



CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015
(EXPRESSED IN U.S. DOLLARS)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

Dr. David Gane
Chief Executive Officer
May 27, 2016

LED MEDICAL DIAGNOSTICS INC.

Consolidated Statements of Financial Position

(Expressed in U.S. Dollars)

	Notes	March 31, 2016	December 31, 2015
Assets			
Current assets			
Cash		\$ 1,184,912	\$ 1,987,409
Trade and other receivables	4	377,148	1,565,853
Inventory	5	4,751,773	5,402,187
Prepaid expenses and deposits	6	444,449	467,351
Total current assets		6,758,282	9,422,800
Non-current assets			
Prepaid expenses and deposits	6	-	104,830
Property and equipment	7	422,692	374,206
Patents and intellectual property	8	6,093	10,751
		\$ 7,187,067	\$ 9,912,587
Liabilities and Shareholders' Equity			
Current liabilities			
Trade payables and accrued liabilities	9	\$ 6,353,858	\$ 6,685,719
Deferred revenue		203,579	746,242
Debenture	11	1,246,338	1,246,338
Total current liabilities		7,803,775	8,678,299
Non-current liabilities			
Lease liability	10	84,820	87,411
Total liabilities		7,888,595	8,765,710
Shareholders' Equity			
Share capital	14	36,135,128	36,135,128
Stock-based payment reserve	15	2,116,090	1,912,668
Warrants reserve		6,537,724	6,537,724
Accumulated other comprehensive income		474,458	474,458
Deficit		(45,964,928)	(43,913,101)
		(701,528)	1,146,877
		\$ 7,187,067	\$ 9,912,587

Nature and Continuance of Operations (Note 1)

Commitments (Note 10)

Subsequent Events (Note 22)

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

Approved on behalf of the Board:

Dr. David Gane Chief Executive Officer

Rodger Tourigny Director

LED MEDICAL DIAGNOSTICS INC.

Consolidated Statements of Operations and Comprehensive Loss

(Expressed in U.S. Dollars)

For the three months ended March 31, 2016 and 2015

	Notes	March 31, 2016	March 31, 2015 (Restated)
Revenues		\$ 2,153,250	\$ 2,442,671
Cost of goods sold		1,617,604	1,814,119
		535,646	628,552
Expenses			
Sales and marketing	21	1,554,951	1,351,782
Research and development	21	50,229	50,102
Administration	21	616,711	666,780
Stock-based compensation	15	203,422	54,407
Other operating expenses	21	105,047	89,147
		2,530,360	2,212,218
Operating loss		(1,994,714)	(1,583,666)
Other expenses/(income)			
Change in fair value of Canadian dollar denominated warrants		-	(60,870)
Foreign exchange loss / (gain)		23,539	(32,872)
Interest		33,574	-
		57,113	(93,742)
Net loss before income taxes		(2,051,827)	(1,489,924)
Income tax recovery		-	-
Net loss and comprehensive loss for the period		(2,051,827)	\$ (1,489,924)
Loss per share – basic and diluted	20	\$ (0.02)	\$ (0.02)
Weighted average number of shares outstanding – basic and diluted		112,319,063	92,659,700

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