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

Form 10-Q

(Mark One)

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

For the quarterly period ended December 31, 2020

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

For the period from ______________ to_______________

Commission file number: 000-56074

BIOTRICITY INC.
(Exact name of registrant as specified in its charter)

Nevada State or other jurisdiction of incorporation or organization)	**30-0983531** (I.R.S. Employer Identification No.)

275 Shoreline Drive, Suite 150
Redwood City, California 94065
(Address of principal executive offices)

(650) 832-1626
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act: None.

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 [X] No [ ]

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

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

Large accelerated filer [ ]
Accelerated filer [ ]
Non-accelerated filer [X]
Smaller reporting company [X]
Emerging growth company [ ]

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 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 [X]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 35,587,596 shares of Common Stock, $0.001 par value, at February 15, 2021. As at that same date, the Company also has 2,889,978 Exchangeable Shares outstanding that convert directly into common shares, which when combined with its Common Stock produce an amount equivalent to 38,477,574 outstanding voting securities.

BIOTRICITY INC.

PART 1
FINANCIAL INFORMATION

Item 1 – Condensed Consolidated Financial Statements

BIOTRICITY INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT DECEMBER 31, 2020 (unaudited) and MARCH 31, 2020 (audited)
(Expressed in US Dollars)

	As at December 31, 2020 (unaudited)	As at March 31, 2020 (audited)
	$	$
CURRENT ASSETS		
Cash	**3,324,190**	**949,848**
Accounts receivable, net	**1,396,621**	**486,187**
Inventory	**94,848**	**85,720**
Deposits and other receivables	**126,579**	**137,074**
Total current assets	**4,942,238**	**1,658,829**
NON-CURRENT ASSETS		
Deposits	**-**	**33,000**
Long-term accounts receivable	**81,778**	**48,115**
Operating lease right-of-use assets *[Note 10]*	**115,708**	**264,472**
TOTAL ASSETS	**5,139,724**	**2,004,416**
CURRENT LIABILITIES		
Accounts payable and accrued liabilities *[Note 4]*	**2,633,884**	**1,521,689**
Convertible promissory notes and short term loans *[Note 5]*	**5,695,595**	**2,068,302**
Operating lease obligations, current *[Note 9]*	**113,910**	**213,030**
Total current liabilities	**8,443,389**	**3,803,021**
NON CURRENT LIABILITIES		
Federally guaranteed loans *[Note 6]*	**1,570,900**	**-**
Derivative liabilities *[Note 7]*	**5,833,102**	**1,144,733**
Operating lease obligations, long term *[Note 9]*	**-**	**57,055**
TOTAL LIABILITIES	**15,847,391**	**5,004,809**
STOCKHOLDERS' DEFICIENCY		
Preferred stock, $0.001 par value, 10,000,000 authorized as at December 31 and March 31, 2020, respectively, 1 share issued and outstanding as at December 31 and March 31, 2020, respectively *[Note 8]*	**1**	**1**
Series A Preferred stock, $0.001 par value (20,000 shares designated as authorized as at December 31 and March 31, 2020); 8,045 and 7,830 shares issued and outstanding as at December 31 and March 31, 2020, respectively [*Note 8*]	**8**	**8**
Common stock, $0.001 par value, 125,000,000 authorized as at December 31 and March 31, 2020, respectively. Issued and outstanding common shares: 34,576,797 and 32,593,769 as at December 31 and March 31, 2020, respectively, and exchangeable shares of 3,219,518 and 3,788,062 as at December 31 and March 31, 2020 *[Note 8]*	**37,797**	**36,382**
Shares to be issued (339,500 and 178,750 shares of common stock as at December 31 and March 31, 2020, respectively) *[Note 8]*	**250,715**	**169,490**
Additional paid-in-capital	**46,707,203**	**44,015,397**
Accumulated other comprehensive loss	**(670,060)**	**(857,307)**
Accumulated deficit	**(57,033,331)**	**(46,364,364)**
TOTAL STOCKHOLDERS' DEFICIENCY	**(10,707,667)**	**(3,000,393)**
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY	**5,139,724**	**2,004,416**

See accompanying notes to unaudited condensed consolidated interim financial statements

BIOTRICITY INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in US Dollars)

	Three Months Ended December 31, 2020 (unaudited) $	Three Months Ended December 31, 2019 (unaudited) $	**Nine Months Ended December 31, 2020 (unaudited) $**	Nine Months Ended December 31, 2019 (unaudited) $
REVENUE	1,001,252	381,899	2,197,734	1,054,805
Cost of revenue	508,877	100,782	1,120,435	327,084
NET REVENUE	492,375	281,117	1,077,299	727,721
EXPENSES				
General and administrative expenses *[Notes 7, 8 and 9]*	3,688,868	2,179,928	9,675,299	6,292,225
Research and development expenses	681,411	447,639	1,507,634	879,661
TOTAL OPERATING EXPENSES	4,370,279	2,627,567	11,182,932	7,171,886
Other income *[Note 3]*	(8,637)	-	(25,604)	-
Accretion and amortization expense *[Note 5]*	380,692	26,058	722,795	26,058
Change in fair value of derivative liabilities *[Note 6]*	(349,714)	(1,503)	(783,193)	(1,503)
NET LOSS BEFORE INCOME TAXES	(3,900,245)	(2,371,005)	(10,019,631)	(6,468,720)
Income taxes	-	-	-	-
NET LOSS	(3,900,246)	(2,371,005)	(10,019,631)	(6,468,720)
Less: Preferred Stock Dividends *[Note 8]*	218,904	23,671	649,336	23,671
NET LOSS ATTRIBUTED TO COMMON STOCKHOLDERS	(4,119,149)	(2,394,676)	(10,668,968)	(6,492,391)
Translation adjustment	366,788	(234,820)	187,247	(273,735)
COMPREHENSIVE LOSS	(3,752,361)	(2,629,496)	(10,481,721)	(6,766,126)
LOSS PER SHARE, BASIC AND DILUTED	(0.111)	(0.066)	(0.288)	(0.181)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	37,256,315	36,176,520	37,038,957	35,826,398

See accompanying notes to unaudited condensed consolidated interim financial statements

BIOTRICITY INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY
FOR THE THREE MONTHS ENDED DECEMBER 31, 2020 AND 2019 (UNAUDITED)

	Preferred stock		Common stock and exchangeable common shares		Shares to be Issued		Additional paid in capital	Accumulated other comprehensive (loss) income	Accumulated deficit	Total
	Shares	$	**Shares**	$	**Shares**	$	$	$	$	$
September 30, 2020 (unaudited)	**8,046**	**9**	**37,256,315**	**37,257**	**412,500**	**400,591**	**46,100,177**	**(1,036,848)**	**(52,914,182)**	**(7,412,996)**
Issuance of shares for services	-	-	540,000	540	(73,000)	(149,876)	519,916	-	-	370,580
Issuance of shares on exercise of warrants	-	-	-	-	-	-	-	-	-	-
Issuance of warrants for services	-	-	-	-	-	-	73,329	-	-	73,329
Stock based compensation - ESOP	-	-	-	-	-	-	13,781	-	-	13,781
Translation adjustment	-	-	-	-	-	-	-	366,788	-	366,788
Net loss before dividends	-	-	-	-	-	-	-	-	(3,900,245)	(3,900,245)
Preferred stock dividends	-	-	-	-	-	-	-	-	(218,904)	(218,904)
December 31, 2020 (unaudited)	**8,046**	**9**	**37,796,315**	**37,797**	**339,500**	**250,715**	**46,707,203**	**(670,060)**	**(57,033,331)**	**(10,707,667)**

	Preferred stock		Common stock and exchangeable common shares		Shares to be Issued		Additional paid in capital	Accumulated other comprehensive (loss) income	Accumulated deficit	Total
	Shares	$	**Shares**	$	**Shares**	$	$	$	$	$
September 30, 2019 (unaudited)	**1**	**1**	**36,091,753**	**36,092**	**6,250**	**3,625**	**34,993,295**	**(793,878)**	**(39,137,210)**	**(4,898,075)**
Issuance of preferred stock [Note 7]	6,000	6	-	-	-	-	5,999,994	-	-	6,000,000
Issuance of shares for services [Note 7]	-	-	200,000	200	96,328	60,687	97,800	-	-	158,687
Issuance of warrants for services [Note 7]	-	-	-	-	-	-	25,752	-	-	25,752
Issuance of warrants pursuant to promissory notes [Notes 5 and 7]	-	-	-	-	-	-	68,057	-	-	68,057
Stock based compensation - ESOP [Note 7]	-	-	-	-	-	-	155,702	-	-	155,702
Translation adjustment	-	-	-	-	-	-	-	(234,820)	-	(234,820)
Derivative liabilities adjustment	-	-	-	-	-	-	(793,129)	-	-	(793,129)
Net loss for the period	-	-	-	-	-	-	-	-	(2,394,676)	(2,394,676)
December 31, 2019 (unaudited)	**6,001**	**7**	**36,291,753**	**36,292**	**102,578**	**64,312**	**40,547,471**	**(1,028,698)**	**(41,531,886)**	**(1,912,502)**

BIOTRICITY INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020 AND 2019 (UNAUDITED)

	Preferred stock		Common stock and exchangeable common shares		Shares to be Issued		Additional paid in capital	Accumulated other comprehensive (loss) income	Accumulated deficit	Total
	Shares	$	Shares	$	Shares	$	$	$	$	$
March 31, 2020	**7,831**	**9**	**36,381,815**	**36,382**	**178,750**	**169,490**	**44,015,397**	**(857,307)**	**(46,364,364)**	**(3,000,393)**
Issuance of preferred stock	215	-	-	-	-	-	215,000	-	-	215,000
Derivative liabilities adjustment	-	-	-	-	-	-	(41,749)	-	-	(41,749)
Net issuance of shares for services	-	-	1,414,500	1,415	63,250	13,284	1,862,857	-	-	1,877,556
Issuance of shares on exercise of warrants	-	-	-	-	97,500	67,941	-	-	-	67,941
Issuance of warrants for services	-	-	-	-	-	-	173,523	-	-	173,523
Stock based compensation - ESOP	-	-	-	-	-	-	482,175	-	-	482,175
Translation adjustment	-	-	-	-	-	-	-	187,247	-	187,247
Net loss before dividends	-	-	-	-	-	-	-	-	(10,019,631)	(10,019,631)
Preferred stock dividends	-	-	-	-	-	-	-	-	(649,336)	(649,336)
December 31, 2020 (unaudited)	**8,046**	**9**	**37,796,315**	**37,797**	**339,500**	**250,715**	**46,707,203**	**(670,060)**	**(57,033,331)**	**(10,707,667)**

	Preferred stock		Common stock and exchangeable common shares		Shares to be Issued		Additional paid in capital	Accumulated other comprehensive (loss) income	Accumulated deficit	Total
	Shares	$	Shares	$	Shares	$	$	$	$	$
Balance, March 31, 2019	**1**	**1**	**35,361,656**	**35,362**	**62,085**	**91,497**	**33,889,917**	**(754,963)**	**(35,039,496)**	**(1,777,681)**
Issuance of preferred stock *[Note 7]*	6,000	6	—	—	—	—	5,999,994	—	—	6,000,000
Issuance of shares for private placement *[Note 7]*	—	—	47,585	48	—	—	28,518	—	—	28,566
Issuance of shares for services *[Note 7]*	—	—	882,512	883	40,493	(27,186)	579,151	—	—	552,848
Issuance of warrants for services *[Note 7]*	—	—	—	—	—	—	125,376	—	—	125,376
Issuance of warrants pursuant to promissory notes [Notes 5 and 7]	—	—	—	—	—	—	68,057	—	—	68,057
Stock based compensation - ESOP *[Note 7]*	—	—	—	—	—	—	649,587	—	—	649,587
Translation adjustment	—	—	—	—	—	—	—	(273,735)	—	(273,735)
Derivative liabilities adjustment	—	—	—	—	—	—	(793,129)	—	—	(793,129)
Net loss for the period	—	—	—	—	—	—	—	—	(6,492,391)	(6,492,391)
Balance, December 31, 2019 (unaudited)	**6,001**	**7**	**36,291,753**	**36,292**	**102,578**	**64,312**	**40,547,471**	**(1,028,698)**	**(41,531,886)**	**(1,912,502)**

See accompanying notes to unaudited condensed consolidated interim financial statements

BIOTRICITY INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in US Dollars)

	Nine Months Ended December 31, 2020 (unaudited) $	Nine Months Ended December 31, 2019 (unaudited) $
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss before dividends	(10,019,631)	(6,468,720)
Adjustments to reconcile net loss to net cash used in operations		
Stock based compensation	482,175	649,587
Issuance of shares for services	1,877,556	552,848
Issuance of warrants for services	173,523	125,376
Accretion and amortization expense	722,795	26,058
Change in fair value of derivative liabilities	(783,193)	(1,503)
Changes in operating assets and liabilities:		
Accounts receivable	(944,097)	(420,431)
Inventory	(9,128)	(73,651)
Deposits and other receivables	44,075	61,461
Accounts payable and accrued liabilities	954,741	639,079
Net cash used in operating activities	(7,501,184)	(4,909,896)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of common shares, net	-	28,565
Issuance of preferred shares	215,000	6,000,000
Proceeds from federally guaranteed loans	1,570,900	-
Proceeds from exercise of stock options and warrants	67,941	-
Proceeds from convertible promissory notes, net	8,395,640	3,436,110
Proceeds from short term loans	404,895	-
Repayment of convertible promissory notes issued in prior years	(466,236)	-
Preferred stock dividends paid	(570,920)	-
Net cash provided by financing activities	9,617,221	9,464,675
Effect of foreign currency translation	258,305	(264,664)
Net increase (decrease) in cash during the period	2,116,037	4,554,779
Cash, beginning of period	949,848	63,647
Cash, end of period	3,324,190	4,353,762

See accompanying notes to unaudited 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 and became a wholly-owned subsidiary of Biotricity through reverse take-over.

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.

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 and 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 consolidated financial statements for the years ended March 31, 2020 and 2019 and their accompanying notes.

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 interim periods presented herein are not necessarily indicative of the results that may be expected for the year ending March 31, 2021. The Company's fiscal year-end is March 31.

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

Certain prior year amounts have been reclassified to conform to the current year's presentation.

Liquidity and Basis of Presentation

The Company is an emerging growth firm, in the early stages of commercializing its first product. It is concurrently in development mode, operating a research and development program in order to develop an ecosystem of medical technologies, and, where required or deemed advisable, obtain regulatory approvals for, and commercialize other proposed products. The Company has incurred recurring losses from operations, and as at December 31, 2020, has an accumulated deficit of $57,033,331 and a working capital deficiency of $3,501,151. The Company launched its first commercial sales program as part of a limited market release, during the year ended March 31, 2019, using an experienced professional in-house sales team. A full market release ensued during the year ended March 31, 2020. Given the growth experienced in business volumes during the early stages of commercialization, management anticipates that this first product will generate an increasing amount of revenue, allowing the Company to improve its liquidity through continued business development, and issue additional equity or debt required to further capitalize the Company. The Company has developed and continues to pursue sources of funding that management believes, if successful, would be sufficient to support the Company's operating plan and alleviate any substantial doubt as to its ability to meet its obligations at least for a period of one year from the date of these consolidated financial statements. The Company raised $3,030,620 in promissory notes and short term loans during the year ended March 31, 2020. From December 2019 to June 2020, the Company also issued 8,045 Series A preferred shares, issuing 6,100 of these for cash proceeds of $6,100,000; an additional 1,945 of these preferred shares were issued on conversion of $1,945,000 of promissory notes and accrued interest. The Company has also received a Coronavirus relief loan for economic support during COVID-19, including $1,570,900 received during the three months ended June 30, 2020 (see Note 6 – Federally Guaranteed Loans), which management believes is ultimately forgivable. In July 2020, the Company launched a further private placement offering of convertible notes, generating net cash proceeds of $6,095,640 by December 31, 2020 (Note 5), not including funds raised as part of additional closings related to this offering that occurred subsequent to December 31, 2020.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

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

Earnings (Loss) Per Share

The Company has adopted the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 260-10 which provides for calculation of "basic" and "diluted" earnings per share. Basic earnings per share includes no dilution and is computed by dividing net income or loss available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflect the potential dilution of securities that could share in the earnings of an entity. Diluted earnings per share exclude all potentially dilutive shares if their effect is anti-dilutive. There were no potentially dilutive shares outstanding as at December 31, 2020 and 2019.

Fair Value of Financial Instruments

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

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

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

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

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

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments or interest rates that are comparable to market rates. These financial instruments include cash, accounts receivable, deposits and other receivables, convertible promissory notes, and accounts payable and accrued liabilities. The Company's cash and derivative liabilities, which are carried at fair values, are classified as a Level 1 and Level 3, respectively. The Company's bank accounts are maintained with financial institutions of reputable credit, therefore, bear minimal credit risk.

Leases

The Company is the lessee in a lease contract when the Company obtains the right to use the asset. Operating leases are included in the line items right-of-use asset, lease obligation, current, and lease obligation, long-term in the consolidated balance sheet.

Right-of-use ("ROU") asset represents the Company's right to use an underlying asset for the lease term and lease obligations represent the Company's obligations to make lease payments arising from the lease, both of which are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. Leases with a lease term of 12 months or less at inception are not recorded on the consolidated balance sheet and are expensed on a straight-line basis over the lease term in our consolidated statement of income. The Company determines the lease term by agreement with lessor. As our lease do not provide an implicit interest rate, the Company uses the Company's incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. Refer to Note 10 for further discussion.

Government loan

Loans that were received from the federal government, which contain certain operating conditions and with terms of over twelve months, are recorded by the Company as long term liabilities.

Convertible Promissory Notes Payable and Derivative Instruments

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

Recently Issued Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments - Credit Losses (Topic 326) - Measurement of Credit Losses on Financial Instruments." This pronouncement, along with subsequent ASUs issued to clarify provisions of ASU 2016-13, changes the impairment model for most financial assets and will require the use of an "expected loss" model for instruments measured at amortized cost. Under this model, entities will be required to estimate the lifetime expected credit loss on such instruments and record an allowance to offset the amortized cost basis of the financial asset, resulting in a net presentation of the amount expected to be collected on the financial asset. In developing the estimate for lifetime expected credit loss, entities must incorporate historical experience, current conditions, and reasonable and supportable forecasts. This pronouncement is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2019. On November 19, 2019, the FASB issued ASU No. 2019-10, Financial Instruments—Credit Losses (Topic 326), finalized various effective date delays for private companies, not-for-profit organizations, and certain smaller reporting companies applying the credit losses (CECL), the revised effective date is January 2023.

In July 2019, the FASB issued ASU 2019-07, Codification Updates to SEC Sections. This ASU amends various SEC paragraphs pursuant to the issuance of SEC Final Rule Releases No. 33-10532, Disclosure Update and Simplification, and Nos. 33-10231 and 33-10442, Investment Company Reporting Modernization. One of the changes in the ASU requires a presentation of changes in stockholders' equity in the form of a reconciliation, either as a separate financial statement or in the notes to the financial statements, for the current and comparative year-to-date interim periods. The Company presented changes in stockholders' equity as separate financial statements for the current and comparative year-to-date interim periods beginning on April 1, 2019. The additional elements of the ASU did not have a material impact on the Company's consolidated financial statements.

In December 2019, the FASB issued ASU No. 2019-12, Simplifying the Accounting for Income Taxes ("ASU 2019-12"), which simplifies the accounting for income taxes, eliminates certain exceptions within ASC 740, Income Taxes, and clarifies certain aspects of the current guidance to promote consistency among reporting entities. ASU 2019-12 is effective for fiscal years beginning after December 15, 2021. Most amendments within the standard are required to be applied on a prospective basis, while certain amendments must be applied on a retrospective or modified retrospective basis. The Company is currently evaluating the impacts of the provisions of ASU 2019-12 on its financial condition, results of operations, and cash flows.

In March 2020, the FASB issued ASU No. 2030-20 Codification Improvements to Financial Instruments, An Amendment of the FASB Accounting Standards Codification: a)in ASU No. 2016-01, b) in Subtopic 820-10, c) for depository and lending institutions clarification in disclosure requirements, d) in Subtopic 470-50, e) in Subtopic 820-10, f) Interaction of Topic 842 and Topic 326, g) Interaction of the guidance in Topic 326 and Subtopic 860-20.The amendments in this Update represent changes to clarify or improve the Codification. The amendments make the Codification easier to understand and easier to apply by eliminating inconsistencies and providing clarifications. For public business entities updates under the following paragraphs: a), b), d) and e) are effective upon issuance of this final update. The effective date for c) is for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company does not expect that the new guidance will significantly impact its consolidated financial statements.

The Company continues to evaluate the impact of the new accounting pronouncement, including enhanced disclosure requirements, on our business processes, controls and systems.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at December 31, 2020 $	As at March 31, 2020 $
Accounts payable	**1,478,503**	**1,094,072**
Accrued liabilities	**1,155,381**	**427,617**
	2,633,884	**1,521,689**

Accounts payable as at December 31, 2020, and March 31, 2020 include 371,930 and 379,881, respectively, due to a shareholder and executive of the Company, primarily as a result of that individual's role as an employee. These amounts are unsecured, non-interest bearing and payable on demand. As at December 31, 2020, included in accrued liabilities, dividends payable was $212,264 (March 31, 2020 - $77,927).

5. CONVERTIBLE PROMISSORY NOTES AND SHORT TERM LOANS

During the nine months ended December 31, 2020, the Company issued $7,040,500 (face value) in a series of convertible promissory notes (the "Series A Notes") sold under subscription agreements to accredited investors. The Notes mature one year from the final closing date of the offering and accrue interest at 12% per annum. The Notes will automatically convert into common stock (in each case, subject to the trading volume of the Company's common stock being a minimum of $500,000 for each trading day in the 20 consecutive trading days immediately preceding the conversion date), upon the earlier to occur of (i) the Company's common stock being listed on a national securities exchange, in which event the conversion price will be equal to 75% of the volume weighted average price of the common stock for the 20 trading days prior to the conversion date, or (ii) upon the closing of the Company's next equity round of financing for gross proceeds of greater than $5,000,000, in which event the conversion price will be equal to 75% of the price per share of the common stock (or of the conversion price in the event of the sale of securities convertible into common stock) sold in such financing. The Company may, at its discretion redeem the notes for 115% of their face value plus accrued interest. The Company is obligated to issue warrants that accompany the convertible notes and provide 50% warrant coverage. The warrants have a 3-year term from date of issuance and an exercise price that is 120% of the 20-day volume weighted average price of the Company's common shares at the time final closing. The Company is obligated to pay the placement agent of the Notes a 12% cash fee. Net proceeds to the Company from convertible note issuances to December 31, 2020 amounted to $6,095,640 after payment of the placement agent fee. The Company is also obligated to issue warrants to the placement agent that have a 10-year term and cover 12% of funds raised, with an exercise price that is 120% of the 20-day volume weighted average price of the Company's common shares at the time final closing. Both the noteholder and placement agent warrants will not be issued until final closing since their exercise price is variable and will not be struck until that date. The Company determined that the conversion and redemption features, investor warrants and placement agent warrants contained in those Notes represented a single compound derivative liability that meets the requirements for liability classification under ASC 815. The Company accounted for these obligations by determining the fair value of the related derivative liability associated with the embedded conversion and redemption features, as well as investor warrants and placement agent warrants. The initial fair value of the derivative liabilities generated as a result of issuing the Series A Notes that were issued until December 31, 2020 was $5,429,803 (Note 7). The Company recognized debt issuance costs in the amount of $1,676,198 and treated these as a deduction from the convertible note liabilities directly, as a contra-liability, and amortized the debt issuance cost over the term of the Notes. The Company recognized initial debt discount in the amount of $4,598,464 and accreted the interest over the remaining lives of those Notes. For the nine months ended December 31, 2020, the Company recorded amortization of debt issuance cost in the amount of $260,869, interest accretion for the debt discount in the amount of $461,926 as well as $160,958 interest accruals for those Notes. In connection with the foregoing, the Company relied upon the exemption from registration provided by Section 4(a)(2) under the Securities Act of 1933, as amended, for transactions not involving a public offering.

	Total $
Face value of convertible notes issued	7,040,500
Debt discount	(4,598,464)
Debt issuance costs	(1,676,198)
Day 1 value of convertible notes issued	**765,838**
Accretion of debt discount during nine months ended December 31, 2020	461,926
Amortization of debt issuance cost during nine months ended December 31, 2020	260,869
Total accretion and amortization expenses	**722,795**
Balance as at December 31, 2020	**1,488,633**

In addition, as at December 31, 2020, the Company had promissory notes outstanding of $450,065 (March 31, 2020 – $916,301). The promissory notes generally have a term of 1-year term, at interest rates of between 10%, and 12% with allowance for the Company to repay early, and the possibility to convert into equity on the basis of mutual consent. Management has evaluated the terms of these notes issued in prior years in accordance with the guidance provided by ASC 470 and ASC 815 and concluded that there is no derivative or beneficial conversion feature attached to these notes.

As at December 31, 2020, the Company also had short term loan outstanding of $1,556,896 (March 31, 2020 – $1,152,001) and held funds in escrow for to be issued as convertible notes after December 31, 2020 in the amount of $2,200,000 (March 31, 2020 – nil)

General and administrative expenses include interest expense on the above debt instruments of $109,699 and $37,456 for the nine months ended December 31, 2020 and 2019, respectively.

6. FEDERALLY GUARANTEED LOANS

Economic Injury Disaster Loan ("EIDL")

In April 2020, the Company received $370,900 from the U.S. Small Business Administration (SBA) under the captioned program. The loan has a term of 30 years and an interest rate of 3.75%, without the requirement for payment in its first 12 months. The Company may prepay the loan without penalty at will.

Payment Protection Program ("PPP") Loan

In May 2020, Biotricity received loan proceeds of $1.2 million (the "PPP Loan") under the Paycheck Protection Program established by the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") administered by the U.S. Small Business Administration ("SBA"). The unsecured PPL Loan is evidenced by a promissory note (the "Note"), between the Company and the lending financial institution (the "Lender"). The Note has a two-year term, bears interest at the rate of 1.0% per annum, and may be prepaid at any time without payment of any premium. No payments of principal or interest were originally due during the six-month period beginning on the date of the Note (the "Deferral Period"), but the Payment Protection Flexibility Act of 2020 has effectively extended this period of no payments for the Company to the earliest of loan forgiveness or August 2021. The principal and accrued interest under the Note is forgivable under certain specified circumstances if the Company uses the PPP Loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and otherwise complies with PPP requirements. In order to obtain forgiveness of the PPP Loan, the Company must submit a request and provide satisfactory documentation regarding its compliance with applicable requirements. The Company must repay any unforgiven principal amount of the Note, with interest, on a monthly basis following the Deferral Period. The Company is using PPP Loan proceeds for qualifying expenses, though no assurance is provided that the Company will obtain forgiveness of the PPP Loan in whole or in part.

7. DERIVATIVE LIABILITIES

On December 19, 2019 and January 9, 2020, the Company issued 7,830 Series A preferred shares; 6,000 of these were issued for cash proceeds of $6,000,000 and 1,830 of these were issued on conversion of $1,830,000 of promissory notes that had previously been issued for cash proceeds in October 2019. On May 22, 2020, another 215 Series A preferred shares were issued as a result of a combined transaction that included the conversion of $100,000 in promissory notes, and $15,000 in accrued interest thereon, for 115 preferred shares, as well as a purchase of 100 preferred shares for cash proceeds of $100,000. The Company therefore had 8,045 Series A preferred shares issued and outstanding as at December 31, 2020.

The Company analyzed the compound features of variable conversion and redemption embedded in the preferred shares, for potential derivative accounting treatment on the basis of ASC 820 (Fair Value in Financial Instruments), ASC 815 (Accounting for Derivative Instruments and Hedging Activities), Emerging Issues Task Force ("EITF") Issue No. 00–19 and EITF 07–05, and determined that the embedded derivatives should be bundled and valued as a single, compound embedded derivative, bifurcated from the underlying equity instrument, treated as a derivative liability, and measured at fair value.

		Total
		$
Derivative liabilities related to preferred shares as at March 31, 2019		-
Derivative fair value at issuance		1,083,952
Change in fair value of derivatives		60,781
As at March 31, 2020	$	1,144,733
Derivative fair value at issuance		41,749
Change in fair value of derivatives for the three months ended June 30, 2020		(204,142)
Change in fair value of derivatives for the three months ended September 30, 2020		(178,988)
Change in fair value of derivatives for the three months ended December 31, 2020		(214,663)
Derivative liabilities related to preferred shares as at December 31, 2020	$	588,699

The lattice methodology was used to value the derivative components embedded in the preferred shares, using the following assumptions:

		Assumptions
Dividend yield		12%
Risk-free rate for term		0.62% – 1.14%
Volatility		111.7% – 113.4%
Remaining terms (Years)		0.01 – 1.0
Stock price ($ per share)	$	0.7383

For the nine months ended December 31, 2020 , pursuant to issuing $7,040,500 in convertible notes (Note 5) that have embedded conversion rights, redemption features and variable-priced investor warrants and placement agent warrants, the Company analyzed the compound features of variable conversion and redemption embedded in the convertible notes, for potential derivative accounting treatment on the basis of ASC 820 (Fair Value in Financial Instruments), ASC 815 (Accounting for Derivative Instruments and Hedging Activities), Emerging Issues Task Force ("EITF") Issue No. 00–19 and EITF 07–05, and determined that the embedded derivatives should be bundled and valued as a single, compound embedded derivative, bifurcated from the underlying note, treated as a derivative liability, and measured at fair value.

		Total
		$
Derivative liabilities related to convertible notes as at March 31 and June 30, 2020	$	-
Derivative fair value at issuance		2,590,317
Change in fair value of derivatives for the three months ended September 30, 2020		(50,349)
As at September 30, 2020	$	2,539,968
Derivative fair value at issuance		2.839.486
Change in fair value of derivatives for the three months ended December 31, 2020		(135,051)
Derivative liabilities related to the convertible notes as at December 31, 2020	$	5,244,403

The lattice methodology was used to value the derivative components embedded in the convertible notes, using the following range of assumptions:

		Assumptions
Dividend yield		12%
Risk-free rate for term		0.62% – 1.14%
Volatility		98.5% – 125.3%
Remaining terms (Years)		0.01 – 10.0
Stock price ($ per share)	$	0.7241 – $1.14

8. STOCKHOLDERS' DEFICIENCY

a) Authorized stock

As at December 31, 2020, the Company is authorized to issue 125,000,000 (March 31, 2020 – 125,000,000) shares of common stock ($0.001 par value) and 10,000,000 (March 31, 2020 – 10,000,000) shares of preferred stock ($0.001 par value).

At December 31, 2020, there were 34,576,797 (March 31, 2020 – 32,593,769) shares of common stock issued and outstanding. Additionally, at December 31, 2020, there were 3,219,518 (March 31, 2020 – 3,788,062) outstanding exchangeable shares. There is currently one share of the Special Voting Preferred Stock issued and outstanding, held by one holder of record, which is the Trustee in accordance with the terms of the Trust Agreement. The Company has also issued a Series A preferred stock, $0.001 par value; 20,000 shares have been designated as authorized (as at December 31 and March 31, 2020); 8,045 and 7,830 preferred shares were issued and outstanding as at December 31 and March 31, 2020, respectively.

b) Exchange Agreement

On February 2, 2016, the Company was formed through reverse-take-over:

- The Company issued approximately 1.197 shares of its common stock in exchange for each common share of iMedical held by the iMedical 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 iMedical 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 iMedical held. Accordingly, the Company issued 9,123,031 Exchangeable Shares;
- Each outstanding option to purchase common shares in iMedical (whether vested or unvested) was exchanged, without any further action or consideration on the part of the holder of such option, for approximately 1.197 economically equivalent replacement options 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 iMedical was adjusted, in accordance with the terms thereof, such that it entitles the holder to receive approximately 1.197 shares of the common stock of the Company for each warrant, with an inverse adjustment to the exercise price of the warrants to reflect the exchange ratio of approximately 1.197:1

- Each outstanding advisor warrant to purchase common shares in iMedical was adjusted, in accordance with the terms thereof, such that it entitles the holder to receive approximately 1.197 shares of the common stock of the Company for each advisor warrant, with an inverse adjustment to the exercise price of the Advisor Warrants to reflect the exchange ratio of approximately 1.197:1; and
- The outstanding 11% secured convertible promissory notes of iMedical 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 the Company at a 25% discount to purchase price per share in Biotricity's next offering.

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

c) Share issuances

Share issuances during the year ended March 31, 2020

On December 19, 2019, the Company issued 6,000 shares of Series A preferred stock in a private placement for gross proceeds of $6,000,000 (Note 7). The shares are convertible into common stock of the Company at a conversion price equal to the greater of $0.001 or a 15% discount to the 5-day volume weighted price at the time of conversion. The conversion rights commence 24 months after issuance, but conversion is limited to 5% of the aggregate purchase price of the holder on a monthly basis thereafter. Alternatively, the shares are convertible into common stock at a 15% discount to any qualified future common stock financing conducted by the Company. The Company may redeem the shares after 1 year for 110% of the purchase price plus accrued dividends. The preferred stock bears a dividend rate of 12% per annum. On January 9, 2020, the Company issued a further 1,830 of Series A preferred stock with same terms on conversion of $1,830,000 of promissory notes that had previously been issued for cash proceeds in 2019 (see Note 7). During the year ended March 31, 2020, the Company accrued dividends in amount of $257,927 and made a payment in amount of $180,000.

In May and July 2019, the Company issued 47,585 shares of common stock under a registered offering outstanding in the previous fiscal year, which raised proceeds of $28,565.

During the year ended March 31, 2019, the Company issued a total of 972,950 shares of common stock and recognized its obligations to issue a total of 178,750 shares of common stock to various consultants and advisors, with a cumulative fair value of $666,129 and $169,490, respectively, or $835,619 in total; these costs were recognized as general and administrative and research and development expenses, as applicable, in the statement of operations, with corresponding credit to common stock, shares to be issued, and additional paid-in-capital, respectively.

During the year ended March 31, 2020, the Company also issued an aggregate of 525,023 shares of its common stock to investors as part of the one-for-one exchange of previously issued exchangeable shares into the Company's Common Stock, which is a non-cash transaction. No options or warrants were exercised during this period.

Share issuances during the three and nine months ended December 31, 2020

During the three months ended December 31, 2020, the Company issued an aggregate of 540,000 shares, pursuant to existing obligations related to services rendered by consultants and advisors, including 290,000 that were to be issued as part of obligations in the immediately preceding three-month period. Total fair value of these common shares, in the amount of $519,916, was determined by using the market date price on the date of issuance, recorded in general and administrative expenses and research and development expenses with corresponding credit to common stock and additional paid in capital.

During the nine months ended December 31, 2020, the Company issued an aggregate of 1,414,500 shares, fair valued at $1,862,857.

d) Shares to be issued

As of December 31, 2020, the Company has recognized its contractual obligations to issue a total of 339,500 shares of common stock to advisors. The fair value of these shares amounted to $250,715 and has been expensed to general and administrative and research and development expenses in the consolidated statements of operations, with a corresponding credit to additional paid-in-capital. Included in shares to be issued after December 31, 2020 were 97,500 shares to be issued in order to complete the exercise of shares which was paid for in the preceding three month period ended September 30, 2020. The fair value of shares to be issued was determined by using the market price of the common stock as at the date of issuance.

__e) Warrant issuances and exercises__

Warrant issuances during the year ended March 31, 2020

During the year ended March 31, 2020, the Company issued 1,021,430 warrants, respectively, as compensation for advisor and consultant services and certain promissory noteholders, which were fair valued at $277,053. Warrants issued to advisors and consultants were expensed in general and administrative expenses and amounted to $184,637, for the year ended March 31, 2020. Warrants issued to promissory notes holders were credited to additional paid-in capital in amount of $92,416. Their fair value has been estimated using a multinomial lattice model with an expected life of 2 to 3 years, risk free rates of 0.22% to 1.71%, stock price of $0.52 to $0.974 and expected volatility of 114.3% to 132.2%.

Warrant issuances during the three and nine months ended December 31, 2020

During the three months ended December 31, 2020, the Company issued 226,667 warrants as compensation for advisor and consultant services, which were fair valued at $73,729 and expensed in general and administrative expenses and research and development expenses, with a corresponding credit to additional paid in capital. Their fair value has been estimated using a multinomial lattice model with an expected life of 3 years, a risk free rate ranging from 0.198% to 0.783%, stock price of $0.7383 and expected volatility of 113.4% to 123.8%.

During the nine months ended December 31, 2020, the Company issued 349,584 warrants as compensation for advisor and consultant services, which were fair valued at $173,523 and expensed in general and administrative expenses and research and development expenses, with a corresponding credit to additional paid in capital. Their fair value has been estimated using a multinomial lattice model with an expected life up to 3 years, a risk free rate ranging from 0.167% to 0.783%, stock price in the range of $0.7383 to $1.11 and expected volatility of 113.4% to 127.6%.

Warrant exercises

No warrants were exercised during the fiscal year ended March 31, 2020. During the three and nine months ended December 31, 2020, 97,500 warrants were exercised, with shares for this exercise accounted for as shares to be issued subsequent to December 31, 2020.

Warrant issuances, exercises and expirations or cancellations during the three months ended December 31, 2020 and preceding periods resulted in warrants outstanding at the end of those respective periods as follows:

	Broker Warrants	**Consultant Warrants**	**Warrants Issued on Conversion of Convertible Notes**	**Private Placement Warrants**	**Total**
As at March 31, 2019	321,314	1,177,157*	2,734,530	1,163,722	5,396,723
Less: Exercised	-	-	-	(458,196)	(458,196)
Less: Expired/cancelled	-	(5,000)	-	-	(5,000)
Add: Issued	-	83,750	-	-	83,750
As at June 30, 2019	321,314	1,255,907*	2,734,530	705,526	5,017,277
Less: Exercised	-	-	-	-	-
Less: Expired/cancelled	-	(10,000)	-	-	(10,000)
Add: Issued	-	311,350	-	-	311,350
As at September 30, 2019	321,314	1,557,257*	2,734,530	705,526	5,318,627
Less: Exercised	-	-	-	-	-
Less: Exercised	-	-	-	-	-
Less: Expired/cancelled	-	(35,000)	-	-	(35,000)
Add: Issued	-	568,000	-	-	568,000
As at December 31, 2019	321,314	2,090,257*	2,734,530	705,526	5,851,627
Less: Exercised	-	-	-	-	-
Less: Expired/cancelled	-	(98,750)	-	-	(98,750)
Add: Issued	-	208,333	-	-	208,333
As at March 31, 2020	321,314	2,199,840*	2,734,530	705,526	5,961,209
Less: Expired/cancelled	(128,676)	(65,000)	(911,510)	(705,526)	(1,810,712)
Add: Issued	-	50,000	-	-	50,000
As at June 30, 2020	192,638	2,184,840*	1,823,020	-	4,200,497
Less: Exercised	-	(97,500)	-	-	(97,500)
Less: Expired/cancelled	-	(205,000)	-	-	(205,000)
Add: Issued	-	72,917	-	-	72,917
As at September 30, 2020	192,638	1,955,526*	1,823,020	-	3,970,814
Less: Exercised	-	-	-	-	-
Less: Expired/cancelled	-	(36,250)	-	-	(36,250)
Add: Issued	-	226,667	-	-	226,667
As at December 31, 2020	192,638	2,145,673*	1,823,020	-	4,161,330
Exercise Price	$ 0.78-$3.00	$ 0.48-$3.69	2.00	3.00	
Expiration Date	December 2021 to July 2022	October 2020 to June 2030	March 2021 to November 2022	not applicable	

*Consultant Warrants include warrants issued to directors and officers of the Company who were not members of the Company's options plan at the time of issuance. As at December 31, 2020, Consultant Warrants include an aggregate of 788,806 warrants provided to an officer of the Company as compensation while not a member of any Company options plan.

f) Stock-based compensation

On February 2, 2016, the Board of Directors of the Company approved the Company's 2016 Equity Incentive Plan (the "Plan"). The purpose of the Plan is to advance the interests of the Company and its stockholders by providing an incentive to attract, retain and reward persons performing services for the Company and by motivating such persons to contribute to the growth and profitability of the Company. 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 board of directors or committee formed by the board; 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 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 20% 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.

Based on the 2016 Option Plan, the Company is authorized to issue employee options with a 10-year term. On March 31, 2020, the Company's Board of Directors approved the amendment of certain prior options grants, issued to current employees, previously issued with a 3-year term, such that the respective options issued under these agreements would have their term extended to 10 years. The Company revalued these options using a lattice model with an expected life of 10 years, risk free rates of 0.46% to 0.75%, stock price of $0.974 and expected volatility of 132.2%, in order to recognize the additional expense associated with the longer term and recognized a one-time charge of $1,600,515 in share-based compensation, with a corresponding adjustment to adjusted paid in capital.

During the year ended March 31, 2020, an additional 88,100 stock options were granted with a weighted average remaining contractual life from 2.76 to 9.51 years. The Company recorded stock-based compensation of $2,408,713 in connection with ESOP 2016 Plan under general and administrative expenses with corresponding credit to additional paid in capital.

During the three and nine months ended December 31, 2020, the Company granted 519,033 and 2,376,480 of options, respectively (the latter included 1,400,000 options to an executive and director of the Company and an additional 367,647 options to another director). Their fair value has been estimated using a multinomial lattice model with an expected life of up to 6.5 years, a risk free rate ranging from 0.198% to 0.7832%, stock price of $0.7383, and expected volatility of 113.4% to 123.8%.

The following table summarizes the stock option activities of the Company to December 31, 2020:

	Number of options	**Weighted average exercise price ($)**
Granted	4,147,498	3.2306
Exercised	-	-
Outstanding as of March 31, 2018	**4,147,498**	**3.2306**
Granted	270,521	1.8096
Exercised	-	-
Outstanding as of March 31, 2019	**4,418,019**	**3.1436**
Granted	**88,100**	**0.7763**
Expired	**(112,509)**	**2.723**
Outstanding as of March 31, 2020	**4,393,610**	**3.1069**
Granted	2,376,480	0.9787
Exercised	-	-
Outstanding as of December 31, 2020	**6,770,089**	**2.3956**

During the three and nine months ended December 31, 2020, the Company recorded stock-based compensation of $13,871 and $482,175, in connection with the 2016 equity incentive plan ($154,996 and $493,885 for the respective comparative periods ended December 31, 2019) under general and administrative expenses with a corresponding credit to additional paid in capital.

multinomial

9. LEASE

The Company has one operating lease primarily for office and administration.

The Company adopted ASC 842 – Leases using the modified retrospective cumulative catch-up approach beginning on April 1, 2019. Under this approach, the Company did not restate its comparative amounts and recognized a right-of-use asset equal to the present value of the future lease payments. The Company elected to apply the practical expedient to only transition contracts which were previously identified as leases and elected to not recognize right-of-use assets and lease obligations for leases of low value assets.

When measuring the lease obligations, the Company discounted lease payments using its incremental borrowing rate at April 1, 2019. The weighted-average-rate applied is 10%.

	$
Operating lease right-of-use asset - initial recognition	413,236
Amortization	(297,528)
Balance at December 31, 2020	115,708
Operating lease obligation - initial recognition	413,236
Repayment and interest accretion	(299,326)
Balance at December 31, 2020	113,910
Current portion of operating lease obligation	113,910
Noncurrent portion of operating lease obligation	-

The operating lease expense was $54,284 and $163,752, respectively for the three and nine months ended December 31, 2020, and was included in the general and administrative expenses.

The following table represents the contractual undiscounted cash flows for lease obligations as at December 31, 2020.

	$
Less than one year	115,059
Beyond one year	-
Total undiscounted lease obligations	115,059

10. CONTINGENCIES

There are no unrecognized claims against the company that were assessed as significant, which were outstanding as at December 31, 2020 and, consequently, no additional provision for such has been recognized in the consolidated financial statements during the three and nine months then ended.

11. SUBSEQUENT EVENTS

The Company’s management has evaluated subsequent events up to February 15, 2021, the date the condensed consolidated financial statements were issued, pursuant to the requirements of ASC 855 and has determined the following material subsequent events:

From January 1 to February 15, 2021, the Company entered into subscription agreements with accredited investors for the sale to the investors of Notes in the aggregate principal amount of $4.58 million, in further closings of its 12% convertible note offering to accredited investors.

In January 2021, exchangeable shareholders holding 329,540 exchangeable shares exchanged these for an equivalent number of common shares of the Company.

Also, in January 2021, the Company issued 339,500 common shares as compensation for services provided by contractors, in full satisfaction of its obligations of shares to be issued as recorded at December 31, 2020.

On February 10, 2021, the Company issued 341,759 common shares to convertible noteholders on conversion of notes with a face value of $289,000, together with accrued interest thereon.

On February 11, 2021, the Company submitted its application for a 510(k) clearance from the FDA for its Biotres patch solution, which will be a novel product in the field of Holter monitoring.

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

Cautionary Note Regarding Forward-Looking Statements

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 are 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, except as may be required under applicable law. Past results are no guaranty of future performance. Any such forward-looking statements 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")

Biotricity Inc. (the "Company", "Biotricity", "we", "us", "our") is a 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 diagnostic mobile cardiac telemetry market, otherwise known as MCT, while providing our chosen markets with the capability to also perform other cardiac studies.

We developed our FDA-approved Bioflux® MCT technology, comprised of a monitoring device and software components, which we made available to the market under limited release on April 6, 2018, in order to assess, establish and develop sales processes and market dynamics. The fiscal year ended March 30, 2020 marked the Company's first year of expanded commercialization efforts, focused on sales growth and expansion. We have expanded our sales efforts to 20 states, with intention to expand further and compete in the broader US market using an insourcing business model. Our technology has a large potential total addressable market, which can include hospitals, clinics and physicians' offices, as well as other IDTFs. We believe our solution's insourcing model, which empowers physicians with state-of-the-art technology and charges technology service fees for its use, has the benefit of a reduced operating overhead for the Company, and enables a more efficient market penetration and distribution strategy. This, when combined with the value the Company's solution in the diagnosis of cardiac arrhythmias, enhancement of patient outcomes, improved patient compliance, and the corresponding reduction of healthcare costs, is driving growth and increasing revenues.

We are a technology company focused on earning utilization-based recurring technology fee revenue. The Company's ability to grow this type of revenue is predicated on the size and quality of its sales force and their ability to penetrate the market and place devices with clinically focused, repeat users of its cardiac study technology. The Company plans to grow its sales force in order to address new markets and achieve sales penetration in the markets currently served. The Company has also developed or is developing several other ancillary technologies, which will require application for further FDA clearances, which the Company anticipates applying for within the next to twelve months. Among these are:

- advanced ECG analysis software that can analyze and synthesize patient ECG monitoring data with the purpose of distilling it down to the important information that requires clinical intervention, while reducing the amount of human intervention necessary in the process;

- the Biotres patch solution, which will be a novel product in the field of Holter monitoring;

- the Bioflux® 2.0, which is the next generation of our award winning Bioflux®

During the nine months ended December 31, 2020, the Company announced that it received a 510(k) clearance from the FDA for its Bioflux Software II System, engineered to improve workflows and reduce estimated analysis time from 5 minutes to 30 seconds. ECG monitoring requires significant human oversight to review and interpret incoming patient data to discern actionable events for clinical intervention, highlighting the necessity of driving operational efficiency. This improvement in analysis time reduces operational costs and allows the company to continue to focus on excellent customer service and industry-leading response times to physicians and their at-risk patients. Additionally, these advances mean we can focus our resources on high-level operations and sales to help drive greater revenue.

The COVID-19 pandemic has highlighted the importance of telemedicine and remote patient monitoring technologies. During the nine months ended December 31, 2020, the Company also announced that it is in the process of negotiating the terms of a definitive agreement to license a telemedicine platform, which also provides capabilities of real-time streaming of medical devices. Telemedicine offers patients the ability to communicate directly with their health care providers without the need of leaving their home. The introduction of a telemedicine solution is intended to align with the Company's Bioflux product and facilitate remote visits and remote prescriptions for cardiac diagnostics, but it will also serve as a means of establishing referral and other synergies across the network of doctors and patients that use the technologies we are building within the Biotricity ecosystem. The intention is to continue to provide improved care to patients that may otherwise elect not to go to medical facilities and continue to provide economic benefits and costs savings to healthcare service providers and payers that reimburse.

Critical Accounting Policies

The unaudited condensed consolidated 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 unaudited 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

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 December 31, 2020.

Fair Value of Financial Instruments

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

- Level 1 – Valuation based on quoted market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation based on quoted market prices for similar assets and liabilities in active markets.
- Level 3 – Valuation based on unobservable inputs that are supported by little or no market activity, therefore requiring management's best estimate of what market participants would use as fair value.

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

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments or interest rates that are comparable to market rates. These financial instruments include cash, accounts receivable, deposits and other receivables, convertible promissory notes and short-term loans, accounts payable and accrued liabilities, and derivative liabilities. The Company's cash and derivative liabilities, which are carried at fair values, are classified as a Level 1 and Level 3, respectively. The Company's bank accounts are maintained with financial institutions of reputable credit, therefore, bear minimal credit risk.

Leases

On April 1, 2019, the Company adopted Accounting Standards Codification Topic 842, “Leases” (“ASC 842”) 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 previous accounting guidance. The Company adopted ASC 842 utilizing the transition practical expedient added by the Financial Accounting Standards Board (“FASB”), which eliminates the requirement that entities apply the new lease standard to the comparative periods presented in the year of adoption.

The Company is the lessee in a lease contract when the Company obtains the right to use the asset. Operating leases are included in the line items right-of-use asset, lease obligation, current, and lease obligation, long-term in the consolidated balance sheet. Right-of-use (“ROU”) asset represents the Company’s right to use an underlying asset for the lease term and lease obligations represent the Company’s obligations to make lease payments arising from the lease, both of which are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. Leases with a lease term of 12 months or less at inception are not recorded on the consolidated balance sheet and are expensed on a straight-line basis over the lease term in our consolidated statement of income. The Company determines the lease term by agreement with lessor. As our lease does not provide an implicit interest rate, the Company uses the Company’s incremental borrowing rate based on the information available at commencement date in determining the present value of future payments.

Government loan

For loans received from federal government that contains certain operating conditions and with terms over twelve month time, the Company records those loans as long term liabilities.

Recently Issued Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, “Financial Instruments - Credit Losses (Topic 326) - Measurement of Credit Losses on Financial Instruments.” This pronouncement, along with subsequent ASUs issued to clarify provisions of ASU 2016-13, changes the impairment model for most financial assets and will require the use of an “expected loss” model for instruments measured at amortized cost. Under this model, entities will be required to estimate the lifetime expected credit loss on such instruments and record an allowance to offset the amortized cost basis of the financial asset, resulting in a net presentation of the amount expected to be collected on the financial asset. In developing the estimate for lifetime expected credit loss, entities must incorporate historical experience, current conditions, and reasonable and supportable forecasts. This pronouncement is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2019. On November 19, 2019, the FASB issued ASU No. 2019-10, Financial Instruments—Credit Losses (Topic 326), finalized various effective date delays for private companies, not-for-profit organizations, and certain smaller reporting companies applying the credit losses (CECL), the revised effective date is January 2023.

In July 2019, the FASB issued ASU 2019-07, Codification Updates to SEC Sections. This ASU amends various SEC paragraphs pursuant to the issuance of SEC Final Rule Releases No. 33-10532, Disclosure Update and Simplification, and Nos. 33-10231 and 33-10442, Investment Company Reporting Modernization. One of the changes in the ASU requires a presentation of changes in stockholders’ equity in the form of a reconciliation, either as a separate financial statement or in the notes to the financial statements, for the current and comparative year-to-date interim periods. The Company presented changes in stockholders’ equity as separate financial statements for the current and comparative year-to-date interim periods beginning on April 1, 2019. The additional elements of the ASU did not have a material impact on the Company’s consolidated financial statements.

In December 2019, the FASB issued ASU No. 2019-12, Simplifying the Accounting for Income Taxes ("ASU 2019-12"), which simplifies the accounting for income taxes, eliminates certain exceptions within ASC 740, Income Taxes, and clarifies certain aspects of the current guidance to promote consistency among reporting entities. ASU 2019-12 is effective for fiscal years beginning after December 15, 2021. Most amendments within the standard are required to be applied on a prospective basis, while certain amendments must be applied on a retrospective or modified retrospective basis. The Company is currently evaluating the impacts of the provisions of ASU 2019-12 on its financial condition, results of operations, and cash flows.

In March 2020, the FASB issued ASU No. 2030-20 Codification Improvements to Financial Instruments, An Amendment of the FASB Accounting Standards Codification: a)in ASU No. 2016-01, b) in Subtopic 820-10, c) for depository and lending institutions clarification in disclosure requirements, d) in Subtopic 470-50, e) in Subtopic 820-10, f) Interaction of Topic 842 and Topic 326, g) Interaction of the guidance in Topic 326 and Subtopic 860-20.The amendments in this Update represent changes to clarify or improve the Codification. The amendments make the Codification easier to understand and easier to apply by eliminating inconsistencies and providing clarifications. For public business entities updates under the following paragraphs: a), b), d) and e) are effective upon issuance of this final update. The effective date for c) is for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company does not expect that the new guidance will significantly impact its consolidated financial statements.

Results of Operations

The fiscal year ended March 31, 2020 was the first year of full market release of the Bioflux MCT device for commercialization, launched in limited market release in April 2018, after receiving its second and final required FDA clearance in December 2017. To commence commercialization, we ordered device inventory from our FDA-approved manufacturer and hired a small, captive sales force, with deep experience in cardiac technology sales. We expanded on our limited market release, which identified potential anchor clients who could be early adopters of our technology, by increasing our sales force and geographic footprint during fiscal 2020, and had launched sales in 13 U.S. states by March 31, 2020. The Company has experienced sequential growth month over month, every month since it commenced commercialization, with the exception of the month of April 2020 when the US implemented extra-ordinary measures to close large portions of its economy in order to stem the tide of the COVID-19 pandemic.

During the three months ended December 31, 2020, the Company earned combined device sales and technology fee income totaling $1 million. This represents a 162.2% year-over-year increase from corresponding quarter of fiscal 2020, a increase of approximately $0.6 million over the revenue earned in that quarter. This also marks an increase of 34.5%, sequentially over the immediately preceding quarter ended September 30, 2020, when the Company earned $0.745 million. Given that the year over year increase reported for the three months ended September 30, 2020 was 115.3 %, a year-over-year increase of 162.2% for the results of the three months ended December 30, 2020 indicates increased improvement in the growth trajectory of the Company's revenues.

During the nine months ended December 31, 2020, the Company earned revenues of $2.2 million compared to $1.1 million in the corresponding prior year period – a 108.4% increase. The Company achieved these revenue results despite experiencing an approximately 30% decrease in its business activities due to the worldwide pandemic that acutely affected the U.S. during the month of April 2020, the first month of the Company's 2021 fiscal year. In support of management's belief that the Company has a resilient business model, and its hypothesis that the pandemic has served to accelerate strong market trends favoring remote patient monitoring, April pandemic slowness resulted in pent-up demand for Biotricity's technology services in the months of May and June, when it resumed its upward month-over-month trajectory in sales pipeline growth. The Company also introduced innovative sales programs designed to limit the need for in-person patient visits and provide streamlined logistics in making our technology available for patient use, and the growth trajectory has continued through to the December 2020.

During the three months ended December 31, 2020, Biotricity incurred a net loss of $4.1 million and a comprehensive loss of approximately $3.75 million, compared to $2.4 million and $2.6 million in the comparative periods of fiscal 2020. This resulted in a net loss per common share of 11.1 cents per share for the three months ended December 31, 2020. During the period of initial commercialization of the Bioflux and the build out of the Company's expanded technology eco-system, we devoted, and expect to continue to devote, significant resources in hiring a high-caliber sales force. We also devoted and expect to continue to devote capital to our research and development programs and incur additional operating losses as we build the infrastructure required to support rapidly increasing sales volumes.

During the three and nine months ended December 31, 2020, the Company experienced a gross margin of 49%. Management expects that the cost of devices sold, as well as cellular and other costs associated with technology fees, will become lower as a percentage of revenues as business sales volumes expand.

Three and nine Months Ended December 31, 2020 and 2019

Operating Revenues and Expenses

Operating Expenses

Total operating expenses for the three and nine months ended December 31, 2020 were $4.4 million and $11.2 million compared to $2.6 million and $7.2 million, respectively, for the corresponding periods of the prior year, as further described below.

General and administrative expenses

Our general and administrative expenses for the three and nine months ended December 31, 2020 increased to $3.7 million and $9.7 million, compared to $2.2 million and $6.3 million, respectively, for the corresponding prior year periods. The increases in general and administrative expenses were primarily directly attributable to investments made by the Company in building its professional sales force and its infrastructure in order to increase sales and better handle the volume increases it is experiencing.

Research and development expenses

During the three and nine months ended December 31, 2020 we incurred research and development expenses of $0.7 million and $1.5 million, respectively, compared to $0.45 million and $0.9 million in the prior year. The increase in research and development activity is directly related the development of new technologies for our ecosystem and our pursuit of FDA clearance of new products (including the Biotres), as well as the development of continuous product enhancements to our existing products.

Accretion and amortization expense related to convertible notes

During the three and nine months ended December 31, 2020, we incurred accretion and amortization expense related to debt financing of $0.4 million and $0.7 million, respectively.

Change in fair value of derivative liabilities

During the three and nine months ended December 31, 2020, the Company recognized a gain of $0.35 million and $0.8 million, respectively related to the change in fair value of derivative liabilities related to preferred shares and convertible notes.

Translation Adjustment

Translation adjustment for the three and nine months ended December 31, 2020 was a gain of approximately $0.4 million and $0.2 million, respectively. This translation adjustment represents gains and losses that result from the translation of currency in the financial statements from our functional currency of Canadian dollars to the reporting currency in U.S. dollars over the course of the reporting period.

Liquidity and Capital Resources

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

We generally require cash to:

- purchase devices that will be placed in the field for pilot projects and to produce revenue,
- launch sales initiatives,
- fund our operations and working capital requirements,
- develop and execute our product development and market introduction plans,

- fund research and development efforts, and

- pay any expense obligations as they come due.

The Company is an emerging growth entity that is in the early stages of commercializing its first product and is concurrently in development mode, operating a research and development program in order to develop, obtain regulatory approval for, and commercialize other proposed products. As a result of its early-revenue-stage operations, the Company has incurred recurring losses from operations, and as at December 31, 2020, has an accumulated deficit of $57 million and a working capital deficiency of $3.5 million. The Company launched its first commercial sales program as part of a limited market release, during the year ended March 31, 2019, using an experienced professional in-house sales team. A full market release ensued during the year ended March 31, 2020. Management anticipates the Company will continue on its revenue growth trajectory and improve its liquidity through continued business development and after additional equity or debt capitalization of the Company. The Company has developed and continues to pursue sources of funding that management believes if successful would be sufficient to support the Company's operating plan and alleviate any substantial doubt as to its ability to meet its obligations at least for a period of one year from the date of these consolidated financial statements. In July 2020, the Company launched a private placement offering of convertible notes, which has raised gross cash proceeds of just under $11.8 million as at February 15, 2020.

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

We expect to require additional funds to further develop our business plan, including the anticipated commercialization of the Bioflux and other technologies that will form part of its eco-systems. Based on our current operating plans, we will require approximately $8 million (more in order to accelerate commercialization further and faster) to grow our sales team and order devices that will be placed in the field to produce revenue. A portion of these funds will also go towards the further development of Bioflux in its next generation, in addition to including marketing, sales, regulatory and clinical costs to better introduce the product into the marketplace. We anticipate that we will need to raise additional funds through equity or debt offerings in order to meet our expected future liquidity requirements. No assurance can be given that any future financing will be available or, if available, that it will be on terms that are satisfactory to the Company. Even if the Company is able to obtain additional financing, it may contain restrictions on our operations, in the case of debt financing or cause substantial dilution for our stockholders, in case of equity financing.

Based on the above facts and assumptions, we believe our existing cash and cash equivalents, along with anticipated near-term debt and equity financings, will continue to be sufficient to meet our needs. 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 nine months ended December 31, 2020, we used cash in operating activities of $7.5 million compared to $4.9 million for the corresponding period of the prior year. These activities involved expenditures for sales, infrastructure and business development, as well as marketing and operating activities, and continued research and product development.

Net Cash from Financing Activities

Net cash provided by financing activities was $9.6 million for the nine months ended December 31, 2020 compared to $9.4 million for the nine months ended December 31, 2019.

Net Cash Used in Investing Activities

The Company did not use any net cash in investing activities in the nine month periods ended December 31, 2020 and 2019.

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 required for a smaller reporting company.

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 Chief 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 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. 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.

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 Chief 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 Chief Financial Officer concluded that our disclosure controls and procedures were effective to ensure that the material information required to be included in our Securities and Exchange Commission reports is accumulated and communicated to our management, including our principal executive and financial officer, as well as recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms relating to the Company.

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 December 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings.
None.

Item 1A. Risk Factors
Not required for smaller reporting companies.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.
During the three months ended December 31, 2020, the Company issued 540,000 common shares, valued in the aggregate amount of $519,916 (determined by the market date price on the date of issuance) as compensation for consultants and advisors in exchange for the provision of marketing and other general and administrative services. These issuances were inclusive of 290,000 shares previously recognized as an obligation to be issued as at September 30, 2020, valued at $310,456. Between January 1 and February 15, 2021, the Company also issued 339,500 common shares, valued in the aggregate amount of $250,715, as compensation for consultants and advisors in exchange for the provision of marketing and other general and administrative services.

The securities referenced above were offered and sold pursuant to an exemption from the registration requirements under Section 4(a)(2) of the Securities Act since, among other things, the transactions did not involve a public offering.

During the three months ended December 31, 2020, the also Company issued $3,738,500 in a new series of convertible promissory notes (the "Notes") sold under subscription agreements to accredited investors. The Notes mature one year from the final closing date of the offering and accrue interest at 12% per annum. The Notes will automatically convert into common stock (in each case, subject to the trading volume of the Company's common stock being a minimum of $500,000 for each trading day in the 20 consecutive trading days immediately preceding the conversion date), upon the earlier to occur of (i) the Company's common stock being listed on a national securities exchange, in which event the conversion price will be equal to 75% of the volume weighted average price of the common stock for the 20 trading days prior to the conversion date, or (ii) upon the closing of the Company's next equity round of financing for gross proceeds of greater than $5,000,000, in which event the conversion price will be equal to 75% of the price per share of the common stock (or of the conversion price in the event of the sale of securities convertible into common stock) sold in such financing. The Company may, at its discretion redeem the notes for 115% of their face value plus accrued interest. The Company is obligated to issue 3-year term warrants, that accompany the convertible notes. The Company is obligated to pay the placement agent of these Notes a fee of up to 12% cash, depending on whether the investors were previously independently known by the Company and its management team. The Company is also obligated to issue warrants to the placement agent that have a 10-year term and cover up to 12% of funds raised, with an exercise price that is 120% of the 20-day volume weighted average price of the Company's common shares at the time of final closing. In total, net proceeds to the Company from convertible note issuances to December 31, 2020 amounted to $6.031.719 after payment of the placement agent fee. Both the noteholder and placement agent warrants were to be issued after final closing. Between January 1 and February 15, 2021, the Company issued a further $4,885,000 in Notes, sold under subscription agreements to accredited investors. In connection with the foregoing, the Company relied upon the exemption from registration provided by Section 4(a)(2) under the Securities Act of 1933, as amended, for transactions not involving a public offering.

Item 3. Defaults Upon Senior Securities.
None.

Item 4. Mine Safety Disclosures.
Not applicable.

Item 5. Other Information.
None.

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.PREXBRL Taxonomy Extension Presentation.*

* Filed herewith.
** Furnished herewith.

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 16th day of February 2021.

BIOTRICITY INC.

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

By: */s/ John Ayanoglou*
Name: John Ayanoglou
Title: Chief Financial Officer
(principal financial and accounting officer)

Exhibit 31.1

BIOTRICITY INC.

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

I, Waqaas Al-Siddiq, certify that:

1. I have reviewed this 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(s) 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 subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

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

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

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

5. The registrant's other certifying officer(s) 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: February 16, 2021

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

Exhibit 31.2

BIOTRICITY INC.

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

I, John Ayanoglou, 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(s) 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 subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

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

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

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

5. The registrant's other certifying officer(s) 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: February 16, 2021

/s/ John Ayanoglou
John Ayanoglou
(Principal Financial Officer)

Exhibit 32.1

BIOTRICITY INC.

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

In connection with the Quarterly Report on Form 10-Q of Biotricity Inc. (the "Company") for the quarterly period ended December 31, 2020, 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: February 16, 2021

/s/ Waqaas Al-Siddiq

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

Exhibit 32.2

BIOTRICITY INC.

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

In connection with the Quarterly Report on Form 10-Q of Biotricity Inc. (the "Company") for the quarterly period ended December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Ayanoglou, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: February 16, 2021

/s/ John Ayanoglou
John Ayanoglou
(Principal Financial Officer)