Condensed Consolidated Interim Financial Statements
(Expressed in Canadian Dollars)

3D Signatures Inc.
(formerly Plicit Capital Corp.)

Three and six months ended December 31, 2016
(Unaudited)

3D SIGNATURES

Condensed Consolidated Interim Statements of Financial Position
(expressed in Canadian dollars)
(unaudited)

	Note	December 31, 2016	June 30, 2016
Assets			
Current assets:			
Cash		**$ 3,613,370**	$ 38,663
Goods and services taxes receivable		**184,583**	42,459
Prepaid expenses	6	**1,397,542**	44,313
Total current assets		**5,195,495**	125,435
Non-current assets:			
Prepaid expenses	6	**632,876**	-
Equipment		**140,099**	123,772
Intangible assets		**643,619**	650,012
Total non-current assets		**$ 1,416,594**	$ 773,784
Total assets		**$ 6,612,089**	$ 899,219
Liabilities and Equity (Deficiency)			
Current liabilities:			
Accounts payable and accrued liabilities		**$ 286,023**	$ 758,739
Notes payable		**32,720**	345,330
Total liabilities		**$ 318,743**	$ 1,104,069
Equity (Deficiency):			
Share capital	7	**9,922,348**	1,463,659
Contributed surplus		**3,540,803**	524,612
Deficit		**(7,169,805)**	(2,193,121)
Total equity (deficiency)		**6,293,346**	(204,850)
Commitments	10		
Going concern	3		
Subsequent events	12		
Total liabilities and equity (deficiency)		**$ 6,612,089**	$ 899,219

Approved on behalf of the Board

Signed Jason Flowerday
Director

Signed Bruce Colwill
Director

See accompanying notes to the condensed consolidated interim financial statements.

3D SIGNATURES

Condensed Consolidated Interim Statements of Net Loss and Comprehensive Loss
(expressed in Canadian dollars)
(unaudited)

	Note	Three months ended December 31, 2016	Three months ended December 31, 2015	Six months ended December 31, 2016	Six months ended December 31, 2015
Expenses					
General and administrative		**$ 1,384,972**	$ 226,733	**$ 2,665,298**	$ 429,767
Research and development		**221,230**	105,211	**446,258**	239,073
		1,606,202	331,944	**3,111,556**	668,840
Other expense:					
Listing costs	**5**	**-**	-	**1,859,107**	-
Finance expense, net		**391**	5,877	**6,021**	8,553
		391	5,877	**1,865,128**	8,553
Net loss and comprehensive loss		**$ (1,606,593)**	$ (337,821)	**$ (4,976,684)**	$ (677,393)
Basic and diluted loss per share		**$ (0.03)**	$ (0.01)	**$ (0.13)**	$ (0.03)
Weighted average number of common shares used in computing basic and diluted loss per share		**47,573,553**	23,076,169	**38,973,818**	22,660,969

See accompanying notes to the condensed consolidated interim financial statements.

3D SIGNATURES

Condensed Consolidated Interim Statements of Changes in Equity (Deficiency)
(expressed in Canadian dollars)
(unaudited)

	Note		Share Capital		Contributed Surplus		Deficit		Total
Balance, June 30, 2016		**$**	**1,463,659**	**$**	**524,612**	**$**	**(2,193,121)**	**$**	**(204,850)**
Net loss for the six months ended December 31, 2016			**-**		**-**		**(4,976,684)**		**(4,976,684)**
Issuance of common shares (net of costs)			**6,609,913**		**2,230,556**		**-**		**8,840,469**
Shares issued to shareholders of Plicit	**5**		**1,767,500**		**-**		**-**		**1,767,500**
Stock options exercised			**81,276**		**(46,286)**		**-**		**34,990**
Issuance of options (net of costs)	**8**		**-**		**831,921**		**-**		**831,921**
Balance, December 31, 2016		**$**	**9,922,348**	**$**	**3,540,803**	**$**	**(7,169,805)**	**$**	**6,293,346**

Balance, June 30, 2015		$	476,323	$	255,253	$	(434,402)	$	297,174
Net loss for the six months ended December 31, 2015			-		-		(677,393)		(677,393)
Issuance of common shares (net of costs)			553,500		-		-		553,500
Issuance of options (net of costs)	8		-		174,395		-		174,395
Balance, December 31, 2015		$	1,029,823	$	429,648	$	(1,111,795)	$	347,676

See accompanying notes to the condensed consolidated interim financial statements.

3D SIGNATURES

Condensed Consolidated Interim Statements of Cash Flows
(expressed in Canadian dollars)
(unaudited)

	Note	Six months ended December 31, 2016	Six months ended December 31, 2015
Cash (used in) provided by:			
Operating activities:			
Loss and comprehensive loss for the period		$ (4,976,684)	$ (677,393)
Non-cash listing costs	5	1,310,946	-
Share based payments		175,000	-
Amortization and depreciation		41,586	41,685
Stock-based compensation	8	831,921	174,395
Accretion of notes payable		4,794	5,817
Changes in working capital accounts			
Goods and services taxes receivable		(139,324)	(8,353)
Prepaid expenses		(1,956,105)	10,550
Accounts payable and accrued liabilities		(373,299)	(22,686)
Cash used in operating activities		(5,081,165)	(475,985)
Financing activities:			
Proceeds from issuance of common shares		9,502,402	553,500
Exercise of stock options		34,990	-
Share issuance costs		(836,933)	-
Advances of notes payable		33,800	250,000
Repayment of notes payable		(67,404)	(65,275)
Cash flows from financing activities		8,666,855	738,225
Investing activities:			
Purchases of equipment		(35,135)	(130,215)
Purchases of intangible assets		(115,802)	(90,809)
Cash assumed in acquisition of Plicit	5	139,954	30,165
Cash flows used in investing activities		(10,983)	(190,859)
Increase in cash resources		3,574,707	71,381
Cash resources, beginning of period		38,663	261,417
Cash resources, end of period		$ 3,613,370	$ 332,798

See accompanying notes to the condensed consolidated interim financial statements.

1. Reporting entity

3D Signatures Inc. (the "Company"), formerly Plicit Capital Corp., was incorporated in Canada on May 25, 2011 and its shares are listed on the TSX Venture Exchange as a Tier 2 issuer under the symbol "DXD". The address of the Company's registered office is 211 – 175 Hargrave Street, Winnipeg, Manitoba, R3C 3R8.

The Company, through its wholly owned subsidiary 3D Signatures Holdings Inc., is developing diagnostic and prognostic products that will save lives, improve the quality of life, and reduce the cost of care associated with numerous diseases that display genomic instability.

2. Basis of preparation

The interim financial statements are condensed and have been prepared in accordance with International Accounting Standards 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB").

The same accounting policies and methods of computation were followed in the preparation of these condensed interim financial statements as disclosed in the Company's financial statements for the year ended June 30, 2016. The Company's June 30, 2016 annual financial statements include incremental annual IFRS disclosures that may be helpful to readers of the interim results and therefore should be read in conjunction with these condensed interim financial statements.

The condensed consolidated interim financial statements of the Company were approved and authorized for issue by the Audit Committee of the Board of Directors on February 28, 2017.

Basis of consolidation

These financial statements comprise the financial statements of the Company and its subsidiaries as at December 31, 2016.

Subsidiaries are fully consolidated from the date of acquisition, being the date in which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies. All intra-group balances, income and expenses, equity and dividends resulting from intra-group transactions have been eliminated upon consolidation.

The Company's subsidiaries are as follows:

3D Signatures Holdings Inc., formerly 3D Signatures Inc. (100% owned).

Basis of measurement

The condensed consolidated interim financial statements have been prepared in the historical basis except for certain financial instruments carried at fair value.

Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest dollar.

Significant accounting judgments estimates and assumptions

The preparation of condensed interim financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. There were no changes to the Company's critical accounting estimates and judgments from those described in the most recent June 30, 2016 financial statements.

Management has used judgment in its assessment that Plicit Capital Corp., a capital pool company, did not constitute a business at the time of the Transaction described in Note 5.

3. Going concern

These financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Company is a research and development stage company and as such is primarily dependent on the funding of new investors to continue as a going concern. In the future, the Company's ability to continue as a going concern will be dependent upon its ability to attain profitable operations and generate funds there from, and to continue to obtain borrowings from third parties sufficient to meet current and future obligations and/or restructure the existing debt and payables. These financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue its operations.

4. Summary of significant accounting policies

Standards issued but not yet effective

The Company has not yet applied the following new standards, interpretations and amendments to standards that have been issued as at December 31, 2016 but are not yet effective. Unless otherwise stated, the Company does not plan to early adopt any of these new or amended standards and interpretations.

IFRS 9 Financial instruments

The final version of IFRS 9 was issued in July 2014 as a complete standard including the requirements for classification and measurement of financial instruments, the new expected loss impairment model and the new hedge accounting model. IFRS 9 (2014) will replace IAS 39 *Financial instruments: recognition and measurement*. IFRS 9 is effective for reporting periods beginning on or after January 1, 2018. The Company is currently assessing the impact of this standard on its financial statements.

IFRS 15 Revenue from contracts with customers

IFRS 15, issued in May 2014, will specify how and when entities recognize, measure, and disclose revenue. The standard will supersede all current standards dealing with revenue recognition, including IAS 11 *Construction contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer loyalty programmes*, IFRIC 15 *Agreements for the construction of real estate*, IFRIC 18 *Transfers of assets from customers,* and SIC 31 *Revenue – barter transactions involving advertising services*.

IFRS 15 is effective for annual periods beginning on or after January 1, 2018. The Company is currently assessing the impact of this standard on its financial statements.

IFRS 16 Leases

On January 13, 2016, the IASB issued new IFRS 16 *Leases.* The new standard will replace IAS 17 *Leases* and is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that also apply IFRS 15 *Revenue from Contracts with Customers*. The Company is currently assessing the impact of this standard on its financial statements.

(expressed in Canadian dollars)

5. Acquisition of public listing

On September 8, 2016, 3D Signatures Inc. ("3DS"), now 3D Signatures Holdings Inc., completed a Qualifying Transaction with Plicit Capital Corp. ("Plicit"), now 3D Signatures Inc. Pursuant to the agreement, Plicit acquired all of the issued and outstanding securities of 3DS (the "Transaction"). Each shareholder of 3DS received 4.0376 Plicit common shares for each common share of the Company (the "Exchange Ratio"). The stock options of 3DS were also exchanged for stock options to acquire Plicit shares, adjusted based on the Exchange Ratio. Upon completion of the Transaction, 3DS became a wholly owned subsidiary of Plicit and Plicit changed its name to "3D Signatures Inc." (the "Company").

Concurrent with the closing of the Transaction, the Company completed a brokered private placement (Note 7). The Company also issued 500,000 common shares as a finder's fee upon closing of the Transaction, which were valued at the fair value of the shares issued during the concurrent private placement. On closing of the Transaction and brokered private placement, the shareholders of 3DS held approximately 55% of the issued and outstanding shares of the Company. As a result, the shareholders of 3DS controlled the Company and the acquisition constituted a reverse take-over of Plicit by 3DS. 3DS's assets, liabilities and operations since incorporation were included in these consolidated condensed interim financial statements at their historical carrying values. The results of operations of Plicit from the date of acquisition of September 8, 2016 were included in these consolidated condensed interim financial statements.

Since Plicit did not meet the definition of a business under IFRS 3, *Business Combinations*, the acquisition was accounted for as a purchase of Plicit's assets by 3DS. The consideration paid was determined as an equity settled share-based payment under IFRS 2, *Share-based Payments*, and measured at the fair value of the equity of the Company retained by the shareholders of Plicit based on the fair value of the shares issued in the concurrent brokered private placement.

The Company recorded listing costs of $1,859,107 in the consolidated interim statements of loss and comprehensive loss, the details of which are as follows:

5,050,000 common shares issued @ $0.35 per share	$	**1,767,500**
Less:		
Cash acquired		**139,954**
Note receivable acquired		**283,800**
Other current assets acquired		**32,800**
Direct listing costs		**1,310,946**
Shares issued as a finder's fee		**175,000**
Professional fees related to the Transaction		**373,161**
Total listing costs	**$**	**1,859,107**

6. Prepaid expenses

Prepaid expenses include $1,125,000 paid to a shareholder of the Company for advisory services to be rendered over a period of three years.

(expressed in Canadian dollars)

7. Share capital

	December 31, 2016	June 30, 2016
Issued		
Common shares issued – 52,130,749 (June 30, 2016 – 6,271,836 or 25,323,161 assuming all converted)	**$ 9,922,348**	$ 1,463,659
	$ 9,922,348	$ 1,463,659

	Number	Amount
Balance at June 30, 2016	6,271,836	$ 1,463,659
Elimination of 3DS Shares *(Note 5)*	(6,271,836)	-
Conversion to new Plicit Shares at 4.0376 *(Note 5)*	25,323,161	-
Shares issued to Plicit shareholders *(Note 5)*	5,050,000	1,767,500
Shares issued in brokered private placement *(i)*	15,572,038	5,450,213
Shares issuance costs *(i)*	-	(473,518)
Shares issued as finder's fee *(Note 5)*	500,000	175,000
Broker warrants issued *(ii)*	-	(198,406)
Shares issued through exercise of stock options	282,632	81,276
Shares issued in brokered private placement *(iii)*	5,187,618	3,890,714
Share issuance costs *(iii)*	-	(349,690)
Warrants issued *(iv)*	-	(1,925,340)
Shares issued in brokered private placement *(v)*	215,300	161,475
Share issuance costs *(v)*	-	(13,725)
Warrants issued *(vi)*	-	(106,810)
Balance at December 31, 2016	**52,130,749**	**$ 9,922,348**

(i) Concurrent with the Transaction (Note 5), the Company issued 15,572,038 common shares at a price of $0.35 per share for gross proceeds of $5,450,213. Cash costs directly attributable to the issuance were $473,518.

(ii) In conjunction with brokered private placement (Note 7(i)), the Company issued 1,245,763 broker warrants to acquire common shares of the Company at an exercise price of $0.35 per share until September 8, 2018. The fair value of the warrants was estimated using the Black Scholes model with the following significant assumptions:

Expected life	2 years
Expected volatility	85%
Risk free rate	0.5%
Dividend yield	Nil
Underlying share price	$0.35
Strike price	$0.35

(expressed in Canadian dollars)

7. Share capital (continued)

(iii) On December 16, 2016, the Company issued 5,187,618 units (the "Units) as part of the first tranche of its brokered private placement (the "Private Placement") at a price per unit of $0.75 per share for gross proceeds of $3,890,714. The underwriters received a cash commission equal to 8.0% of the gross proceeds received in the Private Placement totalling $311,257. Other share issuance costs total $38,433. Each unit consists of one common share of the Company, and one purchase warrant (a "Warrant"). Each purchase warrant entitles the holder to purchase one additional common share at a price of $0.92 until December 16, 2018. In the event that, any time after June 16, 2017, the closing price of the Company's common shares on the TSX Venture Exchange, exceeds $1.35 for a period of 20 consecutive trading days, the Company may accelerate the expiry date of the Warrants to that date that is 30 days following the date on which the Company sends notice to the holds of the Warrants of the new expiry date.

The fair value of the warrants was estimated using the following Black-Scholes Model assumptions:

Expected life	2 years
Expected volatility	85%
Risk free rate	0.5%
Dividend yield	Nil
Underlying share price	$0.81
Strike price	$0.92

(iv) In conjunction with the first tranche of the private placement (Note 7(iii)), the Company issued 415,009 broker warrants to acquire common shares of the Company at an exercise price of $0.75 per share until December 16, 2018. The fair value of the warrants was estimated using the Black Scholes model with the following significant assumptions:

Expected life	2 years
Expected volatility	85%
Risk free rate	0.5%
Dividend yield	Nil
Underlying share price	$0.81
Strike price	$0.75

(v) On December 22, 2016, the Company announced the issuance of 215,300 units (the "Units) as part of the second tranche of its brokered private placement (the "Private Placement") with a syndicate of underwriters. The units were sold at a price per unit of $0.75 per share for gross proceeds of $161,475. The underwriters received a cash commission equal to 8.0% of the gross proceeds received in the Private Placement totalling $12,918 and other share issuance costs of $807. Each unit contains one common share of the Company, and one purchase warrant (a "Warrant"). Each purchase warrant entitles the holder to purchase one additional common share at a price of $0.92 until December 16, 2018. In the event that, any time after June 16, 2017, the closing price of the Company's common shares one the TSX Venture Exchange, for a period of 20 consecutive trading days exceeds $1.35, the Company may accelerate the expiry date of the Warrants to that date that is 30 days following the date on which the Company sends notice to the holds of the Warrants of the new expiry date.

(expressed in Canadian dollars)

7. Share capital (continued)

(v) (continued)

The fair value of the warrants was estimated using the following Black-Scholes Model assumptions:

Expected life	2 years
Expected volatility	85%
Risk free rate	0.5%
Dividend yield	Nil
Underlying share price	$0.97
Strike price	$0.92

(vi) In conjunction with the second tranche of the private placement (Note 7(iii)), the Company issued 17,224 broker warrants to acquire common shares of the Company at an exercise price of $0.75 per share until December 16, 2018. The fair value of the warrants was estimated using the Black Scholes model with the following significant assumptions:

Expected life	2 years
Expected volatility	85%
Risk free rate	0.5%
Dividend yield	Nil
Underlying share price	$0.97
Strike price	$0.75

8. Stock based compensation

The Company has an incentive stock option plan (the "Plan") whereby the Company may grant to directors, officers, employees and contractors options to purchase voting common shares of the Company. The terms and conditions of each option granted under the Plan are determined by the Board of Directors.

The fair value of the options issued during the six months ended December 31, 2016 was estimated using the Black Scholes model with the following significant assumptions:

Expected life	10 years
Expected volatility	85%
Risk free rate	1.1%
Dividend yield	Nil
Underlying share price	$0.52 - $0.76
Strike price	$0.52 - $0.76

Expected volatility was estimated by reference to comparable listed entities. Stock based compensation expense for the three and six months ended December 31, 2016 totalled $220,202 and $831,921, respectively (three and six months ended December 31, 2015 - $102,022 and $174,395, respectively) was recorded during the period.

(expressed in Canadian dollars)

8. Stock based compensation (continued)

Changes in the number of options outstanding during the six months ended December 31, 2016 and 2015, adjusted for the Exchange Ratio (Note 5), are as follows:

	December 31, 2016		December 31, 2015	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Balance, beginning of period	**3,317,558**	**$ 0.14**	3,008,012	0.13
Granted	**1,613,030**	**0.66**	309,546	0.25
Exercised	**(282,632)**	**(0.12)**	-	-
Forfeited, cancelled or expired	**-**	**-**	-	-
Balance, end of period	**4,647,956**	**$ 0.32**	3,317,558	0.14
Options exercisable, end of period	**4,562,956**	**$ 0.31**	3,317,558	0.14

The following is a summary of the 4,647,956 outstanding options issued under the Plan:

Date Issued	**Exercise price**	**Expiry date**	**Remaining Contractual life (years)**	**Outstanding and exercisable**	**Unvested**	**Remaining vesting period (years)**
May 5, 2015	$0.12	May 4, 2025	8.3	2,685,004	-	-
June 16, 2015	$0.25	June 16, 2025	8.5	40,376	-	-
August 7, 2015	$0.25	August 7, 2025	8.6	40,376	-	-
October 13, 2015	$0.25	October 13, 2025	8.8	269,170	-	-
September 26, 2016	$0.68	September 26, 2026	9.7	1,083,030	-	-
October 27, 2016	$0.52	October 27, 2026	9.8	320,000	-	-
December 9, 2016	$0.78	December 9, 2026	9.9	125,000	85,000	1.1
				4,562,956	**85,000**	-

9. Loss per share

Loss per share is the loss for the period divided by the weighted average number of shares outstanding during the period. Diluted loss per share is computed in accordance with the treasury stock method and based on weighted average number of shares and dilutive share equivalents. The number of shares outstanding prior to the Transaction (Note 5) has been adjusted for the Exchange Ratio. The outstanding stock options were excluded from the calculation of diluted loss per share because their effect was anti-dilutive.

10. Commitments

As at December 31, 2016, the Company has obligations to make future payments representing contracts and other commitments that are known and committed as follows:

Contractual obligations payment due by fiscal period ending June 30:	
2017 remaining	$ 6,300
2018	12,600
2019	12,600
2020	13,125
Thereafter	13,125

(expressed in Canadian dollars)

	$ 57,750

11. Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Board of Directors, Chief Executive Officer, VP Finance and Chief Financial Officer are key management personnel. Beginning January 1, 2017, the Chief Business Officer will be a member of key management personnel.

In addition to their salaries, the Company also provides non-cash benefits and participation in the Stock Option Plan. The following table details the compensation paid to key management personnel:

	Three months ended December 31, 2016	Three months ended December 31, 2015	**Six months ended December 31, 2016**	Six months ended December 31, 2015
Salaries, fees and short-term benefits	**$ 218,822**	$ 43,004	**$ 354,011**	$ 88,007
Stock-based compensation	**178,466**	15,526	**781,131**	15,526
	$ 397,288	$ 58,530	**$ 1,135,142**	$ 103,533

Directors and key management personnel control 33% of the voting shares of the Company as at December 31, 2016 (June 30, 2016 – 66%).

12. Subsequent events

On January 4, 2017, the Company announced the commencement of the trading of its shares on the OTCQB Venture Market in the United States under the symbol “TDSGF” as well as on the Frankfurt Stock Exchange in Germany under the symbol “3D0”.

On January 6, 2017, the Company announced the issuance of 597,082 units representing the third tranche of its previously announced brokered private placement. The units were sold at a price of $0.75 per unit, for gross proceeds of $447,800. Each unit consists of one common share and one Common Share purchase warrant. Each warrant entitles the holder thereof to purchase one common share until December 16, 2018 at an exercise price of $0.92 per common share. The warrants are subject to an acceleration clause that allows the Company to accelerate the expiry date of the warrants in the event that, at any time after June 16, 2017, the closing price of the Company’s common shares on the TSX Venture Exchange exceeds $1.35 for a period of 20 consecutive trading days. Pursuant to the acceleration clause, the Company may accelerate the expiry date of the warrants to that date that is 30 days following the date on which the Company sends notice to the holders of the warrants of the new expiry date. In connection with the third tranche of the brokered private placement, the Company paid the brokers, a syndicate of agents, an aggregate cash commission of approximate $35,824 equal to eight percent of the gross proceeds raised under the third tranche. The Company also issued to the brokers an aggregate of 47,766 warrants, equal to approximately eight percent of the units sold pursuant to the third tranche. Each warrant issued to the brokers entitles the holder thereof to purchase one common share at a price of $0.75 until December 16, 2018. All securities issued pursuant to the third tranche of the brokered private placement are subject to a four month hold period expiring May 7, 2017.

On January 6, 2017, the Company appointed Joost van der Mark as its Chief Business Officer. Upon hiring, the Company granted the officer 220,000 stock options exercisable at $0.75. The options will vest in tranches from July 7, 2017 to July 7, 2019 and are exercisable for ten years from the date of grant.

On January 13, 2017, 100,925 warrants were exercised at $0.35 for gross proceeds to the Company of $35,324. The warrants were issued to the broker in connection with services provided in the brokered private placement completed on September 8, 2016 (Note 5).

On January 18, 2017, the Company announced that it has granted 253,125 stock options to the Company’s Chief Executive Officer at an exercise price of $0.79 per share. The options are exercisable for a ten year period from the date of grant and will vest in four tranches of 63,281 each every six months from October 1, 2017 to April 1, 2019.