

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in British Columbia, Alberta and Ontario but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This preliminary short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold in the U.S. except in compliance with exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. This preliminary short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the U.S. See "Plan of Distribution".

Information has been incorporated by reference in this preliminary short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from LED Medical Diagnostics Inc., 580 Hornby Street, Unit 810, Vancouver, British Columbia, Canada, V6C 3B6, Telephone (604) 434-4614, and are also available electronically at www.sedar.com.

PRELIMINARY SHORT FORM PROSPECTUS

New Issue

October 7, 2015



Up to Cdn\$●

Up to ● Units

Price: Cdn\$● per Unit

This short form prospectus (the "**Prospectus**") qualifies the distribution (the "**Offering**") of up to ● Units of LED Medical Diagnostics Inc. ("**LED**" or the "**Company**") (the "**Units**") at a price of Cdn\$● per Unit (the "**Offering Price**"). Each Unit will consist of one common share without par value in the capital of LED (each a "**Common Share**") and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant a "**Warrant**"), with each Warrant entitling the holder thereof to acquire a further Common Share (a "**Warrant Share**") at an exercise price of US\$● per share until 4:30 p.m. (Toronto time) on the date that is two years after the date of issuance (the "**Warrant Expiry Date**").

The Units are being offered pursuant to an agency agreement (the "**Agency Agreement**") dated ●, 2015 between LED and Bloom Burton & Co. Limited (the "**Agent**"). The Offering Price has been determined by negotiation between LED and the Agent.

	Price to Public	Agent's Fee ⁽¹⁾	Net Proceeds to LED ⁽²⁾
Per Unit.....	Cdn\$●	Cdn\$●	Cdn\$●
Total	Cdn\$●	Cdn\$●	Cdn\$●

Notes:

- (1) The Company has agreed to pay the Agent a cash commission equal to 7% of gross proceeds of the Offering, including gross proceeds from the exercise of the Agent's Option (as defined below) (the "**Agent's Fee**"). As additional compensation, the Company has agreed to grant to the Agent non-transferable broker warrants (the "**Broker Warrants**") to acquire that number of Common Shares which is equal to 7% of the aggregate number of Units sold pursuant to the Offering, including any Units sold pursuant to the exercise of the Agent's Option (as defined below) (the "**Broker Warrant Shares**"), at the price of US\$● per Broker Warrant Share for a period of two years after the Closing Date (as defined below). This Prospectus also qualifies the distribution of the Broker Warrants. See "Plan of Distribution".
- (2) Before deducting expenses of the Offering, estimated to be Cdn\$●, which will be paid by the Company out of the proceeds of the Offering.
- (3) The Company has granted to the Agent an option (the "**Agent's Option**"), exercisable in whole or in part at any time prior to 5:00 p.m. (Toronto time) on the 30th day following the Closing Date (as defined herein), to increase the number of Units ("**Agent's Option Units**") offered hereunder by up to 15% to cover over-allotments, if any, and for market stabilization purposes. Each Agent's Option Unit consists of one Common Share (each an "**Agent's Option Share**") and one-half of one Common Share purchase warrant (each such whole Common Share purchase warrant an "**Agent's Option Warrant**") with each Agent's Option Warrant entitling the holder thereof to acquire a further Common Share (each an "**Agent's Option Warrant Share**") at an exercise price of US\$● per Agent's Option Warrant Share until 4:30 p.m. (Toronto time) on the date that is two years after the date of issuance. The Agent's Option may be exercised by the Agent to acquire either (i) Agent's Option Units at a price of Cdn\$● per Agent's Option Unit; (ii) Agent's Option Warrants at a price of Cdn\$● per Agent's Option Warrant or (iii) any combination of Agent's Option Units and Agent's Option Warrants, so long as the aggregate number of Agent's Option Shares and Agent's Option Warrants that may be issued under the Agent's Option does not exceed a maximum of ● Agent's Option Shares and a maximum of ● Agent's Option Warrants. If the Agent's Option is exercised in full and assuming the offering is fully subscribed, the price to the public under the offering, the Agent's Fee, and the net proceeds to the Company from the Offering (before deducting expenses of the Offering, estimated to be Cdn\$●) will be Cdn\$●, Cdn\$● and Cdn\$●, respectively. A purchaser who acquires Agent's Option Shares and Agent's Option Warrants comprising the Agent's Option Units forming part of the Agent's over-allotment position acquires those Agent's Option Shares and Agent's Option Warrants under this Prospectus, regardless of whether the over-allotment position is ultimately filled through the exercise of the Agent's Option or secondary market purchases. This Prospectus also qualifies the grant of the Agent's Option and the distribution of the Agent's Option Shares and Agent's Option Warrants comprising the Agent's Option Units. See "Plan of Distribution".

Agent's Position	Maximum Size or Number of Securities Available	Exercise Period	Exercise Price
Agent's Option	Option to increase the number of Units offered by up to ● Units and the number of Warrants offered by up to ● Warrants	Any time prior to 5:00 p.m. (Toronto time) on the 30 th day following the Closing Date	Cdn\$● per Unit Cdn\$● per Warrant
Broker Warrants	Options to acquire up to ● Common Shares ⁽¹⁾	Any time up to two years following the Closing Date	US\$● per Common Share

Note:

- (1) Assuming the full exercise of the Agent's Option and that the Offering is fully subscribed.

There is no minimum amount of funds that must be raised under this Offering. This means that LED could complete this Offering after raising only a small portion of the Offering set out above.

The Common Shares are listed and posted for trading on the TSX-V under the symbol "LMD", on the Frankfurt Stock Exchange under the symbol "LME" and are quoted on the OTCQX under the symbol "LEDIF". On October 6, 2015, the last trading day on the TSX-V prior to the date of this Prospectus, the closing price of the Common Shares was Cdn\$0.23 on the TSX-V, €0.147 on the Frankfurt Stock Exchange and US\$0.1844 on the OTCQX. LED has applied to the TSX-V to list the Common Shares distributed under this Prospectus, the Warrant

Shares and the Broker Warrant Shares. Listing of the Common Shares, the Warrant Shares and the Broker Warrant Shares will be subject to LED fulfilling all of the listing requirements of the TSX-V. **There is no market for the Warrants and LED does not intend to make application to list the Warrants for trading on any exchange. As such, there is no market through which the Warrants may be sold and purchasers may not be able to resell Warrants purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation. See “Risk Factors”.**

The Units will be offered only in the Provinces of British Columbia, Alberta and Ontario.

This Offering is not underwritten or guaranteed by any person. The Agent conditionally offers the Units, on a “best efforts” agency basis, subject to prior sale, if, as and when issued by LED and accepted by the Agent in accordance with the terms and conditions contained in the Agency Agreement and subject to the approval of certain legal matters on behalf of the LED by Farris, Vaughan, Wills, & Murphy LLP, and on behalf of the Agent by Blake, Cassels & Graydon LLP. In accordance with and subject to applicable laws, the Agent may effect transactions that stabilize or maintain the market price of the Common Shares. See “Plan of Distribution”.

Subscriptions for Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that closing of the Offering (the “**Closing**”) will take place on or about •, 2015, or such other date as may be agreed upon by the LED and the Agent (the “**Closing Date**”). Notwithstanding the foregoing and as further described below, the distribution of the Units will not continue for a period of more than 90 days after the date of the receipt for the final short form prospectus unless each of the subscribers who subscribed for Units within that period has consented to the continuation. During that period, funds received from subscriptions will be held in trust by the Agent. See “Plan of Distribution”.

The Offering will be conducted under the book-based system. A subscriber who purchases Units will receive only a customer confirmation from the registered dealer from or through whom Units are purchased and who is a CDS Clearing and Depository Services Inc. (“**CDS**”) depository service participant (a “**CDS Participant**”). CDS will record the CDS Participants who hold the Common Shares and Warrants comprising the Units on behalf of owners who have purchased Units in accordance with the book-based system. Certificates will only be issued for the Common Shares and Warrants comprising the Units for subscribers who purchase Units in the United States or for the account or benefit of a “U.S. person” as defined in Regulation S under the U.S. Securities Act (“**U.S. Person**”), or if specifically requested. Such a request will need to be made through the CDS Participant through whom the beneficial interest in the securities is held at the time of the request.

Investing in the Units involves certain risks that should be considered by a prospective purchaser. The risk factors identified under the heading “Risk Factors” in this Prospectus and in other documents incorporated herein by reference should be carefully reviewed and evaluated by prospective purchasers before purchasing the Units being offered hereunder. Potential investors are advised to consult their own legal counsel and other professional advisors in order to assess income tax, legal and other aspects of this Offering, including the Canadian Federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires Common Shares.

LED’s registered office is located at 2500 – 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3. LED’s head office is at 580 Hornby Street, Unit 810, Vancouver, British Columbia, Canada, V6C 3B6, *telephone* (604) 434-4614.

References in this short form prospectus to LED or the Company may also include its subsidiaries as the context requires.

TABLE OF CONTENTS

ABOUT THIS PROSPECTUS.....	2	PRIOR SALES.....	13
FORWARD-LOOKING STATEMENTS.....	2	TRADING PRICE AND VOLUME.....	14
DOCUMENTS INCORPORATED BY REFERENCE.....	3	INTERESTS OF EXPERTS	14
MARKETING MATERIALS	4	RISK FACTORS.....	15
CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION	4	CANADIAN FEDERAL INCOME TAX CONSIDERATIONS	18
ELIGIBILITY FOR INVESTMENT.....	4	AUDITORS, TRANSFER AGENT, AND REGISTRAR.....	21
DESCRIPTION OF BUSINESS	5	LEGAL PROCEEDINGS	21
RECENT DEVELOPMENTS	8	AGENT FOR SERVICE OF PROCESS.....	22
CONSOLIDATED CAPITALIZATION OF LED.....	9	PURCHASER'S STATUTORY AND CONTRACTUAL RIGHTS	22
USE OF PROCEEDS	9	CERTIFICATE OF LED MEDICAL DIAGNOSTICS INC.....	C-1
PLAN OF DISTRIBUTION.....	10	CERTIFICATE OF THE AGENT.....	C-2
DESCRIPTION OF THE SECURITIES BEING DISTRIBUTED	12		

ABOUT THIS PROSPECTUS

In this Prospectus, all references to dollars or “\$” are to the lawful currency of Canada and all amounts are in Canadian dollars, unless otherwise indicated. All references to € are to the lawful currency of the European Union.

VELscope® is a registered trademark of LED. Any words used in this Prospectus that are trademarks are the property of their respective owners.

An investor should rely only on the information contained in this Prospectus (including the documents incorporated by reference herein) and should not rely on parts of the information contained in this Prospectus (including the documents incorporated by reference herein) to the exclusion of others. LED has not, and the Agent has not, authorized anyone to provide investors with additional or different information. LED is not, and the Agent is not, offering to sell these securities in any jurisdictions where the offer or sale of these securities is not permitted. The information contained in this Prospectus (including the documents incorporated by reference) is accurate only as at the date of this Prospectus (or the date of the document incorporated by reference herein, as applicable), regardless of the time of delivery of this Prospectus or any sale of the Units. LED’s business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking information. Statements other than statements of historical fact contained in this Prospectus may be forward-looking information. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “outlook”, “objective”, “may”, “will”, “expect”, “intent”, “estimate”, “anticipate”, “believe”, “should”, “plans”, or “continue”, or similar expressions suggesting future outcomes or events. These forward-looking statements include, but are not limited to, statements regarding LED’s future plans, strategies, objectives, performance, revenues, growth, profits, operating expenses or LED’s underlying assumptions, the closing of the Offering and the timing thereof, the use of the net proceeds of the Offering, LED’s anticipation that a greater percentage of future revenues will be derived from distribution of third party imaging products, LED’s plans to optimize current relationships and VELscope sales channels and LED’s intention to expand its technology beyond dental applications including, but not limited to: costs of production, dividend policy, capital expenditures, costs and timing of the development of new products, hedging practices, currency exchange rate fluctuations, requirements for additional capital, government regulation of medical device operations and insurance coverage. Persons reading this Prospectus are cautioned that such statements or information are only predictions, and that LED’s actual future results or performance may be materially different.

Factors that could cause actual events or results to differ materially from those suggested by these forward-looking statements include, but are not limited to: history of losses; the risk of material adverse effects in relation to a warning letter issued by the United States Food and Drug Administration, uncertainty of additional financing; third party product risks; regulatory risk; intellectual property risk; economic conditions; dilution; limited history of operations; operational risk; distributor risks; working capital; potential conflicts of interest; speculative investment; disruptions in production; equipment leases; reliance on key personnel and employees; seasonality; management’s estimates; development of new customers and products risks; stock price volatility risk; sales and marketing risk; competitors and competition risk; changes in barriers to entry for the market; regulatory requirements; reliance on few suppliers; reliance on subcontractors; operating cost and quarterly results fluctuations; fluctuations in exchange rates; fluctuations in interest rates; product liability and medical malpractice claims; access to credit and additional financing; taxation; market acceptance of LED’s products and services; customer and industry analyst perception of LED and its technology vision and future prospects; technological change, new products and standards; risks related to acquisitions and international expansion; reliance on large customers; concentration of sales; international operations and sales; management of growth and expansion; dependence upon key personnel and hiring; LED not adequately protecting its intellectual property; risks related to product defects and product liability; and including, but not limited to, other factors described in documents incorporated by reference herein, including LED’s financial statements and management’s discussion and analysis for the year ended December 31, 2014 and for the six-month period ended June 30, 2015. In drawing a conclusion or making a forecast or projection set out in the forward-looking information, LED takes into account the following material factors and assumptions in addition to the above factors: LED’s ability to execute on its business plan; the acceptance of LED’s products and services by its customers; the timing of execution of outstanding or potential customer contracts by LED; the sales opportunities

available to LED; LED's subjective assessment of the likelihood of success of a sales lead or opportunity; LED's historic ability to generate sales leads or opportunities; and that sales will be completed at or above LED's estimated margins. This list is not exhaustive of the factors that may affect LED's forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information.

The forward-looking information contained in this Prospectus is expressly qualified in its entirety by these cautionary statements. All forward-looking information in this Prospectus is as of the date of this Prospectus. LED does not undertake any obligation to update any such forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. For more information on the risk factors that could cause LED's actual results to differ from current expectations, see "Risk Factors".

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference or a copy of the permanent information record may be obtained on request without charge from LED Medical Diagnostics, 580 Hornby Street, Unit 810, Vancouver, British Columbia, Canada, V6C 3B6 or by accessing the disclosure documents available through the Internet on the System for Electronic Document Analysis and Retrieval (SEDAR), which can be accessed at www.sedar.com.

The following documents of LED, filed with the securities commissions or similar authorities in Canada, are specifically incorporated by reference into and form an integral part of this Prospectus:

- (a) the annual information form of LED dated April 29, 2015 for the year ended December 31, 2014;
- (b) the audited consolidated financial statements of LED for the years ended December 31, 2014 and 2013 together with the independent auditor's report thereon and the notes thereto;
- (c) the management's discussion and analysis of LED for the year ended December 31, 2014;
- (d) the unaudited condensed consolidated interim financial statements of LED for the six-month periods ended June 30, 2015 and June 30, 2014 except for the notice regarding no auditor review on page 2 thereof;
- (e) the management's discussion and analysis of LED for the six-month periods ended June 30, 2015 and June 30, 2014;
- (f) the information circular of LED dated July 28, 2014 issued in connection with the annual meeting of the Shareholders held on August 28, 2014;
- (g) the material change reports of LED dated July 23, 2015 and September 28, 2015 relating to the issuance of senior secured debentures; and
- (h) the corporate presentation dated October 7, 2015 relating to the Offering (the "**Marketing Materials**")

Any document of the type referred to in the preceding paragraph, any material change reports (excluding confidential material change reports), any business acquisition reports and any other documents required to be incorporated by reference into this Prospectus under applicable securities laws and subsequently filed by us with such securities commissions or regulatory authorities after the date of the Prospectus, and prior to the termination of the Offering, shall be deemed to be incorporated by reference into the Prospectus.

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes that statement. Any such modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded

statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be considered in its unmodified or unsuperseded form to constitute part of this Prospectus; rather only such statement as so modified or superseded shall be considered to constitute part of this Prospectus.

Neither LED nor the Agent has provided, or otherwise authorized any other person to provide, investors with information other than as contained or incorporated by reference in this Prospectus. If an investor is provided with different or inconsistent information, he or she should not rely on it.

MARKETING MATERIALS

Any “template version” of any “marketing materials” (as such terms are defined under applicable Canadian securities laws) that are utilized by the Agent in connection with the Offering are not part of this Prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this Prospectus. Any template version of any marketing material that has been, or will be, filed on SEDAR before termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated into this Prospectus. The marketing materials can be viewed under LED’s profile on SEDAR at www.sedar.com.

CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

This Prospectus contains references to United States dollars and Canadian dollars. All dollar amounts referenced, unless otherwise indicated, are Canadian dollars and United States dollars are referred to as “US\$”. The financial statements of the Company incorporated by reference in this Prospectus are reported in United States dollars. All references to € are to the lawful currency of the European Union.

The average closing exchange rate for Canadian dollars in terms of the United States dollar for the period ended June 30, 2015 as quoted by the Bank of Canada was Cdn\$1 = US\$0.8096. The average closing exchange rate for Canadian dollars in terms of the United States dollar for the period ended December 31, 2014, as quoted by the Bank of Canada was Cdn\$1 = US\$0.9053. The average closing exchange rate for Canadian dollars in terms of the United States dollar for the period ended December 31, 2013, as quoted by the Bank of Canada was Cdn\$1 = US\$0.9710.

ELIGIBILITY FOR INVESTMENT

In the opinion of Farris, Vaughan, Wills & Murphy LLP, counsel to the Company, and Blake, Cassels & Graydon LLP, counsel to the Agent, based on the provisions of the *Income Tax Act* (Canada) (the “**Tax Act**”) and the regulations thereunder in force as of the date hereof, provided that the Common Shares are listed on a “designated stock exchange” as defined in the Tax Act (which includes Tiers 1 and 2 of the TSX-V and the Frankfurt Stock Exchange), the Common Shares and Warrant Shares will, on the date of issue, be qualified investments for trusts governed by registered retirement savings plans (each an “**RRSP**”), registered education savings plans, registered retirement income funds (each an “**RRIF**”), registered disability savings plans, deferred profit sharing plans and tax-free savings accounts (each a “**TFSA**”), and together with an RRSP and RRIF, collectively, the “**Plans**”), all within the meaning of the Tax Act.

Provided that the Common Shares are qualified investments for the Plans, as described above on the Closing Date, the Warrants will also be qualified investments on that date for any Plan provided that on that date neither the Company, nor any person with whom the Company does not deal with at arm’s length for purposes of the Tax Act, is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, such Plan.

Notwithstanding the foregoing, if the Common Shares, Warrant Shares or Warrants held by a TFSA, RRSP or RRIF are “prohibited investments” for purposes of the Tax Act, the holder of the TFSA or the annuitant of the RRSP or RRIF will be subject to a penalty tax as set out in the Tax Act. The Common Share, Warrant Shares and Warrants will be a “prohibited investment” if the holder of a TFSA or the annuitant of a RRSP or RRIF, as the case may be: (i) does not deal at arm’s length with the Company for purposes of the Tax Act; or (ii) has a “significant interest” (within the meaning of the Tax Act) in the Company. In addition, the Common Shares and Warrants will

not be a “prohibited investment” if the Common Shares, Warrant Shares, and Warrants are “excluded property”, as defined in the Tax Act, for a TFSA, RRSP or RRIF. Potential investors who intend to hold Common Shares or Warrants in a TFSA, RRSP or RRIF should consult their own tax advisors in this regard.

DESCRIPTION OF BUSINESS

Summary

LED is a dental imaging services and technology company that provides dentists and oral health care specialists advanced diagnostic dental imaging products and software. LED’s portfolio includes its dental imaging products and the VELscope product line. LED markets its products, in conjunction with its distribution and general goodwill partners, directly to dental practitioners. Such direct marketing includes direct mail, electronic mail, advertising in industry journals, multiple unrelated off sites, and personal visits. In some cases, direct marketing activities are oriented towards convincing dental practitioners to attend an education seminar or trade show event in which LED is a participant.

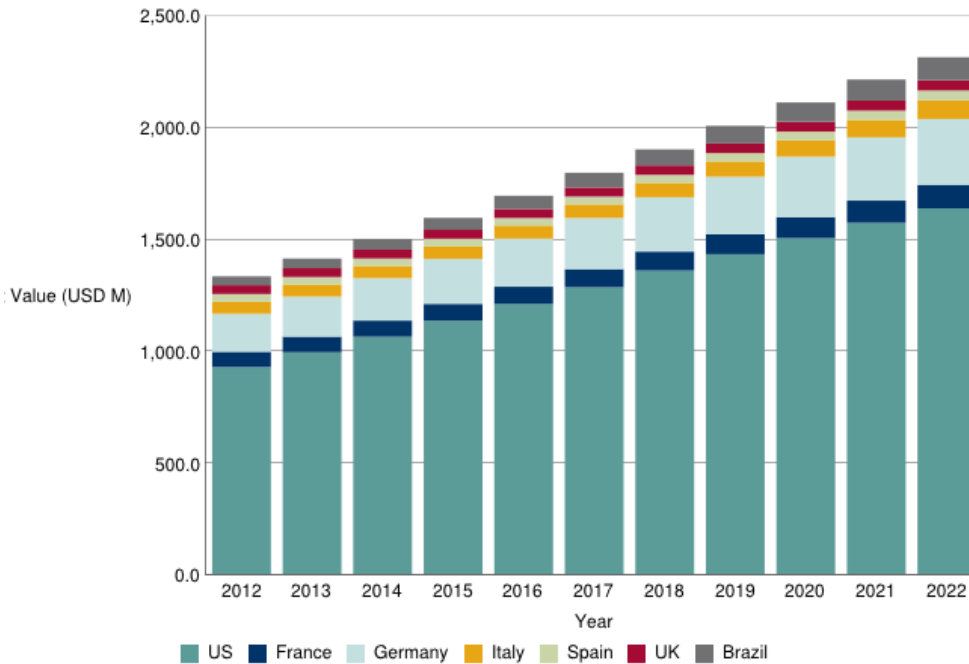
The technology for the VELscope system was developed by LED in partnership with the British Columbia Cancer Agency (“BCCA”).

The first-generation VELscope device was introduced in 2006. Since then, LED has sold over 13,000 devices, which have been used to conduct oral soft tissue exams worldwide. In 2010, the VELscope was recognized by the World Health Organization as an Innovative Technology that Address Global Health Concerns, the only dental device to be so recognized. LED believes that the technology is also backed by more clinical studies than any other oral adjunctive examination device, based on searches conducted by LED of the PubMed database developed and maintained by the National Center for Biotechnology Information at the U.S. National Library of Medicine located at the National Institutes of Health. The NIH, part of the U.S. Department of Health and Human Services, is the primary Federal agency for conducting and supporting medical research in the US.

The Company plans to and has expanded its product offering to market and distribute additional complementary third party imaging oriented products to augment its proprietary products targeted at the dental industry. LED anticipates that a greater percentage of its future revenues will be derived from its distribution of third party imaging products, and has been accordingly focusing a majority of its expenditures, activities and efforts on these products. LED has recently launched a new product division known as “LED Imaging” to reflect the Company’s movement into the dental imaging category. LED Imaging is dedicated to a premium level of service and support before, during and after products are sold.

The Company plans to optimize current relationships with VELscope sales channels via non-exclusive distributors in North America and add additional imaging products to build out a robust portfolio and diversify revenue streams.

In addition LED has developed a specialized digital imaging distribution division that offers a portfolio of digital dental imaging products to the North American market, the largest in the world. The global market for dental imaging systems was valued at roughly \$1.4 billion in 2013 and is expected to increase as represented by the following graph (Source: Global Markets for Dental Imaging Systems 2014, Decision Resources Group, Sept. 10, 2013).



LED believes that over the forecast period through 2016, this market will be driven by increasing demand for cosmetic dentistry and implant procedures, the transition from film-based to digital imaging technology and the adoption of digital workflows (Sources: Global Markets for Dental Imaging Systems 2014, Decision Resources Group, Sept. 10, 2013, Trends in Implant Dentistry, Virginia Commonwealth University School of Dentistry, Jan. 8, 2013; and research reports published by iData Research Inc.). LED believes digital dental imaging systems are in high demand as they provide increased image quality, improved clinical work flow efficiency, reduced laboratory fees, lower exposure to radiation as well as enhancing the patient's understanding of the treatment options available (Sources: Global Markets for Dental Imaging Systems 2014, Decision Resources Group, Sept. 10, 2013, and Intro oral Radiology in General Dental Practices – A Comparison of Digital and Film-Based X-Ray Systems with Regard to Radiation Protection and Dose Reduction, Rapid Communication, 2014).

The LED digital imaging products include direct digital intraoral imaging sensors, which are a digital replacement for analog film, digital panoramic and cephalometric extraoral radiographic systems and Cone Beam Computed Tomography (CBCT) equipment and related software designed to be used by various dentists, dental specialists and other oral healthcare practitioners. A partnership with Ray Co. Ltd. ("**RAY**"), has enabled LED to sell and install RAY's digital imaging technology including: the RAYSCAN α – Expert, a multi-function digital extra oral imaging system with 3D cone beam computed tomography (CBCT), panoramic and cephalometric capabilities. RAY also manufactures and supplies the company with a line of digital intraoral sensors. A distribution agreement with 3Shape A/S and Envisontec Inc. provides LED with intra oral optical scanners and 3D printers that it distributes in the United States and Canada. LED also contracts with two intraoral camera companies which manufacture LED's two intraoral cameras to exacting specifications.

The VELscope is comprised of fluorescence technology and aids in the early visualization of mucosal diseases and enhances effective oral mucosal examinations. The VELscope Vx System is intended to be used by a dentist or health-care provider as an adjunct to traditional oral examination by incandescent light to enhance the visualization of oral mucosal abnormalities that may not be apparent or visible to the naked eye, such as oral cancer in situ or pre-malignant dysplasia. The VELscope Vx System is further intended to be used by a surgeon to help identify diseased tissue around a clinically apparent lesion and thus aid in determining the appropriate margin for surgical excision. The patented VELscope technology platform was developed in collaboration with the BCCA, with funding provided in part by the NIH. It is based on the direct visualization of tissue fluorescence and the changes in fluorescence that occurs when abnormalities are present.

VELscope, VELscope Vantage, and the VELscope Vx technologies are all comprised of a light source and viewing hand piece (although the VELscope Vx integrates the light source into the handpiece). The VELscope hand piece emits a safe, visible, blue light into the oral cavity, which excites mucosal tissue and causes it to fluoresce. When viewed through the VELscope hand piece, abnormal tissue typically appears as an irregular, dark area that stands out against the otherwise normal, green fluorescence pattern of surrounding healthy tissue. This difference in appearance allows clinicians to examine the oral cavity in real time and help find areas of concern that may require further investigation. When used in combination with traditional oral mucosal examination procedures, VELscope facilitates the discovery and enhances the visualization of mucosal abnormalities.

The VELscope Vx Enhanced Oral Assessment System, centers on a wireless, handheld scope that uses tissue fluorescence visualization to help clinicians discover oral mucosal abnormalities earlier than they might have otherwise. VELscope Vx helps clinicians establish a more robust oral disease and oral cancer screening protocol with immediate benefits for the patient, clinician and practice. When used as an adjunctive aid in combination with traditional oral cancer examination procedures, VELscope Vx facilitates the early discovery and visualization of all kinds of mucosal abnormalities as well as ones that may be, or may lead to oral cancer. In one or two minutes, with minimal per patient costs and no rinses or stains required, a VELscope examination helps oral healthcare professionals assure their patients that a high level of care is being employed for oral mucosal screening. Adding to the VELscope's value as an adjunctive device is its ability to aid in the visualization of a wide spectrum of oral trauma and disease. A recent study at the University of Washington helped demonstrate that the VELscope system is a powerful tool for the discovery of many types of oral mucosal abnormalities. This study added a VELscope examination to the clinical examination of 620 routine dental patients at the University of Washington dental clinic which resulted in detection of changes not seen with white light examination in a significant number of patients (11.1%). Of these a small but important number (1.5% of the 620 patients) were found to have otherwise undetected persistent changes representing inflammatory lesions or potentially dangerous oral dysplasia. The VELscope is sensitive to inflammation from a variety of causes including viral, fungal and bacterial infections, lichen planus and other lichenoid reactions, squamous papillomas, and salivary gland tumours.

LED expects that expanding its proprietary visualization technology beyond dental applications may provide, ear nose and throat specialists, dermatologists and family practitioners with cost-effective tools to aid in the detection of oral cancer and other types of abnormalities. LED has sought patent protection for its projects by filing one or more patent applications for each aspect of a device, system or method, that LED believes is both patentable and that justifies the costs of patent protection. LED intends to protect future developments in the same manner. LED maintains certain elements of its intellectual property as trade secrets. LED also has pursued and intends to pursue trademark, copyright and other intellectual property protection as it believes is warranted.

Regulatory

In 2006, the VELscope received United States Food and Drug Administration ("U.S. FDA") and Health Canada clearances. The clearances were related to the VELscope's use of tissue fluorescence visualization technology as a new way to help screen for mucosal abnormalities, potentially malignant tissue and cancerous disease. In 2007, it was also cleared to aid in helping delineate surgical margins around oral lesions. The VELscope Vx was cleared with identical indications in 2010.

LED has been in recent discussions with the U.S. FDA regarding the marketing of the VELscope as a result of a warning letter issued by the U.S. FDA on May 12, 2014. In the warning letter, the FDA has taken the position that LED has been marketing the VELscope for the early detection of oral mucosal abnormalities which would constitute a major change or modification to the device's intended use, for which LED lacks clearance or approval. The U.S. FDA has accordingly issued an import alert for the VELscope which could result in the VELscope being refused customs clearance into the United States. LED disagrees with the U.S. FDA's position that its marketing of the VELscope falls outside the intended use for which the device has obtained U.S. FDA clearance. LED has proposed certain corrective actions in its marketing materials which management of LED believes will resolve the concerns of the U.S. FDA. LED is currently awaiting a formal response from the U.S. FDA with respect to these corrective actions. Management of LED does not believe the U.S. FDA's position will have any material impact on the marketing of the VELscope. However, investors are cautioned that the U.S. FDA has wide discretion under its governing legislation to impose sanctions. To date, the only regulatory action taken by the U.S. FDA has been to

issue the warning letter and import alert and the import alert has not negatively impacted LED's VELscope business in the United States.

Marketing and Sales Strategy

Marketing

LED markets its products, through distribution partners, including general goodwill partnerships, as well as selling directly to dental practitioners. Such direct marketing includes direct mail, electronic mail and advertising in industry journals, and personal visits. In some cases, direct marketing activities are oriented towards convincing dental practitioners to attend an education seminar or meeting them at an industry trade show event in which LED is a participant. LED has also recently established indirect partnerships with organizations and networks that provide goodwill marketing for the Company and its products at offsite locations. This is a cost-effective strategy that the company will look to continue in the future. LED also leverages a network of key opinion leaders who are dentists and dental specialists, known to senior management who are market influencers through their activities as educators giving presentations at professional congresses and contributing articles to trade and peer reviewed journals.

Customers

The Company's revenue is dependent on direct sales and services to dentists and dental specialists as well as significant contracts from a limited number of industry dental distributor customers. During the twelve months ended December 31, 2014, the Company's consolidated revenue was attributable to a mix of is digital imaging direct sales and VELscope revenue largely derived from sales to its dental distributor customers. During the twelve months ending December 31, 2014 and 2013, approximately 35% and 88%, respectively, of the Company's consolidated revenue was attributable to its two largest customers. Management believes that revenue derived from its current product line expansion and its hybrid model of direct sales to dentists and dental specialists will represent a significant portion of total revenue going forward, thus reducing risk. The inability to continue to secure and maintain a sufficient number of customer sales contracts would have a material adverse effect on the business, financial condition, operating results and cash flows of the Company. Moreover, the success of the Company will depend in part upon its ability to obtain orders from new customers, as well as the financial condition and success of its customers and general economic conditions.

RECENT DEVELOPMENTS

On September 25, 2015, the Company raised gross proceeds of US\$500,000 through the issuance of a second tranche 10% senior secured debentures (the "**Debentures**"). The Debentures are secured by a general security interest in all of the Company's assets. The proceeds of the Debentures are to be used for general corporate purposes. 357,150 share purchase warrants were issued in connection with the offering of Debentures on September 25, 2015.

On September 17, 2015, LED announced that it had entered into a non-binding letter of intent to acquire a technology company.

On September 9, 2015, LED announced that it had received regulatory approval for the distribution of the VELscope Vx Enhanced Oral Assessment System in China.

On August 31, 2015, LED announced its results for the period ended June 30, 2015 and announced the resignation of Jody Kelly as Vice President, Finance. LED reaffirmed its previously provided guidance of revenue of US\$15.0 million to US\$16.0 million for the fiscal 2015 year ending December 31, 2015. This guidance is intended solely to give investors an understanding of management's expectations for the full fiscal year 2015. The guidance does not take into account, or give effect for, any events that are beyond LED's reasonable control. Actual results may vary from the guidance. For material risk factors that could cause actual results to differ materially, see "Risk Factors".

On August 7, 2015, LED provided a business update, announced that LED had received clearance by Health Canada to market and sell the Rayscan Alpha Cone Beam Computed Tomography System pursuant to the exclusive distribution agreement with RAY and provided an update on the U.S. FDA warning letter described in “Description of the Business – Regulatory”.

On July 31, 2015, LED announced that it had entered into an agreement with EnvisionTec Inc. to distribute EnvisionTec’s 3D printing solutions.

On July 22, 2015, the Company raised gross proceeds of \$1.1 million through the issuance of an initial tranche of Debentures. The Debentures are secured by a general security interest in all of the Company’s assets. The proceeds of the Debentures are to be used for general corporate purposes. 654,500 share purchase warrants were issued in connection with the offering of Debentures on July 22, 2015.

On July 13, 2015, LED announced that the VELscope Vx Enhanced Oral Assessment System had received the Pride Institute’s “Best of Class” Technology Award, making 2015 the fifth consecutive year that the VELscope has received this distinction as the market-leading device for adjunctive oral screening.

CONSOLIDATED CAPITALIZATION OF LED

As at June 30, 2015, there were 100,393,519 Common Shares issued and outstanding, 26,440,876 Common Shares issuable upon exercise of outstanding warrants, 7,535,000 Common Shares issuable upon exercise of outstanding stock options and 830,000 Common Shares issuable upon exercise of outstanding deferred share units. As at the date of this Prospectus, there are 100,393,519 Common Shares issued and outstanding. The only material changes to the share and loan capital of the Company since June 30, 2015 resulted from the issuance of \$1.1 million and US\$500,000 principal amount of senior secured Debentures, the granting of warrants exercisable into 1,011,650 Common Shares in connection with the issuance of Debentures and the expiry of 285,000 stock options. LED also intends to extend by 12 months the expiry date to 14,661,989 warrants exercisable at US\$0.50 per Common Share that would otherwise expire on October 24, 2015. The extension is subject to TSX Venture Exchange approval. See “Prior Sales” in this Prospectus.

After giving effect to the Offering, management expects the number of issued and outstanding Common Shares to be • (and • if the Over-Allotment Option is exercised in full), in addition to • Common Shares issuable upon exercise of outstanding warrants (• if the Over-Allotment Option is exercised in full), • Common Shares issuable upon exercise of outstanding stock options and 830,000 Common Shares issuable upon exercise of outstanding deferred share units, assuming the Offering is subscribed in full.

In addition, up to an additional 1,050,000 deferred share units may be issued under LED’s deferred share unit plan (including potential issuances in connection with outstanding directors’ fees and voluntary pay reductions).

USE OF PROCEEDS

The total net proceeds from the sale of the Units under this Offering are estimated to be approximately Cdn\$•, assuming the Offering is subscribed in full (and Cdn\$• assuming the exercise in full of the Agent’s Option) after payment of the Agent’s Fee but before estimated expenses of the Offering of Cdn\$•.

LED intends to use the proceeds of the Offering to repay \$1.144 million and US\$520,000 principal amount of Debentures (including prepayment fees) and for general corporate purposes, including inventory purchases for its dental imaging product business. However, management will have discretion in the actual application of the proceeds and may elect to allocate proceeds differently if it is believed to be in the best interests of LED to do so as circumstances change.

The initial tranche of Debentures was issued on July 22, 2015 in an aggregate principal amount of \$1.1 million and the second tranche was issued on September 25, 2015 in an aggregate principal amount of US\$500,000. All Debentures are secured by a general security interest over LED’s assets. The terms of the agreements governing the offering and issuance of the Debentures state that the Debentures become immediately

repayable in the event that, prior to the maturity date of the Debentures, LED issues equity or other securities that are convertible into equity with cumulative gross proceeds of \$3 million or greater in any consecutive ninety day period. Accordingly, to the extent that the gross proceeds of the Offering exceed \$3 million, LED will be required to repay the Debentures. The proceeds of the Debentures are to be used for general corporate purposes including the purchase of inventory.

If the Offering is not subscribed in full, LED anticipates that the proceeds of the Offering will be used as follows. If gross proceeds of the Offering are \$3 million or more, then \$1.144 million and US\$500,000 will be used to repay the Debentures (including prepayment fees) and the balance of the net proceeds will be used for general corporate purposes. If gross proceeds of the Offering are less than \$3 million (for example, an Offering of 15% of the maximum Offering), then the entire net proceeds of the Offering will be used for general corporate purposes. To the extent that the Debentures are not repaid from the net proceeds of the Offering, then the Company will have secured liabilities in the aggregate principal amount of \$1.1 million that mature on July 22, 2016 and US\$500,000 that mature on September 25, 2016. To the extent that the Company does not generate sufficient cash flows from its operations prior to the maturity date of the Debentures, the Company would then be required to raise additional funds, through equity, debt refinance or otherwise, prior to the maturity of the Debentures to effect their repayment.

LED has a history of negative cash flow from operations and expects that the net proceeds of the Offering will be used to fund negative cash flow from operations in future periods. LED expects that negative cash flow from operations will continue until such time that revenues, and particularly revenues from its digital imaging product business, sufficiently increase. See “Risk Factors – History of Losses”.

PLAN OF DISTRIBUTION

General

Pursuant to the Agency Agreement, the Agent has agreed to act as agent to offer up to • Units at the Offering Price in the provinces of Alberta, British Columbia and Ontario on a “best efforts” agency basis, subject to prior sale, if, as and when issued, in accordance with the terms and conditions of the Agency Agreement and subject to the approval of certain legal matters on LED’s behalf by Farris, Vaughan, Wills & Murphy LLP and on behalf of the Agent by Blake, Cassels & Graydon LLP.

The Offering Price will be determined by negotiation between LED and the Agent.

The following summary which includes certain anticipated provisions of the Agency Agreement, which will be entered into by the Agent and the Company subsequent to the date hereof, does not purport to be complete and is subject in its entirety to the detailed provisions of the Agency Agreement. Reference is made to the Agency Agreement, which will be filed by LED under its corporate profile on SEDAR once entered into as required by applicable securities laws.

The obligations of the Agent under the Agency Agreement may be terminated at any time in the Agent’s sole discretion on the basis of its assessment of the state of the financial markets and on the occurrence of certain stated events. While the Agent has agreed to use its best efforts to sell the Units, the Agent is not obligated to purchase Units that are not sold. Under the Agency Agreement, LED has agreed to pay the Agent a cash commission equal to 7% of the gross proceeds of the Offering, including proceeds from the exercise of the Agent’s Option, being an aggregate fee of up to \$• (assuming the exercise in full of the Agent’s Option). As additional compensation, LED has agreed to grant the Broker Warrants to the Agent to acquire that number of Broker Warrant Shares which is equal to 7% of the aggregate number of Units sold pursuant to the Offering, including any Units sold pursuant to the exercise of the Agent’s Option, being an aggregate of up to • Units (assuming the exercise in full of the Agent’s Option) at the price of US\$• per share for a period of two years after the Closing Date. LED has also agreed to indemnify the Agent and its affiliates and each of their respective directors, officers, employees, agents and shareholders from and against certain liabilities and expenses and to contribute to payments that the Agent may be required to make in respect thereto. The Agent has reserved the right to offer selling group participation in the Offering to other registered dealers. Any fees payable to members of such selling group will be paid by the Agent out of the Agent’s Fee.

The Company has granted to the Agent the Agent's Option, exercisable in whole or in part at any time prior to 5:00 p.m. (Toronto time) on the 30th day following the Closing Date (as defined herein), to increase the number of Units offered hereunder by up to 15% to cover over-allotments, if any, and for market stabilization purposes. Each Agent's Option Unit consists of one Agent's Option Share and one-half of one Agent's Option Warrant with each Agent's Option Warrant entitling the holder thereof to acquire an Agent's Option Warrant Share at an exercise price of US\$● per Agent's Option Warrant Share until 4:30 p.m. (Toronto time) on the date that is two years after the date of issuance. The Agent's Option may be exercised by the Agent to acquire either (i) Agent's Option Units at a price of Cdn\$● per Agent's Option Unit; (ii) Agent's Option Warrants at a price of Cdn\$● per Agent's Option Warrant or (iii) any combination of Agent's Option Units and Agent's Option Warrants, so long as the aggregate number of Agent's Option Shares and Agent's Option Warrants that may be issued under the Agent's Option does not exceed a maximum of ● Agent's Option Shares and a maximum of ● Agent's Option Warrants. If the Agent's Option is exercised in full and assuming the offering is fully subscribed, the price to the public under the offering, the Agent's Fee, and the net proceeds to the Company from the Offering (before deducting expenses of the Offering, estimated to be Cdn\$●) will be Cdn\$●, Cdn\$● and Cdn\$●, respectively. A purchaser who acquires Agent's Option Shares and Agent's Option Warrants comprising the Agent's Option Units forming part of the Agent's over-allotment position acquires those Agent's Option Shares and Agent's Option Warrants under this Prospectus, regardless of whether the over-allotment position is ultimately filled through the exercise of the Agent's Option or secondary market purchases. This Prospectus also qualifies the grant of the Agent's Option and the distribution of the Agent's Option Shares and Agent's Option Warrants comprising the Agent's Option Units. See "Plan of Distribution".

LED has been advised by the Agent that, in connection with the Offering, the Agent may effect transactions to stabilize or maintain the market price of the Common Shares at levels other than those that might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

Subscriptions for Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of the Offering will take place on the Closing Date or such other date as may be agreed upon by LED and the Agent. Until such time as a closing has occurred, all subscription funds received by the Agent will be held in trust, pending closing of the Offering. Notwithstanding the foregoing and as further described below, the distribution of the Units will not continue for a period of more than 90 days after the date of the receipt for the final short form prospectus unless each of the subscribers who subscribed for Units within that period has consented to the continuation. During that period, funds received from subscriptions will be held in trust by the Agent.

The Offering will be conducted under the book-based system. A subscriber who purchases Units will receive only a customer confirmation from the registered dealer from or through whom Units are purchased and who is a CDS Participant. CDS will record the CDS Participants who hold the Common Shares and Warrants comprising the Units on behalf of owners who have purchased Units in accordance with the book-based system. Certificates will only be issued for the Common Shares or the Warrants comprising the Units for subscribers who purchase Units in the United States or for the account or benefit of a U.S. Person or if specifically requested. Such a request will need to be made through the CDS Participant through whom the beneficial interest in the securities are held at the time of the request.

Pursuant to the terms of the Agency Agreement, LED will have agreed not to offer or issue, or enter into an agreement to offer or issue, or announce any intention to offer or issue, any of its securities (other than (i) stock option issuances pursuant to LED's stock option plan; (ii) the exercise of stock options granted pursuant to LED's stock option plan, (iii) securities issuable upon the exercise of the currently outstanding stock options or convertible securities, (iv) securities issued in the U.S.; (v) in connection with a bona fide acquisition by LED of the shares or assets of other corporations or entities; (vi) pursuant to the Offering; or (vii) pursuant to the exercise of options and warrants outstanding as of the date hereof) for a period of 90 days following the Closing Date of the Offering without the prior written consent of the Agent, such consent not to be unreasonably withheld.

LED has also caused its directors and officers to provide a written undertaking to the Agents not to, directly or indirectly, without the prior written consent of the Agents, such consent not to be unreasonably withheld or delayed, sell, offer or otherwise transfer, or otherwise enter into any arrangement which has the effect of transferring

all or any of the economic benefits of ownership of, or all or any of, the Common Shares held by such director or officer during the period ending 90 days after the Closing Date.

Offering in the United States

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States. None of the Units, Common Shares, Warrants and Warrant Shares issuable upon exercise of Warrants have been or will be registered under the U.S. Securities Act or any state securities laws and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States, except pursuant to an exemption from registration under the U.S. Securities Act and all applicable state securities laws. The Agent has agreed that, except as permitted under the Agency Agreement, it will not offer, sell, transfer, deliver or otherwise dispose of, directly or indirectly, the Units at any time within the United States or to, or for the account or benefit of, any U.S. Person, except pursuant to an exemption from registration under the U.S. Securities Act.

The Agency Agreement permits the Agent, acting through its U.S. registered broker-dealer affiliates, to designate certain “accredited investors” that satisfy one or more of the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act to whom the Company may sell Units in transactions that comply with Rule 506(b) and, in each case, in accordance with similar exemptions under applicable state securities laws. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units in the United States or to, or for the account or benefit of, a U.S. Person. Moreover, the Agency Agreement provides that the Agent will offer and sell the Units outside of the United States only in accordance with Regulation S under the U.S. Securities Act. The Common Shares and Warrants that are sold in the United States or to, or for the account or benefit of, a U.S. Person will be restricted securities within the meaning of Rule 144(a)(3) of the U.S. Securities Act and will contain a restriction or legend to the effect that such securities have not been registered under the U.S. Securities Act and may only be offered, sold or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act.

In addition, until 40 days after the commencement of the Offering, an offer or sale of securities within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from such registration requirements.

LED has applied to the TSX-V to list the Common Shares distributed under this Prospectus, the Warrant Shares and the Broker Warrant Shares. Listing of the Common Shares, the Warrant Shares and the Broker Warrant Shares will be subject to LED fulfilling all of the listing requirements of the TSX-V. Listing of the Common Shares forming part of the Units, the Warrant Shares and the Broker Warrant Shares is subject to LED fulfilling all of the listing requirements of the TSX-V. There is no market for the Warrants and LED does not intend to make application to list the Warrants for trading on any exchange. As such, there is no market through which the Warrants may be sold and purchasers may not be able to resell Warrants purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation. See “Risk Factors”.

DESCRIPTION OF THE SECURITIES BEING DISTRIBUTED

Common Shares

LED is authorized, under its Notice of Articles to issue an unlimited number of Common Shares. As of the date hereof, a total of 100,393,519 Common Shares were issued and outstanding.

Each Common Share carries one vote at all general meetings of shareholders, and may participate in any dividends declared by the directors of LED. The Common Shares carry the right to receive a proportionate share of LED’s assets available for distribution to the holders of its shares upon liquidation, dissolution or winding up of LED. The Common Shares do not have any special liquidation, pre-emptive or conversion rights.

Warrants

Each Warrant will entitle the holder thereof to acquire one Warrant Share at an exercise price of US\$● per share until 4:30 p.m. (Toronto time) on the Warrant Expiry Date.

The following summary of certain anticipated provisions of the Warrant Indenture (as defined below) does not purport to be complete and is subject in its entirety to the detailed provisions of the Warrant Indenture. Reference is made to the Warrant Indenture, which will be filed by LED under its corporate profile on SEDAR following the closing of the Offering, for the full attributes of the Warrants.

The Warrants will be issued under an indenture (the “**Warrant Indenture**”) to be entered into on the Closing Date between LED and Computershare Trust Company of Canada, as trustee and warrant agent thereunder (the “**Trustee**”). LED will appoint the principal transfer offices of the Trustee in Vancouver, British Columbia as the location at which the Warrants may be surrendered for exercise or transfer.

The Warrant Indenture will, among other things, include provisions for adjustments in the class, number and price of the Common Shares to be issued upon exercise of the Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Common Shares, or the amalgamation of LED. No adjustment in the exercise price of the Warrants or the number of Common Shares issuable upon the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would change such exercise price by at least 1% or the number of Common Shares issuable upon exercise by at least one one-hundredth of a Common Share.

No fractional Common Shares will be issuable upon the exercise of any Warrants, and no cash or other consideration will be paid in lieu of fractional shares. Holders of Warrants will not have any voting or pre-emptive rights or any other rights which a holder of Common Shares would have.

LED and the Trustee, may, from time to time, without the consent of the holders of Warrants, amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Warrants may only be made by “extraordinary resolution”, which is defined in the Warrant Indenture as a resolution either: (1) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 25% of the aggregate number of Common Shares which may be acquired upon the exercise of all the then outstanding Warrants and passed by the affirmative vote of holders of Warrants entitled to acquire not less than 75% of the aggregate number of Common Shares which may be acquired upon the exercise of all the then outstanding Warrants represented at the meeting; or (2) instruments in writing signed by the holders of Warrants representing not less than 75% of the aggregate number of Common Shares which may be acquired upon the exercise of all the then outstanding Warrants.

The foregoing discussion of the material terms and provisions of the Warrants is qualified in its entirety by reference to the detailed provisions of the Warrant Indenture.

PRIOR SALES

The following table summarizes the issuances of Common Shares, as well as the issuance of securities exercisable for Common Shares in the 12 month period prior to the date hereof.

<u>Date</u>	<u>Securities</u>	<u>Number of Securities</u>	<u>Price per Security</u>
September 25, 2015	Warrants issued in connection with the second tranche of Debentures	357,150	Nil
July 22, 2015	Warrants issued in connection with the initial tranche of Debentures	654,500	Nil
June 14, 2015	Exercise of Warrants	871,834	\$0.20
June 14, 2015	Exercise of deferred share units	120,000	Nil

Date	Securities	Number of Securities	Price per Security
June 8, 2015	Exercise of Warrants	125,000	\$0.20
May 7, 2015	Exercise of Warrants	63,333	\$0.20
February 26, 2015	Grant of Stock Options	800,000	Nil
February 24, 2015	Issuance of units with each unit comprised of one Common Share and one Common Share Purchase Warrant	10,605,000	\$0.25 per unit
February 24, 2015	Issuance of finder's warrants in connection with unit offering	64,000	Nil
February 2, 2015	Grant of Stock Options	325,000	Nil
January 27, 2015	Grant of Stock Options	230,000	Nil
December 24, 2014	Grant of Stock Options	145,000	Nil

TRADING PRICE AND VOLUME

The Shares are listed and posted for trading on the TSX-V under the symbol LMD. The following table sets out the price range and trading volume of the Shares, for the 12 month period prior to the date hereof, as reported by the Exchange:

PRICE RANGE

Month	High (Cdn)	Low (Cdn)	Total Volume
October 1 to October 6, 2015	\$0.26	\$0.22	502,946
September 2015	\$0.275	\$0.21	1,353,719
August 2015	\$0.26	\$0.17	1,639,830
July 2015	\$0.295	\$0.25	2,026,971
June 2015	\$0.29	\$0.255	1,980,296
May 2015	\$0.34	\$0.26	1,964,058
April 2015	\$0.345	\$0.25	1,771,846
March 2015	\$0.30	\$0.225	1,965,003
February 2015	\$0.33	\$0.265	2,114,649
January 2015	\$0.305	\$0.225	1,892,665
December 2014	\$0.335	\$0.19	2,071,276
November 2014	\$0.355	\$0.24	2,826,152
October 2014	\$0.41	\$0.265	5,356,131

INTERESTS OF EXPERTS

The experts who are named as having prepared or certified a report, valuation, statement or opinion in this Prospectus, either directly or in a document incorporated by reference herein, and whose profession or business gives authority to the report, valuation, statement or opinion made by the expert, are Farris, Vaughan, Wills & Murphy LLP, Blake, Cassels & Graydon LLP and Deloitte LLP, Vancouver, British Columbia. As of the date hereof, the partners and associates of Farris, Vaughan, Wills & Murphy LLP and Blake, Cassels & Graydon LLP as a group, beneficially hold, directly or indirectly less than 1% of the outstanding Common Shares of LED.

Deloitte LLP is the auditor of LED and is independent with respect to LED within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

RISK FACTORS

Investing in the Units is speculative and involves a high degree of risk. The following risk factors, as well as risks currently unknown to LED, could materially adversely affect LED's future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking information relating to the Company, or its business, property or financial results, each of which could cause purchasers of the Units to lose part or all of their investment. Prior to making an investment in the Units, investors should carefully consider the risks described under the heading "Risk Factors" of the Annual Information Form of LED for the year ended December 31, 2014, which is incorporated by reference herein and available on SEDAR at www.sedar.com, the risks identified elsewhere in this Prospectus and the other documents incorporated by reference herein and the risk factors set forth below. The risks described herein are not the only risks facing LED. Additional risks and uncertainties not currently known to LED, or that LED currently deems immaterial, may also materially and adversely affect its business.

Risks Related to the Offering

Volatility of Market Price of Common Shares

The market price of the Common Shares may be volatile which may result in losses to investors. The market price of the Common Shares may increase or decrease in response to a number of events and factors, including:

- LED's operating performance and the performance of competitors;
- General market conditions or economic trends;
- Governmental regulatory action;
- The public's reaction to LED's press releases, public filings or other public announcements;
- Failure to meet the expectations of research analysts or investors;
- The arrival or departure of key personnel;
- Acquisitions, strategic alliances or joint ventures involving LED.

In addition, the market price of the Common Shares is affected by many variables not directly related to LED's success and are therefore not within LED's control.

In addition, fluctuations in the market price of the Common Shares can significantly affect the value of the Warrants, and such fluctuations may render the Warrants valueless in the event that the market price of the Common Shares is below the exercise price on the expiry date of the Warrants.

Going Concern

As disclosed in the audited financial statements for the year ended December 31, 2014, LED had a net and comprehensive loss of US\$6,181,130 and negative cash flow from operations of US\$4,175,734 for the year ended December 31, 2014. LED also had a net and comprehensive loss of US\$2,695,666 and negative cash flow from operations of US\$3,086,535 for the six-month period ended June 30, 2015. As at December 31, 2014, the Company had an accumulated deficit of US\$38,737,202 and as at June 30, 2015, the Company had an accumulated deficit of US\$41,428,778. These conditions, along with other matters, indicate the existence of a material uncertainty that may cast significant doubt regarding LED's ability to continue as a going concern.

U.S. FDA Approvals

In a warning letter, the FDA has taken the position that LED has been marketing the VELscope for the early detection of oral mucosal abnormalities which would constitute a major change or modification to the device's

intended use, for which LED lacks clearance or approval. The U.S. FDA has accordingly issued an import alert for the VELscope which could result in the VELscope being refused customs clearance into the United States. The U.S. FDA has wide discretion under its governing legislation to impose sanctions and if the warning letter is not resolved satisfactorily LED may be materially adversely affected.

No Market for Warrants

There is currently no market through which the Warrants may be sold and purchasers may not be able to resell Warrants purchased under this Prospectus. As such, there is no market through which the Warrants may be sold and purchasers may not be able to resell Warrants purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation.

Loss of Entire Investment

An investment in the Units is speculative and may result in the loss of an investor's entire 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 LED.

Use of Proceeds

LED intends to use the proceeds from the Offering as described under the heading "Use of Proceeds". However, management will have discretion in the actual application of the proceeds and may elect to allocate proceeds differently if it is believed to be in the best interests of LED to do so as circumstances change. The failure by management to apply these funds effectively could have a material adverse effect on the business of LED.

Dilution

LED may issue and sell additional Common Shares in subsequent offerings (including through the sale of Common Shares or securities convertible into or exercisable for Common Shares) or pursuant to the Company's share option plan or deferred share unit plan. It may also issue Common Shares to finance future working capital needs, future acquisitions or other projects. Any additional sale or issuance of Common Shares or securities convertible or exercisable for Common Shares will result in investors suffering dilution to their voting power and economic interest in LED and LED may experience dilution in its earnings per share.

Risks Related to LED

History of Losses

LED has a history of losses, and there can be no assurance that LED's losses will not continue in the future. As at December 31, 2014, the Company had an accumulated deficit of US\$38,737,202 and as at June 30, 2015, the Company had an accumulated deficit of US\$41,428,778. LED's prospects must be considered in the context of its stage of development, the risks and uncertainties it faces, and the inability of LED to accurately predict its operating results or the results of product development and sales and marketing initiatives. There can be no assurances that implementation of LED's strategies will result in the Company becoming profitable. LED has historically used cash raised in equity markets to partially fund working capital and the proceeds of the Offering are similarly intended to be used for general corporate purposes.

Uncertainty of Additional Financing

If LED fails to generate sufficient cash from operations, its financial condition will suffer. LED's ability to generate sufficient cash flow from operations will depend on whether it can successfully implement its business plan, as well as on economic, financial, competitive, legal, regulatory and technical factors. Some of these factors are beyond LED's control. If LED cannot generate sufficient cash flow from operations, LED may need to obtain additional financing. LED's ability to obtain additional financing will depend on factors such as its financial condition at the relevant time and market conditions. If adequate financing is not available when required or on

acceptable terms, LED may be required to delay, scale back or terminate its product development activities and sales and marketing efforts, and may be unable to continue operations. There can be no assurance that LED will be able to obtain the additional financial resources required to compete in its markets on favorable commercial terms or at all. The availability, or lack thereof, of bank credit, additional supplier credit, or additional equity investment could adversely affect LED's ability to meet its business objectives.

Third Party Product Risks

LED is a distributor of third party products to its customers which are supplied by vendors such as RAY. LED anticipates that a greater percentage of its future revenues will be derived from its distribution of third party products such as imaging products, and has accordingly been focusing a majority of its expenditures, activities and efforts on these products. LED is dependent upon the timely availability of these third party products in addition to obtaining reasonable commercial terms pertaining to the purchase of such third party products for resale by LED. The distribution agreements between LED and these third party vendors may include termination by the vendor with a limited notice period. In the event that the distribution agreement is either terminated by the third party vendor or the third party vendor is not able to supply LED with its products or the vendor competes with LED either directly or indirectly in its market, LED's ability to resell such third party products may be hindered accordingly resulting in a material adverse effect on LED's revenues and related gross margin due to no longer being able to sell such third party products. Further, the imaging products market experiences more intense market competition than LED has historically faced with the VELscope product line. The dental market is relatively small and specialized with numerous established competitors. Some of LED's current and potential competitors have longer operating histories, stronger brand names and greater financial, technical, marketing and other resources than LED. Current and potential competitors may also have existing relationships with many of LED's prospective customers. LED expects competition to persist and intensify in the future, which could adversely affect LED's ability to increase sales. Competitors have and may in the future align themselves with one or more of several large distributors of dental products which may include exclusive marketing arrangements making a significant portion of the market unavailable to LED.

Regulatory Matters

LED's products are subject to various regulatory requirements, including the requirement to obtain required licences and permits from governmental authorities such as Health Canada and the U.S. FDA. If LED is not able to obtain required licences and permits, or if it breaches the terms of its licences or permits, its sales of product and its revenues may be adversely affected. Further, governmental authorities such as Health Canada and the U.S. FDA have broad statutory powers that may result in onerous regulatory orders or sanctions affecting LED.

Regulatory requirements in international markets may require clinical or other studies that may restrict the ability or timing of LED to sell in these markets, which may adversely affect produce sales and revenues.

Intellectual Property Risks

LED's ability to compete may be affected by its ability to protect its intellectual property. LED relies primarily on a combination of copyright, trademark, patent and trade secret laws, confidentiality procedures and contractual provisions to protect its intellectual property. While LED believes that its products and technologies are adequately protected against infringement, there can be no assurance of effective protection. Monitoring and identifying unauthorized use of LED's technology is difficult, and the prohibitive cost of litigation may impair LED's ability to prosecute any infringement. The commercial success of LED will also depend upon its products not infringing any intellectual property rights of others and upon no claims for infringement being made against LED. LED believes that it is not infringing any intellectual property rights of third parties, but there can be no assurance that such infringement will not occur. An infringement claim against LED by a third party, even if it is invalid, could have a material adverse effect on LED because of the costs of defending against such a claim. LED may fail to protect or obtain protection of intellectual property. In addition, LED may be exposed to infringement, misappropriation or other claims by third parties which, if determined adversely, could result in LED paying significant damage awards. LED's existing and future patents could be challenged, invalidated, circumvented or rendered unenforceable. Further, patents are granted for a limited amount of time, and upon expiry of such patents, LED's intellectual property may no longer be protected. In particular, two of LED's United States patents expire in

2017 and 2018. LED's pending patent applications may not result in issued patents, or if patents are issued, such patents may not provide meaningful protection against competitors or against competitive technology. Competitors may find ways to design around LED's patents or could independently develop products which duplicate LED's products. Patents afford only limited protection, and the actions that LED takes to protect intellectual property rights may not be adequate. In addition, the process of seeking patent and trademark protection can be time consuming and expensive and there can be no assurance that any future patent or trademark applications will be granted in respect of LED's technology or business.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Farris, Vaughan, Wills & Murphy LLP, counsel to the Company, and Blake, Cassels & Graydon LLP, counsel to the Agent, the following is, at the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, ownership and disposition of the Common Shares and Warrants comprising the Units, and the Warrant Shares acquired on the exercise of such Warrants, by a holder who acquires the Common Shares and Warrants pursuant to this short form prospectus and who, for the purposes of the Tax Act and at all relevant times, deals at arm's length with, and is not affiliated with, the Company, is not exempt from taxation under Part I of the Tax Act and acquires and holds the Commons Shares, Warrants and Warrant Shares as capital property (a "**Holder**" and collectively, the "**Holders**").

Generally, the Common Shares, Warrants and Warrant Shares will be considered to be capital property to a Holder thereof provided that the Holder does not use the Common Shares, Warrants and Warrant Shares in the course of carrying on a business of trading or dealing in securities and such Holder has not acquired them, and has not been deemed to have acquired them, in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder: (i) that is a "financial institution" or a "specified financial institution" within the meaning of the Tax Act; (ii) an interest in which is, or for whom a Common Share or Warrant Share would be, a "tax shelter investment" within the meaning of the Tax Act; (iii) that reports its "Canadian tax results" within the meaning of the Tax Act in a currency other than Canadian currency; (iv) that enters into a "derivative forward agreement", or a "synthetic disposition arrangement", within the meaning of the Tax Act in respect of the Common Shares, Warrants or Warrant Shares; (v) that is a corporation resident in Canada which is, or becomes as part of a transaction or event or series of transactions or events, that includes the acquisition of Common Shares, Warrants, or Warrant Shares, controlled by a non-resident corporation for the purposes of the foreign affiliate dumping rules in the Tax Act; or (vi) that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere. Such Holders should consult their own tax advisors.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**") in force as of the date hereof, all specific proposals to amend the Tax Act and the Regulations (the "**Proposed Amendments**") which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and counsels' understanding of the current administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**") which have been made publically available prior to the date hereof. This summary assumes that the Proposed Amendments will be enacted in the form proposed; however, no assurance can be given in this regard.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to the acquisition, ownership and disposition of Common Shares, Warrants and Warrant Shares and does not describe the income tax considerations relating to the deductibility of interest on money borrowed to acquire Common Shares and Warrants or Warrant Shares. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in the law or in the administrative policies or assessing practices of CRA, whether by legislative, governmental or judicial decision or action (which may be effective retroactively), nor does it take into account provincial, territorial or foreign tax considerations, any of which may differ significantly from the Canadian federal income tax considerations discussed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any Holder, and no representations are made with respect to the income tax consequences to such Holders of acquiring, owning and disposing of Common Shares, Warrants and Warrant

Shares. Accordingly, such Holders should consult their own tax advisors for advice with respect to the tax consequences to them having regard to their particular circumstances.

Allocation of Purchase Price

The Common Share and Warrant comprising each Unit are separate properties and accordingly, Holders will be required to allocate the Offering Price paid for each Unit between the underlying Common Share and the Warrant on a reasonable basis in order to determine their respective cost for purposes of the Tax Act. As determined by the Company, \$● of the Offering Price will be allocated as consideration for the issue of the Common Share and \$● for the Warrant comprising such Unit. Counsel express no opinion with respect to such allocation. Although the Company believes that such allocation is reasonable, it is not binding on CRA or on any Holder and CRA may not agree with such allocation. A successful challenge of such allocation by CRA will affect the adjusted cost base of the Common Share and the Warrant comprising each Unit and could therefore affect a Holder's tax treatment.

For the purpose of determining the adjusted cost base to a Holder of a Common Share or a Warrant, the amount of the Offering Price which is allocated to a Common Share and a Warrant must be averaged with the adjusted cost base of all other Common Shares or Warrants, respectively, that are held by the Holder as capital property at that time.

Exercise of Warrants

The exercise of a Warrant to acquire a Warrant Share will be deemed not to constitute a disposition of property for purposes of the Tax Act and consequently no gain (or loss) will be realized (or incurred) by a Holder upon such an exercise. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be equal to the aggregate of the Holder's adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. The Holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging such cost with the adjusted cost base to the Holder of all other Common Shares owned by the Holder and held as capital property immediately prior to such acquisition.

Holders Resident in Canada

This section of the summary applies to a Holder who, at all relevant times, for purposes of the Tax Act is, or is deemed to be, resident in Canada (a "**Resident Holder**").

Certain Resident Holders whose Common Shares, including Warrant Shares, might not constitute capital property may make, in certain circumstances, an irrevocable election permitted by subsection 39(4) of the Tax Act to deem the Common Shares, and every other "Canadian security" as defined in the Tax Act, held by such persons, in the taxation year of the election and each subsequent taxation year to be capital property. This election does not apply to Warrants. Resident Holders should consult their own tax advisors regarding this election.

Expiry of Warrants

In the event of the expiry of an unexercised Warrant, a Resident Holder generally will realize a capital loss equal to the Resident Holder's adjusted cost base of such Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under the heading "Taxation of Capital Gains and Capital Losses".

Dividends

Dividends received, or deemed to be received, on the Common Shares, including the Warrant Shares, will be included in computing a Resident Holder's income. In the case of an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable in respect of "taxable dividends" received from "taxable Canadian corporations" (as such terms are defined in the Tax Act). An enhanced gross-up and dividend tax credit will be available to individuals in receipt of "eligible dividends" designated by the Company to the Resident Holder in accordance with the provisions of the Tax Act. There may be limitations on the ability of the Company to designate dividends as eligible dividends.

Taxable dividends received by an individual (and certain trusts) may give rise to minimum tax under the Tax Act, depending on the individual's circumstances. Resident Holders should consult their own tax advisors with respect to the possible application of minimum tax.

Dividends received, or deemed to be received, on the Common Shares, including the Warrant Shares, by a corporation that is a Resident Holder must be included in computing its income, but generally will be deductible in computing its taxable income. A Resident Holder that is a "private corporation" or a "subject corporation" (as such terms are defined in the Tax Act) generally will be liable to pay a refundable tax under Part IV of the Tax Act imposed at the rate of 33⅓% of the dividends received, or deemed to be received, on the Common Shares, including the Warrant Shares, to the extent that such dividends are deductible in computing taxable income. This tax generally will be refunded to a Resident Holder that is a corporation at the rate of \$1 for every \$3 of taxable dividends paid to its shareholders while it is a private corporation or a subject corporation.

Disposition of Common Shares and Warrants

A Resident Holder who disposes, or is deemed to dispose, of a Common Share, including a Warrant Share, (other than a disposition to the Company) or a Warrant (other than a disposition arising on the exercise or expiry of a Warrant) generally will realize a capital gain (or incur a capital loss) equal to the amount by which the proceeds of disposition exceed (or are less than) the aggregate of the Resident Holder's adjusted cost base thereof and any reasonable costs of disposition.

Taxation of Capital Gains and Capital Losses

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") incurred in a taxation year from taxable capital gains realized by the Resident Holder in such year. Any allowable capital losses in excess of taxable capital gains for the year of disposition generally may be carried back and deducted in any of the three preceding taxation years, or carried forward and deducted in any following taxation year, against taxable capital gains realized in such other years to the extent and under the circumstances described in the Tax Act.

Any capital loss incurred on the disposition, or deemed disposition, of a Common Share, including a Warrant Share, by a Resident Holder that is a corporation may, in certain circumstances, be reduced by the amount of dividends previously received or deemed to be received by it on such shares, or shares substituted for such shares, to the extent and in the circumstances specified by the Tax Act. Similar rules may apply to reduce any capital loss in respect of the disposition or deemed disposition of a Common Share, including a Warrant Share, held by a trust or a partnership of which a corporation, partnership or trust is a member or beneficiary. Resident Holders to whom these rules may apply should consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6⅔% on its "aggregate investment income" (as defined in the Tax Act) for the year, which includes amounts in respect of taxable capital gains. This tax generally will be refunded to a Resident Holder that is a corporation at the rate of \$1 for every \$3 of taxable dividends paid to its shareholders while it is a private corporation or a subject corporation.

Capital gains realized by a Resident Holder who is an individual or trust, other than certain specified trusts, may give rise to minimum tax under the Tax Act. Resident Holders should consult their own tax advisors with respect to the possible application of minimum tax.

Holders Not Resident in Canada

This section of the summary applies to a Holder who, at all relevant times, for the purposes of the Tax Act, (i) is not, and is not deemed to be, resident in Canada; and (ii) does not, and is not deemed to, use or hold Common Shares, Warrants or Warrant Shares in carrying on a business in Canada (a "**Non-Resident Holder**"). This summary does not apply to a Non-Resident Holder that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere. Such Non-Resident Holders should consult their own advisors.

Dividends

Dividends paid or credited, or deemed to be paid or credited, to a Non-Resident Holder by the Company will generally be subject to Canadian withholding tax imposed at the rate of 25% on the gross amount of the dividend unless such rate is reduced under the provisions of an applicable income tax treaty or convention. Under the Canada-United States Tax Convention (1980), as amended, (the “**Treaty**”) the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the United States of America for purpose of the Treaty, is entitled to benefits under the Treaty and is the beneficial owner of the dividend is generally limited to 15% of the gross amount of the dividend (or 5% if such Non-Resident Holder is a corporation that beneficially owns at least 10% of the Company’s voting shares).

Dispositions of Common Shares and Warrants

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of a Common Share, including a Warrant Share, or a Warrant, nor will capital losses incurred thereby be recognized under the Tax Act, unless the Common Share or Warrant constitutes “taxable Canadian property” to the Non-Resident Holder thereof for purposes of the Tax Act, and the gain is not exempt from tax pursuant to the terms of an applicable income tax treaty or convention.

Provided that at the time of disposition the Common Shares are listed on a “designated stock exchange” (as defined in the Tax Act), which currently includes Tiers 1 and 2 of the TSX-V and the Frankfurt Stock Exchange, the Common Shares, including the Warrant Shares, and Warrants generally will not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60 month period immediately preceding the disposition the following two conditions are met concurrently: (i) the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm’s length, partnerships in which the Non-Resident Holder or such persons holds a membership interest directly, or indirectly throughout one or more partnerships, or the Non-Resident Holder together with such persons and such partnerships, owned 25% or more of the issued shares of any class or series of the capital stock of the Company; and (ii) more than 50% of the fair market value of the shares of the Company was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, “Canadian resource properties” (as defined in the Tax Act), “timber resource properties” (as defined in the Tax Act) or an option in respect of, an interest or a right in, any such property, whether or not such property exists. The Common Shares, including Warrant Shares, or Warrants may also be deemed for purposes of the Tax Act to be taxable Canadian property of a Non-Resident Holder in certain circumstances.

A Non-Resident Holder’s capital gain (or capital loss) in respect of a Common Share, including a Warrant Share, or Warrant that constitutes, or is deemed to constitute, taxable Canadian property of a Non-Resident Holder (and is not “treaty-protected property” as defined in the Tax Act) will generally be computed in the manner described above under the heading “Holders Resident in Canada” and sub-headings “Disposition of Common Shares and Warrants” and “Taxation of Capital Gains and Capital Losses”. Non-Resident Holders whose Common Shares or Warrants are taxable Canadian property should consult their own tax advisors.

AUDITORS, TRANSFER AGENT, AND REGISTRAR

The auditor of LED is Deloitte LLP of Vancouver, British Columbia.

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. at its principal transfer offices in Vancouver, British Columbia and Toronto, Ontario.

LEGAL PROCEEDINGS

Except as disclosed in this Prospectus, management of LED is not aware of any legal proceedings of a material nature to which LED is a party or of which any of its property is the subject matter.

LED has been named as a defendant in a notice of civil claim filed in British Columbia Supreme Court as action number S-153416 by Daniel J. Edelman Inc., a former public relations consultant to LED. The notice of

claim seeks judgement in the amount of \$110,792.89 plus interest and costs for public relations services provided to LED. LED has filed a response to civil claim to defend this matter. LED's position is that there is no merit to the claim.

AGENT FOR SERVICE OF PROCESS

Mr. Lamar Roberts, a director and Vice-President, Sales and Marketing of LED, Mr. Rick Pauls, a director of LED and Mr. Bruce Reese, Director of Finance of LED, reside outside of Canada and have appointed LED Medical Diagnostics Inc., 580 Hornby Street, Unit 810, Vancouver, British Columbia, Canada, V6C 3B6 as agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if such person has appointed an agent for service of process.

PURCHASER'S STATUTORY AND CONTRACTUAL RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of units that includes warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the unit is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

CERTIFICATE OF LED MEDICAL DIAGNOSTICS INC.

October 7, 2015

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of British Columbia, Alberta and Ontario.

(signed) David Gane
Chief Executive Officer

(signed) Bruce Reese
Director of Finance

(signed) Rodger Tourigny
Director

(signed) Lamar Roberts
Director

CERTIFICATE OF THE AGENT

October 7, 2015

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

BLOOM BURTON & CO. LIMITED

(Signed) Jolyon Burton
Chief Executive Officer, Head of Investment Banking