DIAGNOS Inc.

Consolidated Financial Statements
For the years ended March 31, 2019 and March 31, 2018

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Independent Auditor's Report

To the Shareholders of
Diagnos Inc.

Opinion

We have audited the consolidated financial statements of Diagnos Inc. Inc. (hereafter "the Company"), which comprise the consolidated statements of financial position as at March 31, 2019 and 2018 and the consolidated statements of loss and comprehensive loss, the consolidated statements of changes in equity and the consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 to the consolidated financial statements, which indicates the existence of a material uncertainty that may cast significant doubt about the the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information other than the consolidated financial statements and the auditor's report thereon

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditor's report thereon, included in the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Louis Berardi.

Montreal
June 27, 2019

Raymond Chabot Grant Thornton LLP[1]

[1] CPA auditor, CA public accountancy permit n^{o} A115879

DIAGNOS Inc.

Consolidated Statements of Financial Position
(amounts in Canadian dollars)

	Note	March 31, 2019	March 31, 2018
		As at	
		$	
ASSETS			
Current			
Cash		138,242	150,291
Short-term investments	5	555,712	85,984
Accounts receivable	6	390,537	531,132
Prepaid expenses		8,431	22,544
		1,092,922	789,951
Non-current			
Investments	7	10,000	476,803
Capital assets	8	104,219	256,734
Intangible assets	9	-	759
		114,219	734,296
Total assets		**1,207,141**	**1,524,247**
LIABILITIES			
Current			
Accounts payable and accrued liabilities	10	766,840	614,972
Deferred revenue	22	4,167	31,893
Convertible debentures	12	1,670,240	-
Leases	13	39,349	16,238
		2,480,596	663,103
Non-current			
Convertible notes	11	880,546	829,910
Convertible debentures	12	2,896,551	3,635,330
Leases	13	32,047	32,589
		3,809,144	4,497,829
Total liabilities		**6,289,740**	**5,160,932**
Commitments	16		
SHAREHOLDERS’ DEFICIENCY			
Share capital	14	23,698,314	21,881,166
Reserve	15	8,169,228	7,532,632
Deficit		(36,950,068)	(33,111,012)
Investments revaluation reserve		(53,532)	(24,573)
Foreign exchange differences		53,459	85,102
		(5,082,599)	(3,636,685)
Total liabilities and shareholders’ deficiency		**1,207,141**	**1,524,247**

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

Approved by the Board of directors:

(signed) Georges Hébert, Chairman *(signed) André Larente, Director*

DIAGNOS Inc.

Consolidated Statements of Loss and Comprehensive Loss
(amounts in Canadian dollars)

		Year ended March 31,			
	Note	2019	2018		
		Total	Continued operations	Discontinued operations (note 20)	Total
		$			
Revenue	21	**326,469**	**1,292,821**	**320,000**	**1,612,821**
Expenses					
Costs of services and research and development		1,085,841	1,297,719	24,207	1,321,926
Selling and administrative		2,170,600	2,709,519	47,964	2,757,483
	18	3,256,441	4,007,238	72,171	4,079,409
Income (loss) before other items		**(2,929,972)**	**(2,714,417)**	**247,829**	**(2,466,588)**
Other income	24	52,308	-	-	-
Interest expense	18	(1,025,431)	(827,771)	-	(827,771)
Share of loss from equity accounted investment including an impairment loss of $233,721	7	-	(418,916)	-	- (418,916)
Loss on disposal of capital assets	8	(627)	-	-	-
Gain on disposal of mining division		-	-	623,919	623,919
(Loss) Income before income taxes		**(3,903,722)**	**(3,961,104)**	**871,748**	**(3,089,356)**
Income taxes	19	(64,666)	(192,191)	-	(192,191)
Net (loss) income		**(3,839,056)**	**(3,768,913)**	**871,748**	**(2,897,165)**
Other comprehensive (loss) income items					
Net change in fair value of available-for-sale financial assets		-	(18,573)	-	(18,573)
Net change in foreign exchange translation		(31,643)	13,277	-	13,277
Net change In fair value of financial assets at fair value through other comprehensive income		(28,959)	-	-	-
		(60,602)	(5,296)	-	(5,296)
Comprehensive (loss) income		**(3,899,658)**	**(3,774,209)**	**871,748**	**(2,902,461)**
Basic and diluted comprehensive (loss) income per share		**(0.02)**	**(0.03)**	**0.01**	**(0.02)**
Weighted-average number of common shares outstanding		188,385,840			168,879,026

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

DIAGNOS Inc.

Consolidated Statements of Changes in Equity

(amounts in Canadian dollars)

Year ended March 31, 2019

	Note	Share capital	Reserve	Deficit	Foreign exchange differences	Investments revaluation reserve	Total shareholders' deficiency
		$	$	$	$	$	$
Balance, beginning of year		**21,881,166**	**7,532,632**	**(33,111,012)**	**85,102**	**(24,573)**	**(3,636,685)**
Net loss		-	-	(3,839,056)	-	-	(3,839,056)
Other comprehensive loss items		-	-	-	(31,643)	(28,959)	(60,602)
Issuance of common shares	14	1,833,675	-	-	-	-	1,833,675
Issuance of conversion options (net of deferred tax liability of $62,206)	12,15	-	170,775	-	-	-	170,775
Issuance of warrants (net of deferred tax liability of $2,460)	12,15	-	258,053	-	-	-	258,053
Issue expenses	14,15	(16,527)	(16,440)	-	-	-	(32,967)
Stock-based compensation expense	14,15	-	224,208	-	-	-	224,208
Balance, end of year		**23,698,314**	**8,169,228**	**(36,950,068)**	**53,459**	**(53,532)**	**(5,082,599)**

Year ended March 31, 2018

	Note	Share capital	Reserve	Deficit	Foreign exchange differences	Investments revaluation reserve	Total shareholders' deficiency
		$	$	$	$	$	$
Balance, beginning of year		**20,368,019**	**6,865,731**	**(30,213,847)**	**71,825**	**(6,000)**	**(2,914,272)**
Net loss		-	-	(2,897,165)	-	-	(2,897,165)
Other comprehensive loss items		-	-	-	13,277	(18,573)	(5,296)
Issuance of common shares	14	1,513,147	-	-	-	-	1,513,147
Issuance of conversion options (net of deferred tax liability of $168,865)	12,15	-	468,363	-	-	-	468,363
Issuance of warrants (net of deferred tax liability of $23,326)	12,15	-	64,696	-	-	-	64,696
Issuance expenses	15	-	(37,841)	-	-	-	(37,841)
Stock-based compensation expense	14,15	-	171,683	-	-	-	171,683
Balance, end of year		**21,881,166**	**7,532,632**	**(33,111,012)**	**85,102**	**(24,573)**	**(3,636,685)**

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

DIAGNOS Inc.

Consolidated Statements of Cash Flows
(amounts in Canadian dollars)

	Note	Year ended March 31, 2019	2018
		$	
Cash flows from operating activities			
Net loss		(3,839,056)	(2,897,165)
Items not affecting cash			
Depreciation of capital assets	8	190,563	221,646
Amortization of intangible assets	9	759	8,544
Deferred income taxes	19	(64,666)	(192,191)
Accretion on leases	13	4,432	4,934
Accretion on convertible notes	11	50,636	35,005
Accretion on convertible debentures	12	382,496	276,967
Interest paid in common shares	11	45,000	-
Interest on short-term investments	5	(5,729)	(1,157)
Loss on disposal of capital assets		627	-
Gain on disposal of mining division		-	(623,919)
Compounded interest	12	18,003	3,370
Stock-based compensation expense	14,15	224,208	171,683
Share of loss from equity accounted investment	7	-	418,916
		(2,992,727)	(2,573,367)
Payment of interest		324,156	650,559
Net change in operating working capital items	20	348,850	(321,944)
		(2,319,721)	**(2,244,752)**
Cash flows from investing activities			
Proceeds from disposal of short-term investments	5	36,001	-
Acquisition of short term investments	5	(500,000)	-
Proceeds from disposal of investments	7	437,844	-
Additions to capital assets	8	(42,283)	(270,948)
Proceeds from disposal of capital assets	8	3,608	-
Other		(31,643)	13,276
		(96,473)	**(257,672)**
Cash flows from financing activities			
Issuance of common shares and warrants, net of issue expenses		1,948,664	373,147
Repayment of short term loan		-	(533,000)
Leases	13	47,063	22,247
Lease payments	13	(28,926)	(20,625)
Issuance of convertible notes, net of issue expenses	11	-	994,750
Issuance of convertible debentures and warrants, net of issue expenses	12	761,500	2,276,894
Payment of interest		(324,156)	(650,559)
		2,404,145	**2,462,854**
Net change in cash		**(12,049)**	**(39,570)**
Cash, beginning of year		150,291	189,861
Cash, end of year		**138,242**	**150,291**
Non-cash transactions			
Payment of interest in shares	11	45,000	-
Value of payment in shares of customer receivables		-	274,292
Payments in shares of mining division	25	-	640,000
Issuance of convertible debentures	12	-	150,000
Conversion of debentures into common shares	12	-	1,140,000

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

1. Going concern assumption

For the year ended March 31, 2019, the Corporation is reporting a net loss of $3,839,056 and a cumulative deficit of $36,950,068 at the same date. The Corporation has not realized an annual profit since its inception.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Corporation will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

In order to address these uncertainties, the Corporation is evaluating the implementation of some or all of the following measures:

- Continue the process of renewing contracts
- Reduce operating costs with temporary staff lay-offs, curtail certain consulting and travel costs
- Continue to seek debt financing
- Continue to seek equity financing consisting of common shares and stock purchase warrants
- Continue to evaluate possible M&A opportunities

The Corporation believes that if it were to be successful in implementing some or all of the above risk mitigating measures, it will be able to continue as a going concern. There remains however, significant risk and uncertainty associated with implementing any of these measures which are dependent on a number of factors outside of the Corporation’s control. The material uncertainty cast significant doubt regarding the ability to continue as a going concern.

These consolidated financial statements do not reflect any adjustments that would be necessary if the going concern basis was not appropriate. Such adjustments, if required, may be material.

2. Statutes of incorporation and nature of activities

DIAGNOS Inc. (“the Corporation”) is incorporated under the Canada Business Corporations Act and the subsidiaries under the applicable regulations in their respective countries. The main office is located at 7005 Taschereau Blvd., Suite 340, Brossard, Quebec, Canada. The shares of the Corporation are listed on the TSX Venture Exchange.

The Corporation provides software-based interpretation services to assist health specialists in the detection of diabetic retinopathy.

These consolidated financial statements have been approved and authorized for issue by the Board of Directors of the Corporation on June 27, 2019.

3. Basis of consolidation, statement of compliance with IFRS and summary of accounting policies

Basis of presentation

These consolidated financial statements include the accounts of the Corporation and those of its subsidiaries. Subsidiaries consist of entities over which the Corporation has right, or is exposed, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries' financial statements are included in the consolidated financial statements from the date that control commences until the date that control ceases. Subsidiaries' year end and accounting policies are aligned with those adopted by the Corporation.

Percentage of interest in the Corporation’s subsidiaries and associates, as at March 31, 2019, are as follows:

Name of entity	Location of entity	Type of entity	Percentage of ownership
Diagnos Poland sp. Z o.o.	Poland	Subsidiary	100%
Diagnos Internacional SA de CV	Mexico	Subsidiary	99.8%
Diagnos Healthcare (India) Private Limited	India	Subsidiary	99.74%
SARL Diagnos Medical	Algeria	Associate	48%

Inter-company transactions and balances and any unrealized revenue and expense are eliminated in preparing the consolidated financial statements.

Investment in associate is accounted for using the equity method. The carrying amount of the investment in associate is increased or decreased to recognize the Corporation’s share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the Corporation. Unrealized gains and losses on transactions between the Corporation and its associate are eliminated to the extent of the Corporation’s interest in the entity. Where unrealized losses are eliminated, the underlying asset is also tested for impairment.

During the year ended March 31, 2019, wholly-owned inactive subsidiaries 8913404 Canada Inc., DMS & Technologies Inc, Diagnos (USA) Inc. and 1204721 Ontario Inc. were dissolved.

Summary of accounting policies

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards (“IFRS”). These policies have been applied throughout the year unless otherwise stated. The following is a list of the significant accounting policies.

a) General

The consolidated financial statements have been prepared and measured at historical cost, except for certain financial instruments that are measured at fair value as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the assets acquired and liabilities assumed.

b) Revenue recognition

On April 1, 2018, the Corporation adopted IFRS 15 – Revenue from contracts with customers using the modified retrospective approach. Under the modified retrospective approach, the Corporation recognizes transition adjustments, if any, in retained earnings on the date of initial application without restating the financial statements on a retrospective basis. The Corporation has reviewed its sales contracts with customers not completed as at April 1, 2018 using the five step analysis under IFRS 15 and there are no material changes to the amounts and timing of revenue recognized. No adjustment to opening retained earnings was, therefore, required in transition to IFRS 15.

The Corporation operates in one reportable segment, healthcare services. Revenue from healthcare services typically arises from access to CARA, a web-based software tool used by healthcare professionals principally for the detection of diabetic retinopathy. Access to CARA usually includes sales support for the duration of the contract. In some cases, revenue may also arise from added services such as providing workforce to a client for the customization and the deployment of CARA. The Corporation accounts for the different services separately if they are distinct and the selling prices can be reasonably estimated.

The Corporation also renders consulting services to companies active in the healthcare sector. As this line of business is not strategic to the development of the Corporation, revenue amounts derived from consulting services are not presented separately.

Revenue is recognized when service is rendered to a customer (when access to CARA), usually over the period in which the services are rendered. Revenue is measured based on the consideration specified in a contract with a customer and excludes sales tax amounts and other amounts collected on behalf of third parties. Billing of services is usually done on a monthly basis. Contract assets representing unbilled services rendered are presented under “Accounts receivable” in the consolidated statements of financial position. Contract liabilities representing amounts invoiced before the recognition of services or goods are presented under “Deferred revenue” in the consolidated statements of financial position.

Government grants

A government grant is recognized when there is reasonable assurance that (i) the Corporation has complied with all applicable conditions and (ii) the money will be received.

A grant related to assets is presented in the consolidated statement of financial position by deducting the grant in arriving at the carrying amount of the asset. A grant related to income is presented as other income in the consolidated statement of loss and comprehensive loss.

c) Interest

Interest is accounted for using the effective interest method. The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

d) Investment tax credits

The Corporation records investment tax credits when it believes it has complied with the eligibility requirements as set out in the income tax legislation of Canada and its provinces and collection is reasonably assured. Refundable investment tax credits are presented in reduction of research and development expenses in the consolidated statements of loss and comprehensive loss. Investment tax credits related to capital expenditures are recorded as reductions of capital assets.

e) Capital assets and depreciation

Capital assets are stated at historical cost less accumulated depreciation, impairment losses and related tax credits. Historical cost includes all costs directly attributable to the acquisition. Computer equipment cost includes software that is integral to its functionality.

Useful lives, residual values and depreciation methods are reviewed at each year-end. Such a review takes into consideration the nature of the assets, their intended use and technological changes.

Depreciation of capital assets is provided on parts that have homogenous lives by using the straight-line method over the estimated useful lives, as follows:

	Annual rates
Office furniture and equipments	20%
Computer and medical equipments	50%

f) Intangible assets and amortization

Intangible assets are stated at historical cost less accumulated amortization, impairment losses and related tax credits. Historical cost includes all costs directly attributable to the acquisition.

Amortization of intangible assets is provided by using the straight-line method over the estimated useful lives, as follows:

	Annual rates
Computer software	50%

Residual value and useful lives are reviewed at each reporting date.

g) Impairment of tangible and intangible assets

At the end of each reporting period, the Corporation assesses whether there is any indication that an asset has suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. They are allocated to the lowest level for which there are largely identifiable cash inflows (cash-generating units) for which a reasonable and consistent allocation basis can be identified.

The recoverable amount of an asset is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

h) Income taxes

The Corporation uses the liability method of accounting for income tax. Under this method, future income tax assets and liabilities are determined based on deductible or taxable temporary differences between financial statement values and tax values of assets and liabilities using enacted or substantially enacted income tax rates expected to be in effect for the period in which the differences are expected to reverse. To the extent that it is not probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized, the deferred tax asset is not recognized.

i) Research and development expenses

All expenses related to development activities, which do not meet generally accepted criteria for deferral, and research expenses are expensed as incurred. Development expenses, which meet generally accepted criteria for deferral, are capitalized and amortized over the estimated period of benefit. For the periods presented in these consolidated financial statements, all expenses related to development activities were expensed as incurred.

j) Loss per share

The loss per share is determined using the weighted-average number of common shares outstanding during the year.

The diluted loss per share, which is calculated according to the treasury stock method, is equal to the basic loss per share due to the anti-dilution effect of the stock option plan, the warrants and conversion options and the convertible debentures.

k) Stock-based compensation

Stock-based compensation is recorded as an expense in the consolidated statements of loss and comprehensive loss, using the fair value obtained by applying the Black - Scholes option pricing model, with a corresponding credit to reserve. The compensation expense is amortized according to the graded vesting method over the vesting period. Upon exercise of stock options, the accumulated compensation is reduced from reserve and added to share capital.

l) Equity

Share capital is recorded at the subscribed value of the shares issued. Proceeds from unit placements are allocated between share and warrants according to the residual value method, where the difference between the fair value and issue price of the share when the warrants are issued is allocated to the warrants.

Reserve is composed of stock-based compensation, issuance of conversion options and issuance of stock warrants less accumulated stock-based compensation on exercise of stock options.

Gains and losses related to the revaluation of certain financial instruments are included in the investments revaluation reserve amount.

Foreign exchange differences comprises foreign currency translation differences arising from the translation of financial statements of the Corporation's foreign entities into Canadian dollars.

Deficit includes the losses from the current year and prior years.

Costs related to the issuance of shares, stock warrants or stock options are recorded in equity net of tax.

m) Financial instruments

On April 1, 2018, the Corporation adopted IFRS 9 – Financial instruments which replaced IAS 39 – Financial instruments: Recognition and Measurement ("IAS 39"). The Corporation elected to use the exemption to not restate comparative information for prior periods. IFRS 9 provides a revised model for classification and measurement of financial assets, including a new expected credit loss ("ECL") impairment model. The change in accounting policy did not result in a change in carrying value for any financial instruments on transition date. Under IAS 39, loans end receivables are also subsequently measured at amortized cost using the effective interest method. Upon initial date of application of IFRS 9, there was no impact to the Corporation's consolidated financial statements as of the date of initial application on expected credit losses.

The following table below presents the new measurement categories under IFRS 9 compared to the original measurement categories as at March 31, 2018 for each class of the Corporation's financial assets and financial liabilities.

Description	IFRS 9	IAS 39
Cash	Financial assets at amortized cost	Loans and receivables
Short-term investments	Financial assets at Fair Value Through Profit or Loss ("FVTPL")	Fair Value Through Profit or Loss ("FVTPL")
Accounts receivable, except tax credits and sales taxes	Financial assets at amortized cost	Loans and receivables
Investments in entities other than subsidiaries and associates	Financial assets at Fair Value through Other Comprehensive Income ("FVOCI")	Available for sale
Accounts payable and accrued liabilities (except salaries and benefits and sales taxes), convertible notes and convertible debentures	Financial liabilities at amortized cost	Amortized cost

The Corporation aggregates its financial instruments into classes based on their nature and characteristics. Management determines the classification when the instruments are initially recognized, which is normally on the date of the transaction. Transaction costs related to financial instruments are measured initially at fair value, except for transaction costs related to FVTPL financial assets which are expensed as incurred, and are added to the carrying value of the asset or netted against the carrying value of the liability.

The following is a description of the policies for subsequent measurement of financial assets and financial liabilities.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial assets at FVOCI

The Corporation has irrevocably elected to present subsequent changes in the fair value of investments in entities other than subsidiaries and associates in Other Comprehensive Income because the investments in equity instruments fail the solely payments of principal and interest test.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. Unlike IAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit and loss.

Financial liabilities at amortized cost

These liabilities are subsequently measured at amortized cost using the effective interest method. Interest expenses, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Component parts of compound instruments

The component parts of compound instruments (convertible notes and convertible debentures) issued by the Corporation are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Corporation's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest rate method until extinguished upon conversion or at the instrument's maturity date.

The values of component parts classified as equity are determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured.

Impairment of financial assets

The Corporation uses the expected credit losses impairment model with respect to its financial assets carried at amortized Cost and FVOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the initial recognition of the respective financial instrument. The Corporation accounts for expected credit losses over the life of financial assets measured at amortized cost. Expected credit losses over the life of the asset are expected credit losses for all of the default events that a financial instrument may experience over its expected life. The assessment of expected credit losses reflects reasonable and justifiable information about past events, current circumstances and forecasts of events and economic conditions and takes into account the factors specific to the accounts receivable, the general condition of the economy and a current as well as expected appreciation of the conditions prevailing at the balance sheet date, including the time value of the money, if any.

The adoption of IFRS 9 had little impact on the Corporation's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a ECL approach. Following the adoption of IFRS 39, the recognition of credit losses is no longer dependent on the identification of an event generator of credit losses by the Corporation.

n) Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incident to ownership. All other leases are classified as operating leases. Finance leases are recorded as an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments. Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. Lease payments under an operating lease are recognized as an expense on a straight-line basis over the lease term.

o) Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

p) Foreign currency translation

For the purpose of the consolidated financial statements, the profit or loss and financial position of each group entity are expressed in Canadian dollars, which is the functional and presentation currency of the Corporation.

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of the respective entity at the exchange rate in effect at the transaction date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Foreign currency differences arising on translation are recognized in profit or loss. Non-monetary items are not translated at year-end and are measured at historical cost, except for non monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

The assets and liabilities of foreign operations are translated to Canadian dollars using exchange rates prevailing at the end of the reporting period. Revenue and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly or significant transactions occurred during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising from the translation process of net investments in foreign operations are recognized as foreign currency translation adjustments in other comprehensive loss under investments revaluation reserve and accumulated in equity.

q) Assets held for sale and discontinued operations

Assets and liabilities held for disposal are no longer depreciated and are presented separately in the statement of financial position at the lower of their carrying amount and fair value less costs to sell. An asset is regarded as held for sale if its carrying amount will be recovered principally through a sale transaction, rather than through continuing use. For this to be the case, the asset must be available for immediate sale and its sale must be highly probable.

A discontinued operation represents a major line of business or geographic area of operations for the Corporation that either has been disposed of or is classified as held for sale. The items in the statement of financial position related to these discontinued operations are presented on specific lines in the consolidated financial statements. Profit or loss items related to these discontinued operations are shown separately in the consolidated financial statements for all periods presented if they are material to the Corporation.

Changes in accounting policies not yet adopted

The International Accounting Standards Board (IASB) made revisions as part of its continuing improvements project. Below is a summary of the relevant standards affected and a discussion of the amendments.

IFRS 16, Leases
In January 2016, IASB issued the new standard IFRS 16 - Leases which replaces the previous standard, IAS 17 Leases, and related interpretations.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer/lessee and the supplier/lessor. More specifically, IFRS 16 is requiring assessing whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time. In such cases, leases are capitalised as “right-of-use assets” or as “property, plant and equipment”. Therefore, the new requirement eliminates the classification of leases as either operating leases or finance leases for a lessee.

The new standard is effective for the annual period beginning on January 1, 2019. The Corporation is currently assessing the impact of this new standard on its consolidated financial statements.

4. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Corporation’s significant accounting policies, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The following are the critical accounting judgments and the key estimates concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Going concern
The Corporation's ability to continue as a going concern is dependent on securing additional and immediate financing and on achieving and maintaining profitable operations. Management has to assess the outcome of these matters when preparing the Corporation’s consolidated financial statements. The Corporation’s current level of operations is not sufficient to cover its expenses and ongoing commitments, resulting in the negative cash flows generated from its operating activities. The Corporation's ability to generate positive cash flows from its operating activities is dependent on achieving and maintaining profitable operations. Since inception, the Corporation has been able to finance its activities and operate on a going concern basis through issuances of shares, stock warrants, convertible notes, convertible debentures and demand loans. However, there is no guarantee that such financing will be available going forward (refer to note 1).

b) Tax credits on research and development expenses
The Corporation’s receivables include refundable tax credits on research and development (R&D) expenses. Management has to make a critical judgment related to the eligibility of R&D expenses with regards to the provisions of the current tax credits programs.

c) Stock-based compensation
Stock-based compensation involves the valuation of grants of stock options. The Corporation relies on the fair value obtained by applying the Black - Scholes option pricing model. This model requires making assumptions related to the risk-free interest rate (with a term that matches the expected life of the options), the expected stock price volatility, the expected life of the options and the expected dividend yield on the Corporation’s shares. Management also has to estimate the number of options that will eventually vest. Management relies on past experience to make these estimates.

d) Fair value of financial instruments
Financial instruments are presented at fair value. In the absence of active markets in the evaluation of financial assets and financial liabilities, the Corporation relies on evaluation techniques based on inputs that are not based on observable market data which could cause the actual results to differ from the estimates.

e) Recognition of deferred tax assets
The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

f) Leases

Management applies judgment in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the lease asset. Key factors considered include the length of the base term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to asset's fair value, and whether the Corporation obtains ownership of the asset at the end of the lease term.

5. Short-term investments

	As at	
	March 31, 2019	March 31, 2018
	$	
Guaranteed investment certificates, bearing interest between 1.20% and 2.20% (March 31, 2018 - 0.85% and 1.75%) and maturing between November 30, 2019 and January 22, 2020 (March 31, 2018 - June 13, 2018 and January 22, 2019)	555,712	85,984

Guaranteed investment certificates other than guaranteed investment certifications pledged as security are cashable without any penalties and therefore are presented as "current" in the statement of financial position.

Guaranteed investment certificates in the amount of $50,000 (March 31, 2018 - $80,000) are pledged as security for an account payable of $26,451 (March 31, 2018 - $35,921).

6. Accounts receivable

	As at	
	March 31, 2019	March 31, 2018
	$	
Customers	41,648	357,334
Tax credits on research and development expenses	135,559	99,541
Government grant	46,663	-
Demand loan bearing annual interest rate of 4% (note 23)	44,809	46,749
Sales commissions advance, no interest bearing (note 23)	20,841	21,558
Advance bearing annual interest rate of 4%	70,000	-
Sales taxes	25,396	1,146
Deposits	1,350	3,089
Others	4,271	1,715
	390,537	531,132

All amounts are due in the short term. The net carrying amounts are a reasonable approximation of their fair value.

As at March 31, 2019 and March 31, 2018, certain customers' balances became past due. These receivables were mainly from long-standing customers who had not as of yet defaulted and had not suffered any changes in their financial condition or whose payments were received after year end. The aging of these accounts is as follows:

	As at	
	March 31, 2019	March 31, 2018
	$	
0 to 30 days	41,648	29,982
31 to 60 days	-	27,373
61 to 90 days	-	297,446
91 days or more	-	2,533
	41,648	357,334

The allowance for expected credit losses (doubtful accounts in 2018) represents the Corporation's estimates of incurred losses arising from the failure or inability of customers to make payments when due. The expected credit losses (bad debt expense in 2018) is reported under "Selling and administrative". During the years ended March 31, 2019 and March 31, 2018, the allowance for expected losses (March 31, 2018 - doubtful accounts) is as follows:

	Year ended March 31,	
	2019	**2018**
	$	
Balance, beginning of year	**21,608**	**21,608**
Balance, end of year	**21,608**	**21,608**

The allowance is related to an amount receivable from an associate.

7. Investments

	Number of companies	As at March 31, 2019	As at March 31, 2018
		$	
Shares of publicly traded companies	2 (March 31, 2018 - 2)	10,000	55,719
Shares of private companies	3 (March 31, 2018 - 3)	-	-
Shares of associates	1 (March 31, 2018 - 2)	-	421,084
		10,000	476,803

Investments in publicly traded companies and private companies over which the Corporation does not exercise significant influence are classified as financial assets at fair value through other comprehensive income.

As at March 31, 2019, Shares of associates include 48 common shares, or 48% (March 31, 2018 – same), of SARL Diagnos Medical, an Algerian corporation. SARL Diagnos Medical is inactive. On April 4, 2018, the Corporation received $437,844 related to the disposal of the 10,500,000 shares of Albert Mining Inc., or 16.6%.

The following table discloses changes in investments:

	Number of companies as at March 31, 2019	Year ended March 31, 2019	Year ended March 31, 2018
		$	
Balance, beginning of year	7	**476,803**	**-**
Addition in shares		-	914,292
Share of loss from associate including an impairment loss		-	(418,916)
Proceeds from disposal of shares of an associate and traded company	(1)	(437,844)	-
Net change in fair value		(28,959)	(18,573)
Balance, end of year	**6**	**10,000**	**476,803**

Share of loss from an associate including an impairment loss is detailed as follows :

Albert Mining Inc.:

	Year ended	
	March 31, 2019	**March 31, 2018**
	$	
Revenue	-	-
Expenses	-	(1,115,632)
Net loss	-	(1,115,632)
Participation (%)	-	16.6
Share of loss of the associate	-	(185,195)
Impairment loss to reflect the net realizable value of the associate	-	(233,721)
	-	**(418,916)**

8. Capital assets

The following tables disclose a reconciliation of changes in capital assets:

	Year ended March 31, 2019			
	Office furniture and equipments	Computer and Medical equipments	Leasehold improvements	Total
	$			
Cost, beginning of year	**64,435**	**1,102,322**	**-**	**1,166,757**
Additions	1,425	40,858	-	42,283
Disposals	(5,942)	(14,852)	-	(20,794)
Cost, end of year	**59,918**	**1,128,328**	**-**	**1,188,246**
Accumulated depreciation, beginning of year	**58,240**	**851,783**	**-**	**910,023**
Depreciation	1,001	189,562	-	190,563
Disposals	(1,707)	(14,852)	-	(16,559)
Accumulated depreciation, end of year	**57,534**	**1,026,493**	**-**	**1,084,027**
Net carrying value at end of year	**2,384**	**101,835**	**-**	**104,219**

	Year ended March 31, 2018			
	Office furniture and equipments	Computer and Medical equipments	Leasehold improvements	Total
	$			
Cost, beginning of year	**135,470**	**898,465**	**42,434**	**1,076,369**
Additions	791	270,157	-	270,948
Write-off	(71,826)	(66,300)	(42,434)	(180,560)
Cost, end of year	**64,435**	**1,102,322**	**-**	**1,166,757**
Accumulated depreciation, beginning of year	**126,636**	**699,867**	**42,434**	**868,937**
Depreciation	3,430	218,216	-	221,646
Write-off	(71,826)	(66,300)	(42,434)	(180,560)
Accumulated depreciation, end of year	**58,240**	**851,783**	**-**	**910,023**
Net carrying value at end of year	**6,195**	**250,539**	**-**	**256,734**

During the year ended March 31, 2019, the Corporation acquired computer equipment for an amount of $47,063 (March 31, 2018 - $0) which was financed, in part, by a government grant of $10,212.

9. Intangible assets

The following tables disclose a reconciliation of changes in intangible assets:

	Year ended March 31, 2019			
	Note	Mineral claims	Computer software	Total
			$	
Cost, beginning of year		**-**	**6,856**	**6,856**
Write-off		-	-	-
Cost, end of year		**-**	**6,856**	**6,856**
Accumulated amortization, beginning of year		**-**	**6,097**	**6,097**
Amortization		-	759	759
Write-off		-	-	-
Accumulated amortization, end of year		**-**	**6,856**	**6,856**
Net carrying value at end of year		**-**	**-**	**-**

	Year ended March 31, 2018			
		Mineral claims	Computer software	Total
			$	
Cost, beginning of year		**39,696**	**142,856**	**182,552**
Disposals	25	(39,696)	-	(39,696)
Write-off		-	(136,000)	(136,000)
Cost, end of year		**-**	**6,856**	**6,856**
Accumulated amortization, beginning of year		**23,615**	**133,553**	**157,168**
Amortization		-	8,544	8,544
Disposals	25	(23,615)	-	(23,615)
Write-off		-	(136,000)	(136,000)
Accumulated amortization, end of year		**-**	**6,097**	**6,097**
Net carrying value at end of year		**-**	**759**	**759**

10. Accounts payable and accrued liabilities

	As at	
	March 31, 2019	March 31, 2018
	$	
Accounts payable and accrued liabilities	143,413	281,609
Interests payable and accrued	462,672	190,755
Salaries and benefits	112,592	110,791
Sales and withholding taxes	48,163	31,817
	766,840	614,972

As at March 31, 2019 and March 31, 2018, certain suppliers' balances became past due. The aging of these payables is as follows:

	As at	
	March 31, 2019	March 31, 2018
	$	
0 to 30 days	142,390	436,251
31 to 60 days	-	31,463
61 to 90 days	1,023	4,650
	143,413	472,364

The following tables disclose a reconciliation of changes in provisions:

Year ended March 31, 2019	Fiscal audit	Litigation	Others	Total provisions
		$		
Balance, beginning of year	**-**	**19,656**	**-**	**19,656**
Payroll deductions at source	-	-	-	-
Former employees	-	-	-	-
Former supplier	-	-	-	-
Balance, end of year	**-**	**19,656**	**-**	**19,656**

Year ended March 31, 2018	Fiscal audit	Litigation	Others	Total provisions
		$		
Balance, beginning of year	**14,136**	**19,656**	**147,000**	**180,792**
Payroll deductions at source	(14,136)	-	-	(14,136)
Former employees	-	-	(97,000)	(97,000)
Former supplier	-	-	(50,000)	(50,000)
Balance, end of year	**-**	**19,656**	**-**	**19,656**

11. Convertible notes

		As at	
		March 31, 2019	March 31, 2018
	Number	$	
Unsecured convertible promissory notes	20 (March 31, 2018 - same)	1,000,000	1,000,000
Fair value discount		(115,259)	(165,895)
Issue expenses		(4,195)	(4,195)
		880,546	829,910

During the quarter ended December 31, 2018, the Corporation issued 900,000 common shares at a deemed price of $0.05 in payment for a debt of $45,000 related to interest payable on unsecured convertible notes amounting to $900,000 (see note 14). As at March 31, 2019, interests amounting to $5,000 were in default of payment. On May 28, 2019, the Corporation proceeded with the payment of the interests in default of $5,000.

During the quarter ended December 31, 2017, as part of a private placement, the Corporation issued $1,000,000 worth of unsecured convertible and redeemable notes (each a “Q3-2018 Note”). The Q3-2018 Notes bear interest at an annual rate of 10%, and will mature on October 13 and 23, 2020 (the “Maturity Date”). At the sole option of the Q3-2018 Note holders, the principal amount of the Q3-2018 Notes may be converted at any time, in whole or in part, into common shares of the Corporation (each a “Share”) at a price of $0.16 per Share. Any accrued interest on the principal, at the time of conversion, will be immediately payable in cash. If, at any time after the first anniversary of the Q3-2018 Note and until maturity, the volume weighted average price of the Shares on the TSX Venture Exchange is equal to or higher than $0.28 for 20 consecutive trading days, the Q3-2018 Notes shall be redeemable, in whole or in part, at the sole option of the Corporation, into Shares of the Corporation at a price of $0.16 per Share. Any accrued interest on the principal, at time of redemption, will be immediately payable in cash. As part of the private placement, 1,000,000 stock warrants (each a “Warrant”) were issued to the Q3-2018 Note holders entitling the holder to purchase one Share of the Corporation per Warrant at a price of $0.22 per Share for a period of 18 months from the date of issuance.

The fair value of the Q3-2018 Notes has been established at $799,100 using the discounted cash flows valuation method with the following weighted average assumptions:

Maturity:	3 years	Nominal interest rate:	10%
Interest payment frequency:	2 per year	Effective interest rate:	20%

Of the difference of $200,900 between the nominal value of the Notes, $1,000,000, and its fair value of $799,100, an amount of $136,130 (net of deferred tax liability of $49,081) has been allocated to the conversion options and an amount of $11,531 (net of deferred tax liability of $4,158) has been allocated to the stock warrants prorated based on their respective fair values using the Black-Scholes option pricing model with the following weighted average assumptions:

Stock warrants:

Expected life:	18 months	Risk-free interest rate:	1.67%
Liquidity discount:	25%	Volatility:	96.48%

Conversion options:

Expected life:	3 years	Risk-free interest rate:	1.67%
Liquidity discount:	25%	Volatility:	96.48%

The following table presents a reconciliation of changes in convertible notes for the years ended March 31, 2019 and March 31, 2018:

	Year ended March 31,	
	2019	2018
	$	
Balance, beginning of year	**829,910**	**-**
Proceeds from private placement	-	1,000,000
Accretion	50,636	35,005
Issue expenses	-	(4,195)
Issuance of stock warrants	-	(15,689)
Issuance of conversion options	-	(185,211)
Balance, end of year	**880,546**	**829,910**

12. Convertible debentures

	As at	
	March 31, 2019	March 31, 2018
	$	
Convertible debentures	4,940,000	4,140,000
Fair value discount	(395,902)	(517,869)
Compounded interest expense	197,523	179,520
Issue expenses	(174,830)	(166,321)
	4,566,791	3,635,330
Convertible debentures - short term	1,670,240	-
Convertible debentures - long term	2,896,551	3,635,330

As at March 31, 2019, interests on secured convertible debentures amounting to $247,000 were in default of payment. However the default was lifted on May 15, 2019 when the Corporation redeemed the outstanding convertible debentures and part of the outstanding notes in the aggregate principal amount of $5,790,000, plus unpaid and accrued interest owing, for an aggregate amount of $6,528,047, and in payment thereof, 18,651,547 common shares of the Corporation were issued at the deemed price of $0.35 per share.

During the quarter ended September 30, 2018, as part of a private placement, the Corporation issued for $800,000 worth of senior secured convertible debentures (each a “Q2-2019 Debenture”). The Q2-2019 Debentures bear interest at an annual rate of 10%, and will mature on July 4, 2021 (the “Maturity Date”). At the sole option of the Q2-2019 Debenture holders, the principal amount of the Q2-2019 Debentures may be converted at any time, in whole or in part, into common shares of the Corporation (each a “Share”) at a price of $0.10 per Share. Any accrued interest on the principal, at the time of conversion, will be immediately payable in cash. If, at any time after the first anniversary of the Q2-2019 Debenture and until maturity, the volume weighted average price of the Shares on the TSX Venture Exchange is equal to or higher than $0.18 for 20 consecutive trading days, the Q2-2019 Debentures shall be redeemable, in whole or in part, at the sole option of the Corporation, into Shares of the Corporation at a price of $0.10 per Share. Any accrued interest on the principal, at time of redemption, will be immediately payable in cash. As part of the private placement, 3,200,000 stock warrants (each a “Warrant”) were issued to the Q2-2019 debenture holders entitling the holder to purchase one Share of the Corporation per Warrant at a price of $0.15 per Share for a period of 18 months from the date of issuance.

The fair value of the Q2-2019 Debentures has been established at $557,806 using the discounted cash flows valuation method with the following weighted average assumptions:

Maturity:	3 years	Nominal interest rate:	10%
Interest payment frequency:	2 per year	Effective interest rate:	26.46%

Of the difference of $242,194 between the nominal value of the Debentures, $800,000, and its fair value of $557,806, an amount of $170,775 (net of deferred tax liability of $62,206) has been allocated to the conversion options and an amount of $6,753 (net of deferred tax liability of $2,460) has been allocated to the stock warrants prorated based on their respective fair values using the Black-Scholes option pricing model with the following weighted average assumptions:

Stock warrants:

Expected life:	18 months	Risk-free interest rate:	2.03%
Liquidity discount:	25%	Volatility:	69.19%

Conversion options:

Expected life:	3 years	Risk-free interest rate:	2.03%
Liquidity discount:	25%	Volatility:	82.09%

During the quarter ended June 30, 2017, as part of a private placement, the Corporation issued for $2.61 million worth of senior secured convertible debentures (each a “Q1-2018 Debenture”). The Q1-2018 Debentures bear interest at an annual rate of 10%, and will mature on April 13, 2020 (the “Maturity Date”). At the sole option of the Q1-2018 Debenture holders, the principal amount of the Q1-2018 Debentures may be converted at any time, in whole or in part, into common shares of the Corporation (each a “Share”) at a price of $0.15 per Share. Any accrued interest on the principal, at the time of conversion, will be immediately payable in cash. If, at any time after the first anniversary of the Q1-2018 Debenture and until maturity, the volume weighted average price of the Shares on the TSX Venture Exchange is equal to or higher than $0.27 for 20 consecutive trading days, the Q1-2018 Debentures shall be redeemable, in whole or in part, at the sole option of the Corporation, into Shares of the Corporation at a price of $0.15 per Share. Any accrued interest on the principal, at time of redemption, will be immediately payable in cash. At the sole option of the Corporation, at any time after the first anniversary of the Q1-2018 Debenture and until maturity, it may repay all or part of the outstanding Q1-2018 Debentures by making a cash payment equal to the principal amount of the Q1-2018 Debentures plus a premium of 25% of the principal amount owing. Any accrued interest on the principal, at time of early repayment, will be immediately payable in cash. As part of the private placement, 5,220,000 stock warrants (each a “Warrant”) were issued to the Q1-2018 debenture holders entitling the holder to purchase one Share of the Corporation per Warrant at a price of $0.22 per Share for a period of 18 months from the date of issuance.

The fair value of the Q1-2018 Debentures has been established at $2,085,650 using the discounted cash flows valuation method with the following weighted average assumptions:

Maturity:	3 years	Nominal interest rate:	10%
Interest payment frequency:	2 per year	Effective interest rate:	20%

Of the difference of $524,350 between the nominal value of the Debentures, $2,610,000, and its fair value of $2,085,650, an amount of $332,232 (net of deferred tax liability of $119,785) has been allocated to the conversion options and an amount of $53,165 (net of deferred tax liability of $19,168) has been allocated to the stock warrants prorated based on their respective fair values using the Black-Scholes option pricing model with the following weighted average assumptions:

Stock warrants:

Expected life:	18 months	Risk-free interest rate:	0.86%
Liquidity discount:	25%	Volatility:	101.19%

Conversion options:

Expected life:	3 years	Risk-free interest rate:	0.86%
Liquidity discount:	25%	Volatility:	101.19%

On July 29 and August 7, 2015, as part of a private placement, the Corporation issued $2.29 million of senior secured convertible debentures (each a “Debenture”). The Debentures bear interest at an annual rate of 10%, and will mature on July 29, 2019 (the “Maturity Date”). Interest on the Debentures is calculated from their date of issue and will be paid quarterly in arrears beginning October 29, 2016. Interest for the first year will be paid at the Maturity Date and will be compounded annually. At the sole option of the Debenture holders, the principal amount of the Debentures may be converted at any time, in whole or in part, into common shares of the Corporation (“Common Shares”) at a price of $0.10 per Common Share. Any accrued interest on the principal, at the time of conversion, will be immediately payable in cash.

The fair value of the Debentures has been established at $1,743,550 using the discounted cash flows valuation method with the following weighted average assumptions:

Maturity:	4 years	Nominal interest rate:	10%
Interest payment frequency:	4 per year	Effective interest rate:	20.03%

The fair value of the conversion options has been established at $546,450 resulting from the difference between the nominal value of the Debentures, $2,290,000 and its fair value of $1,743,550.

During the year ended March 31, 2018, Debentures in the amount of $90,000 were converted to common shares at a conversion price of $0.06 (March 31, 2017 - $670,000 at a conversion price of $0.10) and, as a result, Debentures in the amount of $1,530,000 remain outstanding as at period end.

The following table presents a reconciliation of changes in convertible debentures for the years ended March 31, 2019 and March 31, 2018:

	Year ended March 31,	
	2019	**2018**
	$	
Balance, beginning of year	**3,635,330**	**2,555,663**
Proceeds from private placement	800,000	2,460,000
Conversion of convertible notes	-	-
Conversion of loan	-	150,000
Fair value discount	(242,194)	-
Conversion into common shares	-	(1,140,000)
Accretion	382,496	276,967
Compounded interest	18,003	3,370
Issue expenses	(26,844)	(146,320)
Issuance of stock warrants	-	(72,333)
Issuance of conversion options	-	(452,017)
Balance, end of year	**4,566,791**	**3,635,330**

13. Leases

	As at	
	March 31, 2019	March 31, 2018
	$	
Finance leases	73,443	55,307
Lease fair value discount	(2,047)	(6,480)
	71,396	48,827
Finance leases - short term	39,349	16,238
Finance leases - long term	32,047	32,589

During the quarter ended December 31, 2018, the Corporation entered into one finance lease agreement for the purchase of computer equipment. The minimum monthly payment amount to $1,410 for a term of 36 months ending in December 2021. The fair value of the lease has been established at $47,063 using the discounted cash flows valuation method with the following weighted average assumptions:

Maturity:	3 years	Nominal interest rate:	4.99%
Payment frequency:	12 per year	Effective interest rate:	4.99%

During the quarter ended December 31, 2017, the Corporation entered into one finance lease agreement for the purchase of computer equipment. The minimum monthly payment amount to $732 for a term of 36 months ending in December 2020. The fair value of the lease has been established at $22,247 using the discounted cash flows valuation method with the following weighted average assumptions:

Maturity:	3 years	Nominal interest rate:	0%
Payment frequency:	12 per year	Effective interest rate:	12%

During the year ended March 31, 2017, the Corporation entered into two finance lease agreements for the purchase of computer equipment. The minimum monthly payments amount to $1,475 for a term of 36 months ending in November and December 2019. The fair value of the leases has been established at $44,792 using the discounted cash flows valuation method with the following weighted average assumptions:

Maturity:	3 years	Nominal interest rate:	0%
Payment frequency:	12 per year	Effective interest rate:	12%

The following table presents a reconciliation of changes in leases for the years ended March 31, 2019 and March 31, 2018:

	Year ended March 31,	
	2019	2018
	$	
Balance, beginning of year	**48,827**	**42,271**
Finance leases	47,063	22,247
Payments	(28,926)	(20,625)
Accretion	4,432	4,934
Balance, end of year	**71,396**	**48,827**

The net carrying value of computer and medical equipment under finance leases amounted to $41,500 as at March 31, 2019 ($37,672 as at March 31, 2018).

14. Share capital

Share capital is composed of common shares without par value of which 212,931,265 are issued and outstanding as at March 31, 2019 (March 31, 2018 – 172,421,265). All the shares have identical rights with respect to the distribution of dividends and the repayment of capital. Each share confers the right to one vote at the annual general meeting of shareholders. The Corporation is authorized to issue an unlimited number of common shares.

The following table presents the changes to share capital which have occurred during the year ended March 31, 2019:

	Number of common shares	$
Balance, beginning of year	**172,421,265**	**21,881,166**
Private placements, net of issue expenses	39,610,000	1,772,148
Interests paid in common shares (note 11)	900,000	45,000
Balance, end of year	**212,931,265**	**23,698,314**

The following table presents the changes to share capital which have occurred during the year ended March 31, 2018:

	Number of common shares	$
Balance, beginning of year	**149,277,729**	**20,368,019**
Exercice of stock warrants	3,642,539	235,881
Conversion of debentures	18,066,664	1,140,000
Exercice of stock options	1,434,333	137,266
Balance, end of year	**172,421,265**	**21,881,166**

Capital management

The Corporation closely manages its capital structure in conjunction with economic conditions in order to produce adequate returns on investments to its Shareholders. The key capital performance measures of the Corporation reside in its capability to meet its financial obligations and to invest in the development of its technology to stay competitive and continue as a going concern.

The Corporation's objectives when managing capital are to:

- Maintain financial flexibility in order to preserve its ability to meet financial obligations;
- Deploy capital to provide an appropriate investment return to its shareholders; and
- Maintain a capital structure that allows multiple financing options to the Corporation.

The Corporation defines its capital as follows:

- Equity;
- Long term loans, notes and debentures;
- Cash; and
- Investments.

In order to maintain or adjust its capital structure, the Corporation may issue shares, issue warrants, issue stock options, issue debt and sell assets.

During the year ended March 31, 2019, the Corporation's strategy remained unchanged from the previous year.

Stock option plan
The Corporation maintains a stock option plan for its directors, key employees and consultants. Effective July 21, 2017, stock option grants vest at 50% per year, commencing with the first anniversary of the grant and can be exercised over five years. Stock options granted before July 21, 2017 vest at 33.33% per year, commencing with the first anniversary of the grant. When a consultant is granted stock options in lieu of professional fees, the fair value of the grant is amortized over the period for which the services are to be rendered. The conditions of exercise are determined by the Board of Directors in accordance with the policies of the TSX Venture Exchange. The stock options are granted at or above the share price at the close of market on the day preceding the date of grant.

The stock option plan provides that the maximum number of common shares, which may be reserved for issuance to any one participant pursuant to share options, may not exceed 5% of the common shares outstanding. The maximum number of common shares that may be reserved for issuance to insiders of the Corporation may not exceed 10% of the common shares issued and outstanding on the grant date. The maximum number of stock options which the Corporation is authorized to issue is 20,000,000. As at March 31, 2019, the outstanding number of stock options available for issuance was 526,406 (March 31, 2018 – 4,452,406).

The following table presents the changes which have occurred for the years ended March 31, 2019 and March 31, 2018, with respect to stock options.

	Year ended March 31, 2019		**Year ended March 31, 2018**	
	Number of stock options	Weighted-average exercise price ($)	Number of stock options	Weighted-average exercise price ($)
Outstanding, beginning of year	**12,426,684**	**0.10**	**10,771,349**	**0.09**
Granted	7,070,000	0.06	4,650,000	0.13
Exercised	-	-	(1,434,332)	0.10
Forfeited	(2,620,000)	0.08	(298,333)	0.10
Expired	(524,000)	0.10	(1,262,000)	0.16
Outstanding, end of year	**16,352,684**	**0.09**	**12,426,684**	**0.10**

The stock-based compensation expense of $224,208 for the year ended March 31, 2019 (year ended March 31, 2018 - $171,683) arising from stock options granted to directors, key employees and consultants has been amortized according to the graded vesting method and is reported under “Selling and administrative” expenses in the consolidated statements of loss and comprehensive loss. The stock-based compensation expense for consultants amounted to $41,100 (March 31, 2018 - nil).

The weighted-average fair value of each stock option grant is estimated at $0.03 for the year ended March 31, 2019 (March 31, 2018 - $0.07) and is calculated using the Black - Scholes option pricing model with the following weighted average assumptions:

Expected life:	5 years (March 31, 2018 – 5 years)	Risk-free interest rate:	1.60% to 2.20% (March 31, 2018 – 1.60%)
Dividend yield:	0% (March 31, 2018 – 0%)	Expected Volatility:	94.32% to 96.54% (March 31, 2018 – 95.77% to 99.41%)
Average exercise price at date of grant:	$0.06 (March 31, 2018 - $0.13)	Average share price at date of grant:	$0.06 (March 31, 2018 - $0.13)

The expected volatility was calculated on the Corporation’s share prices over the last 5 years.

The following table summarizes information on stock options outstanding as at March 31, 2019 and March 31, 2018:

	Options outstanding as at March 31, 2019			Options exercisable as at March 31, 2019	
Exercise price ($)	**Number of options outstanding**	**Weighted- average remaining contractual life (in years)**	**Weighted-average exercise price ($)**	**Number of options exercisable**	**Weighted-average exercise price ($)**
0.01 - 0.10	11,702,684	4.5	0.07	3,706,014	0.08
0.11 - 0.20	4,650,000	3.0	0.13	2,408,333	0.13
	16,352,684	4.1	0.09	6,114,347	0.10

	Options outstanding as at March 31, 2018			Options exercisable as at March 31, 2018	
Exercise price ($)	**Number of options outstanding**	**Weighted- average remaining contractual life (in years)**	**Weighted-average exercise price ($)**	**Number of options exercisable**	**Weighted-average exercise price ($)**
0.01 - 0.10	7,226,684	3.0	0.08	3,433,349	0.08
0.11 - 0.20	5,200,000	4.3	0.13	216,667	0.15
	12,426,684	3.5	0.10	3,650,016	0.09

15. Reserve

	Year ended March 31, 2019			
	Stock warrants	Conversion options	Stock options	Total
	$			
Balance, beginning of year	**3,951,170**	**1,067,893**	**2,513,569**	**7,532,632**
Private placement	258,053	170,775	-	428,828
Issue expenses	(5,228)	(11,212)	-	(16,440)
Stock-based compensation	-	-	224,208	224,208
Balance, end of year	**4,203,995**	**1,227,456**	**2,737,777**	**8,169,228**

	Year ended March 31, 2018			
	Stock warrants	Conversion options	Stock options	Total
	$			
Balance, beginning of year	**3,891,631**	**632,214**	**2,341,886**	**6,865,731**
Private placement	64,696	468,363	-	533,059
Issue expenses	(5,157)	(32,684)	-	(37,841)
Stock-based compensation	-	-	171,683	171,683
Balance, end of year	**3,951,170**	**1,067,893**	**2,513,569**	**7,532,632**

Stock warrants

During the quarter ended December 31, 2018, in connection with the financings described in note 14 above for the same period, the Corporation issued 37,310,000 stock warrants entitling the holders to purchase (i) 10,000,000 common shares (each a “Share”) of the Corporation at a price of $0.07 per Share for a period of 18 months ending May 1, 2020, (ii) 20,660,000 common shares (each a “Share”) of the Corporation at a price of $0.05 per Share for a period of twenty-four months ending November 9, 2020 and (iii) 6,650,000 common shares (each a “Share”) of the Corporation at a price of $0.06 per Share for a period of 18 months ending June 12, 2020. The total amount allocated to the warrants has been established at $0, $103,300 and $133,000 respectively.

During the quarter ended September 30, 2018, in connection with the financing described in note 12 above for the same period, the Corporation issued 3,200,000 stock warrants entitling the holders to purchase 3,200,000 common shares (each a “Share”) of the Corporation at a price of $0.15 per Share for a period of 18 months ending January 4, 2020. The total amount allocated to the warrants has been established at $6,753.

During the quarter ended September 30, 2018, in connection with the financing described in note 14 above for the same period, the Corporation issued 2.300,000 stock warrants entitling the holders to purchase (i) 800,000 common shares (each a “Share”) of the Corporation at a price of $0.10 per Share for a period of 18 months ending December 14, 2019 and (ii) 1,500,000 common shares (each a “Share”) of the Corporation at a price of $0.10 per Share for a period of 18 months ending March 11, 2020. The total amount allocated to the warrants has been established at $0 and $15,000 respectively.

The following table presents the changes to stock warrants which have occurred during the years ended March 31, 2019 and March 31, 2018:

	Year ended March 31, 2019		Year ended March 31, 2018	
	Number of stock warrants	Weighted average exercise price ($)	Number of stock warrants	Weighted average exercise price ($)
Balance, beginning of year	**6,220,000**	**0.22**	**3,907,388**	**0.07**
Private placement	42,810,000	0.06	6,220,000	0.22
Exercised	-	-	(3,642,539)	0.06
Expired	(5,220,000)	0.22	(264,849)	0.15
Balance, end of year	**43,810,000**	**0.07**	**6,220,000**	**0.22**

16. Commitments

The Corporation rents offices in Canada under a lease that expires in September 2019. As of April 1, 2018, the Corporation is committed to making minimum annual lease payments of $109,944 for the duration of the lease.

The operating lease expenses for the year ended March 31, 2019 amounted to $123,001 ($147,050 in 2018) and are reported under “Selling and administrative” in the consolidated statements of loss and comprehensive loss.

The following table summarizes information on commitments as at March 31, 2019 and March 31, 2018:

	As at March 31, 2019	As at March 31, 2018
	$	$
No later than 1 year	93,675	139,479
Later than 1 year and no later than 5 years	36,890	83,264
	130,565	222,743

17. Financial instruments and risk management

a) Presentation

As at March 31, 2019

	Amortized cost		Fair value through profit or loss		Fair value through other comprehensive income		Total	
	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value
	$							
Financial assets								
Cash	138,242	138,242					138,242	138,242
Short-term investments			555,712	555,712			555,712	555,712
Accounts receivable	229,582	229,582					229,582	229,582
Investments - shares					10,000	10,000	10,000	10,000
Financial liabilities								
Accounts payable and accrued liabilities	606,085	606,085					606,085	606,085
Convertible Notes	880,546	880,546					880,546	880,546
Convertible Debentures	4,566,791	4,566,791					4,566,791	4,566,791

As at March 31, 2018

	Loans, receivables and other liabilities at amortized cost		Fair value through profit or loss		Available for sale		Total	
	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value
	$							
Financial assets								
Cash	150,291	150,291					150,291	150,291
Short-term investments			85,984	85,984			85,984	85,984
Accounts receivable	430,445	430,445					430,445	430,445
Investments - shares					55,719	55,719	55,719	55,719
Financial liabilities								
Accounts payable and accrued liabilities	472,364	472,364					472,364	472,364
Convertible Notes	829,910	829,910					829,910	829,910
Convertible Debentures	3,635,330	3,635,330					3,635,330	3,635,330

b) Fair value hierarchy

Financial instruments

Financial instruments recorded at fair value in the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified at the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The following tables present fair value hierarchy described above:

				As at March 31, 2019
	Level 1	**Level 2**	**Level 3**	**Total financial assets at fair value**
			$	
Financial assets				
Short-term investments	555,712	-	-	555,712
Investments – shares	10,000	-	-	10,000
Total financial assets	565,712	-	-	565,712

	Level 1	**Level 2**	**Level 3**	**Total financial liabilities**
			$	
Financial liabilities				
Convertible notes	-	880,546	-	880,546
Convertible debentures	-	4,566,791	-	4,566,791
Total financial liabilities	-	5,447,337	-	5,447,337

During the period, there has been no transfer of amounts between Level 1 and Level 2.

				As at March 31, 2018
	Level 1	**Level 2**	**Level 3**	**Total financial assets at fair value**
			$	
Financial assets				
Short-term investments	85,984	-	-	85,984
Investments – shares	55,719	-	-	55,719
Total financial assets	141,703	-	-	141,703

	Level 1	**Level 2**	**Level 3**	**Total financial liabilities**
			$	
Financial liabilities				
Convertible notes	-	829,910	-	829,910
Convertible debentures	-	3,635,330	-	3,635,330
Total financial liabilities	-	4,465,240	-	4,465,240

The Corporation has determined that the fair value of its current financial assets and liabilities measured at amortized cost approximate their carrying amounts as at the balance sheet dates because of their short-term maturity.

The fair value of short-term investments and investments was based on quoted prices in active markets.

The fair value of convertible notes and convertible debentures was estimated by discounting expected cash flows at rates offered to the Corporation for debts of the same remaining maturities and conditions.

Non-financial instruments

The fair value of leases was $71,397 as at March 31, 2019 ($48,827 as at March 31, 2018) and estimated by discounting expected cash flows at rates currently offered to the Corporation for debts of the same remaining maturities and conditions.

c) Risks

The Corporation is exposed to certain risks which could have a material impact on its ability to achieve its strategic growth objectives. The Corporation strives to control and mitigate its business and financial risks through management practices that require the ongoing evaluation, identification and implementation of risk mitigating measures that help reduce or eliminate risks related to its business operations.

The following describes the Corporation’s main financial risks:

i. Credit Risks

In the normal course of business, the Corporation's exposure to credit risk results from the possibility that a customer or financial institution may default, in part or in whole, on their financial obligations, as they come due.

Cash and short-term investments

Cash as well as short-term investments are mainly risk-free or low-risk investments, such as cash and guaranteed term deposits held by recognized financial institutions. None of these short-term investments consist of asset-backed commercial paper. Consequently, management considers the credit risk related to cash and short-term investments to be low as at March 31, 2019 and March 31, 2018.

Customers and demand loan

As of April 1, 2018, the Corporation determines whether the credit risk of a financial asset has increased significantly since initial recognition considering reasonable and supportable information that is relevant and available without undue cost or effort, this includes both quantitative and qualitative information and analysis, based on the historical experience and informed assessment and including forward-looking information.

The Corporation assumes that the credit risk on financial asset has increased significantly if it is more than 90 days past due.

The Corporation considers a financial asset to be in default when the customer is unlikely to the credit obligation to the Corporation in full, without recourse by the Corporation to actions such as realising security (if any is held) or the financial asset is more than 90 days past due.

Previously, the Corporation reviews and, if required, establishes allowances for doubtful accounts on a regular basis. For other accounts receivable including demand loan, the Corporation determines, on a continuing basis, the probable losses and establishes a provision to account for such losses based on the estimated realizable value.

As at March 31, 2019, 75% of accounts receivable from customers was attributable to two customers active in the healthcare industry (82% as at March 31, 2018, from one customer). It should be noted that given the specialization of the Corporation’s market niche, it is most likely that such concentration risk is expected to continue. However, from one year to the next, it is rare that the same customers make up this concentration. Despite the concentration of its customers, the credit risk is mitigated through monitoring of its customers and the additional measures available to the Corporation, as previously described.

Additionally, as at March 31, 2019:

- 0% of the net accounts receivable are over 90 days old (1% as at March 31, 2018);
- accounts receivable from customers exceeding the normal payment terms of 30 days for which no allowance was applied represented 0% of the net accounts receivable from customers (92% as at March 31, 2018).

Management is reasonably assured that its receivables will be collected, and therefore considers the credit risk related to accounts receivable to be low as at March 31, 2019 and March 31, 2018.

ii. Liquidity Risks

Liquidity risk is the risk that the Corporation cannot meet its obligations as they come due. On an ongoing basis, the Corporation monitors and manages its actual and projected cash flows, with the primary objectives of maintaining liquidity and financial flexibility. In addition, the Corporation's policy is to target contracts that will generate positive cash flows throughout their execution.

As at March 31, 2019, accounts payable, convertible notes, convertible debentures and leases that were due in the next 12 months totalled $2,897,202 including non-financial instruments (March 31, 2018 - $1,012,848). Considering the available liquidities to meet its short term obligations, the Corporation's exposure to liquidity risk as at March 31, 2019 and March 31, 2018 is high and is dependent on the Corporation's ability in securing additional financing and achieving and maintaining profitable operations. Refer to going concern assumptions in note 1.

The following are the contractual maturities of liabilities and commitments as at the end of the reporting date:

				As at March 31, 2019
	Less than one year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Overs 5 years**
Accounts payables and accrued liabilities	606,085	-	-	-
Convertible notes	100,000	1,100,000	-	-
Convertible debentures	2,151,219	2,820,142	839,890	-
Leases	39,898	22,785	14,105	-
	2,897,202	3,942,927	853,995	-

				As at March 31, 2018
	Less than one year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Overs 5 years**
Accounts payables and accrued liabilities	472,364	-	-	-
Convertible notes	100,000	100,000	1,100,000	-
Convertible debentures	414,000	1,867,500	2,740,142	-
Leases	26,484	22,970	5,859	-
	1,012,848	1,990,470	3,846,001	-

iii. Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Corporation's cash flows, financial position and income. Interest rate changes directly impact the fair value of the fixed interest rate accounts of the financial statements.

The Corporation is not exposed to interest risk since its financial instruments bear interest at fixed rate and are presented at amortized cost.

iv. Other Price Risk

Other price risk refers to the adverse consequences of stock price changes on the Corporation's investments in shares. Investments in shares are currently mainly composed of shares of corporations traded on the TSX Venture Exchange. As at March 31, 2019, considering the value of investments in shares of $10,000 (March 31, 2018 – $55,719), a change of 50% in the market value of these shares would not have a significant impact on the Corporation's expenses.

v. Exchange Rate Fluctuations Risk

Exchange rate fluctuations risk refers to the adverse consequences of exchange rate changes on the Corporation's cash flows, financial position and income. During the period, revenues and expenses arose from transactions occurring in Canadian dollars and other currencies.

The Corporation is exposed to fluctuations in the currency rates of six currencies (USD, MXN, INR, PLN, AED, Euro). Movements in foreign currencies against the Canadian dollar may impact revenues, the nominal amount of certain financial assets and financial liabilities, and negatively affect the Corporation's profit or loss.

As at March 31, 2019 and March 31, 2018, the following balances presented within the statement of financial position are denominated in a currency different from the functional currency used in each entities of the group and, as such, are exposed to exchange rate flutuation risk:

	As at	
	March 31, 2019	**March 31, 2018**
	Amounts in CAD	
Bank account - USD	13,656	1,367
Bank account - AED	-	1,488
Accounts receivable - AED	107	5,963
Accounts receivable - EUR	5	-
Accounts receivable - USD	33,658	53,037
Accounts payable - AED	(2,761)	(2,408)
Accounts payable - INR	(239)	-
Accounts payable - PLN	(100)	-
Accounts payable - USD	(3,649)	(53,341)
	40,677	6,106

Assuming that all other variables remain constant, a 10% increase or decrease in the exchange rate of the Canadian dollar, against other currencies, would not have a significant impact on the Corporation's net loss and equity for the years ended March 31, 2019 and 2018.

18. Expenses by nature

	Year ended March 31, 2019	2018
	$	
Depreciation and amortization	191,322	230,190
Audit	55,163	72,270
Bad debt	-	6,191
Communications	50,043	56,682
Consulting fees	585,139	460,984
Equipment	14,869	20,526
Foreign exchange	21,955	101,331
Leasing	123,001	147,559
Legal fees	29,665	43,777
Marketing	58,453	85,874
Overhead	145,358	226,103
Remuneration	1,940,150	2,393,129
Tax credits	(135,559)	(99,208)
Travel and living	176,882	334,001
	3,256,441	4,079,409

	Year ended March 31, 2019	2018
	$	
Interest on debentures	876,415	740,096
Interest on notes	150,498	80,963
Interest on short term loans	-	4,504
Other interest expense (revenue)	(1,482)	2,208
	1,025,431	827,771

19. Income taxes

As at March 31, 2019 and March 31, 2018, income taxes recoverable are composed essentially of non-capital losses. Based on available information, it is not probable that income taxes recoverable on these amounts will be realized in the near future, therefore, no deferred tax asset was recorded in these consolidated financial statements.

Provision for income taxes:

	Year ended March 31,	
	2019	**2018**
	$	
Income taxes	-	-
Provision for deferred income taxes		
Deferred income taxes arising from the reversal of temporary differences	(869,692)	(471,638)
Impact of the changes in deferred income tax rates	-	87,375
Un-recognized deferred tax assets on deductible temporary differences, tax credits and deferred tax losses	805,026	192,072
	(64,666)	(192,191)
Provision for income taxes	(64,666)	(192,191)

Reconciliation of tax rates :

	Year ended March 31, 2019			
	Canada	Mexico	Others and consolidation	Total
	$			
Net loss before income taxes	(3,469,299)	(425,378)	(9,045)	(3,903,722)
Statutory federal and provincial tax rates	26.68%	30.00%	26.68%	27.04%
Provision for income taxes calculated at statutory tax rates	(925,609)	(127,613)	(2,413)	(1,055,635)
Impacts of the following items:				
Non-deductible items	478,353	21,007	-	499,360
Non-taxable items	(294,328)	-	-	(294,328)
Un-recognized deferred tax assets on deductible temporary differences, tax credits and deferred tax losses	676,918	83,226	-	760,144
Others	-	23,380	2,413	25,793
	(64,666)	-	-	(64,666)

	Year ended March 31, 2018			
	Canada	Mexico	Others and consolidation	Total
	$			
Net loss before income taxes	(2,404,807)	(643,821)	(40,728)	(3,089,356)
Statutory federal and provincial tax rates	26.73%	30.00%	26.73%	27.41%
Provision for income taxes calculated at statutory tax rates	(642,805)	(193,146)	(10,887)	(846,838)
Impacts of the following items:				
Non-deductible expenses	109,786	22,833	-	132,619
Changes to income tax rates on deferred income taxes	87,375	-	-	87,375
Impact of foreign exchange conversion of subsidiaries	-	414	-	414
Un-recognized deferred tax assets on deductible temporary differences, tax credits and deferred tax losses	253,453	207,298	10,887	471,638
Others	-	(37,399)	-	(37,399)
	(192,191)	-	-	(192,191)

Deferred tax assets and liabilities

Changes to deferred tax assets (liabilities) related to temporary differences and unused tax losses are as follows:

	As at March 31,			
	2018	Equity	Recognized in net earnings	**2019**
			$	
Non capital losses	177,659	-	64,666	242,325
Convertible debentures	(132,585)	(64,666)	-	(197,251)
Convertible notes	(45,074)	-	-	(45,074)
	-	(64,666)	64,666	-

Timing differences and unused tax losses for which no deferred tax has been recognized are as follow:

	As at March 31,			
	2019		**2018**	
	Canada	Mexico	Canada	Mexico
		$		
Operating losses carried forward	16,983,632	1,201,095	14,491,428	934,688
SR&ED expenditures	5,872,501	-	5,505,481	-
Capital assets and intangible assets	252,698	-	347,855	-
Issue expenses	288,508	-	366,824	-
	23,397,339	1,201,095	20,711,588	934,688

Operating losses carried forward

As at March 31, 2019, the Corporation had operating tax losses available in Canada and Mexico for which no deferred assets were accounted for. The following table summarizes the expiry of the losses per fiscal jurisdiction:

	Canada	Mexico	Total
		$	
2026	9,342	41,300	50,642
2027	177,251	257,072	434,323
2028	93,504	613,842	707,346
2029	1,585,387	288,881	1,874,268
2030	1,557,265	-	1,557,265
2031	854,107	-	854,107
2032	1,491,048	-	1,491,048
2033	1,314,504	-	1,314,504
2034	850,637	-	850,637
2035	1,948,091	-	1,948,091
2036	1,972,657	-	1,972,657
2037	1,496,200	-	1,496,200
2038	1,885,531	-	1,885,531
2039	2,660,713	-	2,660,713
	17,896,237	1,201,095	19,097,332

As at March 31, 2019, the Corporation also has investment tax credits totalling $ 1,834,192 (March 31, 2018 - $1,760,351) available to offset future Canadian federal income taxes payable. The potential benefit of the investment tax credits has not been recognized in the accounts.

20. Net change in operating working capital items

The changes in working capital items are as follows:

	Year ended March 31,	
	2019	2018
	$	
Increase (decrease) in accounts receivable, net of payment in shares	210,595	(19,149)
Decrease (increase) in prepaid expenses	14,113	(7,077)
Increase (decrease) in accounts payable and accrued liabilities	151,868	(319,411)
Increase (decrease) in deferred revenue	(27,726)	23,693
	348,850	(321,944)

21. Segment information

The Corporation is active in one reportable segment, healthcare services. It provides image analysis services through CARA (Computer Assisted Retinal Analysis), a software tool which assists health specialists in the detection of diabetic retinopathy. Up to May 25, 2017, the Corporation was also active in the mining sector.

Revenue by country:

	Year ended March 31,			
	2019	2018		
	Healthcare	Healthcare	Mining	Total
	$			
Canada	169,641	53,723	320,000	373,723
United States of America	74,990	21,748	-	21,748
Kenya	56,201	-	-	-
United Arab Emirates	18,638	24,275	-	24,275
Saudi Arabia	5,243	8,301	-	8,301
Mexico	-	1,171,037	-	1,171,037
Others	1,756	13,737	-	13,737
	326,469	1,292,821	320,000	1,612,821

61% of revenues from Canada, for the year ended March 31, 2019, were attributable to data interpretation consulting services rendered to one company active in the mining sector (March 31, 2018 - 85%). As this line of business is not strategic to the development of the Corporation, revenue amounts from consulting services are not presented separately from healthcare services.

As at March 31, 2019 and March 31, 2018, capital and intangible assets are located in Mexico and Canada:

	As at	
	March 31, 2019	March 31, 2018
	$	
Mexico	51,760	202,351
Canada	52,459	55,142
	104,219	257,493

22. Deferred revenue

The following table provides information about deferred revenue:

	As at	
	March 31, 2019	March 31, 2018
	$	
Deferred revenues	4,167	31,893

The following table discloses changes in deferred revenues:

	Year ended March 31,	
	2019	2018
	$	
Balance, beginning of year	31,893	78,200
Invoiced before recognition as revenue	34,724	31,893
Recognized as revenue	(62,450)	(78,200)
Balance, end of year	4,167	31,893

23. Related party transactions

The Corporation's related parties include its subsidiaries and associate entity as well as the Corporation's key management personnel. Key management personnel includes directors and officers.

The following table presents the transactions with key management personnel during the years ended March 31, 2019 and March 31, 2018:

	Year ended March 31,	
	2019	2018
	$	
Base salary	520,000	512,500
Stock-based compensation	115,372	139,928
Incentives	70,000	150,000
Sales commissions	1,380	111,972
Interest on demand loan	1,940	1,940
Payment of interest on demand loan	(1,940)	(1,940)
	706,752	914,400

The following table present the outstanding balances with key management personnel:

	As at	
	March 31, 2019	March 31, 2018
	$	
Demand loan receivable, annual interest rate of 4%	44,809	46,749
Cash advance, no interest	20,841	21,558
Convertible debentures, annual nominal interest rate of 10%	(30,000)	(30,000)
Convertible notes, annual nominal interest rate of 10%	(500,000)	(500,000)

The outstanding balances with key management personnel varied as follows:

	Year ended March 31, 2019			
	Demand loan receivable, annual interest of 4%	Sales commissions advance, no interest	Convertible debentures, annual interest of 10%	Convertible notes, annual interest of 10%
		$		
Balance, beginning of year	**46,749**	**21,558**	**(30,000)**	**(500,000)**
Repayment	(1,940)	(717)	-	-
Balance, end of year	**44,809**	**20,841**	**(30,000)**	**(500,000)**

24. Other income

Government grants

The Corporation received the support of the Quebec government through the Créativité Québec program, administered by Investissement Québec (IQ), to presents a technological showcase at the Centre Hospitalier de l'Université de Montréal (CHUM). The government grant could reach $159,335 depending on the expenses incurred until the end of the project scheduled through May 31, 2019.

During the year ended March 31, 2019, when the terms attached to the grant were complied with, the grant in the amount of $62.521 was recognized in these consolidated financial statement as follows: $52,308 in "Other income" and $10,212 by deducting the grant in arriving at the carrying amount of the asset.

25. Discontinued operations

As part of the May 25, 2017 sale of the assets of the mining division to Majescor Resources Inc. (now Albert Mining Inc. or "Albert"), the Corporation's operations related to the mining division were identified as discontinued operations.

The impact on the statements of cash flows is as follows:

	Year ended March 31,	
	2019	2018
	$	
Net cash flows from operating activities	-	247,829
Net cash flows from investing activities	-	-
Net cash flows from financing activities	-	-
	-	247,829

The Corporation received 8,000,000 common shares of Majescor Resources Inc. valued at $0.08 per share for an aggregate purchase price of $640,000 in payment for all of the assets of the mining division. The carrying amount of these assets was $16,081.

During the quarter ended June 30, 2018, the Corporation proceeded with the disposal of all of the Albert's shares it held as at March 31, 2018 at an average selling price of $0.04 (see note 7).

26. Subsequent events

On April 24, 2019, the common shares of the Corporation commenced trading on a post-consolidation basis, whereby ten (10) pre-consolidation shares resulted in one (1) post-consolidation share.

On May 15, 2019, the Corporation redeemed the outstanding convertible debentures and part of the outstanding notes in the aggregate principal amount of $5,790,000, plus unpaid and accrued interest owing, for an aggregate amount of $6,528,047, and in payment thereof, 18,651,547 common shares of the Corporation were issued at the deemed price of $0.35 per share.

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Stock Exchange Listing
DIAGNOS Inc. shares are listed on the TSX Venture Exchange under the symbol ADK and on the OTCQB under the symbol DGNOF.

Transfer Agents and Registrar
Computershare Trust Company of Canada

Auditor
Raymond Chabot Grant Thornton LLP