MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended March 31, 2017

*This management discussion and analysis ("**MD&A**") of 3D Signatures Inc. (the "**Company**" or "**3DS**") for the three and nine months ended March 31, 2017 is as of May 23, 2017. This MD&A was prepared with reference to National Instrument 51-102 "Continuous Disclosure Obligations" of the Canadian Securities Administrators. This MD&A should be read in conjunction with the condensed consolidated interim financial statements for the three and nine months ended March 31, 2017 and the audited consolidated financial statements for the year ended June 30, 2016 and the related notes thereto which have been prepared by management in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Financial Accounting Standards Board ("**IASB**"). This MD&A also should be read in conjunction with the Company's Annual Information Form ("**AIF**") dated January 31, 2017. Additional information regarding the Company is available on SEDAR at www.sedar.com and on the Company's website at www.3Dsignatures.com. All amounts are expressed in Canadian dollars.*

Certain statements and information in this MD&A contain forward-looking statements or forward-looking information under applicable Canadian securities legislation that may not be based on historical fact, including, without limitation, statements containing the words "believe", "may", "plan", "will", "estimate", "continue", "anticipate", "intend", "expect", "predict", "project", "potential", "continue", "ongoing", "could", "would", "seek", "target" or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words and similar expressions.

Forward-looking statements are necessarily based on estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as factors that we believe are appropriate. Forward-looking statements in this annual information form include, but are not limited to, statements relating to:

- the initiation, timing, cost, progress and success of our R&D programs;
- our ability to advance product candidates into, and successfully complete, clinical trials;
- the timing of, our decision to seek and our ability to achieve regulatory approval for the Tests being developed;
- our ability to achieve profitability;
- the Company's ability to establish and maintain relationships with collaborators with acceptable development, regulatory and commercialization expertise, and the benefits to be derived from such collaborative efforts;
- the implementation of our business model and strategic plans;
- our estimates of the size of the potential markets for our Tests;
- our commercialization, marketing and manufacturing capabilities and strategy;
- our ability to protect our intellectual property and operate our business without infringing upon the intellectual property rights of others;
- the therapeutic benefits, effectiveness and safety of our Tests;
- the rate and degree of market acceptance and clinical utility of our future products, if any;

- our expectations regarding market risk, including interest rate changes and foreign currency fluctuations;

- our ability to engage and retain the employees required to grow our business; and

- estimates of our expenses, future revenue, capital requirements and our needs for additional financing.

Such forward-looking statements reflect our current views with respect to future events, are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions that, while considered reasonable by 3DS as of the date of such statements, are inherently subject to significant medical, scientific, business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause our actual results, performance, achievements, prospects or opportunities to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. In evaluating forward-looking statements, current and prospective shareholders should specifically consider various factors, including the risks outlined in the AIF filed on January 31, 2107 under the heading "*Risk Factors*". Should one or more of these risks or uncertainties, or a risk that is not currently known to us, materialize, or should assumptions underlying those forward-looking statements prove incorrect, actual results may vary materially from those described herein. These forward-looking statements are made as of the date of this MD&A and we do not intend, and do not assume any obligation, to update these forward-looking statements except as required by applicable securities laws. Investors are cautioned that forward-looking statements are not guarantees of future performance and are inherently uncertain. Accordingly, investors are cautioned not to put undue reliance on forward-looking statements.

OVERVIEW OF THE COMPANY

3DS is a personalized medicine company with a proprietary software platform designed to predict the course of certain diseases and to personalize treatment for the individual patient. The technology is based on the three-dimensional analysis of telomere organization. 3DS' TeloView**™** software platform is designed to measure the stage of the disease, rate of progression of the disease, how different diseases will respond to various therapies, drug efficacy and drug toxicity. The technology is supported by 22 clinical studies involving more than 2000 patients and 13 different cancers plus Alzheimer's disease. 3DS holds a portfolio of patents related to three-dimensional Telomere analysis for proliferative diseases, including certain cancers and Alzheimer's disease.

The Company seeks to develop novel assays and a new class of biomarkers which it intends to license to commercial partners in key markets around the world. The Company intends to expand the range of applications and markets through ongoing R&D. In the short history of the Company, 3DS has assembled an accomplished team with successful track records in the biomedical market, has begun the development of Laboratory Developed Tests ("**LDT**") and has embarked upon the navigation of regulatory approval and reimbursement requirements.

3DS has a balanced market entrance strategy, which combines LDT development to generate income with a longer-term strategy to seek in-vitro diagnostic device approval from Health Canada, the Food and Drug Administration (the "**FDA**") in the U.S. and European regulators. In addition to pursuing the above for its Tests, the Company is seeking to engage major biopharma companies in collaborations geared towards improving their drug-screening capabilities and developing companion diagnostics based on 3DS' platform.

3DS' head office is located at MaRS Centre, South Tower, 101 College Street, Suite 200 Toronto, ON M5G 1L7

Corporate Developments for the three and nine months ended March 31, 2017:

- On September 8, 2016, 3DS (formerly Plicit Capital Corp.) announced the completion of its Qualifying Transaction, as that term is defined in the policies of the TSX Venture Exchange ("**TSXV**"), approved by the TSXV. The shareholders of the acquired company, 3D Signatures Inc., received 4.0376 shares of 3DS for each one of Plicit Capital Corp's. shares.
- Upon closing of the Qualifying Transaction, 3D Signatures Inc. became a wholly owned subsidiary of 3DS and changed its name to 3D Signatures Holdings Inc.
- On September 13, 2016, 3DS started trading on the TSXV under the symbol DXD.V.
- Recruited a new Chief Executive Officer ("**CEO**") (Jason Flowerday) to lead the Company's commercialization efforts and capital markets strategy.
- Added staff and made additional reference lab investments to further develop protocols and software.
- Revised business plans, budgets and set clinical milestones.
- On October 19, 2016, 3DS announced its participation in a major clinical trial for prostate cancer diagnosis and management known as PRECISE ("**PRECISE**").
- Introduced the Company's Business Advisory Board ("**BAB**") consisting of internationally renowned senior biotech executives.
- Introduced the Company's internationally recognized Clinical and Scientific Advisory Board ("**CSAB**").
- On December 9, 2016, the Company announced that Helen Stevenson, founder and CEO of Reformatory Group Inc., a company dedicated to helping manage prescription drug costs for employer drug plans while promoting better patient health outcomes, was appointed to the Company's Board of Directors replacing Dr. Ian Smith, who stepped down from the Board of Directors and joined the Company's CSAB.
- On December 16, 2016, 3DS announced the closing of a private placement for 5,187,618 units sold at a price per unit of $0.75 for total gross proceeds to the Company of $3,890,714, including the partial exercise of the over-allotment option, granted in connection with the private placement.
- On December 22, 2016, 3DS announced that it had issued an additional 215,300 units pursuant to the second tranche of the private placement, which were sold at $0.75 per unit for gross proceeds to the Company of $161,475 pursuant to the partial exercise of the over-allotment option.
- Completed the necessary software validation to enter clinical trials and complete the final internal validation study necessary to identify licensing partners for the Company's first test.
- Presented the preliminary results of an important collaborative initiative between the Company and the Institut Universitaire de Ariologie et de Pneumologie De Quebec ("**IUCPQ**") exploring the possibility of identifying a biological marker to distinguish between two forms of lung cancer.
- Retained Kilmer Lucas Inc. to provide Canadian and U.S. investor relations and strategic advisory services.
- On January 4, 2017, 3DS announced that its common shares have started trading on the OTCQB Venture Market ("**OTCQB**") in the United States under the symbol "TDSGF" and on the Frankfurt Stock Exchange in Germany under the symbol "3D0". As well, the Company announced that it had secured Depository Trust Company ("**DTC**") eligibility for its common shares listed on the OTCQB which makes the securities eligible to be electronically cleared and settled through the DTC, speeding up the receipt of stock and cash and accelerating the settlement process for investors.
- On January 6, 2017, 3DS announced the issuance of an additional 597,082 units pursuant to the third tranche of the Company's previously discussed private placement, which were sold at $0.75 per unit for gross proceeds to the Company of $447,812 pursuant to a further partial exercise of the over-allotment option.
- On January 6, 2017, appointed Joost van der Mark, as its Chief Business Officer ("**CBO**"). Mr. van der Mark brings more than two decades of executive experience to 3DS, having worked with several major international healthcare companies, as well as earlier stage biotechnology and healthcare firms.
- On February 21, 2017, 3DS announced a presentation at the 24th International Molecular Medicine Tri-Conference in San Francisco, CA, by its co-founder and principle inventor, Dr. Sabine Mai, on

the results of a prospective blood-based prostate cancer pilot study using its TeloView™ software platform. Based on blinded blood samples, TeloView™ correctly predicted the stability and aggressiveness of disease for each of the study's 50 intermediate risk prostate cancer patients.
- Initiated a validation program for its Hodgkin's Lymphoma ("**HL**") test ("B"), a five-stage program aimed at the development of a commercially marketable LDT within the next twelve months. On March 29, 2017, the Company announced the successful internal analytical assay validation, referred to as Stage 2 of the validation program.
- On March 14, 2017, 3DS announced that it had made the final payment to CancerCare Manitoba ("CCBM") for the purchase of intellectual property, all of which had been assigned from CCMB to 3DS on June 26, 2014.
- Announced the clinical study results confirming that based on a swab of a patient's cheek, the Company's Teloview™ software platform has the ability to identify patients with Alzheimer's disease and distinguish between mild, moderate, and severe forms of the disease. The results of this study have been accepted for publication in the peer-reviewed *Journal of Alzheimer's Disease.*

Corporate Developments Subsequent to March 31, 2017:

- On April 11, 2017, the Company announced the appointment of Dr. Kevin Little as it's Chief Scientific Officer ("**CSO**"). Dr. Little provides the Company with a successful track record of clinical and executive experience with life sciences firms, including those who are focused on growth.
- On April 18, 2017, the Company announced the relocation of its corporate office to the MaRS Discovery District ("**MaRS**") located in Toronto. Management completed the relocation on April 30, 2017.
- On April 27, 2017, the Company announced that it had received the first batch of blood samples for PRECISE. The samples were received for processing and analysis at the Company's laboratory.
- On May 5, 2017, the Company announced the resignation of Ferenc Somogyvari from the Company's board of directors. Mr. Somogyvari has joined the Company's CSAB.

DISCUSSION OF OPERATIONS

3DS is in discussions with multiple pharmaceutical companies, with candidate compounds in all phases of clinical trials, about potentially incorporating 3DS' three-dimensional telomere analysis and proprietary software into their trials. 3DS believes that it can offer these organizations significant insight into the efficacy of their compounds and possibly provide information on dose dependent response, as well as toxicity related to each compound. 3DS has completed and published both in vitro and ex vivo studies for one of these organizations. 3DS is also actively collaborating with IUCPQ, a renowned and internationally recognized leader in cardiopulmonary disease. Together with the IUCPQ and their team of pathologists, 3DS is exploring the possibility of identifying a biological marker to distinguish between two forms of lung cancer. In addition, the Company has recently made a number of significant additions to its management team, Board of Directors, BAB and CSAB.

The Company seeks to facilitate personalized treatment decisions for each individual prostate cancer patient with the following objectives:

- Identify the right patients for the right treatment;
- Accurately monitor patients during treatment;
- Reduce the number of patients undergoing unnecessary prostate biopsies;
- Reduce the number of biopsies over time (for each patient);
- Reduce biopsy related adverse events including infection and pain;
- Reduce the over-diagnosis and over treatment of clinically insignificant prostate cancer;
- Reduce the economic burden of diagnosing and treating prostate cancer.

Effective September 26, 2016, 3DS hired Jason Flowerday as CEO. Mr. Flowerday has extensive life sciences leadership experience, including over a decade of business development and marketing work for two of the world's largest pharmaceutical companies, Germany's Bayer AG and US-based Johnson & Johnson. Other notable positions include executive leadership and entrepreneurial roles with Knight Therapeutics Inc. and Pro Bono Bio Inc. Mr. Flowerday was also a co-founder and co-owner of both Orphan Canada and RxMedia Healthcare Communications. He is an independent Director of Aequus Pharmaceuticals.

On October 19, 2016, 3DS announced its participation in the PRECISE trial. This trial marks the Company's first step toward validation and approval of clinical risk assessment tests for prostate cancer. The trial work started in the first quarter of 2017 and is estimated to cost approximately $2.4 million and last for a period of 24 months.

On November 14, 2016, the Company introduced an internationally recognized CSAB consisting of Sabine Mai, PhD., Kenneth C. Anderson, M.D., Laurence Klotz, M.D., Hans Knecht, M.D., Darrel Drachenberg, M.D., Rami Kotb, M.D. and Thomas Cremer, M.D. Dr. Ian Smith joined the CSAB in December 2016 and Ferenc Somogyvari joined the CSAB in May of 2017. The CSAB will serve as a resource to the Company's Board of Directors and the CEO, and will help guide the planned clinical development of 3DS' proprietary genomic analysis software from research, right through to validation and regulatory approval, currently focusing on Prostate Cancer, Hodgkin's Lymphoma, Multiple Myeloma, Lung Cancer and Alzheimer's disease.

On December 7, 2016, the Company presented the preliminary results of an important collaborative initiative between the Company and the IUCPQ exploring the possibility of identifying a biological marker to distinguish between two deadly forms of lung cancer, multiple synchronous lung adenocarcinoma ("**AC**") and metastatic lung AC. In every blinded patient sample the Company analyzed, 3DS' technology was able to distinguish between the two respective types of deadly lung cancer. The acquisition of 3D telomere images and analysis was performed in the Company's reference lab using 3DS' TeloView™ technology. A poster was presented at the International Association for the Study of Lung Cancer ("**IASLC**") 17th World Conference on Lung Cancer ("**WCLC**") which took place in Vienna, Austria from December 4 to December 7, 2016.

On December 9, 2016, the Company announced that Helen Stevenson, founder and CEO of Reformatory Group Inc., a company dedicated to helping manage prescription drug costs for employer drug plans while promoting better patient health outcomes, was appointed to the Company's Board of Directors replacing Dr. Ian Smith, who stepped down from the Board of Directors and joined the Company's CSAB.

Effective January 6, 2017, 3DS announced they had hired Joost van der Mark as CBO, who brings more than two decades of executive experience to 3DS, having worked with several major international healthcare companies, as well as earlier stage biotechnology and healthcare firms. His accomplished history of strategic operations, sales and marketing, clinical research, market access, business development and general management success in the global healthcare industry includes BioSyent, where he served as Vice-President of Corporate development as well as progressive positions at Bayer, Sanofi and Nycomed. He was also a co-founder of Orphan Canada.

3DS also announced the following internationally renowned senior biotech executives as members of the Company's BAB: Jonathan Goodman, Director & CEO, Knight Therapeutics Inc.; Dr. Heiner Dreismann, Past President and CEO, Roche Molecular Diagnostics; and John Lindsay, Founder, SciPartners. On December 5, 2016, the Company announced the addition of Nigel Terrett, who brings extensive commercial lab experience, including executive roles with several major commercial labs and electronic health record companies such as Excelleris Technologies, Lifelabs Inc. and MDS Diagnostics Inc. On February 15, 2017, the Company announced the appointment of Harry Glorikian to the Company's BAB. Mr. Glorikian provides extensive experience in the biomedical and life sciences industry working with both private and publicly traded companies Mr. Glorikian currently serves on the advisory board of Nucelis and Evidation Health and is a co-founder and advisory board member of DrawBridge Health.

Development Program and Timeline

During the 2017 fiscal year, 3DS commenced a clinical trial for validation and preliminary approval of the Company's lead prognostic test for HL. The trial seeks to predict, at point of diagnosis, whether patients will respond to standard chemotherapy or not, and thus be candidates for a targeted second-line therapy. The Company has completed an internal analytical assay validation for this clinical trial, representing the second of five stages in the process.

The HL clinical trial started in April of 2017. The test, Telo-HL, program consists of 5 stages which aim to develop a commercially marketable LDT by the end of February of 2018. The Company has completed the assay validation which is the second phase of the program. The clinical trial includes the analysis of 250-300 retrospective HL patient samples that match the targeted prognostic criteria for the test. The clinical trial is expected to be complete in less than 5 months. The final stages of the program will consist of validating the scoring model and analytical validation by a College of American Pathologists ("**CAP**") and Clinical Laboratory Improvement Amendments ("**CLIA**") certified clinical laboratory. The total cost of this program was estimated to be $1,500,000. Approximately $75,000 has been spent to date on preliminary work related to the HL program.

The Company expects to engage a nationally recognized and accredited laboratory partner in the validation and approval of Hodgkin's Lymphoma LDT for Canada in 2017.

In addition, 3DS is participating in the PRECISE trial that will seek to predict the most effective treatment plan for the individual patient. The PRECISE trial is the first randomized, multicenter study focused on biopsy naive patients (approximately 450 men) with clinical suspicion of prostate cancer. The 24-month prospective study is principally designed to compare cancer detection rates and monitoring efficacy of trans-rectal ultrasound guided biopsy versus MRI targeted biopsy, two existing surgical tools employed in the diagnosis and monitoring of prostate cancer patients. The PRECISE trial will incorporate the Company's blood-based tests into the original biopsy focused investigation as a correlative biomarker. The Company's participation seeks to establish a baseline of genomic instability for prostate cancer patients, provide follow-up monitoring information and provide essential data for developing several blood-based clinical tests for the personalized assessment and treatment of prostate cancer patients. The success of this trial would represent a first-in-class minimally invasive (blood-based) risk-assessment tool for prostate cancer patients at various stages of disease and treatment. The estimated total cost of the PRECISE trial is $2.4 million. Approximately $100,000 has been spent to date on the PRECISE program. The trial is expected to last 24 months from its April, 2017 start.

3DS has executed a Clinical Trial Collaboration Agreement with the Canadian Urology Research Consortium ("**CURC**") at Sunnybrook Health Sciences Centre in Toronto. The purpose of the collaboration is to evaluate the clinical utility of the three dimensional telomeres technology testing as a correlative biomarker for the prognosis and risk assessment of prostate cancer patients at different stages of the disease. In this collaboration CURC will provide 3DS with patient samples including peripheral blood and/or biopsy tissue sections from all patients recruited in the PRECISE trial. 3DS has agreed to compensate CURC for the cost of collecting and shipping the samples to 3DS. The estimated cost of the samples is $330,000. 3DS has agreed to support the PRECISE trial by providing a sponsorship fee of $100,000 to CURC, of which the first installment of $50,000 was paid to CURC at the end of 2016.

Regulatory Process

The Company's participation in clinical trials is not impacted by a single regulatory process, but rather the Company and its collaborators must secure various ethics approvals and patient consents. The commercialization of tests as In-vitro Diagnostic Devices ("**IVDD's**") does require the Company to seek regulatory approval from Health Canada ("**HC**"), the FDA and other national oversight bodies if the Company elects to market its test as IVDDs. At this point in time, the Company has not decided whether it will seek IVDD status and regulatory approval from HC and the FDA.

QUARTERLY FINANCIAL INFORMATION

3DS has not earned revenues as of May 23, 2017.

The following table sets forth selected consolidated financial information for the periods indicated. The selected consolidated financial information set out below for the three months ended March 31, 2017 has been derived from the condensed consolidated interim financial statements and accompanying notes, in each case prepared in accordance with IFRS. The Company's auditors, MNP LLP, have performed an auditor review of the condensed consolidated interim financial statements in accordance with Section 7060 of the CPA Assurance Handbook. The selected financial information provided below is derived from the Company's unaudited quarterly condensed consolidated interim financial statements for each of the last eight quarters. Certain comparative figures have been reclassified to conform with current period presentation. These historic results may not be indicative of 3DS' future performance.

	Three Months Ended			
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
Revenue	**$ -**	$ -	$ -	$ -
Research and development	**234,636**	229,016	177,407	129,478
General and administration	**1,928,733**	1,377,186	1,327,827	363,930
Listing costs	**-**	-	1,859,107	-
Finance expense, net	**8,453**	391	5,750	17,469
Net loss	**(2,171,822)**	(1,606,593)	(3,370,091)	(510,877)
Basic and fully diluted loss per share (Prior quarters restated)	**(0.04)**	(0.03)	(0.11)	(0.02)

	Three Months Ended			
	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Revenue	$ -	$ -	$ -	$ -
Research and development	124,376	109,909	138,426	30,883
General and administration	438,294	222,034	198,471	328,676
Listing costs	-	-	-	-
Finance expense, net	7,779	5,878	2,675	2,163
Net loss	(570,449)	(337,821)	(339,572)	(361,722)
Basic and fully diluted loss per share (Prior quarters restated)	(0.02)	(0.01)	(0.02)	(0.02)

Net loss for the three month period ended March 31, 2017 totaled $2,171,822 compared to a net loss of $570,449 for the three months ended March 31, 2016. Significant variances are as follows:

- Increasing research and development expenses as the Company advances its research and development programs towards clinical trials, including additional salaries, wages and benefits due to the hiring of an additional research technician and increased consulting and professional fees.
- Increasing general and administrative expenses, as 3DS began trading as a public company in September of 2016, including salaries, wages and benefits, stock-based compensation, professional fees and investor relations expenses.
- Continued net losses due to the factors described above including as a consequence of the Company being in the pre-revenue research and development stage.

Research and Development Expenditures:

Set out below is the Company's research and development expenditures for the three and nine months ended March 31, 2017 and 2016:

	Three months ended March 31		Nine months ended March 31	
	2017	2016	**2017**	2016
Advertising, promotion and other expenses	**$ 9,568**	$ 4,229	**$ 24,373**	$ 12,471
Amortization and depreciation	**27,922**	12,325	**69,508**	54,010
Laboratory costs	**36,996**	9,855	**96,924**	81,851
Professional fees & consulting	**33,335**	8,951	**84,954**	33,592
Salaries, wages and benefits	**97,552**	71,827	**305,875**	171,605
Travel and conferences	**29,263**	17,189	**59,425**	19,182
	$ 234,636	$ 124,376	**$ 641,059**	$ 372,711

Research and development expenditures increased by $110,260 to $234,636 from $124,376 for the three months ended March 31, 2017 when compared to the three months ended March 31, 2016 and by $268,348 to $641,059 from $372,711 for the nine months ended March 31, 2017 when compared to the nine months ended March 31, 2016. The increase research and development costs for the three and nine months ended March 31, 2017 are primarily due to professional and consulting fees associated with the Company's advances on its development programs towards clinical trials, particularly relating to costs associated with the Company's CSAB, launched in November 2016. Other contributing factors associated with the increase in research and development expenditures during the three and nine months ended March 31, 2017 include increased laboratory costs associated with the Company's current clinical trials in addition to increased travel costs due to attendance at industry related conventions.

General and Administration Expenditures:

Set out below is the Company's general and administrative expenditures for the three and nine months ended March 31, 2017 and 2016:

	Three months ended March 31		Nine months ended March 31	
	2017	2016	**2017**	2016
Advertising, promotion and other expenses	**$ 7,868**	$ 11,534	**$ 69,672**	$ 33,529
Investor relations	**710,030**	7,500	**1,229,737**	17,491
Media	**466,696**	3,068	**515,836**	10,326
Professional fees and consulting	**371,724**	48,242	**1,064,428**	85,361
Salaries, wages, and benefits	**246,191**	109,180	**627,887**	225,003
Stock-based compensation	**54,832**	217,841	**886,753**	392,236
Stock exchange expenses	**6,683**	-	**26,019**	-
Travel and conferences	**64,709**	40,929	**213,414**	94,853
	$ 1,928,733	$ 438,294	**$ 4,633,746**	$ 858,799

General and administration expenditures increased by $1,490,439 to $1,928,733 from $438,294 for the three months ended March 31, 2017 when compared to the three months ended March 31, 2016 and by $3,774,947 to $4,633,746 from $858,799 for the nine months ended March 31, 2017 when compared to the nine months ended March 31, 2016. The increase is due to increases in salaries, wages and benefits and stock-based compensation as a result of additional employees hired, including the new CEO and CBO, as well as Board and BAB appointments. Additional increases in professional fees, investor relations, and media costs are the result of 3DS becoming a publicly traded company in September of 2016. Factors contributing to the increase in travel and conferences costs were the Company's attendance at investor related conventions, as well as travel expenditures relating to the BAB, launched in November 2016.

LIQUIDITY AND CAPITAL RESOURCES

On November 17, 2016, the Company announced an appointment of a syndicate of agents (the "**Agents**") to sell, by way of private placement on a best efforts basis, units (the "**Units**") of the Company at a price of $0.75 (the "**Issue Price**"). The offering consisted of up to 4,000,000 Units, with gross proceeds of up to $3,000,000 (the "**Offering**") to the Company. Each issued Unit comprised one common share in the capital of the Company (a "Share") and one Share purchase warrant (a "**Warrant**"). Each warrant entitles the hold to purchase one Share for a period of two years from the closing date of the Offering at an exercise price of $0.92 per share. The warrants are subject to an acceleration clause such that in the event the trading price of the Shares of the Company is at or above $1.35 per Share for 20 consecutive trading days at any time that is six months after the closing date of the Offering, the Company will have the right to accelerate the expiry date of the Warrants to the date which is 30 days after notice is provided to the Warrant holders. Additionally, the Agents were granted the option (the "**Agents' Option**") to sell up to an additional 2,000,000 Units at $0.75 per Unit pursuant to the Offering, rhe Agents' Option as exercisable in whole or in part at any time up to 48 hours prior to the closing of the Offering.

Units were sold in the offering in three tranches, which included the exercise of the Agents' Option. On December 16, 2016, the Company announced the issuance of 5,187,618 Units for gross proceeds to the Company of $3,890,714. On December 22, 2016, the Company announced the issuance of 215,300 Units for gross proceeds to the Company of $161,475. On January 6, 2017, the Company announced the issuance of 597,082 Units for gross proceeds to the Company of $447,812.

In order to continue the development and commercialization of its products, the Company will require additional funds. It is expected that these funds may come from the issuance of shares from treasury, or alternative sources of financing; however, there can be no assurance that 3DS will successfully raise funds to continue the development and commercialization of products and operational activities.

Sources and Uses of Cash

	For the 9 months ended March 31, 2017
Cash (used in) operating activities	(6,507,166)
Cash provided by financing activities	9,131,099
Cash (used in) investing activities	(109,744)
Net increase in cash and cash equivalents	2,514,159

Cash used in operating activities for the nine months ended March 31, 2017, of $6,507,166 is primarily the result of the net loss incurred by the Company of $7,148,506, as well as prepayments made on several consulting contracts.

Cash used in investing activities for the nine months ended March 31, 2017, of $109,744 is the result of purchases of intangible assets of $210,199 and purchases of equipment of $39,529, partially offset by cash assumed by 3DS in acquisition of Plicit Capital Corp. of $139,954.

Cash from financing activities for the nine months ended March 31, 2017, of $9,131,099 is the result of proceeds from the issuance of common shares, net of cash share issuance costs, totaling $9,950,213, proceeds from the exercise of stock options of $34,990, and proceeds from the exercise of warrants of $168,577 partially offset by net cash repayments of notes payable of $101,107.

OUTSTANDING SHARE CAPITAL

On December 16, 2016, 3DS announced the closing of a private placement for 5,187,618 units ("**Unit**" or "**Units**") $0.75 per Unit for gross proceeds of $3,890,714, including the partial exercise of an over-allotment option.

On December 22, 2016, 3DS announced that it had issued an additional 215,300 Units pursuant to the second tranche of the private placement, at $0.75 per Unit for gross proceeds of $161,475 pursuant to the partial exercise of the over-allotment option.

On January 6, 2017, 3DS announced that it had issued an additional 597,082 Units pursuant to the third tranche of the private placement, at $0.75 per Unit for gross proceeds of $447,812 pursuant to a further partial exercise of the over-allotment option.

Each Unit issued pursuant to the private placement consists of one common share and one common share purchase warrant (a "**Warrant**"). Each Warrant entitles the holder to purchase one additional common share at a price of $0.92 until December 16, 2018. In the event that at any time after June 16, 2017, the closing price of the Company's common shares 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 holders of the Warrants of the new expiry date.

The private placement was brokered by a syndicate of agents (the "**Agents**") that in connection with the initial closing of the private placement were paid an aggregate cash commission of $311,257, equal to 8% of the gross proceeds raised under the private placement and were also issued 415,009 broker warrants equal to 8% of the Units sold pursuant to the private placement. The Agents were paid an aggregate cash commission of $12,918, equal to 8% of the gross proceeds raised under the second tranche, and were also issued 17,224 broker warrants equal to 8% of the Units sold pursuant to the second tranche of the private placement. The Agents were paid an aggregate cash commission of $35,824, equal to 8% of the gross proceeds raised under the third tranche, and were also issued 47,766 broker warrants equal to 8% of the Units sold pursuant to the third tranche of the private placement. Each broker warrant entitles the holder thereof to purchase one common share at a price of $0.75 until December 16, 2018.

The Company intends to use the net proceeds from the private placement to fund clinical trials and for working capital and general corporate purposes.

On October 27, 2016, the Company granted 320,000 incentive stock options ("**ISOs**") to directors, officers and employees of the Company at an exercise price of $0.52, which are exercisable for a ten year period and vested immediately.

On December 9, 2016, the Company granted 210,000 ISOs to directors, contractors and employees of the Company at an exercise price of $0.76, which are exercisable for a ten year period and vest over 2 years.

On January 6, 2017, the Company granted 220,000 ISOs to Joost van der Mark, the newly appointed CBO, at an exercise price of $0.75, which are exercisable for a ten year period from the date of grant following vesting and vest in tranches from July 7, 2017, to July 7, 2019.

On January 17, 2017, the Company granted 253,125 ISOs to Jason Flowerday, the Company's CEO and a Director of 3DS at an exercise price of $0.79, which are exercisable for a ten year period from the date of grant following vesting and vest in four tranches of 63,281 every six months from October 1, 2017, to April 1, 2019.

Subsequent to March 31, 2017, on April 11, 2017, the Company granted 25,000 ISOs to Dr. Kevin Little, the newly appointed CSO of 3DS at an exercise price of $0.74 per share. The options vest in two tranches, 10,000 on April 10, 2018 and 15,000 on April 10, 2019. Additionally, 3DS also granted 23,000 ISOs to newly hired employees at an exercise price of $0.74 per share, with 16,500 shares vesting in each of April 2018 and April 2019

As of March 31, 2017, there are 53,209,479 common shares issued and outstanding, 5,121,081 common shares issuable upon the exercise of outstanding stock options and 7,244,115 common shares issuable upon the exercise of warrants.

As of May 23, 2017, there are 53,408,780 common shares issued and outstanding, and 5,179,081 common shares issuable upon the exercise of outstanding stock options and 7,044,814 common shares issuable upon the exercise of warrants.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

As at March 31, 2017, in the normal course of business, the Company has obligations to make future payments, representing contracts and other commitments that are known and committed as follows:

	Total	2017	2018	2019	2020	Thereafter
Accounts payable and accrued liabilities	638,357	638,357	-	-	-	-
Lease of office space	131,030	21,305	70,875	12,600	13,125	13,125
	769,387	659,662	70,875	12,600	13,125	13,125

RELATED PARTY TRANSACTIONS

3DS has no related party transactions that have or are reasonably likely to have, a current or future effect on its results of operations, financial condition, revenues or expenses, liquidity, capital expenditures or capital resources that is material to investors.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

As a result of the Company's limited administrative staffing levels, internal controls which rely on segregation of duties in many cases are not possible. The Company has recently hired additional accounting and finance staff through a consulting agreement to address this potential weakness. To help mitigate the impact of this, the Company is highly reliant on the performance of compensating procedures and senior management's review and approval.

As a venture issuer, the Company is not required to certify the design and evaluation of the Company's disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), and as such has not completed such an evaluation.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR, as defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings,* may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

CRITICAL ACCOUNTING ESTIMATES

The preparation of condensed consolidated 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 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 completion of a Qualifying Transaction as described in Note 5 to the condensed consolidated interim financial statements for the three and nine months ended March 31, 2017.

The condensed consolidated interim financial statements for the three and nine months ended March 31, 2017, 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. The condensed consolidated interim 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.

CHANGES IN OR ADOPTION OF ACCOUNTING POLICIES

The Company's principal accounting policies are outlined in the Company's annual audited financial statements for the year ended June 30, 2016, and have been applied consistently to all periods presented in the unaudited condensed consolidated interim financial statements for the three and nine months ended March 31, 2017.

New 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 March 31, 2017, 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 International Accounting Standard ("**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*, International Financial Reporting Interpretations Committee ("**IFRIC**") 13 *Customer loyalty programmes*, IFRIC 15 *Agreements for the construction of real estate*, IFRIC 18 *Transfers of assets from customers,* and Standard Interpretations Committee ("**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.

OFF-BALANCE SHEET ARRANGEMENTS

3DS has no material undisclosed off-balance sheet arrangements that have or are reasonably likely to have, a current or future effect on its results of operations, financial condition, revenues or expenses, liquidity, capital expenditures or capital resources that is material to investors.

PROPOSED TRANSACTIONS

There are no proposed transactions.

FINANCIAL INSTRUMENTS AND RISKS

The Company classifies its financial assets as (i) financial assets at fair value through profit or loss ("**FVTPL**"), (ii) loans and receivables or (iii) available-for-sale, and its financial liabilities as either (i) financial liabilities at FVTPL or (ii) other financial liabilities. Appropriate classification of financial assets and liabilities is determined at the time of initial recognition or when reclassified in the statement of financial position.

Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets at FVTPL include financial assets held-for-trading and financial assets designated upon initial recognition as FVTPL. Financial assets are classified as held-for-trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into that are not designated as hedging instruments in hedge relationships as defined by IAS 39.

Financial assets at FVTPL are carried in the statement of financial position at fair value with changes in the fair value recognized in the statement of comprehensive income. Transaction costs on FVTPL are expensed as incurred.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held-for-trading. These embedded derivatives are measured at fair value with changes in fair value recognized in the statement of comprehensive income. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

RISKS AND UNCERTAINTIES

For a comprehensive discussion on the risks and uncertainties affecting the Company, please refer to the AIF filed on January 31, 2017.

ADDITIONAL INFORMATION

Additional information relating to the Company, including its AIF, can be found on SEDAR at www.sedar.com.