Condensed Consolidated Interim Financial Statements
(Expressed in Canadian Dollars)

3D Signatures Inc.

Three and six months ended December 31, 2017
(Unaudited)

In accordance with National Instruments 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the three and six months ended December 31, 2017.

3D SIGNATURES

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

	Note	December 31, 2017	June 30, 2017
Assets			
Current assets			
Cash		**$ 1,422,134**	$ 1,200,395
Amounts receivable		**307,791**	332,551
Prepaid expenses	**5**	**455,152**	665,716
Total current assets		**2,185,077**	2,198,662
Non-current assets			
Prepaid expenses	**5**	**257,876**	446,918
Property and equipment		**425,302**	467,187
Total non-current assets		**683,178**	914,105
Total assets		**$ 2,868,255**	$ 3,112,767
Liabilities and Equity			
Current liabilities			
Accounts payable and accrued liabilities		**$ 1,163,765**	$ 864,899
Current portion of deferred rent obligations		**4,355**	4,355
Total current liabilities		**1,168,120**	869,254
Non-current liabilities			
Deferred rent obligations		**14,824**	16,997
Total non-current liabilities		**14,824**	16,997
Total liabilities		**1,182,944**	886,251
Equity			
Share capital	**6(b)**	**11,284,838**	10,402,822
Warrant reserve	**6(d)**	**3,406,072**	2,317,657
Share-based payment reserve	**6(c)**	**1,718,802**	1,612,559
Deficit		**(14,724,401)**	(12,106,522)
Total equity		**1,685,311**	2,226,516
Total liabilities and equity		**$ 2,868,255**	$ 3,112,767

Commitments *(Note 7)*
Going concern *(Note 3)*
Subsequent events *(Note 9)*

Approved on behalf of the board

Signed Jason Flowerday
Director

Signed Ian Fodie
Director

See accompanying notes to the condensed consolidated interim financial statements.

3D SIGNATURES

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

	Note		**Three months ended December 31, 2017**		Three months ended December 31, 2016		**Six months ended December 31, 2017**		Six months ended December 31, 2016
Expenses									
General and administrative		**$**	**931,454**	$	1,377,186	**$**	**1,630,254**	$	2,705,013
Research and development			**621,916**		229,016		**991,401**		406,423
			1,553,370		1,606,202		**2,621,655**		3,111,436
Other (income) expense:									
Listing costs			**-**		-		**-**		1,859,107
Finance (income) expense, net			**(1,735)**		391		**(3,776)**		6,141
			(1,735)		391		**(3,776)**		1,865,248
Net loss and comprehensive loss		**$**	**(1,551,635)**	$	(1,606,593)	**$**	**(2,617,879)**	$	(4,976,684)
Basic and diluted loss per share		**$**	**(0.03)**	$	(0.03)	**$**	**(0.05)**	$	(0.13)
Weighted average number of common shares used in computing basic and diluted loss per share			**57,724,659**		47,573,553		**55,566,719**		38,973,818

See accompanying notes to the condensed consolidated interim financial statements.

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

	Note	Number of shares	Share capital	Warrant reserve	Share-based payment reserve	Deficit	Total
Balance, June 30, 2017		**53,408,780**	**$ 10,402,822**	**$ 2,317,657**	**$ 1,612,559**	**$ (12,106,522)**	**$ 2,226,516**
Net loss for the six months ended December 31, 2017		**-**	**-**	**-**	**-**	**(2,617,879)**	**(2,617,879)**
Issuance of common shares (net of costs)	**6(b)**	**10,113,365**	**882,016**	**1,088,415**	**-**	**-**	**1,970,431**
Stock-based compensation	**6(c)**	**-**	**-**	**-**	**106,243**	**-**	**106,243**
Balance, December 31, 2017		**63,522,145**	**$ 11,284,838**	**$ 3,406,072**	**$ 1,718,802**	**$ (14,724,401)**	**$ 1,685,311**
Balance, June 30, 2016		25,323,161(*)	$ 1,463,659	$ -	$ 524,612	$ (2,193,121)	$ (204,850)
Net loss for the six months ended December 31, 2016		-	-	-	-	(4,976,684)	(4,976,684)
Issuance of common shares (net of costs)	6(b)	21,474,956	6,609,913	2,230,556	-	-	8,840,469
Shares issued to shareholders of Plicit		5,050,000	1,767,500	-	-	-	1,767,500
Stock options exercised	6(c)	282,632	81,276	-	(46,286)	-	34,990
Stock-based compensation	6(c)	-	-	-	831,921	-	831,921
Balance, December 31, 2016		52,130,749	$ 9,922,348	$ 2,230,556	$ 1,310,247	$ (7,169,805)	$ 6,293,346

(*) – Shares at June 30, 2016 restated at conversion ratio of 4.0376 as part of Company's Qualifying Transaction completed September 8, 2016

3D SIGNATURES

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

For the six months ended December 31:	Note		2017		2016
Cash (used in) provided by:					
Operating activities:					
Loss and comprehensive loss for the period		$	**(2,617,879)**	$	(4,976,684)
Non-cash listing costs			**-**		1,310,946
Share based payments			**-**		175,000
Amortization of intangible assets			**-**		22,778
Depreciation of property and equipment			**61,804**		18,808
Stock-based compensation	**6(c)**		**106,243**		831,921
Deferred rent obligations			**(2,173)**		-
Accretion of notes payable			**-**		4,794
Changes in working capital accounts					
Amounts receivable			**25,908**		(139,324)
Prepaid expenses			**399,606**		(1,956,105)
Accounts payable and accrued liabilities			**295,641**		(373,299)
Cash used in operating activities			**(1,730,850)**		(5,081,165)
Financing activities:					
Proceeds from issuance of common shares	**6(b)**		**2,122,673**		9,502,402
Exercise of stock options	**6(c)**		**-**		34,990
Share issuance costs	**6(b)**		**(152,242)**		(836,933)
Advances of notes payable			**-**		33,800
Repayment of notes payable			**-**		(67,404)
Cash flows from financing activities			**1,970,431**		8,666,855
Investing activities:					
Purchases of equipment			**(21,067)**		(35,135)
Purchases of intangible assets			**-**		(115,802)
Government assistance received			**3,225**		-
Cash assumed in acquisition of Plicit			**-**		139,954
Cash flows used in investing activities			**(17,842)**		(10,983)
(Decrease) increase in cash			**221,739**		3,574,707
Cash, beginning of period			**1,200,395**		38,663
Cash, end of period		**$**	**1,422,134**	$	3,613,370

Supplementary information:					
Non-cash investing activities					
Government assistance receivable for property and equipment		**$**	**1,148**	$	-
Non-cash financing activities					
Shares issued to Plicit shareholders	**6(c)**	**$**	**-**	$	1,767,500
Shares issued as a finder's fee	**6(b)**		**-**		175,000
Broker/Finder's warrants as share issuance costs	**6(b)**		**(33,680)**		(367,194)

See accompanying notes to the condensed consolidated interim financial statements.

1. Reporting entity

3D Signatures Inc. (the "Company"), formerly Plicit Capital Corp., was incorporated in Canada on May 25, 2011 and its shares are listed on the TSX Venture Exchange as a Tier 2 issuer under the symbol "DXD"; the OTCQB Venture Market in the United States under the symbol "TDSGF"; and the Frankfurt Stock Exchange in Germany under the symbol "3D0". The Company's registered office is located at 199 Bay Street, Suite 4000, Commerce Court West, Toronto, Ontario, M5L 1A9, and its corporate head office is located at MaRS Centre, South Tower, 101 College Street, Suite 200, Toronto, Ontario M5G 1L7.

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

2. Basis of preparation

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

The same accounting policies and methods of computation were followed in the preparation of these condensed consolidated interim financial statements as disclosed in the Company's audited consolidated financial statements for the year ended June 30, 2017. The Company's June 30, 2017 audited consolidated financial statements include incremental annual IFRS disclosures that may be helpful to readers of the interim consolidated results and therefore should be read in conjunction with these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements of the Company were approved and authorized for issue by the Audit Committee of the Company's Board of Directors on February 26, 2018.

Basis of consolidation

These condensed consolidated interim financial statements comprise the condensed consolidated interim financial statements of the Company and its subsidiaries as at December 31, 2017.

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

The Company's subsidiaries are as follows:

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

Basis of measurement

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

Certain of the comparative figures have been reclassified to conform with the presentation in the current year.

Functional and presentation currency

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

Significant accounting judgments, estimates and assumptions

The preparation of condensed consolidated interim financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. There were no changes to the Company's critical accounting estimates and judgments from those described in the most recent June 30, 2017 audited consolidated financial statements.

3. Going concern

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

The Company is a research and development stage company and as such is primarily dependent on the funding of new investors to continue as a going concern. In the future, the Company's ability to continue as a going concern will be dependent upon its ability to attain profitable operations and generate funds there from, and to continue to obtain borrowings from third parties sufficient to meet current and future obligations and/or restructure the existing debt and payables.

As a result of the uncertainty surrounding the availability of sufficient capital to complete the commercialization and realization of the intangible assets, the Company recorded a provision against the value of the intangible assets at June 30, 2017. Should the underlying circumstances change, the Company may release this provision in the future.

These condensed consolidated interim financial statements do not reflect any other adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue its operations. The disclosed factors indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

4. Summary of significant accounting policies

Standards issued but not yet effective

The Company has not yet applied the following new standards, interpretations and amendments to standards that have been issued as at December 31, 2017 but are not yet effective. Unless otherwise stated, the Company does not plan to early adopt any of these new or amended standards and interpretations.

IFRS 2, Share-based payment

In June 2016, the IASB issued amendments to IFRS 2, *Share-based payment*, clarifying how to account for certain types of share-based payment transactions. The amendments will apply to annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of the amendments to IFRS 2 on its condensed consolidated interim financial statements.

IFRS 9, Financial instruments

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

IFRS 15, Revenue from contracts with customers

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

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

IFRS 16, Leases

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

(expressed in Canadian dollars)

5. Prepaid expenses

Prepaid expenses include fees paid to a shareholder of the Company for advisory services to be rendered over a period of three years, entered into September 8, 2016 and concludes September 8, 2019. During the three and six months ended December 31, 2017, the Company recorded expenses of $94,522 and $189,042, respectively (2016 - $94,520 and $117,123) in general and administrative expenses relating to this agreement. As at December 31, 2017, the remaining balance of prepaid services to be rendered is $632,876 (June 30, 2017 - $821,918) of which $375,000 represents the current portion (June 30, 2017 - $375,000).

6. Share capital

(a) Authorized

The Company has authorized share capital of an unlimited number of common voting shares without par value, an unlimited number of non-voting common shares without par value, and an unlimited amount of Class A, B, C, and D shares

6. Share capital (continued)

(b) Shares issued and outstanding

Shares issued and outstanding are as follows:

	December 31, 2017	June 30, 2017
Issued		
Common shares issued – 63,522,145 (June 30, 2017 – 53,408,780)	**$ 11,284,838**	$ 10,402,822
	$ 11,284,838	$ 10,402,822

	Number	**Amount**
Balance at June 30, 2016	6,271,836	$ 1,463,659
Elimination of 3DS Shares	(6,271,836)	-
Conversion to new Plicit Shares at 4.0376	25,323,161	-
Shares issued to Plicit shareholders	5,050,000	1,767,500
Shares issued in brokered private placement *(i)*	15,572,038	5,450,213
Share issuance costs *(i)*	-	(473,518)
Shares issued as finder's fee	500,000	175,000
Broker warrants issued *(ii)*	-	(198,406)
Shares issued through exercise of stock options	282,632	81,276
Shares issued through exercise of warrants	680,949	346,629
Shares issued in brokered private placement *(iii)*	6,000,000	4,500,000
Share issuance costs *(iii)*	-	(481,856)
Issuance of warrants *(iii)*	-	(2,042,759)
Broker warrants issued *(iii)*	-	(184,916)
Balance at June 30, 2017	53,408,780	$ 10,402,822
Shares issued in non-brokered private placement *(iv)*	**2,000,000**	**500,000**
Share issuance costs *(iv)*	**-**	**(8,215)**
Shares issued in non-brokered private placement *(v)*	**8,113,365**	**1,622,673**
Share issuance costs *(v)*	**-**	**(144,027)**
Issuance of warrants *(v)*	**-**	**(1,054,555)**
Issuance of finder's warrants *(v)*	**-**	**(33,860)**
Balance at December 31, 2017	**63,522,145**	**$ 11,284,838**

(expressed in Canadian dollars)

6. Share capital (continued)

(b) Shares issued and outstanding (continued)

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

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

Expected life	2 years
Expected volatility	85%
Risk free rate	0.50%
Dividend yield	Nil
Underlying share price	$0.35
Strike price	$0.35

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

Units sold in the offering were conducted in three tranches, and included the exercise of the Agents’ Option, as permitted by the over-allotment option. On December 16, 2016, the Company announced the issuance of 5,187,618 Units for gross proceeds to the Company of $3,890,714. On December 22, 2016, the Company announced the issuance of 215,300 Units for gross proceeds to the Company of $161,475. On January 6, 2017, the Company announced the issuance of 597,082 Units for gross proceeds to the Company of $447,812.

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

Expected life	2 years
Expected volatility	85%
Risk free rate	0.50% - 0.76%
Dividend yield	Nil
Underlying share price	$0.75 - $0.97
Strike price	$0.92

(expressed in Canadian dollars)

6. Share capital (continued)

(b) Shares issued and outstanding (continued)

Cash costs directly attributable to the Offering were $481,856. The agents also received 480,000 warrants ("Broker Warrants") an amount equal to 8% of the Units issued in the Offering. The fair value of the Broker Warrants issued in the Offering was estimated using the following Black-Scholes Model assumptions:

Expected life	2 years
Expected volatility	85%
Risk free rate	0.50% - 0.76%
Dividend yield	Nil
Underlying share price	$0.75 - $0.97
Strike price	$0.75

(iv) On October 4, 2017, the Company announced the closing of a non-brokered private placement (the "ScreenCell Private Placement") issuing 2,000,000 common shares (the "Shares") at a price of $0.25 per Share for gross proceeds of $500,000 with ScreenCell SA ("ScreenCell"). The Company incurred cash costs of $8,215 directly attributable to the ScreenCell Private Placement.

(v) On December 5, 2017, the Company announced the closing of a non-brokered private placement (the "December 2017 Private Placement") by way of the sale of 8,113,365 units (a "Unit") at a price of $0.20 per unit for gross proceeds of $1,222,673. Each unit consists of one common share of the Company and one common share purchase warrant (a "Purchase Warrant") at an exercise price of $0.35 per common share until December 5, 2022.

The fair value of the Purchase Warrants of $1,054,555 issued in the December 2017 Private Placement was estimated using the following Black-Scholes Model assumptions:

Expected life	5 years
Expected volatility	85%
Risk free rate	1.70%
Dividend yield	Nil
Underlying share price	$0.22
Strike price	$0.35

Cash costs directly attributable to the Offering were $144,027, including $91,704 paid to certain finders (the "Finders"), equal to 6% of the gross proceeds raised by the Finders. In addition, the Finders received 458,520 non-transferrable warrants (a "Finder's Warrant") equal to 6% of the number of Units issued by the Company to investors introduced to the Company by the Finders. Each Finder's Warrant is exercisable to purchase one common share of the Company until December 5, 2019 at an exercise price of $0.35. The fair value of the Finder's Warrants of $33,860 were estimated using the following Black-Scholes Model assumptions:

Expected life	2 years
Expected volatility	85%
Risk free rate	1.54%
Dividend yield	Nil
Underlying share price	$0.22
Strike price	$0.35

(expressed in Canadian dollars)

6. Share capital (continued)

(c) Stock option plan

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

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

Six months ended December 31	2016
Expected life	10 years
Expected volatility	85%
Risk free rate	1.08% - 1.09%
Dividend yield	Nil
Underlying share price	$0.52 - $0.76
Strike price	$0.52 - $0.76

Expected volatility was estimated by reference to comparable listed entities, due to the limited trading history of the Company. Stock based compensation for the three and six months ended December 31, 2017 of $80,345 and $106,243, respectively (2016 - $220,202 and $831,921) was recorded in general and administrative expenses.

Changes in the number of options outstanding during the six months ended December 31, 2017 and 2016 are as follows:

Six months ended December 31		**2017**		2016
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Balance, beginning of period	**5,054,496**	**$ 0.37**	3,317,558	$ 0.14
Granted	**-**	**-**	1,613,030	0.66
Exercised	**-**	**-**	(282,632)	(0.12)
Forfeited, cancelled or expired	**(138,544)**	**(0.75)**	-	-
Balance, end of period	**4,915,952**	**$ 0.36**	4,647,956	$ 0.32
Options exercisable, end of period	**4,511,108**	**$ 0.32**	4,562,956	$ 0.31

(expressed in Canadian dollars)

6. Share capital (continued)

(c) Stock option plan (continued)

The following is a summary of the 4,915,952 outstanding options issued under the Plan as at December 31, 2017:

Exercise price	Number outstanding	Weighted average remaining contractual life (years)	Number exercisable	Weighted average remaining vesting period (years)
$0.12	2,685,004	7.3	2,685,004	-
$0.25	215,337	7.7	215,337	-
$0.50	10,000	9.5	-	1.0
$0.52	320,000	8.8	320,000	-
$0.68	1,077,486	8.7	1,077,486	-
$0.74	45,000	9.3	-	0.9
$0.75	220,000	9.0	75,000	0.5
$0.76	90,000	8.9	75,000	0.9
$0.79	253,125	9.0	63,281	0.7
	4,915,952		**4,511,108**	

(d) Warrants

Changes in the number of warrants outstanding during the six months ended December 31, 2017 and 2016 are as follows:

Six months ended December 31		**2017**		2016
	Number of warrants	**Weighted average exercise price**	Number of warrants	Weighted average exercise price
Balance, beginning of period	**7,044,814**	**$ 0.86**	-	$ -
Granted	**8,571,885**	**0.35**	7,080,914	0.81
Exercised	**-**	**-**	-	-
Balance, end of period	**15,616,698**	**$ 0.58**	7,080,914	$ 0.81

(expressed in Canadian dollars)

6. Share capital (continued)

(e) Loss per share

The following table reflects the loss and share data used in the basic and diluted loss per share computations for the three and six months ended December 31, 2017 and 2016:

	Three months ended December 31, 2017	Three months ended December 31, 2016	**Six months ended December 31, 2017**	Six months ended December 31, 2016
Net loss	**$ (1,551,635)**	$ (1,606,593)	**$ (2,617,879)**	$ (4,976,684)
Weighted average number of common shares	**57,724,659**	47,573,553	**55,566,719**	38,973,818

Effects of dilution from 4,915,952 stock options and 15,616,698 warrants were excluded from the calculation of weighted average shares outstanding for diluted loss per share for the three and six months ended December 31, 2017 as they are anti-dilutive. Effects of dilution from 4,647,956 stock options and 7,080,914 warrants were excluded from the calculation of weighted average shares outstanding for diluted loss per share for the three and six months ended December 31, 2016 as they are anti-dilutive.

7. Commitments

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

Contractual obligations payment due by fiscal period ending June 30:	
2018 remaining	$ 35,769
2019	13,230
	$ 48,999

8. Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Chief Executive Officer, Chief Financial Officer, Chief Business Officer, Chief Scientific Officer and VP Finance are key management personnel.

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

	Three months ended December 31, 2017	Three months ended December 31, 2016	**Six months ended December 31, 2017**	Six months ended December 31, 2016
Salaries, fees and short-term benefits	**$ 242,256**	$ 218,822	**$ 488,146**	$ 354,011
Stock-based compensation	**77,674**	178,466	**96,005**	781,131
	$ 319,930	$ 397,288	**$ 584,151**	$ 1,135,142

Certain directors and key management personnel control 25% of the voting shares of the Company as at December 31, 2017 (June 30, 2017 – 29%). As at December 31, 2017, the Company has $21,303 (June 30, 2017 - $63,146) recorded within accounts payable and accrued liabilities relating to amounts payable to key management personnel.

(expressed in Canadian dollars)

8. Key management personnel compensation (continued)

Included within stock-based compensation expense during the three and six months ended December 31, 2017 is stock-based compensation expense of $40,209 for the three months ended December 31, 2017 and recovery of stock-based compensation of ($15,990) for the six months ended December 31, 2017 representing the service expense of 925,000 stock options to be issued to a member of key management personnel at a future date, with pricing to be determined and in accordance with the Company's share price on the Toronto Venture Stock Exchange on the date of the grant. The fair value of the options to be issued to the member of key management was estimated using the Black-Scholes Model with the following significant assumptions:

Expected life	10 years
Expected volatility	85%
Risk free rate	2.04% - 2.10%
Dividend yield	Nil
Underlying share price	$0.23 - $0.27
Strike price	$0.23 - $0.27

The service expense was calculated according to the following vesting schedule:

	Number of stock options to be issued
Immediately	308,000
September 2017	154,250
March 2018	154,250
September 2018	154,250
March 2019	154,250
Total options to be granted	**925,000**

9. Subsequent events

Subsequent to December 31, 2017, the Company entered into an arrangement to sublease (the "**Sublease arrangement**") office space included in note 7, which included commitments of $6,615 for the remainder of the fiscal year ending June 30, 2018 and $13,230 for the fiscal year ending June 30, 2019. In concurrence with the Sublease arrangement, the Company has entered into an arrangement with the proprietor in which the Company may be required to reimburse the proprietor for any payment deficiencies of the new tenant until June 19, 2021.

Subsequent to December 31, 2017, the Company renewed its agreement (the "**MaRS Renewal**") for lease of office and laboratory space at MaRS Discovery District for a period of one year, effective May 1, 2018 (the "**Term**"). In accordance with the MaRS renewal, the Company has committed to payments of $8,069 per month during the Term.