

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015 AND 2014

(EXPRESSED IN U.S. DOLLARS)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the unaudited condensed consolidated interim financial statements they must be accompanied by a notice of indication that the unaudited condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by management and approved by the Audit Committee of the Board of Directors of the Company and the Board of Directors of the Company.

The Company's independent auditors have not performed a review of these unaudited condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

Dr. David Gane
Chief Executive Officer
August 31, 2015

LED MEDICAL DIAGNOSTICS INC.

Condensed Interim Consolidated Statements of Financial Position (unaudited)

(Expressed in U.S. Dollars)

	Notes		June 30, 2015		December 31, 2014
Assets					
Current assets					
Cash		**$**	**1,458,161**	$	2,396,994
Trade and other receivables			**982,965**		1,373,693
Inventory			**1,141,848**		3,103,636
Prepaid expenses and deposits			**499,585**		176,857
Total current assets			**4,082,559**		7,051,180
Non-current assets					
Prepaid expenses and deposits			**334,463**		287,500
Property and equipment			**348,234**		411,923
Patents and intellectual property			**23,654**		36,557
TOTAL ASSETS		**$**	**4,788,910**	$	7,787,160
Liabilities and Shareholders' Equity					
Current liabilities					
Trade payables and accrued liabilities		**$**	**2,263,144**	$	4,301,950
Deferred Revenue			**378,823**		1,124,621
Current portion of finance lease obligation			**1,028**		3,190
Warrants			**-**		162,872
Total current liabilities			**2,642,995**		5,592,633
Non-current liabilities					
Lease Liability			**86,125**		24,512
Total liabilities			**2,729,120**		5,617,145
Shareholders' equity					
Share capital	4		**35,086,139**		34,145,786
Stock-based payment reserve	5		**1,829,814**		1,568,645
Warrants reserve			**6,098,157**		4,718,328
Accumulated other comprehensive income			**474,458**		474,458
Deficit			**(41,428,778)**		(38,737,202)
Total shareholders' equity			**2,059,790**		2,170,015
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**4,788,910**	$	7,787,160

Nature and Continuance of Operations (Note 1)

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Approved on behalf of the Board:

signed "Dr. David Gane" Chief Executive Officer — Dr. David Gane

signed "Roger Tourigny" Director — Rodger Tourigny

LED MEDICAL DIAGNOSTICS INC.

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss (unaudited)

(Expressed in U.S. Dollars)

	Notes	**Three months ended June 30, 2015**	Three months ended June 30,2014	**Six months ended June 30, 2015**	Six months ended June 30, 2014
			(restated – Note 9)		(restated – Note 9)
Revenues		**$ 3,268,851**	$ 1,590,289	**$ 5,711,522**	$ 2,645,175
Cost of goods sold		**2,248,914**	724,230	**4,063,033**	1,249,767
		1,019,937	866,059	**1,648,489**	1,395,408
Expenses					
Sales and marketing		**1,581,200**	1,830,314	**2,932,982**	2,573,755
Research and development		**64,676**	101,542	**114,778**	360,123
Administration		**491,868**	366,566	**1,158,648**	899,256
Stock-based compensation	5	**42,193**	186,352	**96,600**	377,850
Deferred share unit compensation		**-**	-	**-**	-
Other operating expenses		**81,982**	13,944	**171,128**	23,872
		2,261,919	2,498,718	**4,474,136**	4,234,856
Operating loss		**(1,241,982)**	(1,632,659)	**(2,825,647)**	(2,839,448)
Other income					
Mark to market adjustments on Canadian dollar denominated warrants		**33,741**	1,819,968	**94,610**	124,849
Foreign exchange gain (loss)		**2,499**	(104,743)	**35,371**	(96,834)
		36,240	1,715,225	**129,981**	28,015
Net (loss) income before income taxes		**(1,205,742)**	82,566	**(2,695,666)**	(2,811,433)
Income taxes		**(4,091)**	-	**(4,091)**	-
Net (loss) income and comprehensive income (loss) for the period		**$ (1,201,651)**	$ 82,566	**$ (2,691,575)**	$ (2,811,433)
Net (loss) income per share – basic and diluted		**($0.01)**	$0.00	**($0.03)**	($0.04)
Weighted-average number of shares outstanding – basic and diluted		**99,458,233**	74,593,222	**92,895,024**	74,091,379

The accompanying notes are an integral part of these condensed interim consolidated financial statements

LED MEDICAL DIAGNOSTICS INC.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (unaudited)

(Expressed in U.S. Dollars)

For the six months ended June 30, 2015 and 2014

	Number of Shares	Share Capital	Stock-based payments Reserve	Warrants Reserve	Deficit	Other Comprehensive Income	Total Shareholders' Equity (Deficiency)
Balance, January 1, 2014	**72,996,008**	**$27,242,071**	**$970,004**	**$4,724,698**	**($32,556,072)**	**$474,458**	855,159
Issuance of share on exercise of warrants	797,800	158,157	-	-	-	-	158,157
Settlement of warrant liability upon exercise of warrants	-	258,825	-	-	-	-	258,825
Stock-based compensation	-	-	191,498	-	-	-	191,498
Net loss and comprehensive loss for the period	-	-	-	-	**(2,893,999)**	-	(2,893,999)
Balance, March 31, 2014	**73,793,808**	**27,659,053**	**1,161,502**	**4,724,698**	**(35,450,071)**	**474,458**	**($1,430,360)**
Issuance of share on exercise of warrants	3,636,211	785,608	-	(6,370)	-	-	779,238
Settlement of warrant liability upon exercise of warrants	-	691,900	-	-	-	-	691,900
Settlement of warrant liability upon expiry of unexercised warrants	-	340	-	-	-	-	340
Stock-based compensation	-	-	186,352	-	-	-	186,352
Net income and comprehensive income for the period	-	-	-	-	82,566	-	82,566
Balance, June 30, 2014	**77,430,019**	**$29,136,901**	**$1,347,854**	**$4,718,328**	**($35,367,505)**	**$474,458**	**$310,036**

LED MEDICAL DIAGNOSTICS INC.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (unaudited)

(Expressed in U.S. Dollars)

For the six months ended June 30, 2015 and 2014

	Number of Shares	Share Capital	Stock-based payments Reserve	Warrants Reserve	Deficit	Other Comprehensive Income	Total Shareholders' Equity (Deficiency)
Balance, January 1, 2015	**88,608,352**	**$34,145,786**	**$1,568,645**	**$4,718,328**	**($38,737,202)**	**$474,458**	**2,170,015**
Shares issued for cash	10,605,000	2,131,273	-	-	-	-	2,131,273
Share issuance costs (restated – note 8)	-	(59,992)	-	-	-	-	(59,992)
Subscriber warrants issued pursuant to private placement	-	(1,371,587)	-	1,371,587	-	-	-
Finders warrants issued pursuant to private placement	-	-	-	8,242	-	-	8,242
Stock-based compensation	-	-	54,407	-	-	-	54,407
Stock-based compensation classified as consulting expense	-	-	144,178	-	-	-	144,178
Net loss comprehensive loss for the period	-	-	-	-	(1,489,924)	-	(1,489,924)
Balance, March 31, 2015	**99.213,352**	**$34,845,480**	**$1,767,230**	**$6,098,157**	**($40,227,127)**	**$474,458**	**$2,958,198**
Issuance of share on exercise of warrants	1,060,167	172,397	-	-	-	-	172,397
Settlement of warrant liability upon exercise of warrants	-	68,262	-	-	-	-	68,262
Issuance of share on exercise of DSU	120,000	-	-	-	-	-	-
Stock-based compensation	-	-	42,193	-	-	-	42,193
Stock-based compensation classified as consulting expense	-	-	20,391	-	-	-	20,391
Net loss comprehensive loss for the period	-	-	-	-	(1,201,651)	-	(1,201,651)
Balance, June 30, 2015	**100,393,519**	**$35,086,139**	**$1,829,814**	**$6,098,157**	**($41,428,778)**	**$ 474,458**	**$ 2,059,790**

The accompanying notes are an integral part of these condensed interim consolidated financial statements

LED MEDICAL DIAGNOSTICS INC.

Condensed Interim Consolidated Statements of Cash flow (unaudited)

(Expressed in U.S. Dollars)

	Six months ended June 30, 2015	Six months ended June 30, 2014 (restated – Note 9)
Cash flows from operating activities		
Net loss for the period	**$ (2,691,575)**	$ (2,811,433)
Adjustments to net loss for items not involving cash:		
Depreciation of equipment	**149,983**	10,969
Amortization of intellectual property	**12,903**	12,903
Warrants issuance costs	**8,242**	-
Mark to market adjustments on Canadian dollar denominated warrants	**(94,610)**	(124,849)
Stock-based compensation	**96,600**	377,850
Stock-based compensation classified as administration expense	**164,569**	-
Unrealized foreign exchange loss	**7,520**	81,234
Change in lease liability	**61,613**	-
	(2,284,755)	(2,453,326)
Changes in working capital assets and liabilities:		
Trade and other receivables	**390,727**	(280,305)
Inventory	**1,961,788**	(973,150)
Inventory held by distributor	**-**	23,376
Prepaid expenses and deposits	**(369,691)**	(277,110)
Trade payables and accrued liabilities	**(2,038,806)**	692,197
Advances from distributor	**-**	65,652
Deferred revenue	**(745,798)**	7,947
Changes in working capital assets and liabilities	**(801,780)**	(741,393)
Cash flows used in operating activities	**(3,086,535)**	(3,194,719)
Cash flows from investing activities		
Purchase of equipment	**(86,294)**	(180,585)
Cash flows used in investing activities	**(86,294)**	(180,585)
Cash flows from financing activities		
Issuance of common shares, net of issuance costs	**2,071,281**	-
Proceeds from exercise of warrants	**172,397**	937,395
Repayment of finance lease obligation	**(2,162)**	(1,443)
Cash flows provided by financing activities	**2,241,516**	935,952
Decrease in cash	**(931,313)**	(2,439,352)
Foreign exchange effect on cash	**(7,520)**	(81,234)
Cash, beginning of period	**2,396,994**	4,358,986
Cash, end of period	**$ 1,458,161**	$ 1,838,400

The accompanying notes are an integral part of these condensed interim consolidated financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

LED Medical Diagnostics Inc. ("LED" or the "Company") was incorporated under the British Columbia Business Corporations Act on July 17, 2002 as 651192 B.C. Ltd. and changed its name to LED Medical Diagnostics Inc. on August 20, 2003. The Company's head office, principal address and records office are located at 580 Hornby Street, Unit 810, Vancouver, British Columbia, Canada, V6C 3B6. The registered and records office is located at 2500 – 700 West Georgia Street, Vancouver, B.C. V7Y 1B3.

The Company has developed, and markets, a medical device under the trade name VELscope®. The device is used in the dental industry to help identify oral soft tissue abnormalities including those which may be cancerous or precancerous and also to help define appropriate margins for surgical excision. The Company also features its Digital division that provides dentists and oral health specialists with advanced diagnostic imaging products and software.

These condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The continuing operations of the Company are dependent upon its ability to generate profitable operations in the future, and to continue to secure additional financing from lenders and shareholders. There can be no assurance that the Company will be successful in its efforts to raise additional financing or if financing is available, that it will be on terms that are acceptable to the Company.

The Company incurred a loss before income taxes of $2,695,666 and has negative cash flow from operations of $3,086,535 for the six months ended June 30, 2015. As at June 30, 2015 the Company had an accumulated deficit of $41,428,778. The Company's ability to continue as a going concern is dependent on its available cash, its ability to find new sources of cash and its ability to continue to raise funds to support corporate operations. Consequently, material uncertainties exist which cast significant doubt upon the Company's ability to continue as a going concern. As at June 30, 2015 and as at the date of approval of these condensed interim consolidated financial statements, the outcome of these activities is unknown and subject to considerable uncertainty. These condensed interim consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties or if such adjustments would be material.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These unaudited condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to interim financial information, as outlined in International Accounting Standard 34, ("IAS 34") *Interim Financial Reporting,* and using the accounting policies consistent with those in the audited consolidated financial statements as at and for the year ended December 31, 2014.

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries, however, they do not include all disclosures normally provided in annual consolidated financial statement and should be read in conjunction with the annual consolidated financial statements as at and for the year ended December 31, 2014. Interim results are not necessarily indicative of the results expected for the fiscal year.

New Standards and Interpretations Not Yet Effective

Standards issued but not yet effective up to the date of issuance of the Company's condensed consolidated interim financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company is currently assessing the impact of the following standards on the condensed consolidated interim financial statements and intends to adopt these standards when they become effective.

IFRS 9 – Financial Instruments

IFRS 9 replaces the current IAS 39 - Financial Instruments Recognition and Measurement. The standard intends to reduce the complexity in the classification and measurement of financial instruments. In February 2014, the IASB tentatively determined that the revised effective date for IFRS 9 would be January 1, 2018. The Company is currently evaluating the impact the final standard is expected to have on its consolidated interim financial statements.

IFRS 15 – Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programs, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions involving Advertising Services. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the impact the final standard is expected to have on its consolidated interim financial statements.

IFRS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortization

IFRS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortization clarify the principle in IAS 16 - Property, Plant and Equipment and IAS 38 - Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, the ratio of revenue generated to total revenue expected to be generated cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The Company will start the application of IFRS 16 in the financial statements effective from January 1, 2016. The Company does not currently have asset amortization based on revenue.

3. RELATED PARTY TRANSACTIONS

Related parties include key management, the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

During the six month periods ended June 30, 2015 and 2014, the Company recorded the following compensation expenses to key personnel of the Company:

	Three months ended June 30, 2015	Three months ended June 30, 2014	**Six months ended June 30, 2015**	Six months ended June 30,2014
Short-term compensation	$196,735	$221,860	$419,169	$428,767
Stock-based payments	$18,286	$175,734	$45,469	$344,960

4. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value

	Number of common shares	Amount
Outstanding, January 1, 2014	**72,996,008**	**$27,242,071**
Issuance of shares on exercise of CDN warrants	15,274,333	2,815,698
Issuance of shares on exercise of USD warrants	338,011	169,005
Premium on redemption of USD warrants	-	6,370
Settlement of warrant liability upon exercise of CDN warrants	-	3,912,302
Settlement of warrant liability upon expiry of CDN warrants	-	340
Outstanding, December 31, 2014	**88,608,352**	**$34,145,786**
Issued for cash	10,605,000	2,131,273
Share issuance costs	-	(59,992)
Transfer of value of warrants to warrant reserve	-	(1,371,587)
Issuance of shares on exercise of CDN warrants	1,060,167	172,397
Settlement of warrant liability upon exercise of CDN warrants	-	68,262
Issuance of shares on exercise of DSU	120,000	-
Outstanding, June 30, 2015	**100,393,519**	**$35,086,139**

2015

On February 25, 2015, the Company completed a non-brokered private placement of 10,605,000 units at an issue price of CDN$0.25 per unit for gross proceeds of $2,131,273 (CDN $2,651,250). The Company paid share issuance costs of $59,992 (CDN $74,561) in relation to this private placement. Each unit is comprised of one common share and one common share purchase warrant entitling the holder to acquire one common share at an exercise price of US$0.25 for a period of 24 months. Additionally, in accordance with a finder's fee agreement, the Company issued 64,000 finder's warrants (the "Finder's Warrants") to arm's length finders. Each finder's warrant is non-transferable and exercisable into one common share at an exercise price $0.25 for a period of 24 months.

The fair value of the 10,669,000 warrants (10,605,000 financing and 64,000 finder's warrants) were calculated using the Black-Scholes pricing model and was valued at $1,379,587 (CDN $1,714,162), applying the following assumptions: grant price $0.25, expected dividend yield 0.0%, expected volatility 112.22%, risk-free interest rate 0.46% and expected life of 24 months.The Company has accounted for US dollar denominated warrants as a component of equity. All of the securities issued in connection with the private placement will be subject to a hold period that expires four months after the issuance date.

2014

The Company did not issue any additional units other than the units issued through exercise of warrants.

5. STOCK-BASED PAYMENTS

Commencing in 2005, the Company has granted, by way of directors resolutions, share options to directors, officers, employees and other service providers at the exercise price set out at the grant date. The Company has a rolling incentive stock option plan. Under the terms of the Company's stock option plan, the Board of Directors may grant options to directors, officers, employees, consultants and service providers equal to 10% of issued and outstanding common shares of the Company from time to time on a

rolling basis. The plan provides for the granting of options at the closing price of the Company's stock on the day prior to the grant date. The option plan states that the Board of Directors are the administrators of the plan with defined vesting period for options granted.

A summary of the Company's outstanding share options is presented below:

	Outstanding options	
	Number of common shares	**Weighted-average exercise price in (CDN$)**
Outstanding, January 1, 2014	**6,348,000**	**$ 0.36**
Options granted	694,000	0.47
Options forfeited	(380,000)	0.40
Outstanding, December 31, 2014	**6,662,000**	**$ 0.40**
Options granted	1,355,000	0.31
Options forfeited/cancelled	(482,000)	0.34
Outstanding, June 30, 2015	**7,535,000**	**$ 0.39**

The options outstanding at June 30, 2015 have an exercises price in the range of $0.28 to $0.54 CDN (2014 - $0.30 to $0.54) and a weighted average contractual life of 3.23 years (2014 – 3.87 years).

A summary of the Company's outstanding USD share options is presented below:

	Outstanding options	
	Number of common shares	**Weighted-average exercise price in (USD$)**
Outstanding, December 31, 2014	**-**	**-**
Options granted	1,125,000	0.25
Options forfeited	-	-
Outstanding, June 30, 2015	**1,125,000**	**$ 0.25**

The options outstanding at June 30, 2015 have an exercise price of $0.25 USD (2014 - nil) and a weighted average contractual life of 3.15 years (2014 - nil).

6. SEGMENT INFORMATION

The Company operates in a single geographical segment, North America, and a single reporting segment, the development and commercialization of medical devices based on its proprietary imaging platform to aid in the detection and treatment of disease in human tissues. In addition, the Company provides dentists and oral health specialists with advanced diagnostic imaging products and software.

The Company's operating segment is reported in a manner consistent with the internal reporting provided to the Chief Executive Officer ("CEO"). The CEO is considered the chief operating decision-maker ("CODM") and has the authority for resource allocation and is responsible for assessing the Company's performance.

7. FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	June 30, 2015	December 31, 2014
Cash and cash equivalents		
Cash	$ 1,458,161	$ 2,396,994
Loans and receivables		
Receivables	982,965	1,373,693
	$ 2,441,126	$ 3,770,687

Financial liabilities included in the statement of financial position are as follows:

	June 30, 2015	December 31, 2014
Non-derivative financial liabilities		
Trade payable	$ 1,454,484	$ 3,320,842
Accrued liabilities	514,385	647,493
State and Provincial sales tax payable	289,225	327,517
Warrants	-	162,872
	$ 2,258,094	$ 4,458,724

Fair value

The fair value of the Company's financial assets and liabilities approximates their carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Details of the Company's warrants and information about the fair value hierarchy as at December 31, 2014 are as follows:

	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value at December 31, 2014
Warrants	-	$ 162,872	-	$ 162,872
Total	**-**	**$ 162,872**	**-**	**$ 162,872**

8. CONTINGENT LIABILITY

On April 28, 2015, Daniel J. Edelman Inc. ("Edelman") filed a civil claim for alleged unpaid invoices against LED Medical Diagnostics Inc. and LED Dental Inc. ("LED"). Edelman alleges a contract of service dated December 21, 2011, wherein Edelman would perform public relations services on a contract rate of pay and would prepare and deliver a monthly invoice for LED representing the agreed services provided and expenses incurred by Edelman.

Edelman claims that per the contract between the parties, they had delivered monthly invoices to LED representing services rendered, expenses incurred by Edelman and accumulated late fees, the sum of which that has not been paid by LED amounts to $110,792.89 despite demand and given all just discounts. LED has filed a response to the civil claim, denying liability.

9. RESTATEMENT

The Company has restated its functional operating expenses and other income for the three and six month periods ended June 30, 2014, respectively, due to a change in the allocation of operating overhead costs between its functional departments, reclassification of foreign exchange on Canadian denominated warrants for consistency in presentation and the Statement of Cash Flow regarding the foreign exchange impact on cash as follows:

	As previously reported	Correction	Restated
Consolidated Statement of Operations and Comprehensive Loss for the six months ended June 30, 2014			
Sales and marketing	2,288,978	284,777	2,573,755
Research and development	505,923	(145,800)	360,123
Administration	1,038,233	(138,977)	899,256
Mark to market adjustments on Canadian dollar denominated warrants	83,525	41,324	124,849
Foreign exchange gain	(55,510)	(41,324)	(96,834)
Net loss and comprehensive loss for the period	(2,811,433)	-	(2,811,433)

Consolidated Statement of Operations and Comprehensive Loss for the three months ended June 30, 2014			
Sales and marketing	1,545,537	284,777	1,830,314
Research and development	247,342	(145,800)	101,542
Administration	505,543	(138,977)	366,566
Mark to market adjustments on Canadian dollar denominated warrants	1,778,644	41,324	1,819,968
Foreign exchange loss	(63,419)	(41,324)	(104,743)
Net income and comprehensive income for the period	82,566	-	82,566
Consolidated Statement of Cash Flow			
Net loss for the period	(2,811,433)	-	(2,811,433)
Mark to Market adjustments on Canadian dollar denominated warrants	(83,525)	(41,324)	(124,849)
Settlement of warrant liability upon exercise and expiry of warrants	951,065	(951,065)	-
Unrealized foreign exchange (loss) gain	(998,459)	1,079,693	81,234
Adjustments to net loss for items not involving cash	(2,540,630)	87,304	(2,453,326)
Prepaid expenses and deposits	(277,410)	300	(277,110)
Change in working capital assets and liabilities	(741,693)	300	(741,393)
Cash flows used in operating activities	(3,282,323)	87,604	(3,194,719)
Proceeds from exercise of warrants	943,765	(6,370)	937,395
Cash flows provided by (used in) financing activities	942,322	(6,370)	935,952
(Decrease) increase in cash	(2,520,586)	81,234	(2,439,352)
Foreign exchange effect on cash	-	(81,234)	(81,234)

10. SUBSEQUENT EVENT

On July 22, 2015, the Company completed a financing of CDN $1.1 million through the issuance of 10% senior secured debentures of the Company each in the amount of CDN $10,000 and maturing after 12 months.