

IMAGIN MEDICAL INC.

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018

and

December 31, 2017

(Expressed in Canadian Dollars)

Corporate Head Office

Suite 600, 890 West Pender St.

Vancouver, BC V6C 1L9

NOTICE

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

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

IMAGIN MEDICAL INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited - Prepared by Management)

	December 31, 2018	September 30, 2018
	\$	\$
ASSETS		
Current assets		
Cash (Note 3)	5,365,497	5,818,840
Amounts receivable and prepaids (Note 4)	197,901	211,141
Security deposit	-	5,750
	5,563,399	6,035,731
Equipment		
	1,298	1,403
Intangible asset (Note 5)	129,557	134,568
	5,694,253	6,171,702
LIABILITIES & SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Notes 6 & 7)	189,212	179,529
	189,212	179,529
Shareholders' equity		
Share capital (Notes 8 & 11)	15,487,514	14,962,227
Share-based payment reserve	2,847,106	2,847,939
Deficit	(12,829,579)	(11,817,993)
	5,505,042	5,992,173
	5,694,253	6,171,702
Nature and continuance operations (Note 1)		
Basis of presentation (Note 2)		
Subsequent events (Note 11)		

Approved on behalf of the Board of Directors:

“John Vacha”, Director

“Robin Atlas”, Director

See notes to condensed interim consolidated financial statements

IMAGIN MEDICAL INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

Three Months Ended December 31

(Unaudited - Prepared by Management)

	2018	2017
	\$	\$
General and administrative expenses:		
Amortization of intangible asset	5,011	3,345
Amortization of equipment	105	151
Bank charges and interest	1,998	2,817
Business development (Note 7)	17,989	-
Consulting fees	193,464	130,026
Corporate and administration fees	9,715	28,118
Directors' fees (Note 7)	3,000	8,750
Filing and transfer agent fees	15,007	17,742
Legal & accounting fees (Note 7)	134,997	27,490
Management fees (Note 7)	199,995	77,780
Office, rent and insurance	32,989	23,741
Product development	354,400	37,861
Shareholders' communication, & promotion	27,993	17,366
Travel, meals & entertainment	27,551	12,854
	(1,024,213)	(388,041)
Other items:		
Interest income	12,646	6
Foreign exchange	(19)	15,662
Stock-based compensation (Note 8 c)	-	(898,126)
	(1,011,586)	(1,270,498)
Net loss and comprehensive loss	(1,011,586)	(1,270,498)
Basic and diluted loss per share	(0.01)	(0.02)
Weighted average – number of shares outstanding	138,594,074	76,049,015

See notes to condensed interim consolidated financial statements

IMAGIN MEDICAL INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Three Months Ended December 31

(Unaudited - Prepared by Management)

	2018	2017
	\$	\$
Cash provided by (used for):		
Operating activities		
Net loss for the period	(1,011,586)	(1,270,498)
Adjustments which do not affect cash:		
Amortization of intangible asset	5,011	3,345
Amortization of equipment	105	151
Stock-based compensation	-	898,126
	(967,148)	(368,876)
Net changes in non-cash working capital items:		
Amounts receivable and prepaids	(18,990)	(230,208)
Accounts payable and accrued liabilities	9,683	(624,832)
Interest payable	-	(2,148)
	(977,797)	(1,226,064)
Investing activities		
Purchase of intangible asset	-	(12,757)
	-	(12,757)
Financing activities		
Issue of share capital	524,454	2,888,572
Convertible debenture	-	(62,000)
Obligation to issue shares	-	-
Share issue costs	-	(223,000)
	524,454	2,603,573
Increase (Decrease) in cash	(453,343)	1,364,751
Cash - beginning of period	5,818,840	245,921
Cash - end of period	5,365,497	1,610,672

Supplementary disclosures:

Note 9– Non-cash transactions

See notes to condensed interim consolidated financial statements

IMAGIN MEDICAL INC.

For the Three Months Ended December 31, 2018 and 2017

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Issued Share Capital		Share-Based Payment Reserve	Obligation to Issue Shares	Deficit	Total
	#	\$	\$	\$	\$	\$
Balance, September 30, 2017	50,280,629	2,423,758	701,995	223,000	(3,859,907)	(511,154)
Private placement, net						
- \$0.05	20,000,000	979,760	-	(223,000)	-	756,760
- Marketing	800,000	120,000	-	-	-	120,000
Debt conversion	739,241	66,531	-	-	-	66,531
Exercise of options	2,600,000	261,000	-	-	-	261,000
Exercise of warrants	10,360,402	1,461,282	-	-	-	1,461,282
Fair value of options granted	-	-	898,126	-	-	898,126
Fair value of options exercised	-	242,457	(242,457)	-	-	-
Fair value of brokers' warrants	-	(18,466)	18,466	-	-	-
Fair value of warrants exercised	-	31,108	31,108	-	-	-
Loss for the period	-	-	-	-	(1,270,498)	(1,279,498)
Balance, December 31, 2017	84,780,272	5,567,430	1,345,022	-	(5,130,406)	1,782,046
Private placement, net						
- @ \$0.22	17,919,820	3,719,094	-	-	-	3,719,094
- Marketing	1,513,889	440,000	-	-	-	440,000
Debt conversion	461,279	41,515	-	-	-	41,515
Exercise of options	3,000,000	691,000	-	-	-	691,000
Exercise of warrants	21,179,178	2,766,133	-	-	-	2,766,133
Management bonus	5,000,000	1,175,000	-	-	-	1,175,000
Fair value of options granted	-	-	2,064,972	-	-	2,064,972
Fair value of options exercised	-	733,234	(733,234)	-	-	-
Fair value of brokers' warrants	-	(213,690)	232,156	-	-	-
Fair value of warrants exercised	-	42,511	(42,511)	-	-	-
Loss for the period	-	-	-	-	(6,687,588)	(6,687,588)
Balance, September 30, 2018	133,854,438	14,962,227	2,847,939	-	(11,817,993)	5,992,173
Exercise of warrants	5,205,840	524,454	-	-	-	524,454
Fair value of brokers' warrants	-	833	(833)	-	-	-
Loss for the period	-	-	-	-	(1,011,586)	(972,264)
Balance, December 31, 2018	139,060,278	15,487,514	2,847,106	-	(12,829,579)	5,505,042

See notes to condensed interim consolidated financial statements

IMAGIN MEDICAL INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended December 31, 2018 and 2017

1. NATURE AND CONTINUANCE OF OPERATIONS

Imagin Medical Inc. (formerly Expedition Mining Inc.) is incorporated in the Province of British Columbia and its previous principal business activity was the acquisition and exploration of resource properties. On February 9, 2016, the Company completed the acquisition of BSS Life Sciences Inc. (“BSS”). BSS holds the intellectual property rights to a proprietary imaging technology developed for extremely accurate visualization of cancers. In connection with the acquisition, the Company changed its name to Imagin Medical Inc. and now focuses on the research, development and commercialization of medical devices in the bio-chemistry industry. For accounting purposes, the acquisition of BSS was treated as a reverse asset acquisition as the shareholders of BSS acquired control of the consolidated entity. BSS is considered the acquiring and continuing entity, and Imagin Medical Inc. was the acquired entity.

These condensed interim consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The ability of the Company to continue as a going-concern depends upon its capacity in the near-term to raise additional equity financing and ultimately to develop profitable commercial operations.

There can be no assurance that the Company will be able to continue to raise funds in the future in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company’s condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the IFRS Interpretations Committee.

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of **February 19, 2019**, the date the Board of Directors approved the condensed interim consolidated financial statements.

These condensed interim consolidated financial statements are presented in the Company’s functional currency (which is the Canadian dollar) on a historical cost basis.

Statement of compliance to International Financial Reporting Standards

The condensed interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). Therefore, these financial statements comply with International Accounting Standard (“IAS”) 34 “interim Financial Reporting”.

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended September 30, 2018.

IMAGIN MEDICAL INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended December 31, 2018 and 2017

2. **SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

New standards amendments and interpretations to existing standards not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the September 30, 2018 reporting period. The Company has not early adopted the following new and revised standards, amendments and interpretations that have been issued but are not yet effective:

- IFRS 9 (Amended 2010) Financial Instruments (effective January 1, 2018)
- IFRS 16 Leases (effective January 1, 2019)

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results and financial position.

3. **CASH AND CASH EQUIVALENTS**

	December 31, 2018	September 30, 2018
	\$	\$
Canadian chartered bank		
- Deposits in Canadian banks	365,497	2,318,840
- Guaranteed Investment Certificate	5,000,000	3,500,000
	5,365,497	5,818,840

4. **AMOUNTS RECEIVABLE AND PREPAIDS**

	December 31, 2018	September 30, 2018
	\$	\$
GST receivable	5,616	7,398
Interest receivable	15,903	19,560
Prepaid expenses	176,383	174,183
Trust account	-	10,000
	197,901	211,141

5. **INTANGIBLE ASSET**

On June 22, 2015, BSS and Lawrence Livermore National Security (“LLNS”) entered into a license agreement, whereby the Company has exclusive right to develop, manufacture and sell a medical imaging device designed to complement white light endoscopy by adding fluorescent imaging for more accurate detection and treatment of various conditions, including the detection and treatment of cancer.

As consideration for the license agreement, BSS is required to pay a non-refundable license issue fee of US\$100,000 due on the effective date and payable as follows:

- US\$10,000 (paid) due on execution of the agreement;
- US\$30,000 (paid) due within five months after the effective date;
- US\$30,000 (paid) due within seven months after the effective date; and
- US\$30,000 (paid) due within nine months after the effective date.

IMAGIN MEDICAL INC.
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5. **INTANGIBLE ASSET** *(continued)*

In addition, BSS is required to pay to LLNS a non-refundable US Maintenance Patent Fee of US\$45,000 as follows:

- US\$15,000 (paid) to be paid on or before February 28, 2016;
- US\$15,000 (paid) to be paid on or before February 28, 2019; and
- US\$15,000 to be paid on or before February 28, 2023.

In addition, BSS is required to pay to LLNS minimum annual royalty payments as follows:

- US\$5,000 (paid) to be paid on or before February 28, 2017;
- US\$10,000 (paid) to be paid on or before February 28, 2018;
- US\$10,000 (paid) to be paid on or before February 28, 2019; and
- US\$25,000 to be paid on or before February 28, 2020, and every February 28th thereafter.

In the event that the Company grants a sublicense to a third party, the Company will pay to LLNS 50% of any issue fee from this sublicensing. The sublicensing fee charged by the Company to the third party must be equal to or greater than the license issue fee disclosed above (US\$100,000).

In addition, the Company will pay LLNS an earned royalty of 3% on net sales.

The license agreement will remain in effect until the expiration or abandonment of the last of the patent rights and are being depreciated on a straight line basis over the remaining life of the patent rights.

Continuity of the intangible asset is as follows:

	Patent License
Cost	
Balance, September 30, 2016	155,241
Additions for the year	6,713
Balance, September 30, 2017	161,954
Additions for the year	12,757
Balance, September 30, 2018	174,711
Additions for the period	-
Balance, December 31, 2018	174,711
Accumulated depreciation	
Balance, September 30, 2016	13,381
Depreciation for the year	13,381
Balance, September 30, 2017	26,762
Depreciation for the year	13,381
Balance, September 30, 2018	40,143
Depreciation for the period	5,011
Balance, December 31, 2018	45,154
Carrying amounts	
Balance, September 30, 2016	141,860
Balance, September 30, 2017	135,192
Balance, September 30, 2018	134,568
Balance, December 31, 2018	\$ 129,557

IMAGIN MEDICAL INC.
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For the three months ended December 31, 2018 and 2017

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2018	September 30, 2018
	\$	\$
Trade accounts payable	147,448	64,821
Accrued liabilities	34,764	99,932
Due to related parties	7,000	14,776
	189,212	179,529

7. RELATED PARTY TRANSACTIONS

During the three months ended December 31, 2018, the Company paid or accrued \$335,265 (2017 - \$104,530) to directors and officers or companies controlled by directors and officers of the Company, for management, accounting, directors and consulting fees incurred by the Company.

During the period, the Company did not grant any stock options (December 31, 2018 – 4,200,000).

Included in accounts payable are fees and expenses due to directors and officers in the amount of \$7,000 (September 30, 2018 - \$14,776), which are non-interest bearing, unsecured, and payable on demand. Fair value cannot be reliably determined.

Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

8. SHARE CAPITAL

a) Authorized: Unlimited number of common shares

b) Issued:

As at the three months end December 31, 2018, the Company reported issued and outstanding shares of 139,060,278 (September 30, 2018 - 133,854,438).

During the three months ended December 31, 2018, the Company issued the following shares:

- 5,133,340 finance warrants with an exercise price of \$0.10 were exercised for gross proceeds of \$513,334;
- 62,500 finance warrants with an exercise price of \$0.16 were exercised for gross proceeds of \$10,000;
- 8,000 finders warrants with an exercise price of \$0.10 were exercised for gross proceeds of \$800;
- 2,000 finders warrants with an exercise price of \$0.16 were exercised for gross proceeds of \$320;

IMAGIN MEDICAL INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended December 31, 2018 and 2017

8. **SHARE CAPITAL** (continued)

c) Stock options:

A summary of the Company's stock options activity is presented below:

	Number of options	Weighted average exercise price
Outstanding at September 30, 2017	4,950,000	\$ 0.12
Options granted	11,300,000	0.27
Options exercised	(5,600,000)	0.17
Options expired or cancelled	(550,000)	0.24
Outstanding at September 30, 2018	10,100,000	\$ 0.26
Options exercised	-	-
Options expired or cancelled	-	-
Outstanding at December 31, 2018	10,100,000	\$ 0.26

The continuity of share purchase options is as follows:

Expiry Date	Exercise Price	30-Sep-18	Granted	Exercised	Expired/ Cancelled	31-Dec-18
09-Feb-21	0.15	1,200,000	-	-	-	1,200,000
30-Jun-21	0.15	1,150,000	-	-	-	1,150,000
14-Dec-21	0.15	300,000	-	-	-	300,000
26-Oct-22	0.18	1,350,000	-	-	-	1,350,000
30-Oct-22	0.19	100,000	-	-	-	100,000
28-Nov-22	0.25	700,000	-	-	-	700,000
17-Jan-23	0.40	2,100,000	-	-	-	2,100,000
18-Apr-23	0.31	2,750,000	-	-	-	2,750,000
25-Jul-23	0.16	450,000	-	-	-	450,000
		10,100,000	-	-	-	10,100,000
Weighted average exercise price		\$ 0.26	-	-	-	\$ 0.26

Expiry Date	Exercise Price	30-Sep-17	Granted	Exercised	Expired/ Cancelled	31-Dec-17
09-Feb-21	0.15	1,850,000	-	(450,000)	-	1,400,000
30-Jun-21	0.15	1,200,000	-	(50,000)	-	1,150,000
14-Dec-21	0.15	300,000	-	-	-	300,000
25-Sep-22	0.06	1,600,000	-	(1,600,000)	-	-
26-Oct-22	0.18		2,250,000	(500,000)	-	1,750,000
30-Oct-22	0.19		400,000	-	-	400,000
28-Nov-22	0.25	-	2,000,000	-	-	2,000,000
14-Jun-18	0.24	-	300,000	-	-	300,000
		4,950,000	4,950,000	(2,600,000)	-	7,300,000
Weighted average exercise price		\$ 0.12	\$ 0.21	\$0.10	-	\$ 0.19

During the three months ended December 31, 2018, the Company did not grant any incentive stock options (September 20, 2017 – 4,950,000) to directors, officers, and certain service providers.

IMAGIN MEDICAL INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended December 31, 2018 and 2017

8. **SHARE CAPITAL** (continued)

d) Share purchase warrants

A summary of the Company's share purchase warrants activity is presented below:

	Number of warrants	Weighted average exercise price
Outstanding at September 30, 2017	25,232,954	\$ 0.17
Finance warrants issued	38,164,157	0.23
Finders' warrants issued	1,521,910	0.31
Debt conversion warrants issued	1,356,183	0.12
Finance warrants exercised	(22,258,987)	0.12
Finders' warrants exercised	(872,886)	0.13
Acquisition warrants exercised	(7,560,000)	0.15
Debt conversion warrants exercised	(847,707)	0.12
Finance warrants expired	(5,454,747)	0.35
Outstanding at September 30, 2018	29,280,877	\$ 0.29
Finance warrants exercised	(5,205,840)	0.10
Finance warrants expired	(3,791,440)	0.16
Outstanding at December 31, 2018	20,283,597	\$ 0.30

The continuity of share purchase warrants is as follows:

Expiry Date	Exercise Price	30-Sep-18	Granted	Exercised	Expired/ Cancelled	31-Dec-18
9-Feb-19	0.15	1,100,000	-	-	-	1,100,000
18-Oct-18	0.12*	582,500	-	(25,000)	(557,500)	-
9-Dec-18	0.12*	2,016,315	-	(39,500)	(1,976,815)	-
05-Oct-18	0.10	3,169,300	-	(3,169,300)	-	-
16-Oct-18	0.10	2,588,800	-	(1,972,040)	(616,760)	-
01-Nov-18	0.25	400,000	-	-	(400,000)	-
19-Dec-18	0.12	240,365	-	-	(240,365)	-
23-Feb-19	0.12	146,667	-	-	-	146,667
12-Apr-20	0.38	12,468,329	-	-	-	12,468,329
19-Apr-20	0.38	6,568,601	-	-	-	6,568,601
		29,280,877	-	(5,205,840)	(3,791,440)	20,283,597
Weighted average exercise price		\$ 0.29	-	\$ 0.10	\$ 0.16	\$ 0.30

IMAGIN MEDICAL INC.
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8. **SHARE CAPITAL** *(continued)*

d) Share purchase warrants *(continued)*

Expiry Date	Exercise Price	30-Sep-17	Granted	Exercised	Expired/ Cancelled	31-Dec-17
9-Feb-18	0.35	6,677,413	-	-	-	6,677,413
9-Feb-19	0.15	8,660,000	-	(4,970,000)	-	3,690,000
9-Feb-18	0.15	220,186	-	(220,186)	-	-
23-Feb-19	0.35	330,000	-	-	-	330,000
23-Feb-18	0.15	25,600	-	-	-	25,600
18-Oct-18	0.12	5,127,300	-	(2,628,200)	-	2,499,100
9-Dec-18	0.12	3,980,565	-	(1,831,250)	-	2,149,315
28-Sep-18	0.12	211,890	-	(211,890)	-	-
05-Oct-18	0.10		13,255,600			13,255,600
16-Oct-18	0.10		7,149,200			7,149,200
23-Oct-18	0.12		177,671	(177,671)		-
01-Nov-18	0.25		400,000			400,000
08-Nov-18	0.12		321,205	(321,205)		-
19-Dec-18	0.12		240,365			240,365
		25,232,954	21,544,041	(10,360,402)	-	36,416,593
Weighted average exercise price		\$ 0.17	\$ 0.10	\$0.14	\$ -	\$ 0.14

e) Escrow shares

During the acquisition of BSS Life Sciences Inc, the Company issued 11,500,000 shares, which are subject to escrow and to be released over three years (10% on the closing date and an additional 15% every six months thereafter). As at year ended September 30, 2018, 9,775,000 shares were released from escrow and the remaining 1,725,000 are to be released on February 9, 2019.

9. **NON CASH TRANSACATIONS**

The following non-cash transactions were recorded:

	December 31, 2018	December 31, 2017
Financing activities:		
Brokers warrants issued in connection with the private placements	\$ -	\$ 18,466

IMAGIN MEDICAL INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended December 31, 2018 and 2017

10. **CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS**

(a) Capital Management Objectives

The Company considers the components of shareholders' equity, as well as its cash as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk of characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue equity, sell assets, or return capital to shareholders as well as issue or repay debt. The Board of Directors has not established quantitative capital structure criteria management, but will review on a regular basis the capital structure of the Company to ensure its appropriateness to the stage of development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the company, is reasonable.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets, which are updated as necessary and are reviewed and approved by the Company's Board of Directors. In addition, the Company may issue new equity, incur additional debt, or dispose of certain assets. When applicable, the Company's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends. The Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

There were no changes in the Company's approach to capital management during the three months ended December 31, 2018.

(b) Carrying Amounts and Fair Values of Financial Instruments

The fair value of a financial instrument is the price at which a party would accept the rights and/or obligations of the financial instruments from an independent third party. Given the varying influencing factors, the reported fair values are only indicators of the prices that may actually be realized for these financial instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1—Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2—Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3—Inputs that are not based on observable market data

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at December 31, 2018.

	Level 1	Level 2	Level 3	Total
Cash	\$ 5,365,497	\$ —	\$ —	\$ 5,365,497

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at September 30, 2018.

	Level 1	Level 2	Level 3	Total
Cash	\$ 5,818,840	\$ —	\$ —	\$ 5,818,840
Security deposits	\$ 5,750	\$ —	\$ —	\$ 5,750

11. SUBSEQUENT EVENTS

Subsequent to the three months ended December 31, 2018 the following occurred:

- 1,100,000 acquisition warrants with an exercise price of \$0.15 expired unexercised;
- 146,667 debt conversion warrants with an exercise price of \$0.12 expired unexercised.