



Condensed Consolidated Interim Financial Statements
(Expressed in Canadian Dollars)

3D Signatures Inc.

Three months ended September 30, 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 months ended September 30, 2017.



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

	Note	September 30, 2017	June 30, 2017
Assets			
Current assets			
Cash		\$ 366,665	\$ 1,200,395
Amounts receivable		359,699	332,551
Prepaid expenses	5	530,939	665,716
Total current assets		1,257,303	2,198,662
Non-current assets			
Prepaid expenses	5	352,397	446,918
Property and equipment		445,875	467,187
Total non-current assets		798,272	914,105
Total assets		\$ 2,055,575	\$ 3,112,767
Liabilities and Equity			
Current liabilities			
Accounts payable and accrued liabilities		\$ 849,141	\$ 864,899
Current portion of deferred rent obligations		4,355	4,355
Total current liabilities		853,496	869,254
Non-current liabilities			
Deferred rent obligations		15,909	16,997
Total non-current liabilities		15,909	16,997
Total liabilities		869,405	886,251
Equity			
Share capital	6(b)	10,402,822	10,402,822
Contributed surplus		3,956,114	3,930,216
Deficit		(13,172,766)	(12,106,522)
Total equity		1,186,170	2,226,516
Total liabilities and equity		\$ 2,055,575	\$ 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 Gordon McCauley
Director

See accompanying notes to the condensed consolidated interim financial statements.



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

For the three months ended September 30:	Note	2017	2016
Expenses			
General and administrative		\$ 698,800	\$ 1,327,827
Research and development		369,485	177,407
		1,068,285	1,505,234
Other (income) expense:			
Listing costs		-	1,859,107
Finance (income) expense, net		(2,041)	5,750
		(2,041)	1,864,857
Net loss and comprehensive loss		\$ (1,066,244)	\$ (3,370,091)
Basic and diluted loss per share		\$ (0.02)	\$ (0.11)
Weighted average number of common shares used in computing basic and diluted loss per share		53,408,780	30,708,396

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	Share Capital	Contributed Surplus	Deficit	Total
Balance, June 30, 2017		\$ 10,402,822	\$ 3,930,216	\$ (12,106,522)	\$ 2,226,516
Net loss for the three months ended September 30, 2017		-	-	(1,066,244)	(1,066,244)
Stock-based compensation	6(c)	-	25,898	-	25,898
Balance, September 30, 2017		\$ 10,402,822	\$ 3,956,114	\$ (13,172,766)	\$ 1,186,170
Balance, June 30, 2016		\$ 1,463,659	\$ 524,612	\$ (2,193,121)	\$ (204,850)
Net loss for the three months ended September 30, 2016		-	-	(3,370,091)	(3,370,091)
Issuance of common shares (net of costs)	6(b)	4,953,289	198,406	-	5,151,695
Shares issued to shareholders of Plicit		1,767,500	-	-	1,767,500
Stock-based compensation	6(c)	-	611,719	-	611,719
Balance, September 30, 2016		\$ 8,184,448	\$ 1,334,737	\$ (5,563,212)	\$ 3,955,973

See accompanying notes to the condensed consolidated interim financial statements.



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

For the three months ended September 30:	Note	2017	2016
Cash (used in) provided by:			
Operating activities:			
Loss and comprehensive loss for the period		\$ (1,066,244)	\$ (3,370,091)
Non-cash listing costs		-	1,310,946
Share based payments		-	175,000
Amortization of intangible assets		-	4,690
Depreciation of property and equipment		30,256	14,738
Stock-based compensation	6(c)	25,898	611,719
Deferred rent obligations		(1,088)	-
Accretion of notes payable		-	2,859
Changes in working capital accounts			
Amounts receivable		(27,148)	(85,588)
Prepaid expenses		229,298	(1,764,725)
Accounts payable and accrued liabilities		(18,983)	(52,503)
Cash used in operating activities		(828,011)	(3,152,955)
Financing activities:			
Proceeds from issuance of common shares	6(b)	-	5,450,213
Share issuance costs	6(b)	-	(473,518)
Advances of notes payable		-	33,800
Repayment of notes payable		-	(33,702)
Cash flows from financing activities		-	4,976,793
Investing activities:			
Purchases of equipment		(8,944)	(33,698)
Purchases of intangible assets		-	(129,185)
Cash assumed in acquisition of Plicit		-	139,954
Government assistance received		3,225	-
Cash flows used in investing activities		(5,719)	(22,929)
(Decrease) increase in cash		(833,730)	1,800,909
Cash, beginning of period		1,200,395	38,663
Cash, end of period		\$ 366,665	\$ 1,839,572

Supplementary information:

Non-cash financing activities			
Shares issued to Plicit shareholders		-	1,767,500
Shares issued as finder's fee		-	175,000
Broker warrants issued as share issuance costs	6(b)	-	198,406

See accompanying notes to the condensed consolidated interim financial statements.



Notes to the Condensed Consolidated Interim Financial Statements
(expressed in Canadian dollars)
(unaudited)

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 November 28, 2017.

Basis of consolidation

These condensed consolidated interim financial statements comprise the condensed consolidated interim financial statements of the Company and its subsidiaries as at September 30, 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 consolidated 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.

Notes to the Condensed Consolidated Interim Financial Statements
(expressed in Canadian dollars)
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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 September 30, 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.



Notes to the Condensed Consolidated Interim Financial Statements
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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 months ended September 30, 2017, the Company recorded expenses of \$94,520 (2016 - \$22,603) in general and administrative expenses relating to this agreement. As at September 30, 2017, the remaining balance of prepaid services to be rendered is \$727,397 (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

(b) Shares issued and outstanding

Shares issued and outstanding are as follows:

	September 30, 2017	June 30, 2017
<i>Issued</i>		
Common shares issued – 53,480,780 (June 30, 2017 – 53,480,780)	\$ 10,402,822	\$ 10,402,822
	\$ 10,402,822	\$ 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
Balance at September 30, 2017	53,408,780	\$ 10,402,822

(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.

Notes to the Condensed Consolidated Interim Financial Statements
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6. Share capital (continued)

(b) Shares issued and outstanding (continued)

- (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

Notes to the Condensed Consolidated Interim Financial Statements
 (expressed in Canadian dollars)
 (unaudited)

6. Share capital (continued)

(b) Shares issued and outstanding (continued)

(iii) (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

(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 three months ended September 30, 2017 and 2016 was estimated using the Black Scholes model with the following significant assumptions:

	2017	2016
Expected life	10 years	10 years
Expected volatility	85%	85%
Risk free rate	2.10%	1.09%
Dividend yield	Nil	Nil
Underlying share price	\$ 0.23	\$ 0.68
Strike price	\$ 0.23	\$ 0.68

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 months ended September 30, 2017 of \$25,898 (2016 - \$611,719) was recorded in general and administrative expenses.

Changes in the number of options outstanding during the three months ended September 30, 2017 and 2016 are as follows:

	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	-	-	1,083,030	0.68
Exercised	-	-	-	-
Forfeited, cancelled or expired	(60,000)	(0.76)	-	-
Balance, end of period	4,994,496	\$ 0.36	4,400,588	\$ 0.27
Options exercisable, end of period	4,503,371	\$ 0.32	4,400,588	\$ 0.27

Notes to the Condensed Consolidated Interim Financial Statements
(expressed in Canadian dollars)
(unaudited)

6. Share capital (continued)

(c) Stock option plan (continued)

The following is a summary of the 4,994,496 outstanding options issued under the Plan as at September 30, 2017:

Exercise price	Number outstanding	Weighted average remaining contractual life (years)	Number exercisable	Weighted average remaining vesting period (years)
\$0.12	2,685,004	7.6	2,685,004	-
\$0.25	215,337	7.9	215,337	-
\$0.50	10,000	9.7	-	1.2
\$0.52	320,000	9.1	320,000	-
\$0.68	1,083,030	9.0	1,083,030	-
\$0.74	58,000	9.5	-	1.1
\$0.75	220,000	9.3	75,000	0.7
\$0.76	150,000	9.2	125,000	0.8
\$0.79	253,125	9.3	-	0.8
	4,994,496		4,503,371	

(d) Warrants

Changes in the number of warrants outstanding during the three months ended September 30, 2017 and 2016 are as follows:

	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	-	-	1,245,763	0.35
Exercised	-	-	-	-
Balance, end of period	7,044,814	\$ 0.86	1,245,763	\$ 0.35

(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 months ended June 30, 2017 and 2016:

	2017		2016	
Net loss		\$ (1,066,244)		\$ (3,370,091)
Weighted average number of shares		53,408,780		30,708,396

Effects of dilution from 4,994,496 stock options and 7,044,814 warrants were excluded from the calculation of weighted average shares outstanding for diluted loss per share for the three months ended September 30, 2017 as they are anti-dilutive. Effects of dilution from 4,400,588 stock options and 1,245,763 warrants were excluded from the calculation of weighted average shares outstanding for diluted loss per share for the three months ended September 30, 2016 as they are anti-dilutive.



Notes to the Condensed Consolidated Interim Financial Statements
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 (unaudited)

7. Commitments

As at September 30, 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	\$ 71,799
2019	13,230
	\$ 85,029

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:

For the three months ended September 30	2017	2016
Salaries, fees and short-term benefits	\$ 245,890	\$ 135,189
Stock-based compensation	18,331	602,665
	\$ 264,221	\$ 737,854

Certain directors and key management personnel control 29% of the voting shares of the Company as at September 30, 2017 (June 30, 2017 – 29%). As at September 30, 2017, the Company has \$159,389 (June 30, 2017 - \$63,146) recorded within accounts payable and accrued liabilities relating to amounts payable to key management personnel.

Included within recovery of stock-based compensation is during the three months ended September 30, 2017 is a recovery of stock-based compensation of (\$56,199) 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	2.10%
Dividend yield	Nil
Underlying share price	\$0.23
Strike price	\$0.23

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



3D SIGNATURES

Notes to the Condensed Consolidated Interim Financial Statements
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(unaudited)

9. Subsequent events

On October 4, 2017, the Company announced that it had closed, by way of non-brokered private placement (the "Private Placement") the issuance of 2,000,000 common shares in the capital of the Company for gross proceeds to the Company of \$500,000. The Company incurred cash transaction costs of \$3,750 relating to the Private Placement.