MANAGEMENT DISCUSSION FOR CVR MEDICAL CORP.
FOR THE SIX MONTHS ENDED JUNE 30, 2017
PREPARED AS OF AUGUST 28, 2017

Contact Information

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BACKGROUND

This discussion and analysis of financial position and results of operations is prepared as at August 28, 2017 and should be read in conjunction with the unaudited interim financial statements for the six months ended June 30, 2017, of CVR Medical Corp. ("CVR Medical" or the "Company"). The unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

The Company's trading symbol on the TSX Venture Exchange is "BBR.H". The content of this MD&A has been approved by the board of directors of the Company (the "Board" or "Board of Directors"), on the recommendation of its Audit Committee.

CAUTIONARY STATEMENT ON FORWARD LOOKING INFORMATION

This Management's Discussion and Analysis may include forward-looking statements with respect to business plans, activities, prospects, opportunities and events anticipated or being pursued by the Company and the Company's future results. Although the Company believes the assumptions underlying such statements to be reasonable, any of the assumptions may prove to be incorrect. The anticipated results or events upon which current expectations are based may differ materially from actual results or events. Therefore, undue reliance should not be placed on such forward-looking information. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions in North America and internationally, (2) the uncertainty as to product development and commercialization milestones, (3) the uncertainty as to the regulatory approval of the Company's technology or intellectual property, (4) the risk that the Company does not execute its business plan, (5) inability to retain key employees, (6) inability to finance operations and growth, and (7) other factors beyond the Company's control.

Forward-looking statements speak only as of the date of this MD&A and actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors. Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based may not occur. The Company does not assume responsibility for the accuracy and completeness of the forward-looking statements set out in this MD&A and, subject to

applicable securities laws, does not undertake any obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances. The forward-looking statements contained herein are expressly qualified by this cautionary statement

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

CVR Medical Corp. (the "Company" or "CVR Medical") was previously involved in the acquisition, exploration and development of mineral properties. Effective September 16, 2016, the Company acquired patents (the "Patents") underlying a diagnostic device developed by CVR Global Inc. ("CVR Global") for the detection and measurement of carotid arterial stenosis (the "Device") in consideration for 7,000,000 common shares in the capital stock of the Company (the "Transaction"). Additionally, CVR Global and the Company formed an equal part equity joint venture (the "Joint Venture") to commercialize the Device, pursuant to which the Company contributed the Patents and working capital and CVR Global contributed certain additional patents and intellectual property underlying the Device, as well as management know-how and marketing expertise.

The joint venture is in the medical industry focused on the commercialization of proprietary subsonic, infrasonic, and low frequency sound wave analysis technology and has patents to a diagnostic device designed to detect and measure carotid arterial stenosis.

Corporate Overview

CVR Medical Corp. was incorporated on December 10, 1980 under the British Columbia Business Corporations Act and is engaged in an equal parts joint operation with CVR Global, Inc. ("CVR Global").

CVR Global was incorporated under Michigan law in 2007 and operates in the medical industry, focused on the commercialization of a proprietary sub-sonic, infrasonic, and low frequency sound wave analysis technology.

The Company's registered office is Suite 409 – 221 West Esplanade, North Vancouver, British Columbia, V7M 3J3.

Business Overview

The relentless demand for healthcare services will continue into the foreseeable future, fueled by population growth and increased longevity. Diagnostic testing is an integral part of the healthcare system, providing essential and timely information to enable the providers and patients to make the right clinical decisions. Demand for access to quicker and more accurate diagnosis is rapidly rising, and will contribute substantial savings to the medical system.

Stroke arises due to interruptions in the blood supply to the brain, either due to the rupture or blockage of blood vessels which leads to the death of brain cells. Stroke is one of the major causes of death worldwide, with higher likelihood as age increases. According to the World Health Organization (WHO), stroke accounts for 6.2 million deaths annually. As per the Centers for Disease Control and Prevention (CDC), stroke leads to 1 out of every 20 deaths, costing roughly $33 billion each year in the U.S. Hence, there is an impending need for early diagnostic devices and therapeutics to assist the healthcare provider in preventing stroke. The global stroke diagnostics and therapeutics market accounted for US$21.5 billion in 2015 and is expected to reach US$31 billion by 2021, growing at a compounded annual growth rate of approximately 7.0% between 2015 and 2021.

Carotid arterial stenosis is the narrowing of the carotid arteries, usually caused by atherosclerosis. Atherosclerosis is the buildup of cholesterol, fat and other substances traveling through the bloodstream, such as inflammatory cells, cellular waste products, proteins and calcium. These substances stick to the blood vessel walls over time, and combine to form a material called plaque. Plaque buildup can lead to narrowing or blockage in the carotid artery which, when significant, can put an individual at increased risk for stroke.

CSS Device

The company's Carotid Stenotic Scan (CSS) Device listens to sound waves produced by the flow of blood within the carotid arteries, analyzing the data to provide the clinician with a report detailing the level of blockage present. Proprietary sensors have been developed by CVR under a Cooperative Research and Development Agreement with the Army Research Lab. These proprietary sensors were developed to enhance the acoustic characteristics of the blood flow under analysis. The low frequency sound patterns are then analyzed by CVR's proprietary technology. The Device is designed to be a non-invasive, cost-effective tool to assess the direct risk factor for arterial disease. Further, the Device is cost effective when compared to other arterial assessment modalities within the healthcare field which requires operation by trained experts and interpretation by medical specialists.

CVR has engaged Kyle Vos Strache at Cozen O'Connor to institute a comprehensive IP policy to cover several aspects of the CSS device as it prepares to go to market. The IP includes one issued US patent, US 9,101,274, generally covering a sensor pod for sensing acoustic signals, and its European Counterpart, which parallels the allowed US case and is currently pending. A continuation-in-part, Application No. 14/803,389 is also pending, with a priority date extending back to June 24, 2010. In June of 2015, CVR filed two applications covering the Yoke, utilized for holding the sensors and positioning on a patient, and for methods of quantifying and detecting sounds in the carotid artery. Both the yoke and method applications were utilized as priority applications for PCT applications filed in June of 2016 and now await national stage entry into the US and other jurisdictions at the end of 2017. In June of 2016, CVR filed five additional provisional patent applications covering several aspects of the CSS device to expand the coverage of the CSS device, including applications covering improvements and new features for the CSS device. In December of 2016, CVR filed an additional provisional application directed towards a new sensor pod that is in development. Finally, in January of 2017, CVR filed two design patents, one directed towards the device cart itself, and the second to a version of the Yoke for positioning sensors on a patient.

Clinical Trials and Regulatory Status

The Company is in tertiary clinical trials using the CSS, subsequent to which it will enter Pivotal Clinical Trials to support the submission of an application to the FDA to receive market clearance to sell the CSS Device in the US market.

The CSS was designed as a cost effective way to provide the clinician with the data necessary to provide early stage medical care to combat carotid artery disease and prevent downstream events, such as stroke. CVR Leadership is working closely with leading scientific minds, top vascular clinicians, and regulatory advisors to bring a safe and effective device to market which will meet the needs of all stakeholders within the healthcare system.

In 2012, CVR Global conducted clinical trials at the William Beaumont Hospital in Royal Oak, Michigan. Over 200 patients were tested, producing comparative results representing equivalencies to the current gold-standard, Duplex Doppler Ultrasound.

In 2016, the Company completed an agreement with Dr. David J. Whellan and Thomas Jefferson University

Hospital in Philadelphia for the design and conduction of its current tertiary phase, leading to final pivotal phase, clinical trials for its "Carotid Stenotic Scan (CSS)" device. Dr. Whellan is the Executive Director of the Jefferson Clinical Research Institute (JCRI) and Principal Investigator of the Jefferson Regional Clinical Center for the NIH HF Network, one of nine centers across the United States selected to participate in a series of novel heart failure clinical trials. Recognized as preeminent in the cardiovascular healthcare field, his extensive clinical research has produced over 175 peer-reviewed publications on cardiovascular disease.

As of the date of this report, over 180 patients have been enrolled in the tertiary clinical trials being conducted at Thomas Jefferson University Hospital ("TJU"). During June 2017, TJU-Jefferson Clinical Research Institute issued an initial clinical trial summary report, communicating the overall progress of the CSS within the study. CVR leadership believes the clinical justification for the CSS is progressing exceptionally, and will continue to gain speed as additional devices and locations are added in preparation for the upcoming launch of pivotal clinical trials. Additionally, steps are being taken to initiate further clinical trial sites to support clinical data acquisition and marketing plan traction moving forward.

As at June 30, 2017, the Company has no current operating income or cash flow. The Company incurred a net loss of $5,412,648 for the six months ended June 30, 2017, as compared to net loss of $69,906 for the comparative period in 2016.

At June 30, 2017, the Company held assets recorded at $4,081,779, consisting of $2,415,538 in cash and cash equivalents, prepaid expenses of $169,963, tax recoverable of $24,841, equipment of $1,437, and intangible assets of $1,470,000.

SUMMARY OF QUARTERLY RESULTS

The following is selected financial information from the Company's eight most recently completed fiscal quarters:

	2nd Qtr Ended 6-30-17	**1st Qtr Ended 3-31-17**	**4th Qtr Ended 12-31-16**	**3rd Qtr Ended 9-30-16**	**2nd Qtr Ended 6-30-16**	**1st Qtr Ended 3-31-16**	**4th Qtr Ended 12-31-15**	**3rd Qtr Ended 9-30-15**
Total Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Operating Income (Loss)	($1,205,576)	($2,104,093)	($1,077,007)	($1,324,970)	($42,834)	($37,072)	($48,557)	($55,271)
Operating Income (Loss) Per Share	($0.02)	($0.05)	($0.03)	($0.05)	($0.00)	($0.00)	($0.00)	($0.00)
Total Net Income (Loss)	($2,210,227)	($3,202,421)	($1,958,840)	($979,224)	($32,834)	($37,072)	($48,557)	($55,271)
Total Net Income (Loss) Per Share	($0.04)	($0.07)	($0.06)	($0.04)	($0.00)	($0.00)	($0.00)	($0.00)

Factors causing significant variations in quarterly results are as follows:

The increase in total loss for the quarter ended December 31, 2016 was mainly comprised of an increase in consulting fees, office and general, professional fees, travel and entertainment expenses, transfer agent and filing fees and research and development costs.

The increase in total loss for the quarter ended March 31, 2017, was mainly comprised of an increase in share-based compensation and write-off of advance to CVR Global, Inc.

The decrease in total loss for the quarter ended June 30, 2017, was mainly comprised of a decrease in consulting fees, office and general expenses, and share-based compensation.

Second Quarter Results

During the three months ended June 30, 2017, the Company recorded an operating loss of $1,205,576 and a net loss of $2,210,227 compared to the three months ended June 30, 2016, where the Company recorded an operating loss of $42,834 and a net loss of $32,834. The increase in loss was mainly comprised of consulting fees of $162,277, office and general of $201,713, research and development costs of $755,774, and write off of advance to CVR Global, Inc. of $1,008,269.

LIQUIDITY AND CAPITAL RESOURCES

CVR Medical is a company that is involved in an equal parts joint venture with CVR Global Inc. (the "Joint Venture"). The Joint Venture operates in the medical industry focused on the commercialization of a proprietary subsonic, infrasonic, and low frequency sound wave analysis technology and has patents to a diagnostic device designed to detect and measure carotid arterial stenosis. CVR Medical is managed by a proven technical team.

The development and commercialization of the Carotid Stenosis Scan device that CVR Medical is involved in will depend on the Company's ability to obtain additional financing through the sale of its securities or from third party loans. There is no assurance that such financing will be available when required by or under terms favorable to the Company.

At June 30, 2017, the Company had $2,415,538 cash and cash equivalents on hand, which may not be sufficient to cover expected administrative expenses and expenditures involved in the development of the CSS device in the coming months. In view of these circumstances, the Company still expects to secure funding from several sources in 2017, including from financing through private placements, exercise of warrants and third party loans, and will continue to explore all available options to secure additional funding including equity financing and strategic partnerships. Nevertheless, it is not possible to determine with any certainty the success or adequacy of these initiatives.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements that would require disclosure.

MANAGEMENT AND RELATED PARTY TRANSACTIONS

The Company's Board of Directors consists of Peter Bakema, Erwin Wong, Paul Blunden, Ron Birch and Jeremy Poirier, and Benjamin Asuncion. Mr. Peter Bakema acts as President and Chief Executive Officer, Mr. Erwin Wong acts as Chief Financial Officer and Mr. Anthony Robinson acts as Chief Operating Officer.

i) During the six months ended June 30, 2017, the Company incurred $124,556 (US$93,584) (2016 - $nil) in research and development costs related to key management compensation paid to the Chief Executive Officer and Chief Operating Officer of the Company.

ii) During the six months ended June 30, 2017, the Company incurred $nil (2016 - $5,000) in consulting fees to the former President of the Company.

iii) During the six months ended June 30, 2017, the Company incurred $39,000 (2016 - $30,000) in consulting fees to the Chief Financial Officer ("CFO") of the Company. As at June 30, 2017, the Company owed $90,355 (December 31, 2016 - $105,471) to the CFO of the Company. The amounts are unsecured, non-interest bearing and due on demand.

iv) During the six months ended June 30, 2017, the Company incurred rent of $nil (2016 - $9,000) to a private company controlled by the CFO of the Company

v) During the six months ended June 30, 2017, the Company incurred $nil (2016 - $6,000) in consulting fees to a former director of the Company.

vi) During the six months ended June 30, 2017, the Company incurred $13,000 (2016 - $nil) in consulting fees to a company controlled by a director of the Company.

vii) During the six months ended June 30, 2017, the Company incurred $12,500 (2016 - $nil) in consulting fees and $91,905 (2016 - $nil) in share-based compensation to a company controlled by a director of the Company. As at June 30, 2017, the Company owed $12,500 (December 31, 2016 - $nil) to the director of the Company. The amounts are unsecured, non-interest bearing and due on demand.

viii) As at June 30, 2017, the Company owed a shareholder of the Company $23,986 (US$18,464) (December 31, 2016 - $24,791 (US$18,464)) and $7,000 (December 31, 2016 - $7,000) for advances.

ix) As at June 30, 2017, the Company owed a shareholder of the Company $40,272 (US$31,000) (December 31, 2016 - $41,624 (US$31,000) for advances.

The balances owing are unsecured, non interest bearing and have no fixed terms for repayment.

SHARE DATA

Authorized share capital consists of unlimited number of common shares without par value.

On February 23, 2017, the Company closed a non-brokered private placement of 7,142,858 units at $0.35 per unit for gross proceeds of $2,500,000. Each unit consists of one common share of the Company and one-half of one transferable common share purchase warrant which is exercisable at a price of $0.70 until August 22, 2018. In connection with the private placement, the Company paid certain finders a commission of $94,233, issued 268,670 finders warrants with a fair value of $84,240, and incurred other costs related to the private placement of $20,199, which have been recorded as share issue costs. No value was attributed to the warrants.

On April 19, 2017, the Company closed the first tranche of a private placement of 7,521,768 units at $0.48 per unit for gross proceeds of $ $3,610,449. Each unit consists of one common share of the Company and one-half of one transferable common share purchase warrant which is exercisable at a price of $0.70 until October 19, 2018. The Company paid certain finders commissions of $180,638, issued 376,328 finders'

warrants with a fair value of $117,642, and incurred other costs related to the private placement of $45,800, which have been recorded as share issue costs. No value was attributed to the warrants.

On April 21, 2017, the Company closed a private placement of 1,510,000 units at $0.48 per unit for gross proceeds of $ $724,800. Each unit consists of one common share of the Company and one-half of one transferable common share purchase warrant which is exercisable at a price of $0.70 until October 21, 2018. The Company paid certain finders commissions of $36,000 and issued 75,000 finders' warrants with a fair value of $25,250, which have been recorded as share issue costs. No value was attributed to the warrants.

On May 29, 2017, the Company issued 243,850 common shares with a fair value of $97,540 for consulting services.

During the six months ended June 30, 2017, the Company issued 1,225,000 common shares pursuant to the exercise of 1,225,000 stock options with an exercise price of $0.21 per share for total proceeds of $257,250.

During the six months ended June 30, 2017, the Company issued 2,320,013 common shares pursuant to the exercise of 2,320,013 warrants at $0.40 per share for total proceeds of $928,005.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with International Financial Reporting Standards and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility. Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

INDUSTRY CONDITIONS AND RISKS

The Company has identified certain risks and uncertainties that may have a material adverse effect on its business, results of operations, or financial condition. In any such case, the market price of its common shares could decline, and investors may lose all or part of their investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Company.

The following list of risk factors is not exhaustive. Investors should carefully consider these and other risks, one or all of which may be material, before purchasing securities of the Company. The Company will, on occasion, make forward looking statements about its expectations, its business and industry, and operations. These forward-looking statements are made at a point in time, based on certain assumptions. They are subject to change without notice as a result of the risks described herein and other risks. Investors or potential investors in the Company should not rely on forward-looking statements or the Company's historical operating performance as a prediction of actual results, and the Company undertakes no obligation

to update forward looking information. In addition, the Company operates in a rapidly changing business, economic and regulated environment, and new potentially material risk factors emerge from time to time.

The market may not accept the Company's products, which will adversely affect its business, financial condition, and results of operations

The market acceptance of the Company's products will depend upon the medical community accepting the products as clinically useful, reliable, accurate, and cost-effective compared to existing and future products or procedures. Market acceptance will also depend on the Company's ability to demonstrate the clinical efficacy and safety of the Company's products and future products. Failure of these new products to achieve significant market share could have material adverse effects on the Company's long-term business, financial condition, and results of operation.

The Company's success depends on the successful commercialization of its technology.

The successful commercialization of the Company's technology is crucial for its success. Even if the Company's technology is shown to be less costly and more effective, the Company may face unforeseen difficulties in manufacturing and marketing the Company's products. These difficulties many only become apparent upon scaling up manufacturing to commercial levels. In addition, there is no guarantee that market acceptance will come upon the successful manufacturing and sale of any product. If the Company's technology and products do not result in commercially successful products, the Company's business could be adversely affected.

Regulatory Approvals

Medical devices are subject to regulatory clearances within individual markets and jurisdictions. As such, they are evaluated for compliance with established consensus standards. When a new technology is involved, in order to get USA clearance through the 510(k) process, a manufacturer must identify an existing "predicate" device from which to compare the new technology. Clearance in the USA is the most important clearance to obtain and maintain due to the size of that market and its importance in terms of practice. There is no guarantee that the device will get FDA clearance and approval.

Inability to complete future research and development and engineering projects in a timely manner could have a material adverse effect of our results of operations, financial condition and cash flows.

If research and development projects are not completed in a timely fashion, the Company could experience:

- substantial additional cost to obtain a marketable product;
- additional competition resulting from competitors in the surveillance and facial recognition market; and
- delay in obtaining future inflow of cash from financing or partnership activities.

The Company could face intense competition, which could result in lower revenues and higher research and development expenditures and could adversely affect the results of operations.

Unless the Company keeps pace with changing technologies, the Company could lose existing customers and fail to win new customers. In order to compete effectively in providing medical diagnostic solutions for healthcare providers, the Company must continually design, develop and market new and enhanced technologies. The future success of the Company will depend, in part, upon its ability to address the changing and sophisticated needs of the marketplace. Medical diagnostic solution technologies are difficult to achieve widespread commercial acceptance and adoption.

The market for medical diagnostic solutions of the Company is still developing and if the industry adopts test criteria that are different from internal test criteria of the Company, our competitive position would be negatively affected. Our plan to pursue sales in international markets may be limited by risks related to conditions in such markets.

Certain laws and governmental regulations which could affect international distribution and applications.

The medical diagnostic solutions may be regulated by regionally valid legislation, including health legislation and regulations concerning use and adoption of the Patents.

If the Company is not able to adequately protect the intellectual property, then the Company may not be able to compete effectively and may not be profitable.

Commercial success may depend, in part, on obtaining and maintaining patent protection, trade secret protection and regulatory protection of our technologies and product candidates as well as successfully defending third-party challenges to such technologies and candidates. The Company will be able to protect our technologies and product candidates from use by third parties only to the extent that valid and enforceable patents, trade secrets or regulatory protection cover them and we have exclusive rights to use them. The ability of licensors, collaborators and suppliers of the Company to maintain their patent rights against third-party challenges to their validity, scope or enforceability will also play an important role in determining our future.

The copyright and patent positions of software and technology related companies can be highly uncertain and involve complex legal and factual questions that include unresolved principles and issues. No consistent policy regarding the breadth of claims allowed regarding such companies' patents has emerged to date in the Canada, and the patent situation outside Canada is even more uncertain. Changes in either the patent laws or in interpretations of patent laws in Canada or other countries may diminish the value of the Patents. Accordingly, the Company cannot predict with any certainty the range of claims that may be allowed or enforced concerning patents of the Company.

The Company may also rely on trade secrets to protect our technologies, especially where the Company does not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. While the Company seeks to protect confidential information, in part, through confidentiality agreements with our consultants and scientific and other advisors, they may unintentionally or willfully disclose our information to competitors. Enforcing a claim against a third party related to the illegal acquisition and use of trade secrets can be expensive and time consuming, and the outcome is often unpredictable. If we are not able to maintain patent or trade secret protection on our technologies and product candidates, then we may not be able to exclude competitors from developing or marketing competing products, and we may not be able to operate profitability.

If the Company is the subject of an intellectual property infringement claim, the cost of participating in any litigation could cause the Company to go out of business.

There has been, and the Company believes that there will continue to be, significant litigation and demands for licenses in the medical diagnostic industry regarding patent and other intellectual property rights. Although the Company anticipates having a valid defense to any allegation that the Patents infringe the valid and enforceable intellectual property rights of any third parties, the Company cannot be certain that a third party will not challenge the position of the Company in the future. Other parties may own patent rights that the Company might infringe with the Patents or other activities, and our competitors or other patent holders may assert that our products and the methods that the Company employs are covered by their patents. These parties could bring claims against the Company that would cause the Company to incur substantial litigation expenses and, if successful, may require the Company to pay substantial damages. Some of the potential competitors may be better able to sustain the costs of complex patent litigation, and

depending on the circumstances, the Company could be forced to stop or delay research, development, manufacturing or sales activities. Any of these costs could cause the Company to go out of business.

The Patents may become obsolete and unmarketable if the Company is unable to respond adequately to rapidly changing technology and customer demands.

Medical diagnostic industry is characterized by rapid changes in technology and customer demands. As a result, products and software of the Company may quickly become obsolete and unmarketable. The Company's future success will depend on the ability to adapt to technological advances, anticipate customer demands, develop new products and enhance current products on a timely and cost-effective basis. Further, products and software of the Company must remain competitive with those of other companies with substantially greater resources. The Company may experience technical or other difficulties that could delay or prevent the development, introduction or marketing of new products and software or enhanced versions of existing products. Also, the Company may not be able to adapt new or enhanced services to emerging industry standards, and new products and software of the Company may not be favourably received.

Failure to achieve and maintain the high manufacturing standards that the Company's products require may seriously harm its business.

The Company's products require precise and high-quality manufacturing. Achieving precision and quality control requires skill and diligence by the Company's personnel or manufacturers, as well as its vendors. Any failure on the Company's, or its manufacturer's, part to achieve and maintain these high manufacturing standards, including the incidence of manufacturing errors, design defects or component failures, could conceivably result in physical injury, harm or the death of end users of the Company's products, product recalls or withdrawals, delays or failures in product testing or delivery, cost overruns or other problems that could seriously harm the Company's business. Despite the Company's anticipated high manufacturing standards, the Company cannot completely eliminate the risk of errors, defects or failures. If the Company is unable to eliminate the risk of errors, defects or failures, its business and results of operations may be negatively affected.

The Company is dependent on its suppliers and manufacturers to meet existing regulations.

Future suppliers and manufacturers could be subject to heavy government regulation. This may include United States Food and Drug Administration (the "USFDA") Quality System Regulation compliance in the operation of their facilities, products, and manufacturing processes. Any adverse action by the USFDA against the Company's suppliers or manufacturers could delay supply or manufacture of component products required to be integrated or sold with the Company's products. There are no assurances that the Company will be successful in locating an alternative supplier or manufacturer to meet product shipment or launch deadlines. As a result, the Company's sales, contractual commitments, and financial forecasts may be significantly affected by any such delays.

RECENT ACCOUNTING PRONOUNCEMENTS

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for annual periods beginning after January 1, 2018 or later periods.

The following new IFRSs that have not been early adopted in the financial statements, will not have a material effect on the Company's future results and financial position:

i) IFRS 2, *Share-based Payment* (Amendments to IFRS 2); and

ii) IFRS 9, *Financial Instruments* (New; to replace IAS 39 and IFRIC 9)

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

CRITICAL ACCOUNTING ESTIMATES

The financial statements of the Company for the six months ended June 30, 2017, were prepared in accordance with IFRS applicable to a going concern which assumes that the Company will realize its assets and discharge its liabilities and meet its future obligations in the normal course of business. Accordingly, the financial statements do not include any adjustments for the recoverability and reclassification of recorded assets, or the amounts or classification of liabilities, that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material. However, there is significant doubt as to the appropriateness of the going concern presumption. There is no assurance that the Company's funding initiatives will continue to be successful.

INVESTOR RELATIONS

On September 27, 2016, the Company entered into a consulting agreement with a third party for the provision of investor relation services. The consultant will initiate and maintain contact with the financial community, shareholders, investors and other stakeholders for the purpose of increasing awareness of CVR Medical and its activities. The agreement is for an ongoing basis and may be terminated by either party by 30 days of written notice and is subject to approval from the TSX Venture Exchange.

ADDITIONAL INFORMATION

Additional information relating to CVR Medical is located at www.sedar.com.