

**IMAGIN MEDICAL INC.  
(Formerly Expedition Mining Inc.)**

**MANAGEMENT DISCUSSION & ANALYSIS**

**For the Three Months Ended December 31, 2015**

**Directors and Officers as at February 12, 2016**

**Directors:**

Robin Atlas  
Steve Chan  
Bill Galine  
Jim Hutchens  
Bob Lunde

**Officers:**

President & C.E.O. – Jim Hutchens  
C.F.O. – Jorge Avelino  
Corporate Secretary – William Galine

**Contact Names:**

Jim Hutchens  
William Galine  
Jorge Avelino

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**IMAGIN MEDICAL INC.**  
**(Formerly Expedition Mining Inc)**

**MANAGEMENT DISCUSSION & ANALYSIS**

For the Three Months Ended December 31, 2015

**1.1 Date of This Report**

February 12, 2016

This Management's Discussion & Analysis ("MD&A") of Imagin Mining Inc. (Formerly Expedition Mining Inc.), ("Expedition" or the "Company") for the three months ended December 31, 2015 has been prepared based on information available to us as of February 12, 2016. This discussion should be read in conjunction with the Condensed Consolidated Financial Statements of the Company and notes attached thereto for the three months ended December 31, 2015 included herewith, all of which are available at the SEDAR website at [www.sedar.com](http://www.sedar.com).

*This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address exploration drilling, exploitation activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Reported currency is stated in Canadian dollars.*

**1.2 Overall Performance**

*Description of Business*

The Company was involved in the acquisition, exploration and development of mineral properties. During fiscal year 2014, due to market conditions, which led to the inability to finance the Mt. Mervyn property, the Company wrote-down the property to a nominal amount of \$1 each As at the period ended December 31, 2015, the Company still had an interest in the Mt. Mervyn property, located in the Yukon Territory, which is in the exploration and development stage.

On July 9, 2015, the Company announced that it has signed a letter of intent with BSS Life Sciences Inc. ("BSS") (the "LOI") that would see the Company acquire all of the outstanding securities of BSS in an all-share transaction (the "Transaction") to be completed by way of a Share Exchange Agreement. Under the terms of the proposed Transaction, the Company would acquire all of the shares of BSS by issuing to the BSS shareholders a total of 26,500,000 common shares and 10,000,000 acquisition warrants in the capital of the Company.

BSS is a private arms' length Vancouver-based company that holds the intellectual property rights to a proprietary imaging technology developed for extremely accurate visualization of cancers.

On December 10, 2015, the Company announced that at its Annual and Special Shareholders Meeting held on December 8, 2015, its shareholders approved the previously announced acquisition of BSS Life Sciences Inc. The Transaction will be subject to the approval of the Canadian Securities Exchange.

On February 9, 2016, the Company closed the acquisition of BSS. In connection with the closing, the Company:

- issued 21,500,000 common shares (“Acquisition shares”) to the shareholders of BSS Life on a pro-rata basis. Of these, 11,500,000 shares are subject to escrow, to be released over three years (10% on the closing date and an additional 15% every six months thereafter);
- issued 10,000,000 warrants (“Acquisition Warrants”) to the holders of warrants of BSS Life on a pro-rata basis; each Acquisition Warrant exercisable at \$0.15 per share for three years;
- issued 5,000,000 performance shares to certain shareholders of BSS. These shares are subject to escrow, and to be released upon the successful conclusion of a beta prototype pertaining to BSS Life’s technology which satisfactorily demonstrates the commercial viability of products based on such technology;
- changed its name from Expedition Mining Inc. to Imagin Medical Inc.; and changed its trading symbol to “IME”;
- closed a non-brokered financing of 6,677,413 units (“Unit”) at \$0.15 per Unit for gross proceeds of \$1,001,612. Each Unit is comprised of one common share (“Shares”) and one share purchase warrant (“Finance Warrant”). Each Finance Warrant is exercisable for a period of two years at \$0.25 in the first 12 months and at \$0.35 thereafter, provided that in the event the closing price of the Company’s Shares on the CSE is equal to greater than \$0.50 per share for 20 consecutive trading days at any time following four months after the date of closing the Acquisition, the Company may reduce the remaining exercise period of the Finance Warrants to not less than 30 days following the date of such notice. The private placement securities are subject to a four month hold period from the date of issuance;
- completed a shares-for-debt transaction to settle \$155,416.27 of past debt owed to former directors and officers of EXU, by the issuance of 1,036,108 shares at a deemed price of \$0.15 per share. These shares are subject to a four month hold period from the date of issuance;
- granted 2,000,000 incentive stock options, exercisable at \$0.15 per share for a period of five years. The options are subject to a four month hold period from the date of grant; and
- changed its business from that of a mining exploration company to a medical technology company.

After the closing of the acquisition, the Company currently has 38,102,634 issued and outstanding Shares; 10,000,000 Acquisition Warrants; 6,677,413 Finance Warrants; and 2,000,000 incentive stock options. The Company will continue to hold open its private placement, and as such additional Units may be sold prior to the resumption of trading of its shares.

### **1.3 Selected Annual Information**

The highlights of financial data for the Company for the three most recently completed financial years are as follows:

	<u>Sept. 30, 2015</u>	<u>Sept. 30, 2014</u>	<u>Sept. 30, 2013</u>
(a) Loss before other items			
(i) Total loss	\$404,259	\$550,597	\$502,940
(ii) Loss per share – basic	\$0.10	\$0.14	\$0.13
(iii) Loss per share – diluted	\$0.10	\$0.14	\$0.13
(b) Net loss			
(i) Total loss	\$402,757	\$2,014,360	\$493,373
(ii) Loss per share – basic	\$0.10	\$0.52	\$0.13
(iii) Loss per share – diluted	\$0.10	\$0.52	\$0.13
(c) Total assets	\$41,498	\$300,934	\$2,286,866

## **1.4 Results of Operations**

### *Discussion of Acquisitions, Operations and Financial Condition*

The following should be read in conjunction with the condensed consolidated financial statements for the three months ended December 31, 2015 of the Company and notes attached hereto.

#### Results of Operations

During the three months ended December 31, 2015, the Company reported a net loss of \$121,884 as compared to net loss of \$105,910 for the comparative three months ended December 31, 2014. The increase is related to the following:

- i. Consulting fees – The increase of \$37,467 is directly related to engaging three marketing companies to assist in the private placement in conjunction with the acquisition of BSS.
  - a) Engaged Vancap Capital Corp to provide services related to capital introductions and business development. The total cost for the period was \$28,300;
  - b) Engaged 093201 BC Ltd to provided services related to capital introductions. The total cost was \$7,500.
  - c) Engaged Northern Group to provide internet marketing services. The total cost was \$1,667.
- ii. Filing fees and transfer agent fees – The increase of \$6,854 is related to regulatory fees due to the change of business and the acquisition of BSS.
- iii. Legal and accounting – The increase of \$33,296 is related services provided in connection with the change of business and the acquisition of BSS.
- iv. Shareholders information – The increase of \$1,651 is related costs in connection with the special meeting to approve the acquisition of BSS.

There were expenses that decreased to bring down the total general and administration costs during the period.

- i. Management fees – After the death of the former president in February 2015, Mr. Galine took over the presidency. Management fees reported a reduction of \$35,082.

- ii. Expenses recovered – The Company reported a recover of \$17,715. This is related to a reclamation bond on a uranium property in the State of Utah that the Company had written off in a previous fiscal year.
- iii. Office expense & insurance – The Company closed down the downtown Vancouver office in October of 2015 in order to reduce expenses.
- iv. Travel, meals & entertainment – Due to inactivity, travel was reduced to a minimum.

The general and administrative expenses reported an increase of \$33,296. Below is a breakdown of the expenses:

Expenses Category	31-Dec-15	31-Dec-14	Increase (Decrease)
- Bank charges & interest	217	287	(70)
- Consulting fees	37,467		37,467
- Corporate & admin	3,220	3,598	(378)
- Directors' fees	3,000	3,000	-
- Filing fees & transfer agent fees	8,997	2,143	6,854
- Legal & accounting	55,621	22,325	33,296
- Management fees	19,500	54,582	(35,082)
- Office rent, services & supplies	5,719	11,701	(5,982)
- Property storage fees	-	546	(546)
- Shareholders' information	4,460	2,809	1,651
- Travel, meals & entertainment	1,281	5,195	(3,914)
<b>Total</b>	<b>139,482</b>	<b>106,186</b>	<b>(33,296)</b>

#### **Shareholders Communication and Travel**

The Company reported shareholders communication and travel expenses totaling \$5,621 (2014 - \$8,004) and broken down as follows:

	31-Dec-15	31-Dec-14
Communication & information	\$ 3,472	\$ 838
Press releases	-	-
Telephone & website	987	1,971
Travel & entertainment	1,281	5,195
	<b>\$ 5,740</b>	<b>\$ 8,004</b>

#### **Summary of Quarterly Results**

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	<u>Q1 31-Dec-15</u>	<u>Q4 30-Sep-15</u>	<u>Q3 30-Jun-15</u>	<u>Q2 31-Mar-15</u>
	IFRS	IFRS	IFRS	IFRS
Net loss	(121,884)	(113,964)	(82,152)	(100,731)
Per Share	(0.03)	(0.03)	(0.02)	(0.03)
	<u>Q1 31-Dec-14</u>	<u>Q4 30-Sep-14</u>	<u>Q3 30-Jun-14</u>	<u>Q2 31-Mar-14</u>
	IFRS	IFRS	IFRS	IFRS
Net loss	(105,910)	(1,418,150)	(406,765)	(98,970)
Per Share	(0.03)	(0.14)	(0.03)	(0.01)

### ***Discussion***

#### Three months ended December 31, 2015:

For the three months ended December 31, 2015, please refer to Section 1.4 Results of Operations.

### **1.5 Liquidity**

The Company has no current operating income or cash flow. In management's view, given the nature of the Company's operations, the most relevant financial information relates primarily to current liquidity, solvency and planned expenditures. The Company's financial success will be dependent upon the acquisition of a viable business and such a development may take time to complete and the amount of resulting income, if any, is difficult to determine. Please refer to Section 1.2 Overall Performance and Note 12 of the Financial Statements. The Company completed the previously announced private placement for a total of 6,677,413 units at \$0.15 per unit for gross proceeds of \$1,001,612.

At December 31, 2015, the Company had \$152,367 in cash, \$5,750 in security deposits and \$18,043 in prepaid expenses and accounts receivable. Included in the cash is \$149,433 for shares subscriptions that have not been issued. The Company has no revenue generating projects at this time. The Company's historical capital needs have been met by equity subscriptions. On December 31, 2015, excluding the subscription funds, the Company had working capital deficiency of \$298,894 (September 30, 2015 – working capital deficiency of \$177,093).

#### Cash and cash equivalents

	<u>31-Dec-15</u>	<u>30-Sep-15</u>
Cash deposits	\$ 29,494	\$ 29,494
Subscriptions received	149,433	-
Total cash and cash equivalents	<u>\$ 152,367</u>	<u>\$ 29,494</u>

#### Credit Risk

Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash is held with a Canadian bank.

#### Currency Risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company faces certain foreign exchange risks related to expenses and deferred exploration costs incurred in U.S. dollars, a currency which may appreciate against the Canadian dollar, the Company's reporting currency. Additionally, net working capital balances denominated in non-reporting currencies are also

subject to fluctuations in value. The Company mitigates these threats by limiting its exposure to such balances where their expenditure in the same non-reporting currency is not imminent.

### Commitments

The Company has no commitments on their mineral property interest as discussed in Note 6 of the Financial Statements. Once the acquisition of BSS Life Sciences Inc is completed (refer to Section 1 Overall Performance and Note 13 of the Financial Statements), then the Company will issue 26,500,000 common shares and 10,000,000 warrants in exchange for all of the issued and outstanding shares of BSS.

Concurrent with the completion of the above transaction, the LOI contemplates that the Company complete a private placement of a minimum of \$1,000,000. The Company will conduct a non-brokered private placement of up to 6,666,667 Units, (“Units”) at a price of \$0.15 per Unit for gross proceeds of up to \$1,000,000.

### **1.6 Capital Resources**

The Company’s capital resources are its exploration and evaluation assets, with a historical cost of \$1 (\$1 – September 30, 2015) and its fixed assets (computers & office equipment) with a book value of \$1,019 (\$1,102 – September 30, 2015).

### **1.7 Off Balance Sheet Arrangements**

There are no off-balance sheet arrangements to which the Company is committed.

### **1.8 First Quarter**

The first quarter results do not differ significantly from other quarters.

### **1.9 Transactions with Related Parties**

During the three months ended December 31, 2015 and 2014, the Company was charged the following amounts by directors and officers or by companies controlled by the director or officers:

		<b>Three months ended</b>	
		<b>31-Dec-15</b>	<b>31-Dec-14</b>
Management fees	\$	19,500	54,582
Accounting fees		15,000	15,000
Directors fees		3,000	3,000
<b>Total</b>	<b>\$</b>	<b>37,500</b>	<b>72,582</b>

Included in accounts payable is \$155,416 of deferred fees and salaries for directors and officers (\$133,234 – September 30, 2015). Subsequent to the period and in connection with the acquisition of BSS, all amounts due to related parties were converted to shares at a price of \$0.15 per share.

### **1.10 Proposed Transactions**

Please refer to Section 1.2 Overall Performance (Description of business) and Note 12 of the Financial Statements regarding the acquisition of BSS.

### **1.11 Critical Accounting Estimates**

In preparing financial statements, management has to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Based on historical experience, current conditions and expert advice, management makes assumptions that are believed to be

reasonable under the circumstances. These estimates and assumptions form the basis for judgments about the carrying value of assets and liabilities and reported amounts for revenues and expenses. Different assumptions would result in different estimates and actual results may differ from results based on these estimates. These estimates and assumptions are also affected by management's application of accounting policies. Critical accounting estimates are those that affect the consolidated financial statements materially and involve a significant level of judgment by management.

### **1.12 Financial and Other Instruments**

The carrying value of cash and cash equivalents, marketable securities, accounts receivable, accounts payable and due from (to) related parties approximate their fair values due to the short maturity of those instruments.

### **1.13 Other**

Disclosure of Outstanding Share Capital: February 12, 2016

	<u>Number</u>
Common Shares	<u>38,102,634</u>

Disclosure of Outstanding Stock Options: February 12, 2016

	<u>Number</u>
Incentive Stock Options	<u>2,000,000</u>

Disclosure of Outstanding Share Purchase Warrants: February 12, 2016

	<u>Number</u>
Warrants	<u>16,897,599</u>
Fully diluted	<u>57,000,233</u>

### **Disclosure Controls and Procedures**

It should be noted that pursuant to Multilateral Instrument 52-511 (adopted by the British Columbia Securities Commission on November 23, 2007), that the officers of the Company are no longer required to certify the effectiveness of disclosure controls and procedures used by the Company, as was required in previous filings under National Instrument 52-109. Accordingly, the new forms of certificate to be signed by the Company's Chief Executive Officer and Chief Financial Officer contain the following Note to Reader:

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.



The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

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

### **Subsequent Events**

Please refer to Section 1.2 Overall Performance (Description of Business) and Note 12 Subsequent Events of the Condensed Consolidated Financial Statements as at December 31, 2015.

### **Additional information**

Additional information relating to the company is on SEDAR at [www.sedar.com](http://www.sedar.com).