two years from the date of issuance. In connection with the private placement, the Company incurred cash issuance costs of $129,650 and issued broker warrants and warrants to private placement investors having fair values of $104,627 and $339,308 (also refer warrant issuances paragraph), respectively. Cash issuance costs along with fair values of warrants have been adjusted against additional paid in capital.

During the three months ended March 31, 2017, the Company issued an aggregate of 162,772 shares of common stock (including 77,463 shares to be issued as disclosed as at December 31, 2016) to various consultants. The fair value of these shares amounting to $413,573 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 of these shares was determined by using the market price of the common stock as at the date of issuance.

d) Warrant exercises

During March and May 2015, 598,500 (500,000 pre-Exchange Agreement) warrants were exercised at a price of $0.84 ($1.01 pre-Exchange Agreement) per share and the Company received gross cash proceeds of $500,584 (net proceeds of $470,758). In connection with the proceeds received, the Company paid in cash $35,420 as fees and issued 41,895 (35,000 pre-Exchange Agreement) broker warrants which were fair valued at $5,594 and were allocated to cash with corresponding credit to additional paid-in-capital. The fair value has been estimated using a multi-nomial lattice model with an expected life of 365 days, dividend yield of 0%, stock price of $0.84 ($1.01 pre-Exchange Agreement), a risk free rate ranging from 0.04% to 1.07% and expected volatility of 94%, determined based on comparable companies historical volatilities.

During August and September 2015, 299,250 (250,000 pre-Exchange Agreement) warrants were exercised at a price of $0.85 ($1.05 pre-Exchange Agreement) per share and the Company received gross cash proceeds of $253,800 (net proceeds of $236,438). In connection with the proceeds received, the Company paid in cash $17,362 as fees and issued 20,947 (17,500 pre-Exchange Agreement) broker warrants which were fair valued at $14,627 and were allocated to cash with corresponding credit to additional paid-in-capital. The fair value has been estimated using a multi-nomial lattice model with an expected life of 24 months, a risk free rate ranging from 0.04% to 1.07%, stock price of $2 and expected volatility in the range of 98% to 100%, determined based on comparable companies historical volatilities.

e) Warrant issuances

During September and October 2015, the Company entered into agreements for the issuance for a total of 724,185 (605,000 pre-Exchange Agreement) warrants against services, entitling the holders to purchase one common share against each warrant at an exercise price of $0.84 ($1 pre-Exchange Agreement) per warrant to be exercised within 180 to 730 days from the issuance date. The fair value of the warrants on the issuance date was $672,749, which is included as consulting charges in general and administrative expenses during the year ended December 31, 2015 with corresponding credit to additional paid-in-capital. The fair value has been estimated using a multi-nomial lattice model with an expected life ranging from 180 to 730 days, a risk free rate ranging from 0.04% to 1.07%, stock price of $2, annual attrition rate of 5% and expected volatility in the range of 98% to 100%, determined based on comparable companies historical volatilities.

During the year twelve months ended December 31, 2016, the Company issued 472,084 warrants in connection with consulting services, entitling the holders to purchase one common share against each warrant at an exercise price in the range of $2.00-$2.58. These warrants were fair valued amounting to approximately $474,232 which was charged to the statement of operations. The fair value has been estimated using a multi-nominal lattice model with an expected life ranging from 0.75 to 3 years, a risk free rate ranging from 0.45 to 1.47, stock price of $2.15 to $2.58 annual attrition rate of up to 5% and expected volatility in the range of 101% to 105% determined based on comparable companies historical volatilities.

During the three months ended March 31, 2017, in connection with the private placement as explained above in "Share Issuances", the Company issued 55,433 warrants to the brokers and 390,744 to private placement investors. These warrants were fair valued at $443,935 and were adjusted with the additional paid in capital. For the assumptions used, refer to Note 6.

The fair value of warrants issued for services of $402,206, include fair value $266,627 (issuance of 255,750 warrants) during the three months ended March 31, 2017 and $94,553 represents the vesting of warrants issued in the previous periods and $41,026 represents accelerated vesting due to cancellation of 50,000 warrants.

f) 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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016. 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, 2017 and December 31, 2016	164,590	0.0001

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.

During the three months ended March 31, 2017, no outstanding options under the above plan were exercised.

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.

The fair value of the 2016 equity incentive was $2,372,108. The following table summarizes the stock option activities of the Company:

	Number of options	**Weighted average exercise price ($)**
Granted	2,709,998	2.2031
Exercised	-	-
Outstanding as of March 31, 2017 and December 31, 2016	**2,709,998**	**2.2031**

During the three months ended March 31, 2017, the Company recorded stock based compensation of $221,078 in connection with 2016 equity incentive plan ($405,058 for the twelve months ended December 31, 2016) under general and administrative expenses with corresponding credit to additional paid in capital.

The fair value of each option granted is estimated at the time of grant using multi-nomial lattice model using the following assumptions for both 2016 and 2015 equity incentive plans**:**

	2016	2015
Exercise price ($)	2.00 – 2.58	0.0001
Risk free interest rate (%)	0.45 - 1.47	0.04 - 1.07
Expected term (Years)	1.0 - 3.0	10.0
Expected volatility (%)	101 – 105	94
Expected dividend yield (%)	0.00	0.00
Fair value of option ($)	0.88	0.74
Expected forfeiture (attrition) rate (%)	0.00 – 5.00	5.00 - 20.00

g) Outstanding warrants

At March 31, 2017, the Company had the following warrant securities outstanding:

	Broker Warrants	Consultant Warrants	Warrants with Convertible Notes*	Private Placement Common Share Issuance 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	-	(245,695)	-	-	**(245,695)**
Add: Issued	-	622,500	-	-	**622,500**
As at December 31, 2016	**325,249**	**700,300**	**-**	**-**	**1,025,549**
Less: Expired/cancelled	-	**(50,000)**	-	-	**(50,000)**
Add: Issued	**55,433**	**255,750**	-	**390,744**	**701,927**
As at March 31, 2017	**380,682**	**906,050**	**-**	**390,744**	**1,677,476**
Exercise Price	$ 0.75-$3.00	$ 0.84-$3.00	$ 2.00	$ 3.00	
Expiration Date	September 2017 to March 2022	October 2017 to March 2020	March 2021 to November 2021	March 2020	

* In conjunction with issuance of convertible notes as disclosed in Note 6, as at March 31, 2017 the Company is committed to issue 1,823,020 warrants upon maturity of the notes. This includes the conversion of the principal amount and interest accrued and outstanding as at March 31, 2017.

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

8. INCOME TAXES

Income taxes

The provision for income taxes differs from that computed at Canadian corporate tax rate of approximately 15.50% as follows:

Income tax recovery

	Three Months Ended March 31, 2017 $	Three Months Ended March 31, 2016 $	Twelve Months Ended March 31, 2017 $	Twelve Months Ended March 31, 2016 $	Twelve Months Ended December 31, 2016 $	Twelve Months Ended December 31, 2015 $
Net loss	(1,797,610)	(1,269,151)	(7,809,291)	(4,648,598)	(7,280,831)	(5,185,852)
Expected income tax recovery	(278,630)	(196,718)	(1,210,440)	(720,533)	(1,128,529)	(803,807)
Non-deductible expenses	98,771	-	98,771	717,671	618,900	462,915
Other temporary differences	(600)	(1,327)	(11,992)	(6,411)	(7,138)	(2,859)
Change in valuation allowance	180,459	198,045	1,123,661	9,273	516,767	343,751
	-	-	-	-	-	-

Deferred tax assets

	As at March 31, 2017 $	As at March 31, 2016 $	As at December 31, 2016 $	As at December 31, 2015 $
Non-capital loss carry forwards	1,607,478	944,596	1,389,471	756,534
Other temporary differences	62,917	22,238	40,499	23,565
Change in valuation allowance	(1,670,395)	(966,834)	(1,429,970)	(780,099)
	-	-	-	-

As of March 31, 2017 and 2016, and December 31, 2016 and 2015, 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, 2017 and 2016, and December 31, 2016 and 2015, the Company has approximately $10,370,826, $6,158,577, $8,964,328, $4,880,865, respectively, of non-capital losses available to offset future taxable income. These losses will expire between 2032 to 2034.

As of March 31, 2017 and 2016, and December 31, 2016 and 2015, 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.

	Three Months Ended March 31, 2017 $	Three Months Ended March 31, 2016 $	Twelve Months Ended March 31, 2017 $	Twelve Months Ended March 31, 2016 $	Twelve Months Ended December 31, 2016 $	Twelve Months Ended December 31, 2015 $
Consulting fees and allowance*	-	43,680	178,460	129,078	222,140	145,825
Salary and allowance**	80,052	-	291,954	63,000	211,902	63,000
Stock based compensation***	203,512	-	623,561	1,054,958	420,049	2,190,152
Total	**283,564**	**43,680**	**1,093,975**	**1,247,036**	**854,091**	**2,398,977**

* Consulting fees and allowance represents amounts paid/payable to a related party owned by a shareholder/chief executive officer of the Company.

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

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

10. COMMITMENT

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 3 months is $18,062.

11. SUBSEQUENT EVENTS

The Company's management has evaluated subsequent events up to June 28, 2017, the date the financial statements were issued, pursuant to the requirements of ASC 855 and has determined the following material subsequent events:

Common Share Financing

In addition to the conversion of bridge notes (see below) into common shares, between April 1 and June 16, 2017, the Company sold to accredited investors, in multiple closings, an aggregate of 1,070,183 units (the "Units") for gross proceeds of $1,872,820 at a purchase price of $1.75 per Unit, in a private offering of a minimum of $1,000,000 and up to a maximum of $8,000,000 (subject to an overallotment option) (the "Common Share Offering"). Each unit consist 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. After payment of placement agent fees and expenses but before the payment of other offering expenses such as legal and accounting expenses, the Registrant received net proceeds of approximately $1,722,775. The Units will be offered to investors until June 30, 2017, subject to an extension of the Common Share Offering.

Pursuant to an Investment Banking Agreement previously entered into by the Company with a Placement Agent, the Company is obligated to pay the following compensation at each closing of the Common Share Offering: (a) a cash fee of up to 10% of the gross proceeds raised at such closing; provided that in certain circumstances the Placement Agent and its sub-placement agents, collectively, will receive a cash fee of up to 13% of the gross proceeds raised at such closing; (b) reimbursement of reasonable out-of-pocket expense; and (c) subject to certain limitations, a 5-year warrant to purchase 8% of the Common Stock sold in the Offering at an exercise price of $3.00 per share (the "Placement Agent's Warrants"). The Placement Agent's Warrants are not callable and have a customary weighted average anti-dilution provision and a cashless exercise provision. Based on the multiple closings that were completed by June 16, 2017, the Company paid to the Placement Agent and its sub-agents an aggregate of approximately $398,116, and issued Placement Agent's Warrants to purchase an aggregate of 141,047 shares of Common Stock.

Conversion of Bridge Notes

Until May 31, 2017, the Company successfully raised more than the threshold amount of $3,000,000 in aggregate proceeds from the Common Share Offering (a "Qualified Financing") required in order to convert the principal amount of the Bridge Notes described in Note 8, along with accrued interest thereon, into units of the Common Share Offering, based upon 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 Registrant, 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 will also pay the Placement Agent up to 8% in broker warrants with an exercise price of $3.00 and an expiry date of two years from the date of issuance. No cash commissions are payable to the Placement Agent in connection with the conversion of the Bridge Notes as these were paid on the closing of the Bridge Notes offering.

Pursuant to meeting the capital raising threshold of $3,000,000, convertible notes with an aggregate principal amount of $2,455,000, issued between March 31, 2016 and February 21, 2017, along with accrued interest of $203,571 were converted into an aggregate of 1,823,020 shares of the Company's common stock, with warrants to purchase 911,510 shares, pursuant to the terms of the convertible notes, at an exercise price of $3.00. Furthermore, pursuant to conversion terms, the Company also issued five-year warrants to the same security holders, allowing them to purchase an aggregate of 1,823,020 shares of the Company's common stock at an exercise price per share of $2.00.

Shares Held in Escrow

On October 31, 2016, the Company amended the escrow agreement relating to the 750,000 shares described in Note 8 above to reduce the number of shares held in escrow and subject to forfeiture from 750,000 to 458,750 shares of common stock. The forfeiture date within this agreement has been subsequently extended and is expected to be July 31, 2017. During the year ended March 31, 2017, aggregate gross proceeds of $2,455,000 were raised through the sale of unsecured convertible debentures and a further $1,367,573 were raised as part of a private placement of the Company's common shares. As such, a total of 292,268 shares were released from escrow, resulting in 166,482 shares of the Company's common stock remaining in escrow at year end. Subsequent to year end, an additional $1,872,820 was raised in aggregate proceeds of follow-on private placement common share issuances. As a result, an additional 143,193 of the Company's common stock will be released from escrow, resulting in 23,290 shares remaining in escrow as at June 28, 2017. These remaining escrowed shares are subject to a pro rata reduction to the extent the Company raises less than its $6 million target.

Issuance of Shares

Subsequent to year end through June 29, 2017, the Company issued an aggregate of 30,208 common shares to consultants in connection with media and marketing services provided during the three months ended March 31, 2017. The Company also negotiated repayment of vendor payable amounts totaling $79,083 through the issuance of 32,623 common shares.

U.S. Food and Drug Administration (FDA) Application

On April 12, 2017, the Company filed for a second and final 510(k) application for approval of the hardware portion of its Bioflux solution with the FDA, and expects to receive a response during 2017. The Company has already received FDA approval for the software portion of its remote cardiac monitoring wearable. The device hardware approval is material to the Company because it is the final regulatory requirement needed to bring its flagship product to market.

Change in Year End

On April 21, 2017, the Company announced that it is changing its year-end to March 31st, in pursuit of a national stock exchange listing and preparation to meet the respective filing requirements. The Company believes that listing on a national securities exchange will result in greater liquidity, a higher profile, and a larger following among investment analysts and the public.

Exhibit 31

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: June 29, 2017

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

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: June 29, 2017

/s/ Waqaas Al-Siddiq
Waqaas Al-Siddiq
(principal financial officer and
principal accounting officer)

Exhibit 32

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, 2017, 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: June 29, 2017

/s/ Waqaas Al-Siddiq
Waqaas Al-Siddiq

Chief Executive Officer
(principal executive officer)

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, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Waqaas Al-Siddiq, 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: June 29, 2017

/s/ Waqaas Al-Siddiq
Waqaas Al-Siddiq

(principal financial officer and principal accounting officer)

SOFTWARE DEVELOPMENT AND SERVICES AGREEMENT

This agreement is made as of September 15 2014, (the "**Effective Date**"), by and between iMedical Innovation Inc. having offices at 75 International Blvd., Suite 300, Toronto, ON, M9W-6L9, CANADA ("**IMed**") and CardioComm Solutions, Inc., having offices at 259 Yorkland Road, Suite 200, North York, Ontario, M2J-0B5, CANADA ("**CCS**").

WHEREAS:

A. CCS is a publicly-traded company that specializes in software for the reading of electro cardiograms (or ECGs). CCS's software solution is currently utilized by Canadian and United States based ECG reading services and healthcare organizations.

B. IMed is a company presently engaged in developing and commercializing a wearable, dry-electrode, wireless GSM-enabled ECG Monitor (the "**Device**").

C. The parties entered into a Memorandum of Understanding on May 30TH, 2014 (the "**MOU**") confirming the parties' intent to close a series of transactions prior to the end of September, 2014, related to acquiring access to certain CCS software as an essential component of a joint venture between the parties.

D. This Software Development and Services Agreement was contemplated in the MOU.

THEREFORE, in consideration of the premises and the mutual agreements herein, and of other consideration (the receipt and sufficiency of which are acknowledged by each party), the parties agree as follows:

1. TERMS AND CONDITIONS FOR DELIVERY OF SERVICES.

1.1 This Software Development and Services Agreement which, together with all Exhibits, Addenda, the attached Statement of Work (the "**SOW**" a summary of which is attached as Exhibit A), any Purchase Orders as defined below and other attachments and documents referenced and expressly incorporated herein, are collectively referred to herein as the "**SDA**") provides the terms and conditions under which CCS agrees to provide services (the "**Services**") to IMed. Nothing in this SDA shall be construed as requiring IMed to purchase any additional service from CCS. The only commitments to purchase shall be as set forth in this SDA or one or more purchase orders that flow from the SOW as may be executed by an authorized representative of each party from time to time (each a "**Purchase Order**").

1.2 During the term of this SDA, CCS will issue invoices to IMed for the Services completed as specified in the SOW. A more detailed Statement of Work shall be completed within three (3) months of the Effective Date, both sides acting cooperatively and reasonably to meet this time line, and shall include:

(a) scope of Services to be provided by CCS;

(b) responsibilities of IMed;

(c) deliverables ("**Deliverables**") included in such Services;

(d) time frames by which the Services are to be provided;

(e) acceptance criteria, if any;

(f) price to be paid by IMed for the Services;

(g) payment schedule; and

(h) identification of the account manager nominated by each party for this project.

If the three (3) month time line to finalize the detailed SOW is not met, then so long as the parties are working diligently to complete said SOW the three (3) month period shall be expanded to enable completion of the said SOW and any time lines provided for in the SDA shall be extended, day for day, pending completion of the said SOW.

1.3 Either party may issue change orders for modifications that are materially out-of scope from what is contained in the detailed SOW (each, a "**Change Order**"). All Change Orders shall become binding when signed by authorized representatives of both parties, or when CCS begins performance of the Services specified in a Change Order approved by an authorized representative of IMed. In the event any such Change Order causes any increase in the cost of, or the time required for, performance of the Services, or otherwise affects the SOW, IMed and CCS shall mutually agree, as particularized in the Change Order, to an equitable adjustment based upon CCS's costs and resources incurred or committed, if possible. IMed reserves the right to accept or reject any CCS Change Order quotes. CCS is not obligated to perform any Change Order to the Statement of Work where IMed has not approved the associated Change Order cost adjustment.

1.4 The Services to be provided to IMed shall be under the terms and conditions in this SDA. If any terms in the SOW or a Change Order conflicts with or are inconsistent with the terms in this SDA, the Change Order or SOW shall prevail. IMed shall cooperate with CCS in the performance of the Services, including providing reasonable access to IMed's employees, technologies and adequate ingress and egress to IMed's facilities as may be necessary to perform the Services. When CCS personnel are at the IMed

facilities, they shall behave in an appropriate and business-like manner and shall be cognizant and obey all IMed rules and regulations.

1.5 Intentionally deleted.

1.6 Performance of the Services shall not be assigned or delegated by CCS except as may be agreed to in advance and in writing by IMed.

1.7 The following **Authorized Affiliate Users**, as-specified herein below, shall be third party beneficiaries hereunder, and shall be permitted to enjoy any and all such benefits accruing to IMed by virtue of this SDA, which shall include full use of any software licensed hereunder, as if such Affiliate were the named licensee of such software.

(a) Sensor Mobility LLC; and

(b) Sensor Mobility Inc.

2. **PAYMENT**.

2.1 In consideration of the Services rendered by CCS pursuant to any Purchase Order issued pursuant to this SDA, IMed shall, unless otherwise specified in the Purchase Order, pay CCS in accordance with the SOW, including as may be equitably adjusted by Change Order pursuant to 1.3 above.

2.2 No travel by CCS is anticipated in this SDA. If travel is required, CCS and IMed will mutually agree to the terms required in writing under a specific Purchase Order.

2.3 CCS shall invoice IMed in accordance with the SOW (Exhibit A) and unless otherwise specified therein or in the relevant Purchase Order CCS billing shall be monthly with invoices submitted within ten (10) business days after end of the month and with all invoices being payable within thirty (30) days after month end of the month of actual receipt of the invoice. All payments shall be made by check payable to CCS or by wire transfer to a bank account designated in writing by CCS. CCS will reflect any applicable IMed Purchase Order number on each invoice for services. CCS shall be responsible for all local, provincial and federal taxes.

2.4 The payments referred to above shall constitute the sole remuneration in connection with the Services. CCS shall not accept or claim from third parties, directly or indirectly any trade commission, discount, allowance, indirect payment or other consideration or benefit in whatever form in connection with or in relation to this SDA or to the performance of the Services hereunder.

3. **DOCUMENTATION & RIGHT TO AUDIT.**

3.1 CCS agrees that during the Term hereof (see Section 6), CCS will keep IMed advised on a regular basis and as reasonably requested by IMed, as to CCS's progress in performing the Services hereunder.

3.2 CCS shall preserve and maintain Service and, payment records for a period of two (2) years beyond the expiration or termination of this SDA. At any time during the term of this SDA and for a period of two (2) years after expiration or termination of this SDA, IMed shall have the right, upon not less than ten (10) days-notice and within usual and customary business hours, to audit CCS records relating to this SDA, including costs, expenses, and disbursements, made or incurred in connection herewith. The costs of any audit shall be borne by IMed, unless such audit determines that CCS has inaccurately used such data when calculating any billable expenses or services and the total error is in excess of five percent (5%) of the total billings for the period audited, in which case CCS shall pay all related costs for such audit including but not be limited to all expenses incurred by IMed employees directly related to such audit and the cost of their time. CCS shall also reimburse to IMed any amounts found to be invoiced in error, such reimbursements to take place forthwith and in any event within 10 days of such determination, together with a 25% premium on such reimbursed amounts.

4. **CONFIDENTIALITY AND CERTAIN PROPRIETARY RIGHTS.**

4.1 During the course of performance under this SDA, CCS and IMed will be exposed to and otherwise become privy to a variety of information and material relating to each other's business, financial data, plans, technical operations or activities, all of which are considered to be confidential. For the purpose of this SDA "**Confidential Information**" means all information which by its nature a reasonable person would consider to be of a confidential and/or proprietary nature, provided by or on behalf of a party or any of its affiliates directly or indirectly, in whatever form (including on paper, electronically, on magnetic media, orally or otherwise). CCS and IMed acknowledge that such information and material will be received, preserved, and protected as confidential and represent and warrant that they will not use or disclose such Confidential Information other than:

(a) for the purpose of furthering and serving the interests of IMed in connection with performance of Services under this SDA; and

(b) to individuals responsible to the undersigned who have a need to know such information in order to pursue their assigned responsibilities. CCS shall notify IMed in advance of any disclosure of IMed's Confidential Information to individuals external to the CCS organization, and such individuals shall, at IMed's request, be required to execute IMed's standard form of nondisclosure agreement prior to their receipt of such Confidential Information.

The parties agree to hold the other's Confidential Information in confidence, both during and after the term of this SDA, using the same degree (but no less than a reasonable degree) of care and protection that it exercises with its own Confidential Information of a similar nature.

4.2 The obligation of confidentiality shall not apply to any information or materials which:

(a) can be documented as already known to the receiving party at the time of disclosure;

(b) are received on a non-confidential basis from an independent source entitled to disclose such information;

(c) the providing party authorizes in writing to be disclosed;

(d) are or become generally available to the public other than as a result of the disclosure by the receiving party;

(e) are ascertainable from a commercially available product without violation of this SDA by any other obligation of confidentiality; or

(f) are required to be disclosed by law, provided however, that the disclosing party shall provide the other party timely prior written notice of any such legal requirement of disclosure.

4.3 Upon termination or expiration of this SDA:

(a) CCS shall promptly return to IMed any Confidential Information and materials received from IMed and any materials embodying or containing such Confidential Information.

(b) IMed shall promptly return to CCS any Confidential Information and materials received from CCS IMed and any materials embodying or containing such Confidential Information, other than to the extent such Confidential Information is imbedded in or is a constituent element of the Custom Software.

4.4 CCS acknowledges that it may have to date and will in the future be doing work and performing tasks, including providing the Services, for or on behalf of IMed (including in respect of the Device and the Custom Software, the "**Body of Work**"). CCS acknowledges it has no and shall not acquire any proprietary interest, right or title in or to any patent, design, copyright, source code, software, hardware, schematics, documentation or other intellectual or industrial property rights in the Body of Work (including enhancements and modifications thereto) developed in whole or in part by CCS specifically for IMed from and after the Effective Date (collectively, the "**IP Rights**"). The Body of Work and IP Rights are and shall be the property of IMed and CCS specifically disclaims, on its own behalf and on behalf of its employees, personnel

and agents, any moral rights in whole or in part in the Body of Work and the IP Rights. CCS will use its reasonable commercial efforts to ensure that any work done as it relates to the Body of Work will be original and will not infringe on or interfere with the rights of others.

4.5 CCS, notwithstanding the foregoing, shall remain titled to its own pre-existing intellectual or industrial property, whether or not patented, including to the extent it is incorporated into the Body of Work provided that CCS shall use its reasonable commercial efforts to advise IMed in advance of any time CCS believes it will use such property in providing its Services, and IMed shall be entitled to decline the use or incorporation of such property into the Body of Work. In any event, IMed is hereby granted a perpetual, non-exclusive, royalty and cost-free license to use such property as a part of the Body of Work for any aspect of its business.

4.6 Nothing in this SDA shall be construed to restrict CCS from developing or distributing products or performing services that do not infringe upon the intellectual property rights of IMed, using intangible residual know-how or concepts retained in the mind of its personnel, provided that CCS or its personnel shall not directly reference, incorporate or otherwise use in such products or services any Confidential Information of IMed, it being understood that any use by CCS or its personnel of ideas, know-how, technical information, processes, practices or systems that are in the public domain, including items generally known in the information technology industry, shall not constitute such infringement.

5. **INTANGIBLES**.

5.1 Subject to IMed's rights as set out in Sections 4.4, 4.5 and 4.6 each party agrees not to use the other party's trademarks, logo, company name, copyrights and other intellectual and industrial property rights and other materials (collectively, the "**Intangibles**") without the prior written approval of the other party. Subject to IMed's rights as set out in Sections 4.4, 4.5 and 4.6 any rights shall be term limited for duration of this SDA and shall be limited for use in the design and development of marketing materials for the sole purpose of promoting and marketing the Device, derivative products and associated Custom Software.

5.2 Subject to IMed's rights as set out in Sections 4.4, 4.5 and 4.6 all rights to use Intangibles shall cease upon termination of this SDA, and all signs, advertising and promotional material bearing any of the Intangibles shall be removed from public display and destroyed, or, if requested by the licensing party, returned to it within thirty (30) days after any such termination or expiration.

5.3 Subject to IMed's rights as set out in Sections 4.4, 4.5 and 4.6 Intangible licensing by a party under this SDA is not intended, and shall not be deemed, to confer upon or create in any property rights to the other party with respect to any of the Intangibles.

5.4 IMed agrees not to remove any CCS word marks, branding or other CCS references from the GUAVA I SDK.

6. **TERM.**

6.1 The term of this SDA shall begin as of the Effective Date and, unless sooner terminated in accordance with its provisions, shall remain in effect until the later to occur of:

(a) five (5) years; or

(b) completion of all Services under all SOWs hereunder.

The Term of this SDA may be extended or renewed by mutual agreement of the parties.

6.2 Neither party may terminate this SDA or any SOW hereunder at any time, for convenience and without cause; provided, however, that in the event that IMed determines, pursuant to the financing condition contained in an exclusivity and royalty agreement entered into between the parties and dated the date hereof, to not proceed with the development project, then upon written notice of termination or withdrawal from IMed to CCS under this Agreement contemporaneous with the notice provided by IMed to CCS under the said exclusivity and royalty agreement, this Agreement shall terminate and in such circumstances neither party shall have any recourse against the other party as a result of such termination.

6.3 Either party may terminate this SDA for breach as defined as:

(a) the other party breaches any material term or condition of this SDA and fails to cure such breach within thirty (30) days after receipt of written notice of the same; provided, however, that if such breach is capable of cure, but not reasonably within such thirty (30) day period, the non-breaching party shall not be entitled to rely on such breach to terminate this SDA if such breach is reasonably capable of cure within one hundred (100) days and the breaching party is taking reasonable and ongoing steps during such period to cure the complained of breach;

(b) the other party becomes the subject of a voluntary petition in bankruptcy or any voluntary proceeding relating to insolvency, receivership, liquidation, or composition for the benefit of creditors; or

(c) the other party becomes the subject of an involuntary petition in bankruptcy or any involuntary proceeding relating to insolvency, receivership, liquidation, or composition for the benefit of creditors, if such petition or proceeding is not dismissed within sixty (60) days of filing, unless, if after such sixty (60) day period, the other party is taking all reasonable measures to defend or challenge such petition or proceeding.

6.4 Terms and Consequences of Termination: See Exhibit A, PART B.

7. **WARRANTIES & COVENANTS.**

CCS represents and warrants and covenants that:

7.1 It shall commence work promptly and all Services shall be performed in a timely and professional manner, in accordance with reasonable standards of the industry.

7.2 It has and shall retain the required personnel, skills and knowledge to render the Services.

7.3 It has no outstanding agreement or obligation that is in conflict with any of the provisions of this SDA, or that would preclude CCS from complying with the provisions hereof, and further warrants that it will not enter into any such agreement or obligation during the term of this SDA.

7.4 All Services performed pursuant to this SDA shall be in accordance with all applicable laws and regulations. No illegal, improper, or unethical payment or other activities shall be made or undertaken by CCS in connection with services to be performed for IMed.

7.5 The Custom Software (as defined in the SOW) to be delivered under this SDA does not and shall not infringe, misappropriate or otherwise violate any third party patents, utility certificates, utility models, industrial design rights, copyrights, database rights, trade secrets, any protection offered by law to Information, semiconductor IC topography rights and all registrations, applications, renewals, extensions, combinations, divisions, continuations or reissues of any of the foregoing or which otherwise arises or is enforceable under the laws of any jurisdiction or any bi-lateral or multi-lateral treaty regime (collectively, "**IPR**").

7.6 Any and all IPR associated with the Custom Software (whether owned by CCS or one or more third parties) have been or will be secured by CCS to the extent necessary to enable CCS to fully comply with all terms and conditions of this SDA including, but not limited, to IMed's right to enjoy all benefits for all purposes associated with the Custom Software.

7.7 Neither the Custom Software nor the CCS existing software that is or may be a part of the Custom Software (including GUAVA, Global Cardio and GEMS) is currently the subject of any threatened or actual litigation related to the intellectual property rights of a third party.

7.8 The Custom Software does not and shall not contain any viruses or disabling code.

7.9 Open Source Software Warranty.

Any materials to be provided to IMed for use by IMed, do not include any portion of any Open Source Software. CCS agrees that it will defend, indemnify and hold harmless IMed, its affiliates and their customers against any and all losses, damages, costs and expenses arising from a breach by CCS of any of its obligations, representations or warranties hereunder, including, without limitation, any third party claims in connection with any such breach, provided however, in the event any materials or Deliverables provided to IMed contain any Open Source Software, CCS shall immediately notify IMed. For purposes of this SDA, "**affiliates**" means legal entities controlling, in common control with, and/or controlled by, directly or indirectly, a party to the SDA, through ownership or control of more than fifty percent (50%) of the voting power of the shares or other means of ownership or control of such entity.

For the purpose of this Section 7.9, the term Open Source Software means:

(a) any software that requires as a condition of use, modification and/or distribution of such software, that such software:

(i) be disclosed or distributed in source code form;

(ii) be licensed for the purpose of making derivative works; and/or

(iii) can be redistributed only free of enforceable Intellectual property rights (e.g., patents); and/or

(b) any software that contains, is derived in any manner (in whole or in part) from, or statically or dynamically links against any software specified under (a).

For exemplary purposes only, and without limitation, any software modules or packages licensed or distributed under any of the following licenses or distribution models shall qualify as Open Source Software:

(a) **[Subject to a request for confidential treatment; Separately filed with the Commission]**,

(b) **[Subject to a request for confidential treatment; Separately filed with the Commission]**,

(c) **[Subject to a request for confidential treatment; Separately filed with the Commission]**,

(d) **[Subject to a request for confidential treatment; Separately filed with the Commission]**,

(e) **[Subject to a request for confidential treatment; Separately filed with the Commission]**, and

(f) **[Subject to a request for confidential treatment; Separately filed with the Commission]**.

7.10 Post Release Warranty.

For a period of forty five (45) days from the Go-Live Date (defined in the SOW), the Custom Software will operate substantially in accordance with its specifications. CCS will promptly repair, at is sole cost and expense, the Custom Software to resolve any failure of this warranty that is brought to its attention during the warranty period. CCS shall also correct, at its sole cost and expense, all severity defect levels (as defined in Schedule B hereto) which are identified by IMed to CCS in writing during this forty five (45) day period.

8. INDEMNITY, LIMITATION OF LIABILITY AND INSURANCE.

8.9 The parties shall indemnify, defend and hold each other, their affiliates and their respective officers, directors and employees, harmless from and against any and all liability or expense in connection with any cause of action or claims of third parties arising out of the negligence or willful misconduct or related to acts, omissions, or performance hereunder, of the indemnifying party, its employees, agents and subcontractors, or the breach of any representations or warranties provided herein. The indemnifying party's obligations hereunder are conditioned upon the party seeking indemnification (i) providing the other with timely notice of any claim or cause of action for which such party seeks indemnity, provided however, any failure or delay in providing such notice shall not relieve the indemnifying party of its indemnity obligation except to the extent that defense of the claim or cause of action is materially prejudiced, (ii) granting the indemnifying party full and complete information and reasonable assistance necessary for the indemnifying party to defend, settle, or avoid the cause of action or claim, and (iii) giving the indemnifying party sole control of the defense or settlement of the cause of action or claim, provided that the indemnified party may participate in such defense or settlement with counsel of its own selection and at its own expense. Neither party shall, without the prior written consent of the other party, effect any settlement of any pending or threatened action in respect of which other party is or could have been a party and Indemnity could have been sought hereunder by the other party unless such settlement:

(a) Includes an unconditional release of the other party from all liability on any claims that are the subject matter of such action;

(b) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on the other party's behalf; and

(c) does not exceed the limitation of liability set forth in section 8.3.

If the Indemnifying Party does not proceed with the settlement or defense of any claim, the Indemnified Party shall be entitled to assume such control. In such case, the

Indemnifying Party shall co-operate where necessary with the Indemnified Party and its counsel in connection with such claim and the Indemnifying Party shall be bound by the results obtained by the Indemnified Party with respect to such claim.

8.10 CCS shall indemnify, defend and hold IMed, its affiliates and respective officers, directors and employees, harmless from and against any and all liability or expense (including attorneys' fees) in connection with any cause of action, claims, or assertions of third parties arising out of Intellectual property infringement based on IMed use of the Deliverables, Services, or any other work product provided by the CCS hereunder.

IMed shall Indemnify, defend and hold CCS, its affiliates and respective officers, directors and employees, harmless from and against any and all liability or expense (including attorneys' fees) in connection with any cause of action, claims, or assertions of third parties arising out of intellectual property infringement based on CCS use of the IMed Confidential Information, support or any other work product provided by IMed in support of the completion of the Scope of Work by CCS hereunder.

8.11 IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OR DAMAGES FOR LOST PROFITS OR REVENUES FOR ANY CLAIM RELATING TO THE PERFORMANCE OR NONPERFORMANCE OF THEIR RESPECTIVE OBLIGATIONS UNDER THIS AGREEMENT or FOR ANY BREACH, REPUDIATION OR TERMINATION OF THIS AGREEMENT.

8.12 During the Term of the SDA, CCS and any subcontractor that provides or performs any of the Services shall maintain and keep in force, at its own expense, the following minimum insurance coverage and minimum limits where relevant:

(a) Workers' compensation insurance. with statutory limits as required by the various laws and regulations applicable to the employees of CCS and any subcontractor that provides or performs any of the Services;

(b) Employer's liability insurance, for employee bodily injuries and deaths, with a limit of one million dollars ($1,000,000) each accident;

(c) Commercial general liability insurance, covering claims for bodily injury, death and property damage, including premises and operations, independent contractors, products, services and completed operations (as applicable to the Services), personal injury, contractual, and broad-form property damage liability coverage, with limits as follows: occurrence limit of one million dollars ($1,000,000) for bodily injury, death and property damage, one million dollars ($1,000,000) for products and completed operations and two million dollars ($2,000,000) combined aggregate;

(d) Commercial automobile liability with a minimum limit of one million ($1,000,000) combined single limit insuring all owned, non-owned, hired and leased vehicles;

(e) Excess or umbrella liability with a minimum limit of liability of not less than one million ($1,000,000) per occurrence.

Upon request, CCS will provide IMed with a certificate of insurance evidencing the above policies. IMed will be named as an additional insured with respect to the Commercial General Liability policy. There shall be no material changes or cancellation of such insurance without thirty (30) days prior written notice to IMed. CCS shall be responsible for payment of any and all deductibles and coinsurance provisions from insured claims under its policies of insurance. The coverage afforded under any insurance policy obtained by CCS pursuant to the SDA shall be primary coverage regardless of whether or not IMed has similar coverage. In addition, all policies, including the workers compensation shall contain a waiver of subrogation in favor of IMed. CCS and its subcontractors shall not perform under the SDA without the prerequisite insurance. Upon IMed's request, CCS shall provide IMed with certificates of such insurance including renewals thereof. Insurance policy limits shall not affect the limit of liability of CCS or its subcontractors.

9. **MISCELLANEOUS**.

9.9 Use of Name.

IMed acknowledges that CCS, as a Canadian publicly-traded company, is required to disclose certain aspects of its material business transactions through regulatory filing and press releases. This SDA will meet the criteria of being a material business transaction. CCS shall not use IMed's name or logo or any adaptation thereof, for any advertising, trade or other purpose without IMed' prior written consent, which consent may be granted or withheld at IMed sole and reasonable discretion. CCS shall not give interviews to the media or publish in any medium in connection with the Services performed hereunder or in connection with activities of IMed, unless CCS has obtained the prior written approval for such interview and/or publication from IMed, such approval not to be reasonably withheld. IMed will assist CCS in preparation of press releases to confirm execution of this SDA, receipt of funding as contemplated under this SAL and the start and completion of any major phases associated with the Services as outlined in Exhibit A, PART A, Section 2.

9.10 Assignment.

Neither party may assign this SDA or delegate any of its rights or duties hereunder without the prior written approval of the other party, such approval not to be unreasonably withheld. Any attempted assignment or transfer, whether voluntary or by operation of law, made in contravention of the terms hereof shall be void and of no force and effect. Except as otherwise provided herein, this SDA shall inure to the benefit of, and shall be binding upon, the parties and permitted successors and assigns. Any sale, transfer or other disposition by operation of law or otherwise of a controlling interest in CCS's assets, capital stock or business to any person, group or entity shall

constitute an assignment and breach of this SDA and shall entitle IMed to terminate this SDA effective immediately in accordance with Exhibit A, PART B, unless it has given prior written approval for such assignment.

9.11 Independent Contractor.

Nothing in this SDA shall in any way be construed to constitute CCS the agent, employee or representative of IMed. CCS acknowledges that in performing its obligations under this SDA it is an independent contractor, without any authority or right to act in the name of IMed except as expressly provided herein. CCS shall have no authority to conclude contracts for, on behalf of, or in the name of IMed, or otherwise to bind IMed to any legal obligation or undertaking, or to represent to any third parties that it has such authority, or purport to attempt to exercise any such authority in violation of this SDA. Neither CCS nor employees (including third parties) of CCS shall be entitled to any benefits provided by IMed to its employees.

9.12 Notices.

All notices provided in connection with this SDA shall be in writing and shall be delivered by Federal Express or other reputable courier service or by mail, postage prepaid, certified or registered, return receipt requested. Each notice shall be addressed to the party at the address set forth below or at such other address as a party shall provide by notice to the other party. Notice shall be deemed effective upon receipt.

If to IMed:
iMedical Innovations Inc.
75 International Blvd., Suite 300
Toronto, ON,
M9W-6L9, CANADA
Attention: Waqaas Siddiqui, CEO

If to CCS:
CardioComm Solutions, Inc.
259 Yorkland Road, Suite 200
North York, Ontario
M2J 0B5
Attention: Etienne Grima, CEO

9.13 Governing Law.

This Agreement is a contract made under and shall be governed by and construed in accordance with the laws of the Province of Ontario, and the federal laws of Canada applicable therein.

9.14 Counterparts.

This SDA may be executed in counterparts, each of which will be deemed an original, but all of which will constitute one and the same instrument. Any facsimile copy of a signed counterpart shall be treated the same as a signed original.

9.15 CCS acknowledges that time is of the essence in performance of services under this SDA.

9.16 Waivers.

No waiver shall be effective unless it is in writing, signed by the party against which the waiver is claimed. The failure of either party to require performance under any provision of this SDA shall in no way affect the right of such party to require full performance at any subsequent time, nor shall the waiver by either party of a breach of any provision of this SDA constitute a waiver of any succeeding breach of the same or any other provision.

9.17 Entire Agreement.

This SDA constitutes the entire agreement between the parties with respect to the subject matter hereof, and supersedes all prior representations, negotiations, writings, memoranda and agreements, either oral or written, with respect thereto.

9.18 Amendment/Modification.

No modification, variation, supplement or amendment of this SDA shall be of any force unless it is in writing and has been signed by both of the parties.

9.19 Further Assurances.

The parties shall execute such documents and take such further actions as may be reasonably necessary or desirable from time to time to fully implement the purposes and intents of this SDA.

9.20 Headings.

Titles of sections and subsections are for convenience only and neither limits nor amplify the provisions of this SDA.

9.21 Severable.

If anyone or more provisions of the SDA shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The parties agree to negotiate in good faith, in order to replace the invalid provisions with valid provisions that conform as closely as possible to the economic and commercial intent of the invalid provisions.

9.22 Force Majeure.

Neither party shall be liable to the other for delays or failures in performance under this SDA due to acts of God, governmental authority or public enemy, fire, flood, strike, labor disturbance, epidemic, war, riot, civil disturbance, power failure, embargo, shortages in materials, components or services, boycotts, transportation delays or any other cause beyond the control of the party claiming force majeure and occurring without such party's fault or negligence.

9.23 No Third Party Rights.

Subject to Section 1.7, nothing in this SDA shall give rise to any rights in any person or entity that is not a party to this SDA.

9.24 Survival.

Any provisions of this SDA and any Statements of Work attached hereto, which by their nature are intended to survive expiration or termination hereof, shall survive expiration or termination of this SDA or the applicable Statement of Work.

9.25 TSX Venture Exchange Approval.

This Agreement and the obligations of the parties hereunder shall be subject to receipt and approval of this Agreement by the TSX Venture Exchange.

IN WITNESS WHEREOF, the parties have executed this SDA as of the date first above written.

iMedical Innovation Inc.
CardioComm Solutions, Inc.

By: /s/ Waqaas Siddiqui
By: /s/ Etienne Grima
Name: Waqaas Siddiqui
Name: Mr. Etienne Grima
Title: Chief Executive Officer
Title: Chief Executive Officer

September 18, 2014

EXHIBIT A

STATEMENT OF WORK SUMMARY

This Statement of Work summary ("**SOW**") summary incorporates the terms and conditions of the Software License and Services Agreement (the "**SDA**"), dated September 15 2014, by and between CardioComm Solutions, Inc. ("**CCS**") and iMedical Innovation Inc. ("**IMed**"). To the extent this SOW conflicts with or is inconsistent with the terms of the SDA, this SOW shall govern.

This SDA shall encompass development by CCS of a software solution (the "**Custom Software**") for the management and review of ECGs recorded and transmitted by a wearable, dry-electrode, wireless GSM-enabled ECG Monitoring device (the "**Device**") to be developed by IMed. CardioComm will develop the Custom Software on a global, exclusive basis for this Device and any derivative products as a work-for-hire whereby any work product produced by CardioComm specifically for the Device shall be the sole property and for the exclusive benefit of IMed. For greater certainty, nothing herein shall be construed as transferring ownership of either the "GEMS™" or "Globalcardio™" platforms, which are exclusive products of CCS. IMed shall own the source code for the Custom Software subject to the terms herein.

PART A: OBLIGATIONS OF THE PARTIES.

1) **Customized Software Development and Associated Fees.**

(i) CCS and IMed confirm that CCS has been working with Sensor Mobility since March 2013, to develop a Device and Custom Software offering with the aim to enter into the MCT ECG monitoring service in the USA and wireless ECG monitoring service globally.

(ii) It is acknowledged that CCS will be using its currently available technologies to fulfill this requirement in multiple phases over the 2014 and 2015 calendar years. It is understood that CCS will be developing the Custom Software under an anticipated GlobalCardio™" and GUAVA ECG viewer SDK version license specifically to meet the requirements of this integration. The Custom Software shall not require the separate licensing of any other CCS software by IMed.

(iii) Within Sixty (60) days of the Effective Date, but in any event forthwith after receipt of a non-refundable initiation payment CCS equivalent to fifteen percent (15%) of the proposed SOW budget, CCS shall begin development of a detailed SOW for the Custom Software which will enable an IMed Device, where the Device and Custom Software will meet the requirements for mobile cardiac telemetry ("**MCT**") billing services in the United States of America.

For the purposes of this SDA "MCT" means a service eligible to be reimbursed under the USA CPT and Medicare billing codes noted below, or as same may be amended, enlarged or modified in the future including for billing codes that offer the same services as are noted below:

Code 93228 defined as: External mobile cardiovascular telemetry with electrocardiographic recording, concurrent computerized real time data analysis and greater than 24 hours of accessible ECG data storage (retrievable with query) with ECG triggered and patient selected events transmitted to a remote attended surveillance center for up to 30 days; physician review and interpretation with report; and,

Code 93229 defined as: External mobile cardiovascular telemetry with electrocardiographic recording, concurrent computerized real time data analysis and greater than 24 hours of accessible ECG data storage (retrievable with query).

(iv) IMed will be responsible for the development of the Device and providing CCS with a working prototype, administration tools to remotely to monitor and communicate with the Device and provision of a server solution that will receive GSM transmitted ECG recordings from the Device. IMed shall be responsible for the efforts and costs associated with applying for and securing regulatory clearances for the sale of the Device and Custom Software.

(v) CCS will work to complete the Custom Software such that it is in compliance with the requirements for inclusion in a Food and Drug Administration (the "**FDA**") 510K medical device clearance application (the "**Application**"). CCS may assist IMed in the Application under separate agreement or under a mutually executed Purchase Order.

(vi) CCS agrees that the preferred date for completion of the Custom Software shall be on or before December 31, 2015. IMed shall be provided a copy of the Custom Software source code and associated documentation (free and clear of any encumbrances) at completion of the sow.

(vii) IMed shall be responsible for maintaining ISO 13485 standards in development of the Device and for regulatory preparations and submission cost associated with securing market clearances for the Device and Custom Software, such as a 510K clearance application with the FDA for sale of the medical device in the continental USA, and for the potential for securing other regional clearances as may required to access additional markets internationally.

(viii) CCS will be responsible for performing its responsibilities under the SOW in compliance with ISO 13485 requirements. CCS is an ISO certified organization.

(ix) The work performed within the SOW, or any approved Change Order. shall be considered a work-for-hire. Upon delivery to IMed and receipt of payment, in full, by CCS for development of the Custom Software, all right title and Interest in the Custom Software Solution shall be the sole property of IMed.

(x) Following completion of the SOW, IMed shall not compete with CCS through the re-sale of the Custom Software or derivative products without prior written approval of CCS.

(xi) CCS confirms that a portion of its proprietary software utilizes a **[Subject to a request for confidential treatment; Separately filed with the Commission]**. The framework and its source code are licensed under an **[Subject to a request for confidential treatment; Separately filed with the Commission]**. CCS is not of the opinion that this software is classified as open source but has disclosed this for the certainty of compliance.

2) Estimated Payment Schedule.

It is estimated that IMed will pay CCS six hundred and fifty thousand US dollars ($650,000) for design of a Windows Operating System ECG management software that will allow an ECGs recorder from the IMed Device to be viewed and analyzed with the option for an ECG report, with each tranche being payable only upon completion of the corresponding items in accordance with the following schedule (which is intended to be sequential:

(i) Initiation Fee - Fifteen percent (15%) or ninety seven thousand, five hundred US dollars ($97.500 USD).

(ii) **[Subject to a request for confidential treatment; Separately filed with the Commission]** - Five percent (5%) or thirty two thousand five hundred US dollars ($32,500 USD).

(iii) **[Subject to a request for confidential treatment; Separately filed with the Commission]** - twenty percent (20%) or one hundred and thirty thousand US dollars ($130,000 USD).

(iv) **[Subject to a request for confidential treatment; Separately filed with the Commission]**- fifteen percent (15%) or ninety seven thousand, five hundred US dollars ($97,500 USD).

(v) **[Subject to a request for confidential treatment; Separately filed with the Commission]**- twenty percent (20%) or one hundred and thirty thousand US dollars ($130,000 USD).

(vi) **[Subject to a request for confidential treatment; Separately filed with the Commission]**- Ten percent (10%) or sixty five thousand US dollars ($65,000 USD)

(vii) **[Subject to a request for confidential treatment; Separately filed with the Commission]**- Ten percent (10%) or sixty five thousand US dollars ($65,000 USD)

3) Service and Support.

Forty-five days following the first commercial use of the Custom Software by IMed for the benefit of a third party (the "**Go-Live Date**"), a two (2) year renewable, service and support fee (the "**SSF**") shall be activated. Under the SSF CCS shall provide IMed **[Subject to a request for confidential treatment; Separately filed with the Commission]** (**[Subject to a request for confidential treatment; Separately filed with the Commission]**) hours of support at a cost of **[Subject to a request for confidential treatment; Separately filed with the Commission]** dollars ($**[Subject to a request for confidential treatment; Separately filed with the Commission]**) per year representing, a rate of **[Subject to a request for confidential treatment; Separately filed with the Commission]** ($**[Subject to a request for confidential treatment; Separately filed with the Commission]**) per hour. Should the aggregate amount of service and support time requested by IMed exceed the annual **[Subject to a request for confidential treatment; Separately filed with the Commission]** (**[Subject to a request for confidential treatment; Separately filed with the Commission]**) hours of service and support time, IMed agrees to purchase additional service and support time in **[Subject to a request for confidential treatment; Separately filed with the Commission]** (**[Subject to a request for confidential treatment; Separately filed with the Commission]**) hour minimum blocks at the prevailing CCS service and support hourly rate (subject to any other restrictions provided for herein). There shall be no carry forward credit for unused service and support hours to a subsequent two (2) year renewals. The first service and support payment of **[Subject to a request for confidential treatment; Separately filed with the Commission]** dollars ($**[Subject to a request for confidential treatment; Separately filed with the Commission]**) shall be due forty-five days following the Go-Live Date. The subsequent three (3) SSF payments and shall be due every six (6) months thereafter. The percentage increase in cost for such maintenance/support in any subsequent year from the rate in effect for the immediately preceding year shall not exceed **[Subject to a request for confidential treatment; Separately filed with the Commission]** percent (**[Subject to a request for confidential treatment; Separately filed with the Commission]**%). Service and support provided hereunder shall be provided in accordance with Exhibit B. Service and support shall be provided by qualified personnel, knowledgeable in the then-current

release of the Custom Software. (The initial forty-five day period following the Go-Live Date is covered by the post-release warranty described in Section 7.10 of the SDA.)

PART B:
CONSEQUENCES OF TERMINATION

1) Upon termination or expiration of this SDA, each party shall promptly return to the other party any confidential information and materials received from such other party and any materials embodying or containing such confidential information.

2) Upon termination of this SDA where IMed undergoes a voluntary petition in bankruptcy or any voluntary proceeding relating to insolvency, receivership, liquidation, or composition for the benefit of creditors, IMed warrants that it shall:

   (a) Provide payment of any funds due to CCS within thirty (30) days.

   (b) Where the Custom Software has been completed, provide CCS a perpetual, royalty-free and non-exclusive license for use of the IMed Custom Software and derivative products, the Custom Software source code and associated documents and technologies.

   (c) Offer to sell to CCS ownership of the completed Custom software and/or the IMed Device at a price determined to be reasonable by a receiver, liquidator, debtor-in-possession or other administrator of the estate, to the extent allowed by applicable law; provided; however that, in the event such rights are foreclosed or required to be sold to a third party, CCS shall prior to such sale, to the extent allowed by applicable law, have a right of first refusal to meet the price established by the third party offer.

   (d) Where the Custom Software has not been completed, provide CCS a perpetual, royalty-free and exclusive license to the IMed Custom Software and any derivative products, the Custom software source code and associated documents and technologies such that CCS may complete the Custom Software development at CCS's expense.

   (e) Provide CCS a right of first refusal to assume any IMed service contracts.

3) Upon termination of this SDA where CCS is the sole party responsible for termination, CCS shall grant IMed a worldwide perpetual, royalty and cost free exclusive license to utilize the Custom Software and associated source code and documentation as contemplated by this SDA and in adherence to the Custom Software use restrictions of Section 5.5 of the main section of the SDA and Exhibit A Section A(l)(x) of this SDA.

EXHIBIT B

SERVICE AND SUPPORT

1. DEFINITIONS

In addition to the terms defined in the SDA, the following terms used in this Exhibit shall have the following respective meanings:

“End User" means any employee or agent of IMed who is permitted to use the Custom Software pursuant to this SDA.

"Initial Response" means the time interval measured from a Support Call made by IMed to the CCS emergency support number to the time of the response.

"Relief" means the CCS resources assigned to handle an issue raised in a IMed's Support Call.

"Resolution" means the completion of all action items associated with a Support Call, or may involve, by mutual agreement between IMed and CCS, scheduled completion at a later date or development of a plan for monitoring/resolving the Support Call.

"Support Call" means any communication by IMed to CCS that alleges deficiencies related to the identity, quality, durability, reliability, safety, effectiveness, or performance of a device after it is released for distribution. This includes assistance requested by IMed in usage of the Software Product.

“Temporary Fix” means providing a workaround that minimizes the operational impact for IMed.

1. SUPPORT INFORMATION

Service and Support will apply to the primary installation of the Custom Software. This section provides the information for notifying CCS of any Support issue.

CCS support can be accessed as follows:

General Support Number: 1-877-977-9425 or 416-977-9425, Ext. 1

Emergency Support Number: 1-877-977-9425 or 416-977-9425, Ext. 3
Support Email: support@cardiocommsolutions.com
Fax: 1-866-576-4493

The core business hours for CCS are 8:30 am to 4:30 pm EST.

- CCS support will be available/reachable 24 Hours/Day, 365 Days/Year through the Emergency Support Number.

- Support will be provided by telephone, remote access Or if necessary, on site.

2. SEVERITY CLASSIFICATION

Severity classification provides the guideline for both IMed and CCS to evaluate the severity of a Support Call and to determine the level of response in responding to the Support Call.

IMed may set the severity of the Support Call, acting reasonably, using the classifications in Table 1 below as a guideline. The severity classification may be adjusted by CCS, if appropriate, after initial problem diagnosis.

CCS will use the severity classification in Table 1 for Support Call definition and response.

Table 1. Severity Classification for Support Calls

Severity Classification	Criteria
CRITICAL	Production system down, whereby an End User is unable to use the production system and a workaround is either not available, or if available, is not acceptable. Examples: • Cannot open or start Software Product • Cannot enter data
HIGH	A major function or component is unusable/degraded and no work-around is available, but the End User is still able to do primary production.
MEDIUM	The loss of a function or component that does not seriously affect the End User's operations or schedules. Any problem that was originally reported as CRITICAL or HIGH, but has been temporarily resolved with a workaround, shall be reduced to MEDIUM severity classification by mutual agreement. Examples: • cannot access help pages

LOW	Problems that cause minimal operational impact. Problems that do not fall within the CRITICAL, HIGH or MEDIUM severity classifications listed in Table 1. Examples: • General End User questions

3. RESPONSE PROTOCOL

3.1 The section outlines the response time obligation of CCS in handling Support Calls made by IMed under this SDA.

3.2 Pursuant to section 3 above, the severity classification must be established before Relief, Temporary Fix and Resolution of a Support Call.

3.3 All Support calls received will be handled in accordance with the response protocol in Table 2.

3.4 Table 2. Response Protocol for Complaint/Support calls

Severity Classification	**Initial Response**	**Relief**	**Temporary Solution**	**Resolution**
CRITICAL	15 minutes	Work continuously	Within 4 hours	Within 30 days
HIGH	15 minutes	As soon as possible	Within 24 hours	Within 30 days
MEDIUM	15 minutes	As soon as possible	Workaround within 3 business days	Within 30 days
LOW	15 minutes	Reasonable effort	Not required	Within 60 days

Document and Entity Information - USD ($)	12 Months Ended	
	Mar. 31, 2017	Sep. 30, 2016
Document and Entity Information:		
Entity Registrant Name	BIOTRICITY INC.	
Document Type	10-KT	
Document Period End Date	Mar. 31, 2017	
Trading Symbol	btcy	
Amendment Flag	false	
Entity Central Index Key	0001630113	
Current Fiscal Year End Date	--03-31	
Entity Common Stock, Shares Outstanding	18,075,841	
Entity Public Float		$ 0
Entity Filer Category	Smaller Reporting Company	
Entity Current Reporting Status	Yes	
Entity Voluntary Filers	No	
Entity Well-known Seasoned Issuer	No	
Document Fiscal Year Focus	2017	
Document Fiscal Period Focus	FY	

Biotricity, Inc. - Balance Sheets - USD ($)		Mar. 31, 2017	Dec. 31, 2016	Mar. 31, 2016	Dec. 31, 2015
CURRENT ASSETS					
Cash		$ 424,868	$ 20,659	$ 53,643	$ 410,601
Harmonized sales tax recoverable		939	9,939	28,656	36,291
Deposits and other receivables		14,705	3,916	44,186	39,202
Total Current Assets		440,512	34,514	126,485	486,094
NON-CURRENT ASSETS					
Deposits and other receivables		33,000	33,000	33,000	33,000
Total Assets		473,512	67,514	159,485	519,094
Current Liabilities:					
Accounts payable and accrued liabilities	[1]	1,137,454	1,315,995	516,934	413,273
Convertible promissory note	[2]	1,556,990	1,308,712	102,744	783,778
Derivative liabilities	[3]	2,163,884	1,511,358	75,111	561,220
Total Current Liabilities		4,858,328	4,136,065	694,789	1,758,271
Convertible promissory notes	[2]			854,751	
Derivative liability	[3]			1,179,924	
TOTAL LIABILITIES		4,858,328	4,136,065	2,729,464	1,758,271
Stockholders' Deficiency					
Preferred stock	[4]	1	1	1	1
Common stock	[5]	27,199	26,255	25,000	25,000
Shares to be issued	[6]		200,855		
Additional paid-in capital		14,308,583	12,478,520	7,982,465	7,982,598
Accumulated other comprehensive loss		(473,384)	(264,577)	(79,520)	(18,002)
Accumulated deficit		(18,307,215)	(16,509,605)	(10,497,925)	(9,228,774)
TOTAL STOCKHOLDERS' DEFICIENCY		(4,384,816)	(4,068,551)	(2,569,979)	(1,239,177)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY		473,512	67,514	159,485	519,094
Commitments	[7]				
Subsequent Events	[8]				

[1] See Note 4

[2] See Note 5

[3] See Note 6

[4] $0.001 par value; 10,000,000 authorized as at March 31, 2017, December 31, 2016 and March 31, 2016, respectively (December 31, 2015 - 1,000,000), 1 share issued and outstanding as at March 31, 2017 and 2016 and December 31, 2016 and 2015, respectively [Note 7]

[5] $0.001 par value; 125,000,000 authorized as at March 31, 2017, December 31, 2016 and March 31, 2016, respectively (December 31, 2015 - 100,000,000). Issued and outstanding common shares: 18,075,841 as at March 31, 2017, 15,876,947 as at March 31, 2016, 17,131,589 as at December 31, 2016, 15,876,947 as at December 31, 2015, respectively, and exchangeable shares of 9,123,031 outstanding as at March 31, 2017 and 2016 and December 31, 2016 and 2015, respectively.

[6] See Note 7

[7] See Note 10

[8] See Note 11

Statement of Financial Position - Parenthetical - $ / shares	Mar. 31, 2017	Dec. 31, 2016	Mar. 31, 2016	Dec. 31, 2015
Statement of Financial Position				
Preferred Stock, Par Value	$ 0.001	$ 0.001	$ 0.001	$ 0.001
Preferred Stock, Shares Authorized	10,000,000	10,000,000	10,000,000	1,000,000
Preferred Stock, Shares Issued	1	1	1	1
Preferred Stock, Shares Outstanding	1	1	1	1
Common Stock, Par Value	$ 0.001	$ 0.001	$ 0.001	$ 0.001
Common Stock, Shares Authorized	125,000,000	125,000,000	125,000,000	100,000,000
Common Stock, Shares Issued	18,075,848	17,131,589	15,876,947	15,876,947
Common Stock, Shares Outstanding	18,075,848	17,131,589	15,876,947	15,876,947

Biotricity, Inc. - Statements of Operations and Comprehensive Loss - USD ($)		3 Months Ended		12 Months Ended			
		Mar. 31, 2017	Mar. 31, 2016	Mar. 31, 2017	Dec. 31, 2016	Mar. 31, 2016	Dec. 31, 2015
Income Statement							
Revenue							
Expenses:							
General and administrative expenses	[1]	1,253,669	335,086	4,803,918	3,883,076	2,882,425	3,986,550
Research and development expenses		292,572	241,534	1,138,252	1,089,472	1,017,793	1,143,453
Total Operating Expenses		1,546,241	576,620	5,942,170	4,972,548	3,900,218	5,130,003
Accretion expense	[2]	276,375	73,572	1,177,674	974,871	133,447	59,875
Change in fair value of derivative liabilities	[3]	(25,006)	618,959	689,447	1,333,412	614,933	(4,026)
Net loss before income taxes		(1,797,610)	(1,269,151)	(7,809,291)	(7,280,831)	(4,648,598)	(5,185,852)
Income taxes	[4]						
Net loss		(1,797,610)	(1,269,151)	(7,809,291)	(7,280,831)	(4,648,598)	(5,185,852)
Translation adjustment		(148,807)	(61,518)	(333,863)	(246,575)	(107,725)	(35,313)
Comprehensive loss		$ (1,946,417)	$ (1,330,669)	$ (8,143,154)	$ (7,527,406)	$ (4,756,323)	$ (5,221,165)
Loss per share, basic and diluted		$ (0.07)	$ (0.05)	$ (0.31)	$ (0.29)	$ (0.19)	$ (0.24)
Weighted average number of common shares outstanding		26,440,190	24,999,978	25,866,328	25,813,228	24,999,978	21,852,834

[1] See Notes 7 and 9

[2] Including day one derivative loss; See Note 5

[3] See Note 6

[4] See Note 8

Biotricity, Inc. - Statements of Stockholders' Deficiency - USD ($)	3 Months Ended		9 Months Ended	12 Months Ended			
	Mar. 31, 2017	Mar. 31, 2016	Dec. 31, 2016	Mar. 31, 2017	Dec. 31, 2016	Mar. 31, 2016	Dec. 31, 2015
Balance, Value	$ (4,068,551)	$ (1,239,177)	$ (2,569,979)	$ (2,569,979)	$ (1,239,177)		$ 343,896
Exercise of warrants for cash, Value			105,500				707,196
Cancellation of shares, Value							(89)
Stock based compensation	221,078			626,136	405,058	$ 984,283	2,257,953
Issuance of warrants for services	402,206		474,232				672,749
Exercice of stock option plan, Value							283
Translation adjustment	(148,807)	(61,651)	(184,924)				(35,313)
Net loss	(1,797,610)	(1,269,151)	(6,011,680)	(7,809,291)	(7,280,831)	(4,648,598)	(5,185,852)
Issuance of shares for private placement, Value	1,367,573						
Issuance of warrants for private placement investors	(339,308)						
Issuance costs: warrants to brokers	(104,627)						
Issuance of shares for services, Value	212,880		604,475				
Cash issuance costs	(129,650)						
Stock based compensation - ESOP	221,078		405,058				
Shares to be issued, Value			200,855				
Conversion of convertible notes, Value			2,907,912				
Balance, Value	(4,384,816)	(2,569,979)	(4,068,551)	(4,384,816)	(4,068,551)	(2,569,979)	$ (1,239,177)
Preferred Stock							
Balance, Value	$ 1	$ 1	$ 1	$ 1	$ 1		
Balance, Shares	1	1	1	1	1		1
Balance, Value	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1
Balance, Shares	1	1	1	1	1	1	1
Common Stock							
Balance, Value	$ 26,255	$ 25,000	$ 25,000	$ 25,000	$ 25,000		$ 22,028
Balance, Shares	26,254,620	24,999,978	24,999,978	24,999,978	24,999,978		22,028,425
Exercise of warrants for cash, Value			$ 131				$ 898
Exercise of warrants for cash, Shares			131,365				897,750

Cancellation of shares, Value							$ (1,317)
Cancellation of shares, Shares							(1,316,700)
Exercice of stock option plan, Value							$ 3,391
Exercice of stock option plan, Shares							3,390,503
Issuance of shares for private placement, Value	$ 781						
Issuance of shares for private placement, Shares	781,480						
Issuance of shares for services, Value	$ 163		$ 211				
Issuance of shares for services, Shares	162,772		210,625				
Conversion of convertible notes, Value			$ 913				
Conversion of convertible notes, Shares			912,652				
Balance, Value	$ 27,199	$ 25,000	$ 26,255	$ 27,199	$ 26,255	$ 25,000	$ 25,000
Balance, Shares	27,198,872	24,999,978	26,254,620	27,198,872	26,254,620	24,999,978	24,999,978
Shares to be issued (Common)							
Balance, Value	$ 200,855						
Balance, Shares	77,463						
Issuance of shares for services, Value	$ (200,855)						
Issuance of shares for services, Shares	(77,463)						
Shares to be issued, Value			$ 200,855				
Shares to be issued, Shares			77,463				
Balance, Value			$ 200,855		$ 200,855		
Balance, Shares			77,463		77,463		
Additional Paid-in Capital							
Balance, Value	$ 12,478,520	$ 7,982,598	$ 7,982,465	$ 7,982,465	$ 7,982,598		$ 4,347,478
Exercise of warrants for cash, Value			105,369				706,298
Cancellation of shares, Value							1,228
Stock based compensation							2,257,953
Issuance of warrants for services	402,206		474,232				672,749
Exercice of stock option							(3,108)

plan, Value							
Translation adjustment		(133)	133				
Issuance of shares for private placement, Value	1,366,791						
Issuance of warrants for private placement investors	(339,308)						
Issuance costs: warrants to brokers	(104,627)						
Issuance of shares for services, Value	413,573		604,264				
Cash issuance costs	(129,650)						
Stock based compensation - ESOP	221,078		408,058				
Conversion of convertible notes, Value			2,906,999				
Balance, Value	14,308,583	7,982,465	12,478,520	14,308,583	12,478,520	$ 7,982,465	7,982,598
Accumulted Other Comprehensive (loss) Income							
Balance, Value	(264,577)	(18,002)	(79,520)	(79,520)	(18,002)		17,311
Translation adjustment	(148,807)	(61,518)	(185,057)				(35,313)
Balance, Value	(413,384)	(79,520)	(264,577)	(413,384)	(264,577)	(79,520)	(18,002)
Accumulated Deficit							
Balance, Value	(16,509,605)	(9,228,774)	(10,497,925)	(10,497,925)	(9,228,774)		(4,042,922)
Net loss	(1,797,610)	(1,269,151)	(6,011,680)				(5,185,852)
Balance, Value	$ (18,307,215)	$ (10,497,925)	$ (16,509,605)	$ (18,307,215)	$ (16,509,605)	$ (10,497,925)	$ (9,228,774)

Biotricity, Inc. - Statements of Cash Flows - USD ($)	3 Months Ended		12 Months Ended			
	Mar. 31, 2017	Mar. 31, 2016	Mar. 31, 2017	Dec. 31, 2016	Mar. 31, 2016	Dec. 31, 2015
Cash flow from operating activities:						
Net loss	$ (1,797,610)	$ (1,269,151)	$ (7,809,291)	$ (7,280,831)	$ (4,648,598)	$ (5,185,852)
Adjustments to reconcile net loss to net cash used in operations						
Stock based compensation	221,078		626,136	405,058	984,283	2,257,953
Issuance of shares for services	212,880		1,018,210	805,329		
Issuance of warrants for services	402,206		876,438	474,232	672,749	
Accretion expense and day one derivative loss	276,375	73,572	1,177,674	974,871	133,447	59,875
Change in fair value of derivative liabilities	(25,006)	618,959	689,447	1,333,412	614,933	(4,026)
Fair value of warrants issued						672,749
Changes in operating assets and liabilities:						
Harmonized sales tax recoverable	9,232	9,483	28,614	27,841	46,603	25,437
Deposits and other receivables	(10,761)	21,656	35,909	38,267	(37,032)	(77,740)
Accounts payable and accrued liabilities	(374,855)	(6,030)	(392,002)	838,182	423,468	287,629
Net Cash used in operating activities	(1,086,461)	(551,511)	(3,748,865)	(2,383,639)	(1,810,147)	(1,963,975)
Cash flows from financing activities:						
Issuance of shares	1,237,923		1,237,923			
Proceeds from exercise of warrants			105,500	105,500	471,817	707,196
Proceeds from issuance of convertible notes, net of issuance costs	225,000	175,000	2,455,000	2,074,700	1,464,149	1,289,149
Proceeds from issuance of stock options					283	283
Due to shareholders	23,179	50,724	169,081		50,724	
Net Cash provided by financing activities	1,486,102	225,724	3,967,504	2,180,200	1,986,973	1,996,628
Effect of foreign currency translation	4,568	(31,171)	152,586	(186,503)	(258,478)	(70,651)
Net increase (decrease) in cash during the period	399,641	(325,787)	218,639	(203,439)	176,826	32,653
Cash, beginning of period	20,659	410,601	53,643	410,601	135,295	448,599
Cash, end of period	$ 424,868	$ 53,643	$ 424,868	$ 20,659	$ 53,643	$ 410,601

1. Nature of Operations	3 Months Ended
	Mar. 31, 2017
Notes	
1. Nature of Operations	**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. On April 21, 2017, the Board of Directors of the Company authorized the changing of the Company's fiscal year-end from December 31 to March 31, as explained further in Note 11 to the consolidated financial statements. Accordingly, these consolidated financial statements have been prepared covering a transition period from January 1, 2017 to March 31, 2017.

2. Basis of Presentation and Measurement and Consolidation	3 Months Ended
	Mar. 31, 2017
Notes	
2. Basis of Presentation and Measurement and Consolidation	**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 in development mode, operating a research and development program in order to develop, obtain regulatory approval for, and commercialize its proposed products. The Company has incurred recurring losses from operations, and as at March 31, 2017, has an accumulated deficit of $18,307,215 and a working capital deficiency of $4,417,816. 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. As disclosed in Notes 5, 7 and 11 to these consolidated financial statements, the Company has developed and continues to pursue sources of funding, including but not limited to the following, that management believes are 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. • Issuance of shares under private placements during the three months ended March 31, 2017 amounting to $1,237,923, net of issuance costs; • Proceeds from issuance of convertible debentures during the three months ended March 31, 2017 amounting to $225,000, net of issuance costs; and • Issuance of shares under private placements subsequent to March 31, 2017 amounting to $1,722,775, net of issuance costs 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 debt and equity 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 financing, the Company may have to modify its operating plan to slow down the pace for development and commercialization of its proposed products.

3. Summary of Significant Accounting Policies	3 Months Ended
	Mar. 31, 2017
Notes	
3. Summary of Significant Accounting Policies	**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *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, 2017 and 2016, and as at December 31, 2016 and 2015. *Foreign Currency Translation* The functional currency of the Canadian based company is the Canadian dollar and the US based company is USD. 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.

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, 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.

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.

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.

Convertible Notes Payable and Derivative Instruments

The Company accounts 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

The Company adopted the accounting pronouncement issued by the Financial Accounting Standards Board ("FASB") to update guidance on how companies account for certain aspects of share-based payments to employees. This pronouncement is effective for fiscal years beginning after December 15, 2016, and interim periods within those years, with early adoption permitted. This guidance requires all income tax effects of awards to be recognized in the income statement when the awards vest or are settled and changes the presentation of excess tax benefits on the statement of cash flows. The Company adopted these provisions on a prospective basis. In addition, this pronouncement changes guidance on: (a) accounting for forfeitures of share-based awards and (b) employers' accounting for an employee's use of shares to satisfy the employer's statutory income tax withholding obligation. The adoption of this pronouncement did not have a material impact on the consolidated financial position and/or results of operations.

In March 2016, the Company adopted the accounting pronouncement issued by the FASB to update guidance on how companies account for certain aspects of share-based payments to employees. This pronouncement is effective for fiscal years beginning after December 15, 2016, and interim periods within those years, with early adoption permitted. This guidance requires all income tax effects of awards to be recognized in the income statement when the awards vest or are settled and changes the presentation of excess tax benefits on the statement of cash flows. The Company adopted these provisions on a prospective basis. In addition, this pronouncement changes guidance on: (a) accounting for forfeitures of share-based awards and (b) employers' accounting for an employee's use of shares to satisfy the employer's statutory income tax withholding obligation. The adoption of this pronouncement did not have a material impact on the Company's 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. The Company has not yet determined the effect that the adoption of this pronouncement may have on the consolidated financial position and/or results of operations.

On January 1, 2016, the Company adopted the accounting pronouncement issued by the FASB which eliminates the requirement that an acquirer in a business combination account for measurement-period adjustments retrospectively. Instead, an acquirer will recognize a measurement-period adjustment during the period in which it determines the amount of the adjustment. The adoption of this pronouncement did not have a material impact on the consolidated financial position and/or results of operations.

	On January 1, 2016, the Company adopted the accounting pronouncement issued by the FASB to update the guidance related to the presentation of debt issuance costs. This guidance requires debt issuance costs, related to a recognized debt liability, be presented in the balance sheet as a direct deduction from the carrying amount of the related debt liability rather than being presented as an asset. The Company adopted this pronouncement on a retrospective basis, and the adoption did not have a material impact on the consolidated financial position and/or results of operations. In November 2015, an accounting pronouncement was issued by the 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 all deferred tax assets and liabilities, including valuation allowances, be classified as noncurrent. This pronouncement is effective for fiscal years beginning after December 15, 2016, with early adoption permitted. The Company adopted this pronouncement on January 1, 2017, and the adoption did not have a material impact on the consolidated financial position and/or results of operations.

4. Accounts Payable and Accrued Liabilities	3 Months Ended
	Mar. 31, 2017
Notes	
4. Accounts Payable and Accrued Liabilities	**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	As at March 31, 2017	As at March 31, 2016	As at December 31, 2016	As at December 31, 2015
	$	$	$	$
Trade accounts payable	**866,188**	295,203	823,595	274,055
Accrued liabilities	**271,266**	168,125	337,400	139,218
Advances from investors	-	-	155,000	-
Due from related parties	-	53,606	-	-
	1,137,454	**516,934**	**1,315,995**	**413,273**

Trade accounts payable as at March 31, 2017 and 2016, and December 31, 2016 and 2015 include $nil, $112,047, $100,292, and $71,190, respectively, due to an entity owned by a shareholder and executive of the Company. The payable balances arose primarily due to consulting charges. Additionally, accrued liabilities as at March 31, 2017 and 2016, and December 31, 2016 and 2015 include $7,500, $nil, $171,902, and $nil, respectively due to the same shareholder and executive of the Company in his capacity as an employee of the Company.

Advances from investors as at December 31, 2016 represented funds received from investors prior to December 31, 2016 in connection with the Bridge Notes offering for which final subscriptions were not executed at December 31, 2016. Subsequent to December 31, 2016, this amount formed part of the additional $225,000 in convertible notes that consummated the convertible notes offering (see Note 5).

Amounts due from related parties are unsecured, non-interest bearing and due on demand.

5. Convertible Promissory Notes	3 Months Ended
	Mar. 31, 2017
Notes	

5. Convertible Promissory Notes

5. CONVERTIBLE PROMISSORY NOTES

Pursuant to a term sheet offering of up to $2,000,000, during the year ended December 31, 2015, 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 have 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, 2017	**-**

As at March 31, 2016, the accreted value of $957,495 has been disclosed $102,744 as current and $854,751 as non-current.

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 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.

Subsequent to March 31, 2017, all Bridge Notes were converted into the Company's common shares, as explained in Note 11 to the consolidated financial statements.

In connection with the Bridge Notes offering, the accreted value of this offering was as follows as at March 31, 2017 and December 31, 2016, respectively:

	As at March 31, 2017	**As at December 31, 2016**
	$	**$**
Face value of convertible promissory notes issued	2,455,000	2,230,000
Day one derivative loss recognized during the year	35,249	26,309
Discount recognized at issuance due to embedded derivatives	(1,389,256)	(1,155,660)
Cash financing costs	(174,800)	(155,300)
Accretion expense	630,797	363,363
Accreted value of convertible promissory notes	**1,556,990**	**1,308,712**

The embedded conversion features and reset feature in the notes and broker warrants have been accounted for as a derivative liability based on FASB guidance (see Note 7).

General and administrative expenses include interest expense on all above notes of $60,534, $196,650, and $32,837 for the three months ended March 31, 2017, twelve months ended December 31, 2016 and twelve months ended December 31, 2015, respectively.

Accrued expenses include interest accrual on above notes as at March 31, 2017 of $162,542 (as at December 31, 2016 and 2015 – $102,426, $nil, respectively).

6. Derivative Liabilities	3 Months Ended
	Mar. 31, 2017
Notes	

6. Derivative Liabilities

6. DERIVATIVE LIABILITIES

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 are classified as derivative liabilities, rather than as equity. Additionally, the debt or equity instruments may contain embedded derivative instruments, such as embedded derivative features which in certain circumstances may be required to be bifurcated from the associated host instrument and accounted for separately as a derivative instrument liability.

The Company's derivative instrument liabilities are 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 occur. For options, warrants and bifurcated embedded derivative features that are accounted for as derivative instrument liabilities, the Company estimates 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, the Company's current common stock price and expected dividend yield, and the expected volatility of the Company's common stock price over the life of the option.

The derivative liabilities arising from convertible promissory notes/warrants and related issuance of broker warrants are as follows:

	Convertible Notes	Broker Warrants	Private Placement Investor Warrants	Total
	$	$	$	$
Derivative liabilities as at December 31, 2015	**480,952**	**80,268**	-	**561,220**
Derivative fair value at issuance (Note 5)	1,155,660	-	-	1,155,660
Transferred to equity upon conversion of notes (Notes 5 and 7)	(1,538,934)	-	-	(1,538,934)
Change in fair value of derivatives	1,325,972	7,440	-	1,333,412
Derivative liabilities as at December 31, 2016	**1,423,650**	**87,708**	-	**1,511,358**
Derivative fair value at issuance	233,597	104,627	339,308	677,532
Change in fair value of derivatives	23,114	(48,114)	(6)	(25,006)
Derivative liabilities as at March 31, 2017	**1,680,361**	**144,221**	**339,302**	**2,163,884**

The lattice methodology was used to value the derivative components, using the following assumptions at issuance and during the following periods:

Assumptions	As at March 31, 2017	As at March 31, 2016	As at December 31, 2016	As at December 31, 2015
Dividend yield	0.00%	0.00%	0.00%	0.00%
Risk-free rate for term	0.62% – 0.91%	0.21% - 0.59%	0.44% – 0.62%	0.33% - 0.72%
Volatility	103% – 106%	100% - 105%	101% – 105%	98% - 100%
Remaining terms (Years)	0.01 – 1.0	1 - 1.5	0.21 – 1.0	1.72 - 2.0
Stock price ($ per share)	$2.50 and $2.58	$2.55 and $2.48	$1.49 and $3.00	$2.00

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	3 Months Ended
	Mar. 31, 2017
Notes	
7. Stockholders' Deficiency	**7. STOCKHOLDERS' DEFICIENCY**

a) Authorized 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, 2017, the Company is authorized to issue 125,000,000 (December 31, 2016 – 125,000,000) shares of common stock ($0.001 par value) and 10,000,000 (December 31, 2016 – 10,000,000) shares of preferred stock ($0.001 par value).

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.

At March 31, 2017, there were 18,075,841 (December 31, 2016 – 17,131,589, March 31, 2016 – 15,876,947, and December 31, 2015 – 15,876,947) shares of common stock issued and outstanding. Additionally, as of March 31, 2017, there were 9,123,031 outstanding 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.

Out of outstanding common stock of 27,198,872 as at March 31, 2017, 166,482 were held in escrow and subject to forfeiture (also refer to Note 11) in the event the Company does not raise at least $6 million by the forfeiture date which is expected to be July 31, 2017, with provisions for pro rata adjustments for capital financing raised in the meantime.

c) Share issuances

During May 2015, the Company repurchased 1,316,700 (1,100,000 Pre-Exchange Agreement) of its outstanding common shares at cost from a former director. These shares were cancelled upon their repurchase.

During the twelve months ended December 31, 2016, as explained in Note 6, the Company issued 912,652 shares of common stock in connection with the conversion of notes.

During the twelve months ended December 31, 2016, the Company issued an aggregate of 210,625 shares of common stock to six consultants. $604,475 representing the fair value of the shares issued was charged to operations. An additional 77,463 shares are to be issued, subsequent to year-end, in connection with commitments relating to the December 31, 2016 year end, $200,855 representing the fair value of these shares charged to operations. The fair value of these shares was determined by using the market price of the common stock as at the date of issuance.

During the twelve months ended December 31, 2016, the Company issued an aggregate of 131,365 shares of its common stock upon exercise of warrants and received $105,500 of exercise cash proceeds.

During the three months ended March 31, 2017, the Company sold to accredited investors, an aggregate of 781,480 units (the "Units") for gross proceeds of $1,367,573 at a purchase price of $1.75 per Unit, pursuant to a private offering of a minimum of $1,000,000, up to a maximum of $8,000,000 (the "Common Share Offering"). Each unit consist 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. If the Company successfully raises a total of $3,000,000 in aggregate proceeds from the Common Share Offering (a "Qualified Financing"), the principal amount of the Bridge Notes along with the accrued interest as explained in Note 6 are convertible into units of the Common Share Offering, based upon 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 are 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 will also pay the Placement Agent up to 8% in broker warrants with an exercise price of $3.00 and an expiry date of two years from the date of issuance. In connection with the private placement, the Company incurred cash issuance costs of $129,650 and issued broker warrants and warrants to private placement investors having fair values of $104,627 and $339,308 (also refer warrant issuances paragraph), respectively. Cash issuance costs along with fair values of warrants have been adjusted against additional paid in capital.

During the three months ended March 31, 2017, the Company issued an aggregate of 162,772 shares of common stock (including 77,463 shares to be issued as disclosed as at December 31, 2016) to various consultants. The fair value of these shares amounting to $413,573 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 of these shares was determined by using the market price of the common stock as at the date of issuance.

d) Warrant exercises

During March and May 2015, 598,500 (500,000 pre-Exchange Agreement) warrants were exercised at a price of $0.84 ($1.01 pre-Exchange Agreement) per share and the Company received gross cash proceeds of $500,584 (net proceeds of $470,758). In connection with the proceeds received, the Company paid in cash $35,420 as fees and issued 41,895 (35,000 pre-Exchange Agreement) broker warrants which were fair valued at $5,594 and were

allocated to cash with corresponding credit to additional paid-in-capital. The fair value has been estimated using a multi-nomial lattice model with an expected life of 365 days, dividend yield of 0%, stock price of $0.84 ($1.01 pre-Exchange Agreement), a risk free rate ranging from 0.04% to 1.07% and expected volatility of 94%, determined based on comparable companies historical volatilities.

During August and September 2015, 299,250 (250,000 pre-Exchange Agreement) warrants were exercised at a price of $0.85 ($1.05 pre-Exchange Agreement) per share and the Company received gross cash proceeds of $253,800 (net proceeds of $236,438). In connection with the proceeds received, the Company paid in cash $17,362 as fees and issued 20,947 (17,500 pre-Exchange Agreement) broker warrants which were fair valued at $14,627 and were allocated to cash with corresponding credit to additional paid-in-capital. The fair value has been estimated using a multi-nomial lattice model with an expected life of 24 months, a risk free rate ranging from 0.04% to 1.07%, stock price of $2 and expected volatility in the range of 98% to 100%, determined based on comparable companies historical volatilities.

e) Warrant issuances

During September and October 2015, the Company entered into agreements for the issuance for a total of 724,185 (605,000 pre-Exchange Agreement) warrants against services, entitling the holders to purchase one common share against each warrant at an exercise price of $0.84 ($1 pre-Exchange Agreement) per warrant to be exercised within 180 to 730 days from the issuance date. The fair value of the warrants on the issuance date was $672,749, which is included as consulting charges in general and administrative expenses during the year ended December 31, 2015 with corresponding credit to additional paid-in-capital. The fair value has been estimated using a multi-nomial lattice model with an expected life ranging from 180 to 730 days, a risk free rate ranging from 0.04% to 1.07%, stock price of $2, annual attrition rate of 5% and expected volatility in the range of 98% to 100%, determined based on comparable companies historical volatilities.

During the year twelve months ended December 31, 2016, the Company issued 472,084 warrants in connection with consulting services, entitling the holders to purchase one common share against each warrant at an exercise price in the range of $2.00-$2.58. These warrants were fair valued amounting to approximately $474,232 which was charged to the statement of operations. The fair value has been estimated using a multi-nominal lattice model with an expected life ranging from 0.75 to 3 years, a risk free rate ranging from 0.45 to 1.47, stock price of $2.15 to $2.58 annual attrition rate of up to 5% and expected volatility in the range of 101% to 105% determined based on comparable companies historical volatilities.

During the three months ended March 31, 2017, in connection with the private placement as explained above in "Share Issuances", the Company issued 55,433 warrants to the brokers and 390,744 to private placement investors. These warrants were fair valued at $443,935 and were adjusted with the additional paid in capital. For the assumptions used, refer to Note 6.

The fair value of warrants issued for services of $402,206, include fair value $266,627 (issuance of 255,750 warrants) during the three months ended March 31, 2017 and $94,553 represents the vesting of warrants issued in the previous periods and $41,026 represents accelerated vesting due to cancellation of 50,000 warrants.

f) 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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016. 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, 2017 and December 31, 2016	164,590	0.0001

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.

During the three months ended March 31, 2017, no outstanding options under the above plan were exercised.

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.

The fair value of the 2016 equity incentive was $2,372,108. The following table summarizes the stock option activities of the Company:

	Number of options	**Weighted average exercise price ($)**
Granted	2,709,998	2.2031
Exercised	-	(50,000)
Outstanding as of March 31, 2017 and December 31, 2016	**2,709,998**	**2.2031**

During the three months ended March 31, 2017, the Company recorded stock based compensation of $221,078 in connection with 2016 equity incentive plan ($405,058 for the twelve months ended December 31, 2016) under general and administrative expenses with corresponding credit to additional paid in capital.

The fair value of each option granted is estimated at the time of grant using multi-nomial lattice model using the following assumptions for both 2016 and 2015 equity incentive plans**:**

	2016	**2015**
Exercise price ($)	2.00 – 2.58	0.0001
Risk free interest rate (%)	0.45 - 1.47	0.04 - 1.07
Expected term (Years)	1.0 - 3.0	10.0
Expected volatility (%)	101 – 105	94
Expected dividend yield (%)	0.00	0.00
Fair value of option ($)	0.88	0.74
Expected forfeiture (attrition) rate (%)	0.00 – 5.00	5.00 - 20.00

g) Outstanding warrants

At March 31, 2017, the Company had the following warrant securities outstanding:

	Broker Warrants	**Consultant Warrants**	**Warrants with Convertible Notes***	**Private Placement Common Share Issuance 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	-	(245,695)	-	-	**(245,695)**
Add: Issued	-	622,500	-	-	**622,500**
As at December 31, 2016	**325,249**	**700,300**	-	-	**1,025,549**
Less: Expired/cancelled	-	**(50,000)**	-	-	-
Add: Issued	**55,433**	**255,750**	-	**390,744**	**701,927**
As at March 31, 2017	**380,682**	**906,050**	-	**390,744**	**1,677,476**
Exercise Price	$ 0.75-$3.00	$0.84-$3.00	$ 2.00	$ 3.00	
Expiration Date	September 2017 to March 2022	October 2017 to March 2020	March 2021 to November 2021	March 2020	

* In conjunction with issuance of convertible notes as disclosed in Note 6, as at March 31, 2017 the Company is committed to issue 1,823,020 warrants upon maturity of the notes. This includes the conversion of the principal amount and interest accrued and outstanding as at March 31, 2017.

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

8. Income Taxes	3 Months Ended
	Mar. 31, 2017
Notes	

8. Income Taxes

8. INCOME TAXES

Income taxes

The provision for income taxes differs from that computed at Canadian corporate tax rate of approximately 15.50% as follows:

Income tax recovery

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016	Twelve Months Ended March 31, 2017	Twelve Months Ended March 31, 2016	Twelve Months Ended December 31, 2016	Twelve Months Ended December 31, 2015
	$	$	$	$	$	$
Net loss	(1,797,610)	(1,269,151)	(7,809,291)	(4,648,598)	(7,280,831)	(5,185,852)
Expected income tax recovery	(278,630)	(196,718)	(1,210,440)	(720,533)	(1,128,529)	(803,807)
Non-deductible expenses	98,771	-	98,771	717,671	618,900	462,915
Other temporary differences	(600)	(1,327)	(11,992)	(6,411)	(7,138)	(2,859)
Change in valuation allowance	180,459	198,045	1,123,661	9,273	516,767	343,751
	-	-	-	-	-	-

Deferred tax assets

	As at March 31, 2017	As at March 31, 2016	As at December 31, 2016	As at December 31, 2015
	$	$	$	$
Non-capital loss carry forwards	1,607,478	944,596	1,389,471	756,534
Other temporary differences	62,917	22,238	40,499	23,565
Change in valuation allowance	(1,670,395)	(966,834)	(1,429,970)	(780,099)
	-	-	-	-

As of March 31, 2017 and 2016, and December 31, 2016 and 2015, 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, 2017 and 2016, and December 31, 2016 and 2015, the Company has approximately $10,370,826, $6,158,577, $8,964,328, $4,880,865, respectively, of non-capital losses available to offset future taxable income. These losses will expire between 2032 to 2034.

As of March 31, 2017 and 2016, and December 31, 2016 and 2015, the Company is not subject to any uncertain tax positions.

9. Related Party Transactions	3 Months Ended
	Mar. 31, 2017
Notes	

9. Related Party Transactions

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.

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016	Twelve Months Ended March 31, 2017	Twelve Months Ended March 31, 2016	Twelve Months Ended December 31, 2016	Twelve Months Ended December 31, 2015
	$	**$**	**$**	**$**	$	**$**
Consulting fees and allowance*	-	43,680	178,460	129,078	222,140	145,825
Salary and allowance**	80,052	-	291,954	63,000	211,902	63,000
Stock based compensation***	203,512	-	623,561	1,054,958	420,049	2,190,152
Total	**283,564**	**43,680**	**1,093,975**	**1,247,036**	**854,091**	**2,398,977**

* Consulting fees and allowance represents amounts paid/payable to a related party owned by a shareholder/chief executive officer of the Company.

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

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

10. Commitment	3 Months Ended
	Mar. 31, 2017
Notes	
10. Commitment	**10. COMMITMENT** 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 3 months is $18,062.

11. Subsequent Events	3 Months Ended
	Mar. 31, 2017
Notes	
11. Subsequent Events	**11. SUBSEQUENT EVENTS** The Company's management has evaluated subsequent events up to June 28, 2017, the date the financial statements were issued, pursuant to the requirements of ASC 855 and has determined the following material subsequent events: **Common Share Financing** In addition to the conversion of bridge notes (see below) into common shares, between April 1 and June 16, 2017, the Company sold to accredited investors, in multiple closings, an aggregate of 1,070,183 units (the "Units") for gross proceeds of $1,872,820 at a purchase price of $1.75 per Unit, in a private offering of a minimum of $1,000,000 and up to a maximum of $8,000,000 (subject to an overallotment option) (the "Common Share Offering"). Each unit consist 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. After payment of placement agent fees and expenses but before the payment of other offering expenses such as legal and accounting expenses, the Registrant received net proceeds of approximately $1,722,775. The Units will be offered to investors until June 30, 2017, subject to an extension of the Common Share Offering. Pursuant to an Investment Banking Agreement previously entered into by the Company with a Placement Agent, the Company is obligated to pay the following compensation at each closing of the Common Share Offering: (a) a cash fee of up to 10% of the gross proceeds raised at such closing; provided that in certain circumstances the Placement Agent and its sub-placement agents, collectively, will receive a cash fee of up to 13% of the gross proceeds raised at such closing; (b) reimbursement of reasonable out-of-pocket expense; and (c) subject to certain limitations, a 5-year warrant to purchase 8% of the Common Stock sold in the Offering at an exercise price of $3.00 per share (the "Placement Agent's Warrants"). The Placement Agent's Warrants are not callable and have a customary weighted average anti-dilution provision and a cashless exercise provision. Based on the multiple closings that were completed by June 16, 2017, the Company paid to the Placement Agent and its sub-agents an aggregate of approximately $398,116, and issued Placement Agent's Warrants to purchase an aggregate of 141,047 shares of Common Stock. **Conversion of Bridge Notes** Until May 31, 2017, the Company successfully raised more than the threshold amount of $3,000,000 in aggregate proceeds from the Common Share Offering (a "Qualified Financing") required in order to convert the principal amount of the Bridge Notes described in Note 8, along with accrued interest thereon, into units of the Common Share Offering, based upon 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 Registrant, 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 will also pay the Placement Agent up to 8% in broker warrants with an exercise price of $3.00 and an expiry date of two years from the date of issuance. No cash commissions are payable to the Placement Agent in connection with the conversion of the Bridge Notes as these were paid on the closing of the Bridge Notes offering. Pursuant to meeting the capital raising threshold of $3,000,000, convertible notes with an aggregate principal amount of $2,455,000, issued between March 31, 2016 and February 21, 2017, along with accrued interest of $203,571 were converted into an aggregate of 1,823,020 shares of the Company's common stock, with warrants to purchase 911,510 shares, pursuant to the terms of the convertible notes, at an exercise price of $3.00. Furthermore, pursuant to conversion terms, the Company also issued five-

year warrants to the same security holders, allowing them to purchase an aggregate of 1,823,020 shares of the Company's common stock at an exercise price per share of $2.00.

Shares Held in Escrow

On October 31, 2016, the Company amended the escrow agreement relating to the 750,000 shares described in Note 8 above to reduce the number of shares held in escrow and subject to forfeiture from 750,000 to 458,750 shares of common stock. The forfeiture date within this agreement has been subsequently extended and is expected to be July 31, 2017. During the year ended March 31, 2017, aggregate gross proceeds of $2,455,000 were raised through the sale of unsecured convertible debentures and a further $1,367,573 were raised as part of a private placement of the Company's common shares. As such, a total of 292,268 shares were released from escrow, resulting in 166,482 shares of the Company's common stock remaining in escrow at year end. Subsequent to year end, an additional $1,872,820 was raised in aggregate proceeds of follow-on private placement common share issuances. As a result, an additional 143,193 of the Company's common stock will be released from escrow, resulting in 23,290 shares remaining in escrow as at June 28, 2017. These remaining escrowed shares are subject to a pro rata reduction to the extent the Company raises less than its $6 million target.

Issuance of Shares

Subsequent to year end through June 29, 2017, the Company issued an aggregate of 30,208 common shares to consultants in connection with media and marketing services provided during the three months ended March 31, 2017. The Company also negotiated repayment of vendor payable amounts totaling $79,083 through the issuance of 32,623 common shares.

U.S. Food and Drug Administration (FDA) Application

On April 12, 2017, the Company filed for a second and final 510(k) application for approval of the hardware portion of its Bioflux solution with the FDA, and expects to receive a response during 2017. The Company has already received FDA approval for the software portion of its remote cardiac monitoring wearable. The device hardware approval is material to the Company because it is the final regulatory requirement needed to bring its flagship product to market.

Change in Year End

On April 21, 2017, the Company announced that it is changing its year-end to March 31st, in pursuit of a national stock exchange listing and preparation to meet the respective filing requirements. The Company believes that listing on a national securities exchange will result in greater liquidity, a higher profile, and a larger following among investment analysts and the public.

3. Summary of Significant Accounting Policies: Use of Estimates (Policies)	3 Months Ended
	Mar. 31, 2017
Policies	
Use of Estimates	*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.

3. Summary of Significant Accounting Policies: Earnings (loss) Per Share (Policies)	3 Months Ended
	Mar. 31, 2017
Policies	
Earnings (loss) Per Share	*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, 2017 and 2016, and as at December 31, 2016 and 2015.

3. Summary of Significant Accounting Policies: Foreign Currency Translation (Policies)	3 Months Ended
	Mar. 31, 2017
Policies	
Foreign Currency Translation	*Foreign Currency Translation* The functional currency of the Canadian based company is the Canadian dollar and the US based company is USD. 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.

3. Summary of Significant Accounting Policies: Fair Value of Financial Instruments (Policies)	3 Months Ended
	Mar. 31, 2017
Policies	
Fair Value of Financial Instruments	*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, 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.

3. Summary of Significant Accounting Policies: Income Taxes (Policies)	3 Months Ended
	Mar. 31, 2017
Policies	
Income Taxes	*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.

3. Summary of Significant Accounting Policies: Research and Development (Policies)	3 Months Ended
	Mar. 31, 2017
Policies	
Research and Development	*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.

3. Summary of Significant Accounting Policies: Stock Based Compensation (Policies)	3 Months Ended
	Mar. 31, 2017
Policies	
Stock Based Compensation	*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.

3. Summary of Significant Accounting Policies: Operating Leases (Policies)	3 Months Ended
	Mar. 31, 2017
Policies	
Operating Leases	*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.

3. Summary of Significant Accounting Policies: Convertible Notes Payable and Derivative Instruments (Policies)	3 Months Ended
	Mar. 31, 2017
Policies	
Convertible Notes Payable and Derivative Instruments	*Convertible Notes Payable and Derivative Instruments* The Company accounts 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.

3. Summary of Significant Accounting Policies: Recently Issued Accounting Pronouncements (Policies)	3 Months Ended
	Mar. 31, 2017
Policies	
Recently Issued Accounting Pronouncements	*Recently Issued Accounting Pronouncements* The Company adopted the accounting pronouncement issued by the Financial Accounting Standards Board ("FASB") to update guidance on how companies account for certain aspects of share-based payments to employees. This pronouncement is effective for fiscal years beginning after December 15, 2016, and interim periods within those years, with early adoption permitted. This guidance requires all income tax effects of awards to be recognized in the income statement when the awards vest or are settled and changes the presentation of excess tax benefits on the statement of cash flows. The Company adopted these provisions on a prospective basis. In addition, this pronouncement changes guidance on: (a) accounting for forfeitures of share-based awards and (b) employers' accounting for an employee's use of shares to satisfy the employer's statutory income tax withholding obligation. The adoption of this pronouncement did not have a material impact on the consolidated financial position and/or results of operations. In March 2016, the Company adopted the accounting pronouncement issued by the FASB to update guidance on how companies account for certain aspects of share-based payments to employees. This pronouncement is effective for fiscal years beginning after December 15, 2016, and interim periods within those years, with early adoption permitted. This guidance requires all income tax effects of awards to be recognized in the income statement when the awards vest or are settled and changes the presentation of excess tax benefits on the statement of cash flows. The Company adopted these provisions on a prospective basis. In addition, this pronouncement changes guidance on: (a) accounting for forfeitures of share-based awards and (b) employers' accounting for an employee's use of shares to satisfy the employer's statutory income tax withholding obligation. The adoption of this pronouncement did not have a material impact on the Company's 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. The Company has not yet determined the effect that the adoption of this pronouncement may have on the consolidated financial position and/or results of operations.

	On January 1, 2016, the Company adopted the accounting pronouncement issued by the FASB which eliminates the requirement that an acquirer in a business combination account for measurement-period adjustments retrospectively. Instead, an acquirer will recognize a measurement-period adjustment during the period in which it determines the amount of the adjustment. The adoption of this pronouncement did not have a material impact on the consolidated financial position and/or results of operations. On January 1, 2016, the Company adopted the accounting pronouncement issued by the FASB to update the guidance related to the presentation of debt issuance costs. This guidance requires debt issuance costs, related to a recognized debt liability, be presented in the balance sheet as a direct deduction from the carrying amount of the related debt liability rather than being presented as an asset. The Company adopted this pronouncement on a retrospective basis, and the adoption did not have a material impact on the consolidated financial position and/or results of operations. In November 2015, an accounting pronouncement was issued by the 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 all deferred tax assets and liabilities, including valuation allowances, be classified as noncurrent. This pronouncement is effective for fiscal years beginning after December 15, 2016, with early adoption permitted. The Company adopted this pronouncement on January 1, 2017, and the adoption did not have a material impact on the consolidated financial position and/or results of operations.

4. Accounts Payable and Accrued Liabilities: Schedule of Accounts Payable and Accrued Liabilities (Tables)	3 Months Ended
	Mar. 31, 2017
Tables/Schedules	

Schedule of Accounts Payable and Accrued Liabilities

	As at March 31, 2017	As at March 31, 2016	As at December 31, 2016	As at December 31, 2015
	$	$	$	$
Trade accounts payable	**866,188**	295,203	823,595	274,055
Accrued liabilities	**271,266**	168,125	337,400	139,218
Advances from investors	-	-	155,000	-
Due from related parties	-	53,606	-	-
	1,137,454	**516,934**	**1,315,995**	**413,273**

5. Convertible Promissory Notes: Convertible Debt (Tables)	3 Months Ended
	Mar. 31, 2017
Tables/Schedules	
Convertible Debt	

	$
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, 2017	**-**

5. Convertible Promissory Notes: Schedule of Debt (Tables)	3 Months Ended
	Mar. 31, 2017
Tables/Schedules	
Schedule of Debt	

	As at March 31, 2017	As at December 31, 2016
	$	$
Face value of convertible promissory notes issued	2,455,000	2,230,000
Day one derivative loss recognized during the year	35,249	26,309
Discount recognized at issuance due to embedded derivatives	(1,389,256)	(1,155,660)
Cash financing costs	(174,800)	(155,300)
Accretion expense	630,797	363,363
Accreted value of convertible promissory notes	**1,556,990**	**1,308,712**

6. Derivative Liabilities: Schedule of Derivative Assets at Fair Value (Tables)	3 Months Ended
	Mar. 31, 2017
Tables/Schedules	

Schedule of Derivative Assets at Fair Value

	Convertible Notes	Broker Warrants	Private Placement Investor Warrants	Total
	$	$	$	$
Derivative liabilities as at December 31, 2015	**480,952**	**80,268**	**-**	**561,220**
Derivative fair value at issuance (Note 5)	1,155,660	-	-	1,155,660
Transferred to equity upon conversion of notes (Notes 5 and 7)	(1,538,934)	-	-	(1,538,934)
Change in fair value of derivatives	1,325,972	7,440	-	1,333,412
Derivative liabilities as at December 31, 2016	**1,423,650**	**87,708**	**-**	**1,511,358**
Derivative fair value at issuance	233,597	104,627	339,308	677,532
Change in fair value of derivatives	23,114	(48,114)	(6)	(25,006)
Derivative liabilities as at March 31, 2017	**1,680,361**	**144,221**	**339,302**	**2,163,884**

6. Derivative Liabilities: Schedule of Share-based Payment Award, Stock Options, Valuation Assumptions (Tables)	3 Months Ended
	Mar. 31, 2017
Tables/Schedules	
Schedule of Share-based Payment Award, Stock Options, Valuation Assumptions	

Assumptions	As at March 31, 2017	As at March 31, 2016	As at December 31, 2016	As at December 31, 2015
Dividend yield	0.00%	0.00%	0.00%	0.00%
Risk-free rate for term	0.62% – 0.91%	0.21% - 0.59%	0.44% – 0.62%	0.33% - 0.72%
Volatility	103% – 106%	100% - 105%	101% – 105%	98% - 100%
Remaining terms (Years)	0.01 – 1.0	1 - 1.5	0.21 – 1.0	1.72 - 2.0
Stock price ($ per share)	$2.50 and $2.58	$2.55 and $2.48	$1.49 and $3.00	$2.00

7. Stockholders' Deficiency: Schedule of Share-based Compensation, Stock Options, Activity (Tables)	3 Months Ended
	Mar. 31, 2017
Tables/Schedules	
Schedule of Share-based Compensation, Stock Options, Activity	

	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, 2017 and December 31, 2016	164,590	0.0001

7. Stockholders' Deficiency: Schedule of Stock Option Activities Table Text Block (Tables)	3 Months Ended
	Mar. 31, 2017
Tables/Schedules	
Schedule of Stock Option Activities Table Text Block	

	Number of options	Weighted average exercise price ($)
Granted	2,709,998	2.2031
Exercised	-	(50,000)
Outstanding as of March 31, 2017 and December 31, 2016	**2,709,998**	**2.2031**

7. Stockholders' Deficiency: Schedule of Assumptions Used (Tables)	3 Months Ended
	Mar. 31, 2017
Tables/Schedules	

Schedule of Assumptions Used

	2016	2015
Exercise price ($)	2.00 – 2.58	0.0001
Risk free interest rate (%)	0.45 - 1.47	0.04 - 1.07
Expected term (Years)	1.0 - 3.0	10.0
Expected volatility (%)	101 – 105	94
Expected dividend yield (%)	0.00	0.00
Fair value of option ($)	0.88	0.74
Expected forfeiture (attrition) rate (%)	0.00 – 5.00	5.00 - 20.00

7. Stockholders' Deficiency: Schedule of Stockholders' Equity Note, Warrants or Rights (Tables)	3 Months Ended
	Mar. 31, 2017
Tables/Schedules	

Schedule of Stockholders' Equity Note, Warrants or Rights

	Broker Warrants	Consultant Warrants	Warrants with Convertible Notes*	Private Placement Common Share Issuance 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	**-**	(245,695)	**-**	**-**	**(245,695)**
Add: Issued	**-**	622,500	**-**	**-**	**622,500**
As at December 31, 2016	**325,249**	**700,300**	**-**	**-**	**1,025,549**
Less: Expired/cancelled	**-**	**(50,000)**	**-**	**-**	**-**
Add: Issued	**55,433**	**255,750**	**-**	**390,744**	**701,927**
As at March 31, 2017	**380,682**	**906,050**	**-**	**390,744**	**1,677,476**
Exercise Price	$ 0.75-$3.00	$ 0.84-$3.00	$ 2.00	$ 3.00	
Expiration Date	September 2017 to March 2022	October 2017 to March 2020	March 2021 to November 2021	March 2020	

8. Income Taxes: Schedule of Effective Income Tax Rate Reconciliation (Tables)	3 Months Ended
	Mar. 31, 2017
Tables/Schedules	

Schedule of Effective Income Tax Rate Reconciliation

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016	Twelve Months Ended March 31, 2017	Twelve Months Ended March 31, 2016	Twelve Months Ended December 31, 2016	Twelve Months Ended December 31, 2015
	$	$	$	$	$	$
Net loss	(1,797,610)	(1,269,151)	(7,809,291)	(4,648,598)	(7,280,831)	(5,185,852)
Expected income tax recovery	(278,630)	(196,718)	(1,210,440)	(720,533)	(1,128,529)	(803,807)
Non-deductible expenses	98,771	-	98,771	717,671	618,900	462,915
Other temporary differences	(600)	(1,327)	(11,992)	(6,411)	(7,138)	(2,859)
Change in valuation allowance	180,459	198,045	1,123,661	9,273	516,767	343,751
	-	-	-	-	-	-

8. Income Taxes: Schedule of Deferred Tax Assets and Liabilities (Tables)	3 Months Ended
	Mar. 31, 2017
Tables/Schedules	

Schedule of Deferred Tax Assets and Liabilities

	As at March 31, 2017	As at March 31, 2016	As at December 31, 2016	As at December 31, 2015
	$	$	$	$
Non-capital loss carry forwards	1,607,478	944,596	1,389,471	756,534
Other temporary differences	62,917	22,238	40,499	23,565
Change in valuation allowance	(1,670,395)	(966,834)	(1,429,970)	(780,099)
	-	-	-	-

9. Related Party Transactions: Schedule of Related Party Transactions (Tables)	3 Months Ended
	Mar. 31, 2017
Tables/Schedules	

Schedule of Related Party Transactions

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016	Twelve Months Ended March 31, 2017	Twelve Months Ended March 31, 2016	Twelve Months Ended December 31, 2016	Twelve Months Ended December 31, 2015
	$	$	$	$	$	$
Consulting fees and allowance*	-	43,680	178,460	129,078	222,140	145,825
Salary and allowance**	80,052	-	291,954	63,000	211,902	63,000
Stock based compensation***	203,512	-	623,561	1,054,958	420,049	2,190,152
Total	**283,564**	**43,680**	**1,093,975**	**1,247,036**	**854,091**	**2,398,977**

4. Accounts Payable and Accrued Liabilities: Schedule of Accounts Payable and Accrued Liabilities (Details) - USD ($)	Mar. 31, 2017	Dec. 31, 2016	Mar. 31, 2016	Dec. 31, 2015
Details				
Accounts Payable, Trade, Current	$ 866,188	$ 823,595	$ 295,203	$ 274,055
Accrued Liabilities, Current	$ 271,266	337,400	168,125	$ 139,218
Advances from Investors		$ 155,000		
Due from Related Parties			$ 53,606	

5. Convertible Promissory Notes: Convertible Debt (Details) - USD ($)		3 Months Ended		12 Months Ended			
		Mar. 31, 2017	Mar. 31, 2016	Mar. 31, 2017	Dec. 31, 2016	Mar. 31, 2016	Dec. 31, 2015
Details							
Accreted Value of Convertible Promissory Notes			$ 957,495			$ 957,495	$ 783,778
Convertbile Promissory Note Face Value			175,000				
Discount Recognized due to Embedded Derivatives			(74,855)				
Accretion expense	[1]	$ 276,375	$ 73,572	$ 1,177,674	$ 974,871	$ 133,447	$ 59,875
Accretion Expense, Including Loss on Conversion				411,483			
Conversion of Notes Transferred to Equity				$ (1,368,978)			
[1] Including day one derivative loss; See Note 5							

5. Convertible Promissory Notes: Schedule of Debt (Details) - USD ($)	Mar. 31, 2017	Dec. 31, 2016
Details		
Face Value of Convertible Promissory Notes Issued	$ 2,455,000	$ 2,230,000
Day One Derivative Loss Recognized During the Year	35,249	26,309
Discount Recognized at Issuance Due to Embedded Derivatives	(1,389,256)	(1,155,660)
Cash Financing Costs	(174,800)	(155,300)
Accretion Expense	630,797	363,363
Accreted Value of Promissory Notes	$ 1,556,990	$ 1,308,712

6. Derivative Liabilities: Schedule of Derivative Assets at Fair Value (Details) - USD ($)	Mar. 31, 2017	Dec. 31, 2016	Dec. 31, 2015
Convertible Notes Warrants			
Derivative Liability, Current	$ 1,680,361	$ 1,423,650	$ 480,952
Derivative Liability, Fair Value, Gross Liability		233,597	1,155,660
Transferred to equity upon conversion of the notes			(1,538,934)
Change in Fair Value of Derivatives		23,114	1,325,972
Broker Warrants			
Derivative Liability, Current	144,221	87,708	80,268
Derivative Liability, Fair Value, Gross Liability		104,627	
Change in Fair Value of Derivatives		(48,114)	7,440
Private Placement Investor Warrants			
Derivative Liability, Current	339,302		
Derivative Liability, Fair Value, Gross Liability		339,308	
Change in Fair Value of Derivatives		(6)	
Total			
Derivative Liability, Current	$ 2,163,884	1,511,358	561,220
Derivative Liability, Fair Value, Gross Liability		677,532	1,155,660
Transferred to equity upon conversion of the notes			(1,538,934)
Change in Fair Value of Derivatives		$ (25,006)	$ 1,333,412

6. Derivative Liabilities: Schedule of Share-based Payment Award, Stock Options, Valuation Assumptions (Details) - Assumptions	3 Months Ended		12 Months Ended	
	Mar. 31, 2017	Mar. 31, 2016	Dec. 31, 2016	Dec. 31, 2015
Fair Value Assumptions, Expected Volatility Rate	0.00%	0.00%	0.00%	0.00%
Share-based Compensation Arrangement by Share-based Payment Award, Fair Value Assumptions, Risk Free Interest Rate, Minimum	0.62%	0.21%	0.44%	0.33%
Share-based Compensation Arrangement by Share-based Payment Award, Fair Value Assumptions, Risk Free Interest Rate, Maximum	0.91%	0.59%	0.62%	0.72%
Share-based Compensation Arrangement by Share-based Payment Award, Fair Value Assumptions, Expected Volatility Rate, Minimum	103.00%	100.00%	101.00%	98.00%
Share-based Compensation Arrangement by Share-based Payment Award, Fair Value Assumptions, Expected Volatility Rate, Maximum	106.00%	105.00%	105.00%	100.00%
Remaining Term1	0.01	1	0.21	1.72
Remaining Term 2	1.0	1.5	1.0	2.0
Stock Price	2.50	2.55	1.49	2.00
Stock Price2	2.58	2.48	3.00	

7. Stockholders' Deficiency (Details) - $ / shares	12 Months Ended			
	Dec. 31, 2016	Mar. 31, 2017	Mar. 31, 2016	Dec. 31, 2015
Common Stock, Shares Authorized	125,000,000	125,000,000	125,000,000	100,000,000
Common Stock, Par Value	$ 0.001	$ 0.001	$ 0.001	$ 0.001
Preferred Stock, Shares Authorized	10,000,000	10,000,000	10,000,000	1,000,000
Common Stock Shares Issued	912,652			
Exercise of Proceeds				
Common Stock Shares Issued	131,365			
Operations				
Warrants Issued	472,084			

7. Stockholders' Deficiency: Schedule of Share-based Compensation, Stock Options, Activity (Details) - $ / shares	12 Months Ended		
	Dec. 31, 2016	Dec. 31, 2015	Mar. 31, 2017
Details			
Share-based Compensation Arrangement by Share-based Payment Award, Options, Grants in Period, Net of Forfeitures		3,591,000	
Share-based Compensation Arrangements by Share-based Payment Award, Options, Grants in Period, Weighted Average Exercise Price		$ 0.0001	
Share based compensation arrangement by share based payment award options exercised during period		(3,390,503)	
Share-based Compensation Arrangements by Share-based Payment Award, Options, Exercises in Period, Weighted Average Exercise Price		$ 0.0001	
Share-based Compensation Arrangement by Share-based Payment Award, Options, Outstanding, Number		200,497	164,590
Share-based Compensation Arrangement by Share-based Payment Award, Options, Outstanding, Weighted Average Exercise Price		$ 0.0001	$ 0.0001
Share-based Compensation Arrangement by Share-based Payment Award, Options, Forfeitures in Period	(35,907)		
Share-based Compensation Arrangements by Share-based Payment Award, Options, Forfeitures in Period, Weighted Average Exercise Price	$ 0.0001		

7. Stockholders' Deficiency: Schedule of Stock Option Activities Table Text Block (Details)	15 Months Ended
	Mar. 31, 2017 $ / shares shares
Details	
Stock Options Granted | shares	2,709,998
Stock Options Granted - Weighted Average Exercise Price	$ 2.2031
Stock Options Exercised - Weighted Average Exercise Price	$ (50,000)
Stock Options Outstanding | shares	2,709,998
Stock Options Outstanding - Weighted Average Exercise Price	$ 2.2031

7. Stockholders' Deficiency: Schedule of Assumptions Used (Details) - Stock Options Granted - Multi-Nomial Lattice	12 Months Ended	
	Dec. 31, 2016 $ / shares	Dec. 31, 2015 $ / shares
Stock Price	2.00	0.0001
Stock Price2	2.58	
Share-based Compensation Arrangement by Share-based Payment Award, Fair Value Assumptions, Risk Free Interest Rate, Minimum	0.45%	0.04%
Share-based Compensation Arrangement by Share-based Payment Award, Fair Value Assumptions, Risk Free Interest Rate, Maximum	1.47%	1.07%
Remaining Term1	1.0	
Remaining Term 2	3.0	10.0
Share-based Compensation Arrangement by Share-based Payment Award, Fair Value Assumptions, Expected Volatility Rate, Minimum	101.00%	
Share-based Compensation Arrangement by Share-based Payment Award, Fair Value Assumptions, Expected Volatility Rate, Maximum	105.00%	94.00%
Fair Value Assumptions, Expected Volatility Rate	0.00%	0.00%
Fair Value Assumptions, Exercise Price	$ 0.88	$ 0.74
Expected Forfeiture Rate, Minimum	0.00%	5.00%
Expected Forfeiture Rate, Maximum	5.00%	20.00%

7. Stockholders' Deficiency: Schedule of Stockholders' Equity Note, Warrants or Rights (Details) - shares	Mar. 31, 2017	Dec. 31, 2016	Dec. 31, 2015
Broker Warrants			
Class of Warrant or Right, Outstanding	380,682	325,249	271,742
Broker Warrants | RTO Adjustment			
Class of Warrant or Right, Outstanding			53,507
Broker Warrants | After RTO			
Class of Warrant or Right, Outstanding			325,249
Broker Warrants | Add Issued			
Class of Warrant or Right, Outstanding		55,433	
Consultant Warrants			
Class of Warrant or Right, Outstanding	906,050	700,300	380,000
Consultant Warrants | RTO Adjustment			
Class of Warrant or Right, Outstanding			74,860
Consultant Warrants | After RTO			
Class of Warrant or Right, Outstanding			454,860
Consultant Warrants | Less Exercised			
Class of Warrant or Right, Outstanding			(131,365)
Consultant Warrants | Less Expired			
Class of Warrant or Right, Outstanding		(50,000)	(245,695)
Consultant Warrants | Add Issued			
Class of Warrant or Right, Outstanding		255,750	622,500
Private Placement Common Share Issuance Warrants			
Class of Warrant or Right, Outstanding	390,744		
Private Placement Common Share Issuance Warrants | Add Issued			
Class of Warrant or Right, Outstanding		390,744	
Total			
Class of Warrant or Right, Outstanding	1,677,476	1,025,549	651,742
Total | RTO Adjustment			
Class of Warrant or Right, Outstanding			128,367
Total | After RTO			
Class of Warrant or Right, Outstanding			780,109
Total | Less Exercised			
Class of Warrant or Right, Outstanding			(131,365)
Total | Less Expired			
Class of Warrant or Right, Outstanding			(245,695)
Total | Add Issued			
Class of Warrant or Right, Outstanding		701,927	622,500

8. Income Taxes: Schedule of Effective Income Tax Rate Reconciliation (Details) - USD ($)	3 Months Ended		12 Months Ended			
	Mar. 31, 2017	Mar. 31, 2016	Mar. 31, 2017	Dec. 31, 2016	Mar. 31, 2016	Dec. 31, 2015
Details						
Other Comprehensive Income (Loss), Net of Tax	$ (1,797,610)	$ (1,269,151)	$ (7,809,291)	$ (7,280,831)	$ (4,648,598)	$ (5,185,852)
Expected Income Tax Recovery	(278,630)	(196,718)	(1,210,440)	(1,128,529)	(720,533)	(803,807)
Non Deductible Expense	98,771		98,771	618,900	717,671	462,915
Other Temporary Differences	(600)	(1,327)	(11,992)	(7,138)	(6,411)	(2,859)
Valuation Allowance	$ 180,459	$ 198,045	$ 1,123,661	$ 516,767	$ 9,273	$ 343,751

8. Income Taxes: Schedule of Deferred Tax Assets and Liabilities (Details) - USD ($)	Mar. 31, 2017	Dec. 31, 2016	Mar. 31, 2016	Dec. 31, 2015
Details				
Deferred Tax Assets, Operating Loss Carryforwards	$ 1,607,478	$ 1,389,471	$ 944,596	$ 756,534
Deferred Tax Assets, Other Loss Carryforwards	62,917	40,499	22,238	23,565
Deferred Tax Assets, Valuation Allowance, Current	$ (1,670,395)	$ (1,429,970)	$ (966,834)	$ (780,099)

9. Related Party Transactions: Schedule of Related Party Transactions (Details) - USD ($)	3 Months Ended		12 Months Ended			
	Mar. 31, 2017	Mar. 31, 2016	Mar. 31, 2017	Dec. 31, 2016	Mar. 31, 2016	Dec. 31, 2015
Details						
Professional Fees		$ 43,680	$ 178,460	$ 222,140	$ 129,078	$ 145,825
Compensation	$ 80,052		291,954	211,902	63,000	63,000
Stock Based Compensation	$ 203,512		$ 623,561	$ 420,049	$ 1,054,958	$ 2,190,152

10. Commitment (Details)	6 Months Ended
	Jun. 30, 2016 USD ($)
Details	
Oil and Gas Property, Lease Operating Expense	$ 16,530