UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended June 30, 2017

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from ____ to _____

Commission file number: 333-201719

BIOTRICITY, INC.

(Name of Registrant in Its Charter)

Nevada	**47-2548273**
State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

275 Shoreline Drive, Suite 150
Redwood City, California 94056
(Address of principal executive offices)
(416) 214-3678

(Registrant's Telephone Number, Including Area Code)

Indicate by check 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 ☑ 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 ☑ No☐

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

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☑
Emerging Growth Company o	

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. ☐

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 21,501,393 shares of Common Stock[1], $0.001 par value at August 14, 2017.

[1] Not including 9,123,031 exchangeable shares.

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Part I – Financial Information

PART 1

FINANCIAL INFORMATION

BIOTRICITY, INC.		
CONDENSED CONSOLIDATED BALANCE SHEETS		
AS AT JUNE 30, 2017 (unaudited) and MARCH 31, 2017 (audited)		
(Expressed in US Dollars)		
	As at June 30, 2017	**As at March 31, 2017**
	(unaudited)	**(audited)**
	$	**$**
CURRENT ASSETS		
Cash	**1,192,832**	424,868
Harmonized sales tax recoverable	**8,267**	939
Deposits and other receivables	**7,720**	14,705
Total current assets	**1,208,819**	440,512
Deposits and other receivables	**33,000**	33,000
TOTAL ASSETS	**1,241,819**	473,512
CURRENT LIABILITIES		
Accounts payable and accrued liabilities *[Note 4]*	**707,345**	1,137,454
Convertible promissory notes *[Note 5]*	**-**	1,556,990
Derivative liabilities *[Note 6]*	**4,074,312**	2,163,884
TOTAL LIABILITIES	**4,781,657**	4,858,328
STOCKHOLDERS' DEFICIENCY		
Preferred stock, $0.001 par value, 10,000,000 authorized as at June 30, 2017 and March 31, 2017, respectively, 1 share issued and outstanding as at June 30, 2017 and March 31, 2017, respectively *[Note 7]*	**1**	1
Common stock, $0.001 par value, 125,000,000 authorized as at June 30, 2017 and March 31, 2017, respectively. Issued and outstanding common shares: 21,181,061 as at June 30, 2017 and 18,075,841 as at March 31, 2017, respectively, and exchangeable shares of 9,123,031 outstanding as at June 30, 2017 and March 31, 2017, respectively *[Note 7]*	**30,304**	27,199
Shares to be issued *[Note 7]*	**116,875**	**-**
Additional paid-in-capital	**17,423,384**	14,308,583
Accumulated other comprehensive loss	**(499,874)**	(413,384)
Accumulated deficit	**(20,610,528)**	(18,307,215)
Total stockholders' deficiency	**(3,539,838)**	(4,384,816)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY	**1,241,819**	473,512
Commitment *[Note 9]*		
Subsequent Events *[Note 10]*		
See accompanying notes to condensed consolidated interim financial statements		

BIOTRICITY, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

FOR THE THREE MONTHS ENDED JUNE 30, 2017 AND 2016

(Expressed in US Dollars)

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016
	(unaudited)	**(unaudited)**
	$	**$**
REVENUE	**-**	**-**
EXPENSES		
General and administrative expenses *[Notes 7, 8 and 9]*	**1,066,659**	534,438
Research and development expenses	**315,110**	266,370
TOTAL OPERATING EXPENSES	**1,381,769**	800,808
Accretion expense *[Note 5]*	**879,416**	120,531
Change in fair value of derivative liabilities *[Note 6]*	**42,128**	123,268
NET LOSS BEFORE INCOME TAXES	**(2,303,313)**	(1,044,607)
Income taxes	**-**	-
NET LOSS	**(2,303,313)**	(1,044,607)
Translation adjustment	(86,490)	(129,591)
COMPREHENSIVE LOSS	**(2,389,803)**	(1,174,198)
LOSS PER SHARE, BASIC AND DILUTED	(0.084)	(0.042)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	**27,512,483**	24,999,978

See accompanying notes to the condensed consolidated interim financial statements

BIOTRICITY, INC.		
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS		
FOR THE THREE MONTHS ENDED JUNE 30, 2017 and 2016		
(unaudited)		
(Expressed in US Dollars)		
	Three Months Ended June 30, 2017	**Three Months Ended June 30, 2016**
	(unaudited)	**(unaudited)**
	$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	**(2,303,313)**	(1,044,607)
Adjustments to reconcile net loss to net cash used in operations		
Stock based compensation	**221,078**	**-**
Issuance of shares for services	**155,486**	**-**
Issuance of warrants for services, at fair value	**142,989**	**-**
Accretion expense, including day one derivative loss	**879,416**	120,531
Change in fair value of derivative liabilities	**42,128**	123,268
Changes in operating assets and liabilities:		
Harmonized sales tax recoverable	**7,328**	2,574
Deposits and other receivables	**(6,982)**	26,427
Accounts payable and accrued liabilities	**(423,015)**	193,240
Net cash used in operating activities	**(1,284,885)**	(578,567)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of shares, net of cash issuance costs	**1,926,780**	**-**
Proceeds from exercise of warrants	**-**	13,000
Proceeds from issuance of convertible debentures, net	**-**	700,000
Due to shareholders	**-**	(39,795)
Net cash provided by financing activities	**1,926,780**	673,205
Effect of foreign currency translation	**126,069**	(114,383)
Net increase in cash during the period	**641,895**	94,638
Cash, beginning of period	**424,868**	53,643
Cash, end of period	**1,192,832**	33,898
See accompanying notes to condensed consolidated interim financial statements		

1. NATURE OF OPERATIONS

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

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

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

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

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

2. BASIS OF PRESENTATION, MEASUREMENT AND CONSOLIDATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“US GAAP”) for interim financial information and the Securities Exchange Commission (“SEC”) instructions to Form 10-Q and Article 8 of SEC Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements and should be read in conjunction with Biotricity’s audited financial statements for the three and twelve months ended March 31, 2017 and for the twelve months ended December 31, 2016 and December 31, 2015 and notes thereto included in the Form 10-KT filed with the SEC on June 29, 2017. The accompanying unaudited condensed consolidated financial statements are expressed in United States dollars (“USD”). In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of financial position and results of operations for the interim periods presented have been reflected herein. Operating results for the three months ended June 30, 2017, are not necessarily indicative of the results that may be expected for the year ending March 31, 2018. The Company’s fiscal year-end is March 31.

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 June 30, 2017, has an accumulated deficit of $20,610,528 and a working capital deficiency of $3,572,838. 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. 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:

- Sale of share and warrant units under private placements during the three months ended June 30, 2017 that raised gross proceeds of $2,244,845;
- Sale of share and warrant units under private placements subsequent to June 30, 2017 that raised gross proceeds of $435,579.

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, the planned repayment dates of outstanding operating liabilities, 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 condensed 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 warrants, as well as assumptions used by management in its assessment of liquidity. 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 June 30, 2017 and 2016.

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.

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, due to stockholders, deposits and other receivables, convertible promissory notes, derivative liabilities, and accounts payable. The Company's cash and derivative liabilities, which are carried at fair value, are classified as a Level 1 financial instruments. The Company's bank accounts are maintained with financial institutions of reputable credit, therefore, bear minimal credit risk.

Operating Leases

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

Income Taxes

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

Stock Based Compensation

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

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

Convertible Notes Payable and Derivative Instruments

The Company 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

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

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

On January 1, 2017, the Company adopted the accounting pronouncement issued by the FASB to simplify the accounting for goodwill impairment. This guidance eliminates the requirement that an entity calculate the implied fair value of goodwill when measuring an impairment charge. Instead, an entity would record an impairment charge based on the excess of a reporting unit's carrying amount over its fair value. The Company adopted this pronouncement on a prospective basis. The adoption of this guidance did not have a material impact on the Company's unaudited condensed 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 its unaudited condensed financial position and/or results of operations.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at June 30, 2017 $	**As at March 31, 2017 $**
Accounts payable	**582,743**	**866,188**
Accrued liabilities	**124,602**	**271,266**
	707,345	**1,137,454**

Accounts payable as at June 30, 2017, and March 31, 2017 include $117,133 and $195,081, respectively, due to a shareholder and executive of the Company, primarily as a result of bonus and allowance compensation payable in that individual's capacity as an employee.

5. CONVERTIBLE PROMISSORY NOTES

Pursuant to a term sheet offering of $2,000,000, the Company during the year ended December 31, 2015 issued convertible promissory notes to various accredited investors amounting to $1,368,978 in face value. These notes have a maturity date of 24 months and carry annual interest rate of 11%. The note holders have the right until any time until the note is fully paid, to convert any outstanding and unpaid principal portion of the note, and accrued interest, into fully paid and non-assessable shares of Common Stock. The note has a conversion price initially set at $1.78. Upon any future financings completed by the Company, the conversion price will reset to 75% of the future financing pricing. These notes do not contain prepayment penalties upon redemption. These notes were secured by all of the then present and after acquired property of the Company. However, the Company was entitled to 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 offering, 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 of December 31, 2015	$ 783,778
Accretion expense	585,200
Conversion of the notes transferred to equity	(1,368,978)
Accreted value of convertible promissory notes as of June 30, 2017	$ -

In March 2016, the Company commenced a bridge offering of up to an aggregate of $2,500,000 of convertible promissory notes. Up to March 31, 2017, the Company issued to various investors notes (“Bridge Notes”) in the aggregate face value of $2,455,000 (December 31, 2016 – $2,230,000). The Bridge Notes had a maturity date of 12 months and carried an annual interest rate of 10%. The Bridge Notes principal and all outstanding accrued interest were able to 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 had 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.

On May 31, 2017, all Bridge Notes were converted into the Company’s common stock:

Accreted value of convertible promissory notes as of March 31, 2017	$ 1,556,990
Accretion expense	879,416
Conversion of notes transferred to equity (Note 7, c)	(2,436,406)
Face value of convertible promissory notes as of June 30, 2017	$ -

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 (refer Note 7).

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, our current common stock price and expected dividend yield, and the expected volatility of our common stock price over the life of the option.

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

	Embedded Warrants in Convertible Notes*	**Broker Warrants**	**Private Placement Investor Warrants and Warrants issued on conversion of convertible notes**	**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
Derivative fair value at issuance	-	385,635	3,183,614	3,569,249
Transferred to equity upon conversion of notes (Notes 5 and 7)	(1,700,949)	-	-	(1,700,949)
Change in fair value of derivatives	20,588	(65,874)	87,414	42,128
Derivative liabilities as at June 30, 2017	-	463,982	3,610,330	4,074,312

*This represents the fair value of embedded warrants to be issued on conversion of these notes.

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

Assumptions	As at June 30, 2017	As at March 31, 2017
Dividend yield	0.00%	0.00%
Risk-free rate for term	0.84% – 1.14%	0.62% – 0.91%
Volatility	118%	103% – 106%
Remaining terms (Years)	0.07 – 0.64	0.01 – 1.0
Stock price ($ per share)	$2.50 and $2.70	$2.50 and $2.58

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 June 30, 2017, the Company is authorized to issue 125,000,000 (March 31, 2017 – 125,000,000) shares of common stock ($0.001 par value) and 10,000,000 (March 31, 2017 – 10,000,000) shares of preferred stock ($0.001 par value).

b) Exchange Agreement

As initially described in Note 1 above, on February 2, 2016:

- Biotricity issued approximately 1.197 shares of its common stock in exchange for each common share of the Company held by the Company shareholders who in general terms, are not residents of Canada (for the purposes of the Income Tax Act (Canada). Accordingly the Company issued 13,376,947 shares;
- Shareholders of the Company who in general terms, are Canadian residents (for the purposes of the Income Tax Act (Canada)) received approximately 1.197 Exchangeable Shares in the capital of Exchangeco in exchange for each common share of the Company held. Accordingly the Company issued 9,123,031 Exchangeable Shares;
- Each outstanding option to purchase common shares in the Company (whether vested or unvested) was exchanged, without any further action or consideration on the part of the holder of such option, for approximately 1.197 economically equivalent replacement options with an inverse adjustment to the exercise price of the replacement option to reflect the exchange ratio of approximately 1.197:1;
- Each outstanding warrant to purchase common shares in the Company was adjusted, in accordance with the terms thereof, such that it entitles the holder to receive approximately 1.197 shares of the common stock of Biotricity for each Warrant, with an inverse adjustment to the exercise price of the Warrants to reflect the exchange ratio of approximately 1.197:1
- Each outstanding advisor warrant to purchase common shares in the Company was adjusted, in accordance with the terms thereof, such that it entitles the holder to receive approximately 1.197 shares of the common stock of Biotricity for each Advisor Warrant, with an inverse adjustment to the exercise price of the Advisor Warrants to reflect the exchange ratio of approximately 1.197:1; and

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

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

c) ***Share issuances***

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 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, 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 Bridge Notes, consummates a financing that is not a Qualified Financing. Upon completion of a Qualified Financing, in connection with the conversion of the Bridge Notes the Company would also pay the Placement Agent up to 8% in 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 Common Share Offering, the Company incurred cash issuance costs of $129,650 and issued broker warrants and warrants to investors having fair values of $104,627 and $339,308, 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.

During the three months ended June 30, 2017, the Company sold to accredited investors a further total of 1,282,769 Units, of which 57,143 were to be issued after June 30, 2017 (refer to Note 7(d)), for gross proceeds of $2,244,845 (net proceeds of $1,926,780) and converted the aggregate principal amount of $2,455,000 (net proceeds of $2,274,800) raised in its Bridge Note offering, plus accrued interest thereon, into a further 1,823,020 Units (each of which correspond to one share and half of one warrant, as described above). In connection with the Common Share Offering, including the Bridge Notes that were converted into Units thereof, the Company incurred cash issuance costs of $492,865 ($318,065 cash issuance costs relating to private placement) and issued broker warrants and warrants to investors having fair values of $385,635 and $3,183,614, respectively. Cash issuance costs along with fair values of warrants have been adjusted against additional paid in capital.

During the three months ended June 30, 2017, the Company issued an aggregate of 56,576 common stock to various consultants. The fair value of these shares amounted to $138,611 and has been expensed to general and administrative expenses in the condensed consolidated statement of operations, with a corresponding credit to additional paid-in-capital.

d) Shares to be issued

Subsequent to the three months ended June 30, 2017, the Company is obligated to issue 6,250 shares of common stock to various consultants. The fair value of these shares amounted to $16,875 and has 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. Additionally, the Company will be issuing 57,143 Units for gross proceeds of $100,000 raised in connection with its sale of private placement Units (refer to Note 7(c)).

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 brokers and 390,744 to private placement investors. These warrants were fair valued at $443,935 and recorded as a reduction to additional paid in capital. Also during that period, 255,750 warrants fair valued at $402,206 were issued as compensation for services. For the valuation assumptions used, refer to Note 6.

During the three months ended June 30, 2017, in connection with its Common Share Offering and conversion of convertible notes (also refer Note 5), the Company issued in total 225,040 warrants to brokers, fair valued at $385,635, and 3,375,914 warrants fair valued at $3,183,614 to investors; of this latter amount, 2,734,530 related to warrants issued on conversion of convertible notes (refer to Note 5) and 641,384 related to private placement common share issuance warrants (refer to Note 7(c)). These warrants were recorded as a reduction to additional paid in capital with a corresponding credit to derivative liabilities.

During the three months ended June 30, 2017, the Company also issued 62,500 warrants as compensation for services, which were fair valued at $142,989 and expensed in general and administrative expenses, with a corresponding credit to additional paid in capital. For the valuation assumptions used, refer to Note 6.

At June 30, 2016 the Company had the following warrant securities outstanding:

	Broker Warrants	**Consultant Warrants**	**Warrants Issued on Conversion of 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	-	(39,584)	-	-	**(39,584)**
Add: Issued	55,433	255,750	-	390,744	**701,927**
As at March 31, 2017	**380,682**	**916,466**	**-**	**390,744**	**1,687,892**
Less: Expired/cancelled	-	-	-	-	-
Add: Issued	225,040	62,500	2,734,530	641,384	**3,663,454**
As at June 30, 2017	605,722	978,966	2,734,530	1,032,128	**5,351,346**
Exercise Price	$0.78-$3.00	$2.00-$2.70	$2.00	$3.00	
Expiration Date	September 2017 to June 2022	October 2017 to June 2020	January 2020 to June 2022	April 2020 to June 2020	

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

f) 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.

g) Stock-based compensation

2015 Equity Incentive Plan

On March 30, 2015, iMedical approved Directors, Officers and Employees Stock Option Plan, under which it authorized and issued 3,000,000 options. This plan was established to enable the Company to attract and retain the services of highly qualified and experience directors, officers, employees and consultants and to give such person an interest in the success of the Company. As of June 30 and March 31, 2017, there were no outstanding vested options and 137,500 unvested options at an exercise price of $.0001 under this plan. These options now represent the right to purchase shares of the Company's common stock using the same exchange ratio of approximately 1.1969:1, thus there were 164,590 (35,907 had been cancelled) adjusted unvested options as at June 30 and March 31, 2017. 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 June 30 and March 31, 2017	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 month periods ended June 30, 2017 and March 31, 2017, no outstanding options under this 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 plan was $2,372,108 at the time that options were originally granted. 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 June 30 and March 31, 2017	**2,709,998**	**2.2031**

During the three months ended June 30, 2017, the Company recorded stock based compensation of $221,078 in connection with 2016 equity incentive plan (June 30, 2016 – $nil) under general and administrative expenses with a 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

8. RELATED PARTY TRANSACTIONS AND BALANCES

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 those disclosed elsewhere in the financial statements, related party transactions are as follows:

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016
	$	$
Consulting fees and allowance*	-	45,126
Salary and allowance**	150,052	-
Stock based compensation***	190,491	-
Total	**340,543**	**45,126**

The above expenses were recorded under general and administrative expenses.

* Consulting fees and allowance represents amounts paid/payable to a related party owned by a shareholder that is a member of key management of the Company.

** Salary and allowance include salary, car allowance, vacation pay, bonus and other allowances paid or payable to key management of the Company.

*** Stock based compensation represent the fair value of the options, warrants and equity incentive plan for directors and key management of the Company.

9. COMMITMENTS

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.

10. SUBSEQUENT EVENTS

The Company's management has evaluated subsequent events up to August 14, 2017, the date the financial statements were issued, pursuant to the requirements of ASC 855 and has determined the following material subsequent events:

On July 31, 2017, the Company announced its final closing of its private placement Unit Offering having raised a further $435,579 in gross proceeds subsequent to June 30, 2017, through the sale of a further 248,903 Units. On August 10, 2017, the Company accepted one additional subscription of $25,000 into its private placement Unit Offering, as a result of receiving wire funds that were previously in transit, such that the cumulative effect on common stock, including exchangeable shares, was that it increased to 30,624,424 shares, as at that date. The Unit Offering raised total gross proceeds of $6,527,997, including $2,455,000 initially raised as convertible Bridge Notes that were converted. After payment of Placement Agent fees and expenses but before the payment of other Unit Offering expenses such as legal and accounting expenses, we received net cash proceeds, from the commencement of the Unit Offering to August 10, 2017, of approximately $5,849,367, including the net cash proceeds of $2,274,800 received as a result of sale and subsequent conversion of the convertible Bridge Notes. Based on the multiple closings that were completed by August 10, 2017, the Company paid to the Placement Agent and its sub-agents an aggregate of approximately $678,630 in fees, and issued Placement Agent's Warrants to purchase an aggregate of 301,528 shares of common stock. The offer and sale of the Units in the Common Share 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.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Except for historical information contained herein, this "Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. These forward-looking statements were based on various factors and were derived utilizing numerous important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements. Important assumptions and other factors that could cause actual results to differ materially from those in the forward-looking statements, include but are not limited to: (a) any fluctuations in sales and operating results; (b) risks associated with international operations; (c) regulatory, competitive and contractual risks; (d) development risks; (e) the ability to achieve strategic initiatives, including but not limited to the ability to achieve sales growth across the business segments through a combination of enhanced sales force, new products, and customer service; (f) competition in the Company's existing and potential future product lines of business; (g) the Company's ability to obtain financing on acceptable terms if and when needed; (h) uncertainty as to the Company's future profitability; (i) uncertainty as to the future profitability of acquired businesses or product lines; and (j) uncertainty as to any future expansion of the Company. Other factors and assumptions not identified above were also involved in the derivation of these forward-looking statements and the failure of such assumptions to be realized as well as other factors may also cause actual results to differ materially from those projected. The Company assumes no obligation to update these forward looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking statements. Past results are no guaranty of future performance. You should not place undue reliance on any forward-looking statements, which speak only as of the dates they are made. When used in this Report, the words "believes," "anticipates," "expects," "estimates," "plans," "intends," "will" and similar expressions are intended to identify forward-looking statements.

This Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the financial statements and footnotes thereto included in this Quarterly Report on Form 10-Q (the "Financial Statements").

Company Overview

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.

Plan of Operation and Recent Corporate Developments

We were 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, 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.

On February 2, 2016 we acquired Biotricity, through our indirect subsidiary Exchangeco and consummated 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 the Assignment and Assumption Agreement. Accordingly, as of immediately prior to the closing of the Acquisition Transaction, we had no assets or liabilities.

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, stock options and warrants, as well as assumptions used by management in its assessment of liquidity. 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

We have 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 June 30, 2017.

Cash

Cash includes cash on hand and balances with banks.

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

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.

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.

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 $315,110 for the three months ended June 30, 2017, compared to $266,370 for the corresponding period ended June 30, 2016.

Impairment of Long-Lived Assets

In accordance with ASC Topic 360-10, we 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.

Operating Leases

We lease 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

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

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

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

On January 1, 2017, the Company adopted the accounting pronouncement issued by the FASB to simplify the accounting for goodwill impairment. This guidance eliminates the requirement that an entity calculate the implied fair value of goodwill when measuring an impairment charge. Instead, an entity would record an impairment charge based on the excess of a reporting unit's carrying amount over its fair value. The Company adopted this pronouncement on a prospective basis. The adoption of this guidance did not have a material impact on the Company's unaudited condensed 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 its unaudited condensed financial position and/or results of operations.

Results of Operations

From our inception in July 2009 through June 30, 2017, Biotricity has generated a deficit of $20,610,528. We expect to incur additional operating losses, principally because of our continuing anticipated research and development costs and anticipated initial limited sales associated with a measured and well-executed commercialization path for Bioflux, our planned first product. As we approach final stages of the anticipated commercialization, we expect to continue to devote significant resources towards capital expenditures and research and development associated with product enhancement and new products that we are planning to develop.

On April 21, 2017, our Board of Directors authorized the changing of our fiscal year-end from December 31 to March 31.

Three Month Period Ended June 30, 2017, Compared to Three Month Period Ended June 30, 2016

Operating Expenses

Total operating expenses for the three month period ended June 30, 2017 were $1,381,769 compared to $800,808 for the three month periods ended June 30, 2016, as further described below.

For the three month period ended June 30, 2017, we incurred general and administrative expenses of $1,066,659 compared to $534,438 for the three month period ended June 30, 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, as well as payroll and compensation-related expenses associated with building an engineering division that is less reliant on contract consultants.

For the three month period ended June 30, 2017, we incurred research and development expenses of $315,110 compared to research and development expenses of $266,370 for the three month period ended June 30, 2016. The increase for the three month period ended June 30, 2017 is mainly due to increased activity associated with completing our FDA approval process and preparing Bioflux for commercialization.

Accretion expense of $879,416 for the three month period ended June 30, 2017 and change in fair value of derivative liabilities of $42,128 for the three month period ended June 30, 2016 relate to the Company’s capital raising activities, including costs associated with the $2,455,000 in convertible notes that were converted during the period, as well as warrants used to compensate advisors and marketing professionals assisting with the development and commercialization of the Company’s flagship product.

Net Loss

Net loss for the three month period ended June 30, 2017 was $2,303,313 (2016: $1,044,607) resulting in a loss per share of $0.084 for the three month period ended June 30, 2017 (2016: $0.042).

Translation Adjustment

Translation adjustment loss for the three month period ended June 30, 2017 was $86,490 as compared to translation adjustment loss of $129,521 for the three months ended June 30, 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 of 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 June 30, 2017, has an accumulated deficit of $20,610,528 and a working capital deficiency of $3,572,838. 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, the Company has developed and continues to pursue sources of funding, including but not limited to those described below.

During the fiscal quarter ended June 30, 2017, we sold to accredited investors an aggregate of 1,282,769 Units, of which 57,143 are to be issued, for gross proceeds of $2,244,845 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 were approximately $1,926,780. The Units were offered for sale until July 31, 2017 (extended from, most recently, June 30, 2017).

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.

On July 31, 2017, the Company announced its final closing of its private placement Unit Offering having raised a further $435,579 in gross proceeds subsequent to June 30, 2017, through the sale of a further 248,903 Units. On August 10, 2017, the Company accepted one additional subscription of $25,000 into its private placement Unit Offering, as a result of receiving wire funds that were previously in transit, such that the cumulative effect on common stock, including exchangeable shares, was that it increased to 30,624,424 shares, as at that date**.** The Unit Offering raised total gross proceeds of $6,527,997, including $2,455,000 initially raised as convertible Bridge Notes that were converted. After payment of Placement Agent fees and expenses but before the payment of other Unit Offering expenses such as legal and accounting expenses, we received net cash proceeds, from the commencement of the Unit Offering to August 10, 2017, of approximately $5,849,367, including the net cash proceeds of $2,274,800 received as a result of sale and subsequent conversion of the convertible Bridge Notes. Based on the multiple closings that were completed by August 10, 2017, the Company paid to the Placement Agent and its sub-agents an aggregate of approximately $678,630 in fees, and issued Placement Agent's Warrants to purchase an aggregate of 301,528 shares of common stock. 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 Unit 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 Unit Offering.

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 the Quarterly Report on Form 10-Q. 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 months ended June 30, 2017, we used cash in operating activities of $1,284,885 compared to $578,567 for the three months ended June 30, 2016. This was due to increased expenditures undertaken on research, product development, business development, marketing and operating activities.

Net Cash Used in Financing Activities

Net cash provided by financing activities was $1,926,780 for the three months ended June 30, 2017 compared to $673,205 for the three months ended June 30, 2016. The increase is primarily due to the sale of our private placement offering, which raised net proceeds of $1,926,780 during the period.

Net Cash Used in Investing Activities

The Company did not use any net cash in investing activities in the three month periods ended June 30, 2017 or 2016.

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 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. 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.

Changes in Internal Controls

There were no changes in the Company's internal controls over financial reporting that occurred during the three month period ended June 30, 2017 that have materially affected, or is 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.

PART II

OTHER INFORMATION

Item 1. Legal Proceedings.

None

Item 1A. Risk Factors

Not applicable for smaller reporting companies

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

All unregistered issuance of securities during the period covered by this quarterly report have been previously disclosed on the Company's current reports on Form 8-K, with the exception of the following:

During the three months ended June 30, 2017, the Company issued an aggregate of 56,576 shares of common stock to consultants for services rendered or to be rendered. The shares of common stock have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), and were issued and sold in reliance upon the exemption from registration contained in Section 4(a)(2) of the Securities Act, as the issuance thereof was made to a limited number of persons or entities as compensation for services rendered.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Sale of Units

On August 10, 2017, the Company accepted an additional subscription of $25,000 to its private offering of a minimum of $1,000,000 and up to a maximum of $8,000,000 (subject to an overallotment option) (the "Offering"), which Offering closed on July 31, 2017. Pursuant to the subscription, the Company will issue 14,286 units (the "Units") at a purchase price of $1.75 per Unit (the "Purchase Price"), in the Offering. Each Unit consists of one share of common stock, par value $0.001 per share (the "Common Stock") and a three-year warrant (the "Warrant") to purchase one-half share of Common Stock at an initial exercise price of $3.00 per whole share (the "Warrant Shares"). The Units were sold to the subscriber pursuant to a Subscription Agreement (the "Subscription Agreement"). After payment of placement agent fees and expenses but before the payment of other offering expenses such as legal and accounting expenses, net proceeds will be approximately $21,750.

Pursuant to an Investment Banking Agreement, as amended (the "Banking Agreement"), the Company engaged HRA Capital, acting through Corinthian Partners, L.L.C. (the "Placement Agent"), as the Company's exclusive agent to assist in selling the Units, subject to the right to the Placement Agent to engage sub-placement agents in connection with the Offering. Pursuant to the Banking Agreement, the Company agreed to pay or provide to the Placement Agent and/or sub-placement agents the following compensation at each closing of the 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. With respect to this additional subscription, the Company paid to the Placement Agent and its sub-agents an aggregate of approximately $3,250, and issued Placement Agent's Warrants to purchase an aggregate of approximately 1,143 shares of Common Stock.

The foregoing description of the Banking Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the Banking Agreement, which is attached as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2017.

Pursuant to the terms of a Registration Rights Agreement included as part of the Subscription Agreement, the Company agreed to file a registration statement on Form S-1 (or any other applicable form exclusively for the Offering) registering for resale under the Securities Act, all of the shares of the Common Stock sold in the Offering and the Warrant Shares.

The investor participating in the Offering met the accredited investor definition of Rule 501 of the Securities Act. The offer and sale of the Units in the 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 investor in connection with the Offering.

Corporate Governance and Nominating Committee

On August 11, 2017, the Company's Board of Directors designated a Corporate Governance and Nominating Committee, consisting initially of 2 independent Board members. As part of the designation, the Board adopted a Charter of the Corporate Governance and Nominating Committee which provides, among other things, that the Committee shall (i) identify individuals qualified to become members of the Board and (ii) recommend that the Board select the director nominees for the next annual meeting of shareholders. Furthermore, the responsibilities of the Committee shall include the following:

- Identify individuals qualified to become Board members, consistent with criteria approved by the Board, receive nominations for such qualified individuals; select, or recommend that the Board select, the director nominees for the next annual meeting of shareholders; taking into account each candidate's ability, judgment and experience and the overall composition of the Board; and
- Review and, in its discretion, revise the policy under which stockholders of the Company may recommend a candidate to the Committee for consideration for nomination as a director.

Item 6. Exhibits

31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.1	XBRL Instance.
101.SCH	XBRL Taxonomy Extension Schema.
101.CAL	XBRL Taxonomy Extension Calculation.
101.DEF	XBRL Taxonomy Extension Definition.
101.LAB	XBRL Taxonomy Extension Labels.
101.PRE	XBRL Taxonomy Extension Presentation.

SIGNATURES

Pursuant to the requirements 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, this 14th day of August 2017.

BIOTRICITY, INC.

By: /s/ Waqaas Al Siddiq
Name: Waqaas Al-Siddiq
Title: Chief Executive Officer
(principal executive and financial officer)

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 Quarterly Report on Form 10-Q 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 Quarterly 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: August 14, 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 Quarterly Report on Form 10-Q 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 Quarterly 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: August 14, 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 Quarterly Report on Form 10-Q of Biotricity Inc. (the "Company") for the quarterly period ended June 30, 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: August 14, 2017

/s/ Waqaas Al-Siddiq
Waqaas Al-Siddiq

Chief Executive Officer
(principal executive officer)

EX-32.2 5 f322.htm CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

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 Quarterly Report on Form 10-Q of Biotricity Inc. (the "Company") for the quarterly period ended June 30, 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: August 14, 2017

/s/ Waqaas Al-Siddiq
Waqaas Al-Siddiq

(Principal Financial Officer and Principal Accounting Officer)

Document and Entity Information	3 Months Ended Jun. 30, 2017 shares
Document and Entity Information:	
Entity Registrant Name	BIOTRICITY INC.
Document Type	10-Q
Document Period End Date	Jun. 30, 2017
Trading Symbol	btcy
Amendment Flag	false
Entity Central Index Key	0001630113
Current Fiscal Year End Date	--03-31
Entity Common Stock, Shares Outstanding	21,181,061
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	2018
Document Fiscal Period Focus	Q1

Biotricity, Inc. - Condensed Consolidated Balance Sheets - USD ($)		Jun. 30, 2017	Mar. 31, 2017
CURRENT ASSETS			
Cash		$ 1,192,832	$ 424,868
Harmonized sales tax recoverable		8,267	939
Deposits and other receivables		7,720	14,705
Total Current Assets		1,208,819	440,512
Deposits and other receivables		33,000	33,000
Total Assets		1,241,819	473,512
Current Liabilities:			
Accounts payable and accrued liabilities	[1]	707,345	1,137,454
Convertible promissory note	[2]		1,556,990
Derivative liabilities	[3]	4,074,312	2,163,884
TOTAL LIABILITIES		4,781,658	4,858,328
Stockholders' Deficiency			
Preferred stock	[4]	1	1
Common stock	[5]	30,304	27,199
Shares to be issued	[6]	116,875	
Additional paid-in capital		17,423,384	14,308,583
Accumulated other comprehensive loss		(499,874)	(413,384)
Accumulated deficit		(20,610,528)	(18,307,215)
TOTAL STOCKHOLDERS' DEFICIENCY		(3,539,838)	(4,384,816)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY		1,241,819	473,512
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 shares authorized as at June 30, 2017 and March 31, 2017, respectively, 1 share issued and outstanding as at June 30, 2017 and March 31, 2017, respectively. [Note 7]

[5] $0.001 par value; 125,000,000 authorized as at June 30, 2017 and March 31, 2017, respectively. Issued and outstanding common shares: 21,181,061 as at June 30, 2017 and 18,075,841 as at March 31, 2017, respectively, and exchangeable shares of 9,123,031 outstanding as at June 30, 2017 and March 31, 2017, respectively. [Note 7]

[6] [Note 7]

[7] See Note 9

[8] See Note 10

Statement of Financial Position - Parenthetical - $ / shares	Jun. 30, 2017	Mar. 31, 2017
Statement of Financial Position		
Preferred Stock, Par Value	$ 0.001	$ 0.001
Preferred Stock, Shares Authorized	10,000,000	10,000,000
Preferred Stock, Shares Issued	1	1
Preferred Stock, Shares Outstanding	1	1
Common Stock, Par Value	$ 0.001	$ 0.001
Common Stock, Shares Authorized	125,000,000	125,000,000
Common Stock, Shares Issued	21,181,061	18,075,841
Common Stock, Shares Outstanding	21,181,061	18,075,841

Biotricity, Inc. - Condensed Consolidated Statements of Operations and Comprehensive Loss - USD ($)		3 Months Ended	
		Jun. 30, 2017	Jun. 30, 2016
Income Statement			
Revenue			
Expenses:			
General and administrative expenses	[1]	1,066,659	534,468
Research and development expenses		315,110	266,370
Total Operating Expenses		1,381,769	800,808
Accretion expense	[2]	879,416	120,531
Change in fair value of derivative liabilities	[3]	42,128	123,268
Net loss before income taxes		(2,303,313)	(1,044,607)
Income taxes			
Net loss		(2,303,313)	(1,044,607)
Translation adjustment		(86,490)	(129,591)
Comprehensive loss		$ (2,389,803)	$ (1,174,198)
Loss per share, basic and diluted		$ (0.084)	$ (0.042)
Weighted average number of common and exercisable shares outstanding		27,512,483	24,999,978

[1] See Notes 7, 8, and 9

[2] See Note 5

[3] See Note 6

Biotricity, Inc. - Condensed Consolidated Statements of Cash Flows - USD ($)	3 Months Ended	
	Jun. 30, 2017	Jun. 30, 2016
Cash flow from operating activities:		
Net loss	$ (2,303,313)	$ (1,044,607)
Adjustments to reconcile net loss to net cash used in operations		
Stock based compensation	221,078	
Issuance of shares for services	155,486	
Issuance of warrants for services	142,989	
Accretion expense and day one derivative loss	879,416	120,531
Change in fair value of derivative liabilities	42,128	123,268
Changes in operating assets and liabilities:		
Harmonized sales tax recoverable	7,328	2,574
Deposits and other receivables	(6,982)	26,427
Accounts payable and accrued liabilities	(423,015)	193,240
Net Cash used in operating activities	(1,284,885)	(578,567)
Cash flows from financing activities:		
Issuance of shares, net of cash issuance costs	1,926,780	
Proceeds from exercise of warrants		13,000
Proceeds from issuance of convertible notes, net		700,000
Due to shareholders		(39,795)
Net Cash provided by financing activities	1,926,780	673,205
Effect of foreign currency translation	126,069	(114,383)
Net increase in cash during the period	641,895	94,638
Cash, beginning of period	424,868	53,643
Cash, end of period	$ 1,192,832	$ 33,898

1. Nature of Operations	3 Months Ended
	Jun. 30, 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.

2. Basis of Presentation and Measurement and Consolidation	3 Months Ended
	Jun. 30, 2017
Notes	
2. Basis of Presentation and Measurement and Consolidation	**2. BASIS OF PRESENTATION, MEASUREMENT AND CONSOLIDATION** The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“US GAAP”) for interim financial information and the Securities Exchange Commission (“SEC”) instructions to Form 10-Q and Article 8 of SEC Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements and should be read in conjunction with Biotricity’s audited financial statements for the three and twelve months ended March 31, 2017 and for the twelve months ended December 31, 2016 and December 31, 2015 and notes thereto included in the Form 10-KT filed with the SEC on June 29, 2017. The accompanying unaudited condensed consolidated financial statements are expressed in United States dollars (“USD”). In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of financial position and results of operations for the interim periods presented have been reflected herein. Operating results for the three months ended June 30, 2017, are not necessarily indicative of the results that may be expected for the year ending March 31, 2018. The Company’s fiscal year-end is March 31. 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 June 30, 2017, has an accumulated deficit of $20,610,528 and a working capital deficiency of $3,572,838. 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. 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: • Sale of share and warrant units under private placements during the three months ended June 30, 2017 that raised gross proceeds of $2,244,845; • Sale of share and warrant units under private placements subsequent to June 30, 2017 that raised gross proceeds of $435,579. 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, the planned repayment dates of outstanding operating liabilities, 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
	Jun. 30, 2017
Notes	
3. Summary of Significant Accounting Policies	**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *Use of Estimates* The preparation of the condensed 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 warrants, as well as assumptions used by management in its assessment of liquidity. 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 June 30, 2017 and 2016. *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. *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, due to stockholders, deposits and other receivables, convertible promissory notes, derivative liabilities, and accounts payable. The Company's cash and derivative liabilities, which are carried at fair value, are classified as a Level 1 financial instruments. The Company's bank accounts are maintained with financial institutions of reputable credit, therefore, bear minimal credit risk.

Operating Leases

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

Income Taxes

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

Stock Based Compensation

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

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

Convertible Notes Payable and Derivative Instruments

The Company 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

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

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

On January 1, 2017, the Company adopted the accounting pronouncement issued by the FASB to simplify the accounting for goodwill impairment. This guidance eliminates the requirement that an entity calculate the implied fair value of goodwill when measuring an impairment charge. Instead, an entity would record an impairment charge based on the excess of a reporting unit's carrying amount over its fair value. The Company adopted this pronouncement on a prospective basis. The adoption of this guidance did not have a material impact on the Company's unaudited condensed 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 its unaudited condensed financial position and/or results of operations.

4. Accounts Payable and Accrued Liabilities	3 Months Ended
	Jun. 30, 2017
Notes	
4. Accounts Payable and Accrued Liabilities	**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	As at June 30, 2017	As at March 31, 2017
	$	$
Accounts payable	**582,743**	**866,188**
Accrued liabilities	**124,602**	**271,266**
	707,345	**1,137,454**

Accounts payable as at June 30, 2017, and March 31, 2017 include $117,133 and $195,081, respectively, due to a shareholder and executive of the Company, primarily as a result of bonus and allowance compensation payable in that individual's capacity as an employee.

5. Convertible Promissory Notes	3 Months Ended
	Jun. 30, 2017
Notes	
5. Convertible Promissory Notes	**5. CONVERTIBLE PROMISSORY NOTES**

Pursuant to a term sheet offering of $2,000,000, the Company during the year ended December 31, 2015 issued convertible promissory notes to various accredited investors amounting to $1,368,978 in face value. These notes have a maturity date of 24 months and carry annual interest rate of 11%. The note holders have the right until any time until the note is fully paid, to convert any outstanding and unpaid principal portion of the note, and accrued interest, into fully paid and non-assessable shares of Common Stock. The note has a conversion price initially set at $1.78. Upon any future financings completed by the Company, the conversion price will reset to 75% of the future financing pricing. These notes do not contain prepayment penalties upon redemption. These notes were secured by all of the then present and after acquired property of the Company. However, the Company was entitled to 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 offering, 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 of December 31, 2015	$ 783,778	
	Accretion expense	585,200	
	Conversion of the notes transferred to equity (Note 7, c)	(1,368,978)	
	Accreted value of convertible promissory notes as of June 30, 2017	$ -	

In March 2016, the Company commenced a bridge offering of up to an aggregate of $2,500,000 of convertible promissory notes. Up to March 31, 2017, the Company issued to various investors notes (“Bridge Notes”) in the aggregate face value of $2,455,000 (December 31, 2016 – $2,230,000). The Bridge Notes had a maturity date of 12 months and carried an annual interest rate of 10%. The Bridge Notes principal and all outstanding accrued interest were able to 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 had 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.
On May 31, 2017, all Bridge Notes were converted into the Company’s common stock:

Accreted value of convertible promissory notes as of March 31, 2017	$ 1,556,990
Accretion expense	879,416
Conversion of notes transferred to equity	(2,436,406)
Face value of convertible promissory notes as of June 30, 2017	$ -

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 (refer Note 7).

6. Derivative Liabilities	3 Months Ended
	Jun. 30, 2017
Notes	
6. Derivative Liabilities	**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, our current common stock price and expected dividend yield, and the expected volatility of our common stock price over the life of the option.

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

	Embedded Warrants in Convertible Notes*	Broker Warrants	Private Placement Investor Warrants and Warrants issued on conversion of convertible notes	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
Derivative fair value at issuance	-	385,635	3,183,614	3,569,249
Transferred to equity upon conversion of notes (Notes 5 and 7)	(1,700,949)	-	-	(1,700,949)
Change in fair value of derivatives	20,588	(65,874)	87,414	42,128
Derivative liabilities as at June 30, 2017	-	463,982	3,610,330	4,074,312

*This represents the fair value of embedded warrants to be issued on conversion of these notes.

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

Assumptions	**As at June 30, 2017**	**As at March 31, 2017**
Dividend yield	0.00%	0.00%
Risk-free rate for term	0.84% – 1.14%	0.62% – 0.91%
Volatility	118%	103% – 106%
Remaining terms (Years)	0.07 – 0.64	0.01 – 1.0
Stock price ($ per share)	$2.50 and $2.70	$2.50 and $2.58

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
	Jun. 30, 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 June 30, 2017, the Company is authorized to issue 125,000,000 (March 31, 2017 – 125,000,000) shares of common stock ($0.001 par value) and 10,000,000 (March 31, 2017 – 10,000,000) shares of preferred stock ($0.001 par value). ***b) Exchange Agreement*** As initially described in Note 1 above, on February 2, 2016: • Biotricity issued approximately 1.197 shares of its common stock in exchange for each common share of the Company held by the Company shareholders who in general terms, are not residents of Canada (for the purposes of the Income Tax Act (Canada). Accordingly the Company issued 13,376,947 shares; • Shareholders of the Company who in general terms, are Canadian residents (for the purposes of the Income Tax Act (Canada)) received approximately 1.197 Exchangeable Shares in the capital of Exchangeco in exchange for each common share of the Company held. Accordingly the Company issued 9,123,031 Exchangeable Shares; • Each outstanding option to purchase common shares in the Company (whether vested or unvested) was exchanged, without any further action or consideration on the part of the holder of such option, for approximately 1.197 economically equivalent replacement options with an inverse adjustment to the exercise price of the replacement option to reflect the exchange ratio of approximately 1.197:1; • Each outstanding warrant to purchase common shares in the Company was adjusted, in accordance with the terms thereof, such that it entitles the holder to receive approximately 1.197 shares of the common stock of Biotricity for each Warrant, with an inverse adjustment to the exercise price of the Warrants to reflect the exchange ratio of approximately 1.197:1 • Each outstanding advisor warrant to purchase common shares in the Company was adjusted, in accordance with the terms thereof, such that it entitles the holder to receive approximately 1.197 shares of the common stock of Biotricity for each Advisor Warrant, with an inverse adjustment to the exercise price of the Advisor Warrants to reflect the exchange ratio of approximately 1.197:1; and • The outstanding 11% secured convertible promissory notes of the Company were adjusted, in accordance with the adjustment provisions thereof, as and from closing, so as to permit the holders to convert (and in some circumstances permit the Company to force the conversion of) the convertible promissory notes into shares of the common stock of Biotricity at a 25% discount to purchase price per share in Biotricity's next offering.

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

c) ***Share issuances***

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 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, 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 Bridge Notes, consummates a financing that is not a Qualified Financing. Upon completion of a Qualified Financing, in connection with the conversion of the Bridge Notes the Company would also pay the Placement Agent up to 8% in 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 Common Share Offering, the Company incurred cash issuance costs of $129,650 and issued broker warrants and warrants to investors having fair values of $104,627 and $339,308, 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.

During the three months ended June 30, 2017, the Company sold to accredited investors a further total of 1,282,769 Units, of which 57,143 were to be issued after June 30, 2017 (refer to Note 7(d)), for gross proceeds of $2,244,845 (net proceeds of $1,926,780) and converted the aggregate principal amount of $2,455,000 (net proceeds of $2,274,800) raised in its Bridge Note offering, plus accrued interest thereon, into a further 1,823,020 Units (each of which correspond to one share and half of one warrant, as described above). In connection with the Common Share Offering, including the Bridge Notes that were converted into Units thereof, the Company incurred cash issuance costs of $492,865 ($318,065 cash issuance costs relating to private placement) and issued broker warrants and warrants to investors having fair values of $385,635 and $3,183,614, respectively. Cash issuance costs along with fair values of warrants have been adjusted against additional paid in capital.

During the three months ended June 30, 2017, the Company issued an aggregate of 56,576 common stock to various consultants. The fair value of these shares amounted to $138,611 and has been expensed to general and administrative expenses in the condensed consolidated statement of operations, with a corresponding credit to additional paid-in-capital.

d) <u>Shares to be issued</u>

Subsequent to the three months ended June 30, 2017, the Company is obligated to issue 6,250 shares of common stock to various consultants. The fair value of these shares amounted to $16,875 and has 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. Additionally, the Company will be issuing 57,143 Units for gross proceeds of $100,000 raised in connection with its sale of private placement Units (refer to Note 7(c)).

e) <u>Warrant issuances</u>

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 brokers and 390,744 to private placement investors. These warrants were fair valued at \$443,935 and recorded as a reduction to additional paid in capital. Also during that period, 255,750 warrants fair valued at \$402,206 were issued as compensation for services. For the valuation assumptions used, refer to Note 6.

During the three months ended June 30, 2017, in connection with its Common Share Offering and conversion of convertible notes (also refer Note 5), the Company issued in total 225,040 warrants to brokers, fair valued at \$385,635, and 3,375,914 warrants fair valued at \$3,183,614 to investors; of this latter amount, 2,734,530 related to warrants issued on conversion of convertible notes (refer to Note 5) and 641,384 related to private placement common share issuance warrants (refer to Note 7(c)). These warrants were recorded as a reduction to additional paid in capital with a corresponding credit to derivative liabilities.

During the three months ended June 30, 2017, the Company also issued 62,500 warrants as compensation for services, which were fair valued at \$142,989 and expensed in general and administrative expenses, with a corresponding credit to additional paid in capital. For the valuation assumptions used, refer to Note 6.

At June 30, 2016 the Company had the following warrant securities outstanding:

	Broker Warrants	**Consultant Warrants**	**Warrants Issued on Conversion of 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	-	(39,584)	-	-	**(39,584)**
Add: Issued	55,433	255,750	-	390,744	**701,927**
As at March 31, 2017	**380,682**	**916,466**	**-**	**390,744**	**1,687,892**
Less: Expired/cancelled	-	-	-	-	**-**
Add: Issued	225,040	62,500	2,734,530	641,384	**3,663,454**
As at June 30, 2017	605,722	978,966	2,734,530	1,032,128	**5,351,346**

Exercise Price	$0.78-$3.00	$2.00-$2.70	$2.00	$3.00	
Expiration Date	September 2017 to June 2022	October 2017 to June 2020	January 2020 to June 2022	April 2020 to June 2020	

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

f) 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.

g) Stock-based compensation

2015 Equity Incentive Plan

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

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

	Number of	**Weighted**

	options	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 June 30, 2017 and March 31, 2017	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 month periods ended June 30, 2017 and March 31, 2017, no outstanding options under this 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 plan was $2,372,108 at the time that options were originally granted. 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 June 30, 2017, the Company recorded stock based compensation of $221,078 in connection with 2016 equity incentive plan (June 30, 2016 – $nil) under general and administrative expenses with a 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

8. Related Party Transactions and Balances	3 Months Ended
	Jun. 30, 2017
Notes	
8. Related Party Transactions and Balances	**8. RELATED PARTY TRANSACTIONS AND BALANCES** 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 those disclosed elsewhere in the financial statements, related party transactions are as follows:

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016
	$	$
Consulting fees and allowance*	-	45,126
Salary and allowance**	150,052	-
Stock based compensation***	190,491	-
Total	**340,543**	**45,126**

The above expenses were recorded under general and administrative expenses.

* Consulting fees and allowance represents amounts paid/payable to a related party owned by a shareholder that is a member of key management of the Company.

** Salary and allowance include salary, car allowance, vacation pay, bonus and other allowances paid or payable to key management of the Company.

*** Stock based compensation represent the fair value of the options, warrants and equity incentive plan for directors and key management of the Company.

9. Commitments	3 Months Ended
	Jun. 30, 2017
Notes	
9. Commitments	**9. COMMITMENTS** 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.

10. Subsequent Events	3 Months Ended
	Jun. 30, 2017
Notes	
10. Subsequent Events	**10. SUBSEQUENT EVENTS** The Company's management has evaluated subsequent events up to August 14, 2017, the date the financial statements were issued, pursuant to the requirements of ASC 855 and has determined the following material subsequent events: On July 31, 2017, the Company announced its final closing of its private placement Unit Offering having raised a further $435,579 in gross proceeds subsequent to June 30, 2017, through the sale of a further 248,903 Units. On August 10, 2017, the Company accepted one additional subscription of $25,000 into its private placement Unit Offering, as a result of receiving wire funds that were previously in transit, such that the cumulative effect on common stock, including exchangeable shares, was that it increased to 30,624,424 shares, as at that date. The Unit Offering raised total gross proceeds of $6,527,997, including $2,455,000 initially raised as convertible Bridge Notes that were converted. After payment of Placement Agent fees and expenses but before the payment of other Unit Offering expenses such as legal and accounting expenses, we received net cash proceeds, from the commencement of the Unit Offering to August 10, 2017, of approximately $5,849,367, including the net cash proceeds of $2,274,800 received as a result of sale and subsequent conversion of the convertible Bridge Notes. Based on the multiple closings that were completed by August 10, 2017, the Company paid to the Placement Agent and its sub-agents an aggregate of approximately $678,630 in fees, and issued Placement Agent's Warrants to purchase an aggregate of 301,528 shares of common stock. The offer and sale of the Units in the Common Share 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.

3. Summary of Significant Accounting Policies: Use of Estimates (Policies)	**3 Months Ended**
	Jun. 30, 2017
Policies	
Use of Estimates	*Use of Estimates* The preparation of the condensed 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 warrants, as well as assumptions used by management in its assessment of liquidity. 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
	Jun. 30, 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 June 30, 2017 and 2016.

3. Summary of Significant Accounting Policies: Research and Development (Policies)	3 Months Ended
	Jun. 30, 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: Foreign Currency Translation (Policies)	3 Months Ended
	Jun. 30, 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 Jun. 30, 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, due to stockholders, deposits and other receivables, convertible promissory notes, derivative liabilities, and accounts payable. The Company's cash and derivative liabilities, which are carried at fair value, are classified as a Level 1 financial instruments. The Company’s bank accounts are maintained with financial institutions of reputable credit, therefore, bear minimal credit risk.

3. Summary of Significant Accounting Policies: Operating Leases (Policies)	3 Months Ended
	Jun. 30, 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: Income Taxes (Policies)	3 Months Ended
	Jun. 30, 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: Stock Based Compensation (Policies)	3 Months Ended
	Jun. 30, 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: Convertible Notes Payable and Derivative Instruments (Policies)	**3 Months Ended**
	Jun. 30, 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
	Jun. 30, 2017
Policies	
Recently Issued Accounting Pronouncements	*Recently Issued Accounting Pronouncements* In May 2017, an accounting pronouncement was issued by the Financial Accounting Standards Board ("FASB") ASU 2017-09, "Compensation - Stock Compensation: Scope of Modification Accounting." ASU 2017-09 provides guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting. The updated guidance is effective for interim and annual periods beginning after December 15, 2017, and early adoption is permitted. The adoption of this pronouncement will not have a material impact on the financial position and/or results of operations. On January 1, 2017, the Company adopted the accounting pronouncement issued by the Financial Accounting Standards Board ("FASB") to simplify the presentation of deferred income taxes within the balance sheet. This pronouncement eliminates the requirement that deferred tax assets and liabilities are presented as current or noncurrent based on the nature of the underlying assets and liabilities. Instead, the pronouncement requires that all deferred tax assets and liabilities, including valuation allowances, be classified as noncurrent. We adopted this pronouncement on a retrospective basis. The adoption of this guidance did not have a material impact on the Company's unaudited condensed financial position and/or results of operations. On January 1, 2017, the Company adopted the accounting pronouncement issued by the FASB to simplify the accounting for goodwill impairment. This guidance eliminates the requirement that an entity calculate the implied fair value of goodwill when measuring an impairment charge. Instead, an entity would record an impairment charge based on the excess of a reporting unit's carrying amount over its fair value. The Company adopted this pronouncement on a prospective basis. The adoption of this guidance did not have a material impact on the Company's unaudited condensed 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 its unaudited condensed financial position and/or results of operations.

4. Accounts Payable and Accrued Liabilities: Schedule of Accounts Payable and Accrued Liabilities (Tables)	3 Months Ended
	Jun. 30, 2017
Tables/Schedules	
Schedule of Accounts Payable and Accrued Liabilities	

	As at June 30, 2017	As at March 31, 2017
	$	$
Accounts payable	582,743	866,188
Accrued liabilities	124,602	271,266
	707,345	1,137,454

5. Convertible Promissory Notes: Convertible Debt (Tables)	3 Months Ended
	Jun. 30, 2017
Tables/Schedules	
Convertible Debt	

	Accreted value of convertible promissory notes as of December 31, 2015	$ 783,778	
	Accretion expense	585,200	
	Conversion of the notes transferred to equity (Note 7, c)	(1,368,978)	
	Accreted value of convertible promissory notes as of June 30, 2017	$ -	

5. Convertible Promissory Notes: Schedule of Debt (Tables)	3 Months Ended
	Jun. 30, 2017
Tables/Schedules	
Schedule of Debt	

Accreted value of convertible promissory notes as of March 31, 2017	$	1,556,990
Accretion expense		879,416
Conversion of notes transferred to equity		(2,436,406)
Face value of convertible promissory notes as of June 30, 2017	$	-

6. Derivative Liabilities: Schedule of Derivative Assets at Fair Value (Tables)	3 Months Ended
	Jun. 30, 2017
Tables/Schedules	
Schedule of Derivative Assets at Fair Value	

	Embedded Warrants in Convertible Notes*	Broker Warrants	Private Placement Investor Warrants and Warrants issued on conversion of convertible notes	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
Derivative fair value at issuance	-	385,635	3,183,614	3,569,249
Transferred to equity upon conversion of notes (Notes 5 and 7)	(1,700,949)	-	-	(1,700,949)
Change in fair value of derivatives	20,588	(65,874)	87,414	42,128
Derivative liabilities as at June 30, 2017	-	463,982	3,610,330	4,074,312

6. Derivative Liabilities: Schedule of Share-based Payment Award, Stock Options, Valuation Assumptions (Tables)	**3 Months Ended**
	Jun. 30, 2017
Tables/Schedules	
Schedule of Share-based Payment Award, Stock Options, Valuation Assumptions	

Assumptions	As at June 30, 2017	As at March 31, 2017
Dividend yield	0.00%	0.00%
Risk-free rate for term	0.84% – 1.14%	0.62% – 0.91%
Volatility	118%	103% – 106%
Remaining terms (Years)	0.07 – 0.64	0.01 – 1.0
Stock price ($ per share)	$2.50 and $2.70	$2.50 and $2.58

7. Stockholders' Deficiency: Schedule of Stockholders' Equity Note, Warrants or Rights (Tables)	3 Months Ended
	Jun. 30, 2017
Tables/Schedules	
Schedule of Stockholders' Equity Note, Warrants or Rights	

	Broker Warrants	Consultant Warrants	Warrants Issued on Conversion of 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	-	(39,584)	-	-	**(39,584)**
Add: Issued	55,433	255,750	-	390,744	**701,927**
As at March 31, 2017	**380,682**	**916,466**	**-**	**390,744**	**1,687,892**
Less: Expired/cancelled	-	-	-	-	**-**
Add: Issued	225,040	62,500	2,734,530	641,384	**3,663,454**
As at June 30, 2017	605,722	978,966	2,734,530	1,032,128	**5,351,346**
Exercise Price	\$0.78- \$3.00	\$2.00- \$2.70	\$2.00	\$3.00	
Expiration Date	September 2017 to June 2022	October 2017 to June 2020	January 2020 to June 2022	April 2020 to June 2020	

7. Stockholders' Deficiency: Schedule of Share-based Compensation, Stock Options, Activity (Tables)	3 Months Ended Jun. 30, 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 June 30, 2017 and March 31, 2017	164,590	0.0001

7. Stockholders' Deficiency: Schedule of Stock Option Activities Table Text Block (Tables)	3 Months Ended
	Jun. 30, 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**
	Jun. 30, 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

4. Accounts Payable and Accrued Liabilities: Schedule of Accounts Payable and Accrued Liabilities (Details) - USD ($)	Jun. 30, 2017	Mar. 31, 2017
Details		
Accounts Payable, Trade, Current	$ 582,743	$ 866,188
Accrued Liabilities, Current	$ 124,602	$ 271,266

5. Convertible Promissory Notes: Convertible Debt (Details) - USD ($)	3 Months Ended				18 Months Ended	
	Jun. 30, 2017	[1]	Jun. 30, 2016	[1]	Jun. 30, 2017	Dec. 31, 2015
Details						
Accreted Value of Convertible Promissory Notes						$ 783,778
Accretion expense	$ 879,416		$ 120,531		$ 585,200	
Conversion of Notes Transferred to Equity					$ (1,368,978)	

[1] See Note 5

5. Convertible Promissory Notes: Schedule of Debt (Details)	May 31, 2017 USD ($)
Details	
Accreted value of convertible promissory note	$ 1,556,990
Accretion Expense	879,416
Conversion of Notes Traferred to Equity	$ (2,436,406)

6. Derivative Liabilities: Schedule of Derivative Assets at Fair Value (Details) - USD ($)		Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Dec. 31, 2015
Derivative liabilities	[1]	$ 4,074,312	$ 2,163,884		
Convertible Notes Warrants					
Derivative liabilities			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			20,588	23,114	1,325,972
Transferred to Equity Upon Conversion of Notes			(1,700,949)		
Broker Warrants					
Derivative liabilities		463,982	144,221	87,708	80,268
Derivative Liability, Fair Value, Gross Liability			385,635	104,627	
Change in Fair Value of Derivatives			(65,874)	(48,114)	7,440
Private Placement Investor Warrants					
Derivative liabilities		3,610,330	339,302		
Derivative Liability, Fair Value, Gross Liability			3,183,614	339,308	
Change in Fair Value of Derivatives			87,414	(6)	
Total					
Derivative liabilities		$ 4,074,312	2,163,884	1,511,358	561,220
Derivative Liability, Fair Value, Gross Liability			3,569,249	677,532	1,155,660
Transferred to equity upon conversion of the notes					(1,538,934)
Change in Fair Value of Derivatives			42,128	$ (25,006)	$ 1,333,412
Transferred to Equity Upon Conversion of Notes			$ (1,700,949)		

[1] See Note 6

6. Derivative Liabilities: Schedule of Share-based Payment Award, Stock Options, Valuation Assumptions (Details) - Assumptions	3 Months Ended	
	Jun. 30, 2017	Mar. 31, 2017
Fair Value Assumptions, Expected Volatility Rate	0.00%	0.00%
Share-based Compensation Arrangement by Share-based Payment Award, Fair Value Assumptions, Risk Free Interest Rate, Minimum	0.84%	0.62%
Share-based Compensation Arrangement by Share-based Payment Award, Fair Value Assumptions, Risk Free Interest Rate, Maximum	1.14%	0.91%
Share-based Compensation Arrangement by Share-based Payment Award, Fair Value Assumptions, Expected Volatility Rate, Minimum	118.00%	103.00%
Share-based Compensation Arrangement by Share-based Payment Award, Fair Value Assumptions, Expected Volatility Rate, Maximum		106.00%
Remaining Term1	0.07	0.01
Remaining Term 2	0.64	1.0
Stock Price	2.50	2.50
Stock Price2	2.70	2.58

7. Stockholders' Deficiency (Details) - $ / shares	12 Months Ended		
	Dec. 31, 2016	Jun. 30, 2017	Mar. 31, 2017
Common Stock, Shares Authorized	125,000,000	125,000,000	125,000,000
Common Stock, Par Value	$ 0.001	$ 0.001	$ 0.001
Preferred Stock, Shares Authorized	10,000,000	10,000,000	10,000,000
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 Stockholders' Equity Note, Warrants or Rights (Details) - shares	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Dec. 31, 2015
Broker Warrants				
Class of Warrant or Right, Outstanding	605,722	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		225,040	55,433	
Consultant Warrants				
Class of Warrant or Right, Outstanding	978,966	916,466	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			(39,584)	(245,695)
Consultant Warrants | Add Issued				
Class of Warrant or Right, Outstanding		62,500	255,750	622,500
Warrants with Convertible Notes				
Class of Warrant or Right, Outstanding	2,734,530			
Warrants with Convertible Notes | Add Issued				
Class of Warrant or Right, Outstanding		2,734,530		
Private Placement Common Share Issuance Warrants				
Class of Warrant or Right, Outstanding	1,032,128	390,744		
Private Placement Common Share Issuance Warrants | Add Issued				
Class of Warrant or Right, Outstanding		641,384	390,744	
Total				
Class of Warrant or Right, Outstanding	5,351,346	1,687,892	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			(39,584)	(245,695)
Total | Add Issued				
Class of Warrant or Right, Outstanding		3,663,454	701,927	622,500

7. Stockholders' Deficiency: Schedule of Share-based Compensation, Stock Options, Activity (Details) - $ / shares	12 Months Ended		
	Dec. 31, 2016	Dec. 31, 2015	Jun. 30, 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)	18 Months Ended
	Jun. 30, 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%

8. Related Party Transactions and Balances (Details) - USD ($)	3 Months Ended	
	Jun. 30, 2017	Jun. 30, 2016
Details		
Consulting Fees		$ 45,126
Compensation	$ 150,052	
Employee Benefits and Share-based Compensation	190,491	
Related Party Tax Expense, Due to Affiliates, Current	$ 340,543	$ 45,126

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