

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.
For the quarterly period ended June 30, 2019

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the period from _____ to _____

Commission file number: 333-201719

BIOTRICITY INC.

(Exact name of registrant in its charter)

Nevada
State or Other Jurisdiction of
Incorporation or Organization)

30-0983531
(I.R.S. Employer
Identification No.)

275 Shoreline Drive, Suite 150
Redwood City, California 94065
(Address of principal executive offices)

(650) 832-1626
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act: None.

Indicate by check whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act).

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 31,539,475 shares of Common Stock, \$0.001 par value, at August 14, 2019. As at that same date, the Company also has 4,313,085 Exchangeable Shares outstanding that convert directly into common shares, which when combined with its Common Stock produce an amount equivalent to 35,852,560 outstanding voting securities.

BIOTRICITY INC.

| | |
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| <u>Part I – Financial Information</u> | |
| <u>Item 1 – Condensed Consolidated Financial Statements</u> | 3 |
| <u>Item 2 – Management’s Discussion and Analysis of Financial Condition and Results of Operations</u> | 25 |
| <u>Item 3 – Quantitative and Qualitative Disclosures About Market Risk</u> | 33 |
| <u>Item 4 – Controls and Procedures</u> | 33 |
| <u>Part II – Other Information</u> | |
| <u>Item 1 – Legal Proceedings</u> | 34 |
| <u>Item 2 – Unregistered Sales of Equity Securities and Use of Proceeds</u> | 34 |
| <u>Item 3 – Defaults Upon Senior Securities</u> | 34 |
| <u>Item 4 – Mine Safety Disclosures</u> | 34 |
| <u>Item 5 – Other Information</u> | 34 |
| <u>Item 6 – Exhibits</u> | 34 |
| <u>Signatures</u> | 35 |

PART 1
FINANCIAL INFORMATION

Item 1 – Condensed Consolidated Financial Statements

| | |
|---|---|
| <u>Condensed Consolidated Balance Sheets at June 30, 2019 (unaudited) and March 31, 2019 (audited)</u> | 4 |
| <u>Condensed Consolidated Statements of Operations and Comprehensive Loss for the three months ended June 30, 2019 and 2018 (unaudited)</u> | 5 |
| <u>Condensed Consolidated Statements of Stockholders' Deficiency for the three months ended June 30, 2019 and 2018 (unaudited)</u> | 6 |
| <u>Condensed Consolidated Statements of Cash Flows for the three months ended June 30, 2019 and 2018 (unaudited)</u> | 7 |
| <u>Notes to the Condensed Consolidated Financial Statements</u> | 8 |

BIOTRICITY INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT JUNE 30, 2019 (unaudited) and MARCH 31, 2019 (audited)
(Expressed in US Dollars)

| | As at June 30, 2019 (unaudited) | As at March 31, 2019 (audited) |
|---|---------------------------------------|--------------------------------------|
| | \$ | \$ |
| CURRENT ASSETS | | |
| Cash | 47,750 | 63,647 |
| Accounts receivable, net | 386,629 | 208,099 |
| Inventory, net | 39,617 | 24,604 |
| Harmonized sales tax recoverable | 63,521 | 59,925 |
| Deposits and other receivables | 63,181 | 101,385 |
| Total current assets | 600,698 | 457,660 |
| NON-CURRENT ASSETS | | |
| Deposits and other receivables | 33,000 | 33,000 |
| Right-of-use asset [Note 9] | 413,236 | - |
| TOTAL ASSETS | 1,046,934 | 490,660 |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued liabilities [Note 4] | 1,715,596 | 1,400,642 |
| Convertible promissory notes and short term loans [Note 5] | 2,183,498 | 867,699 |
| Lease obligation, current [Note 9] | 193,295 | - |
| Total current liabilities | 4,092,389 | 2,268,341 |
| NON CURRENT LIABILITIES | | |
| Lease obligation, long term [Note 9] | 219,941 | - |
| TOTAL LIABILITIES | 4,312,330 | 2,268,341 |
| STOCKHOLDERS' DEFICIENCY | | |
| Preferred stock, \$0.001 par value, 10,000,000 authorized as at June 30 and March 31, 2019, respectively, 1 share issued and outstanding as at June 30 and March 31, 2019, respectively [Note 7] | 1 | 1 |
| Common stock, \$0.001 par value, 125,000,000 authorized as at June 30 and March 31, 2019, respectively. Issued and outstanding common shares: 31,101,975 and 31,048,571 as at June 30 and March 31, 2019, respectively, and exchangeable shares of 4,313,085 as at June 30 and March 31, 2019 [Note 7] | 35,415 | 35,362 |
| Shares to be issued (412,500 and 62,085 shares of common stock as at June 30 and March 31, 2019, respectively) [Note 7] | 309,375 | 91,498 |
| Additional paid-in-capital | 34,296,458 | 33,889,916 |
| Accumulated other comprehensive loss | (777,549) | (754,963) |
| Accumulated deficit | (37,129,096) | (35,039,495) |
| TOTAL STOCKHOLDERS' DEFICIENCY | (3,265,396) | (1,777,681) |
| TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY | 1,046,934 | 490,660 |

Commitments and Contingencies [Note 10]
Subsequent events [Note 11]

See accompanying notes to condensed consolidated interim financial statements

BIOTRICITY INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED JUNE 30, 2019 AND 2018
(Expressed in US Dollars)

| | Three Months Ended June 30, 2019 (unaudited) | Three Months Ended June 30, 2018 (unaudited) |
|---|---|---|
| | \$ | \$ |
| REVENUE | 327,000 | 17,660 |
| Cost of revenue | 112,086 | - |
| NET REVENUE | 214,914 | 17,660 |
| EXPENSES | | |
| General and administrative expenses <i>[Notes 7, 8 and 9]</i> | 2,091,019 | 2,128,305 |
| Research and development expenses | 213,496 | 309,871 |
| TOTAL OPERATING EXPENSES | 2,304,515 | 2,438,176 |
| NET LOSS BEFORE INCOME TAXES | (2,089,601) | (2,420,516) |
| Income taxes | - | - |
| NET LOSS | (2,089,601) | (2,420,516) |
| Translation adjustment | (22,586) | (102,649) |
| COMPREHENSIVE LOSS | (2,112,187) | (2,523,165) |
| LOSS PER SHARE, BASIC AND DILUTED | (0.060) | (0.076) |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING | 35,397,458 | 31,945,349 |

See accompanying notes to unaudited condensed consolidated interim financial statements

BIOTRICITY INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY
FOR THE THREE MONTHS ENDED JUNE 30, 2019 AND 2018 (UNAUDITED)

| | Preferred stock | | Common stock and exchangeable common shares | | Shares to be Issued | | Additional paid in capital | Accumulated other comprehensive (loss) income | Accumulated deficit | Total |
|---|-----------------|----------|---|---------------|---------------------|----------------|----------------------------|---|---------------------|--------------------|
| | Shares | \$ | Shares | \$ | Shares | \$ | \$ | \$ | \$ | \$ |
| March 31, 2019 | 1 | 1 | 35,361,656 | 35,362 | 62,085 | 91,498 | 33,889,916 | (754,963) | (35,039,495) | (1,777,681) |
| Issuance of shares for private placement [Note 7] | - | - | 22,585 | 23 | - | - | 13,980 | - | - | 14,003 |
| Issuance of shares for services [Note 7] | - | - | 30,835 | 31 | 350,415 | 217,878 | 350,415 | - | - | 251,625 |
| Issuance of warrants for services [Note 7] | - | - | - | - | - | - | 19,955 | - | - | 19,955 |
| Stock based compensation - ESOP [Note 7] | - | - | - | - | - | - | 338,889 | - | - | 338,889 |
| Translation adjustment | - | - | - | - | - | - | - | (22,586) | - | (22,586) |
| Net loss for the period | - | - | - | - | - | - | - | - | (2,089,601) | (2,089,601) |
| June 30, 2019 | 1 | 1 | 35,415,060 | 35,415 | 412,500 | 309,375 | 34,296,458 | (777,549) | (37,129,096) | (3,265,396) |

| | Preferred stock | | Common stock and exchangeable common shares | | Shares to be Issued | | Additional paid in capital | Accumulated other comprehensive (loss) income | Accumulated deficit | Total |
|--|-----------------|----------|---|---------------|---------------------|----------------|----------------------------|---|---------------------|------------------|
| | Shares | \$ | Shares | \$ | Shares | \$ | \$ | \$ | \$ | \$ |
| March 31, 2018 | 1 | 1 | 31,857,546 | 31,858 | 20,250 | 69,963 | 27,161,984 | (643,129) | (26,447,430) | 173,247 |
| Issuance of shares for private placement | - | - | 250,094 | 250 | - | - | 514,750 | - | - | 515,000 |
| Issuance of shares for services | - | - | 141,500 | 142 | 68,250 | 106,609 | 520,784 | - | - | 627,535 |
| Exercise of warrants for cash | - | - | 62,838 | 63 | - | - | 50,772 | - | - | 50,835 |
| Issuance of warrants for services | - | - | - | - | - | - | 96,509 | - | - | 96,509 |
| Stock based compensation - ESOP [Note 7] | - | - | - | - | - | - | 355,231 | - | - | 355,231 |
| Issuance cost | - | - | - | - | - | - | (15,000) | - | - | (15,000) |
| Translation adjustment | - | - | - | - | - | - | - | (102,649) | - | (102,649) |
| Net loss for the period | - | - | - | - | - | - | - | - | (2,420,516) | (2,420,516) |
| June 30, 2018 | 1 | 1 | 32,311,978 | 32,312 | 88,500 | 176,572 | 28,685,030 | (745,778) | (28,867,946) | (719,808) |

BIOTRICITY INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED JUNE 30, 2019 AND 2018
(Expressed in US Dollars)

| | Three Months Ended June 30, 2019 (unaudited) \$ | Three Months Ended June 30, 2018 (unaudited) \$ |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net loss | (2,089,601) | (2,420,516) |
| <i>Adjustments to reconcile net loss to net cash used in operations</i> | | |
| Stock based compensation | 338,889 | 355,231 |
| Issuance of shares for services | 251,625 | 627,535 |
| Issuance of warrants for services, at fair value | 19,955 | 96,509 |
| <i>Changes in operating assets and liabilities:</i> | | |
| Accounts receivable | (178,530) | (4,800) |
| Inventory | (15,013) | - |
| Harmonized sales tax recoverable | (2,282) | (6,103) |
| Deposits and other receivables | 38,203 | (3,993) |
| Accounts payable and accrued liabilities | 308,379 | 146,588 |
| Net cash used in operating activities | (1,328,375) | (1,209,549) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Issuance of shares, net | 14,003 | 500,000 |
| Proceeds from exercise of warrants | - | 50,835 |
| Issuance of convertible promissory notes and short term loans | 1,315,799 | - |
| Net cash provided by financing activities | 1,329,802 | 550,835 |
| Effect of foreign currency translation | (17,324) | 17,724 |
| Net increase (decrease) in cash during the period | 1,427 | (658,714) |
| Cash, beginning of period | 63,647 | 843,643 |
| Cash, end of period | 47,750 | 202,653 |

See accompanying notes to unaudited condensed consolidated interim financial statements

BIOTRICITY INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2019 (Unaudited)
(Expressed in US dollars)

1. NATURE OF OPERATIONS

Biotricity Inc. (formerly MetaSolutions, Inc.) (the “Company”) was incorporated under the laws of the State of Nevada on August 29, 2012.

iMedical Innovations Inc. (“iMedical”) was incorporated on July 3, 2014 under the laws of the Province of Ontario, Canada.

Both the Company and iMedical are engaged in research and development activities within the remote monitoring segment of preventative care. They are focused on a realizable healthcare business model that has an existing market and commercialization pathway. As such, its efforts to date have been devoted in building technology that enables access to this market through the development of a tangible product.

On February 2, 2016, the Company entered into an exchange agreement with 1061806 BC LTD. (“Callco”), a British Columbia corporation and wholly owned subsidiary (incorporated on February 2, 2016), 1062024 B.C. LTD., a company existing under the laws of the Province of British Columbia (“Exchangeco”), iMedical, and the former shareholders of iMedical (the “Exchange Agreement”), whereby Exchangeco acquired 100% of the outstanding common shares of iMedical, taking into account certain shares pursuant to the Exchange Agreement as further explained in Note 9 to the consolidated financial statements. These subsidiaries were solely used for the issuance of exchangeable shares in the reverse takeover transaction and have no other transactions or balances. After giving effect to this transaction, the Company acquired all of iMedical’s assets and liabilities and commenced operations through iMedical.

As a result of the Share Exchange, iMedical is now a wholly-owned subsidiary of the Company. This transaction has been accounted for as a reverse merger. Consequently, the assets and liabilities and the historical operations reflected in the consolidated financial statements for the periods prior to February 2, 2016 are those of iMedical and are recorded at the historical cost basis. After February 2, 2016, the Company’s consolidated financial statements include the assets and liabilities of both iMedical and the Company and the historical operations of both after that date as one entity.

2. BASIS OF PRESENTATION, MEASUREMENT AND CONSOLIDATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“US GAAP”) for interim financial information and the Securities and Exchange Commission (“SEC”) instructions to Form 10-Q and Article 8 of SEC Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements and should be read in conjunction with Biotricity’s audited financial statements for the years ended March 31, 2019 and 2018 and their accompanying notes.

The accompanying unaudited condensed consolidated financial statements are expressed in United States dollars (“USD”). In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of financial position and results of operations for the interim periods presented have been reflected herein. Operating results for the three months ended June 30, 2019 are not necessarily indicative of the results that may be expected for the year ending March 31, 2019. The Company’s fiscal year-end is March 31.

The unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. Significant intercompany accounts and transactions have been eliminated.

Liquidity and Basis of Presentation

The Company is an emerging growth entity that is in the early stages of commercializing its first product and is concurrently in development mode, operating a research and development program in order to develop, obtain regulatory approval for, and commercialize other proposed products. The Company has incurred recurring losses from operations, and as at June 30, 2019, has an accumulated deficit of \$37,129,096 and a working capital deficiency of \$3,491,691. During the year ended March 31, 2019, the Company launched its first commercial sales program, using an experienced professional in-house sales team. The Company has developed and continues to pursue sources of funding that management believes if successful would be sufficient to support the Company's operating plan and alleviate any substantial doubt as to its ability to meet its obligations at least for one year from the date these consolidated financial statements are issued. As an example of this, the Company has raised \$3,638,010 in funding from an agreement it has with a private equity fund, in which the fund has committed to purchase up to \$25 million in additional shares of the Company at the direction and sole discretion of the Company subject to the Company's compliance with any funding conditions, including there being an effective registration statement registering the shares of common stock issuable under the equity line. Currently, there is no effective registration registering the equity line shares; if the Company wishes to continue to draw from the from this line in the future, it will have to file a registration statement. The Company had issued promissory note and other short term funding of \$2,183,498 as at June 30, 2019 and raised a further \$1,514,115 subsequently, it also has a written commitment for an additional \$5 million in debt financing from a private debt fund.

The Company's operating plan is predicated on a variety of assumptions including, but not limited to, the level of product demand, cost estimates, its ability to continue to raise additional financing and the state of the general economic environment in which the Company operates. There can be no assurance that these assumptions will prove to be accurate in all material respects, or that the Company will be able to successfully execute its operating plan. In the absence of additional appropriate financing, the Company may have to modify its operating plan or slow down the pace of development and commercialization of its proposed products.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of the consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Areas involving significant estimates and assumptions include: deferred income tax assets and related valuation allowance, accruals and valuation of derivatives, convertible promissory notes, stock options, and assumptions used in the going concern assessment. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Earnings (Loss) Per Share

The Company has adopted the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 260-10 which provides for calculation of "basic" and "diluted" earnings per share. Basic earnings per share includes no dilution and is computed by dividing net income or loss available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflect the potential dilution of securities that could share in the earnings of an entity. Diluted earnings per share exclude all potentially dilutive shares if their effect is anti-dilutive. There were no potentially dilutive shares outstanding as at June 30, 2019 and 2018.

Fair Value of Financial Instruments

ASC 820 defines fair value, establishes a framework for measuring fair value and expands required disclosure about fair value measurements of assets and liabilities. ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820-10 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1 – Valuation based on quoted market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation based on quoted market prices for similar assets and liabilities in active markets.
- Level 3 – Valuation based on unobservable inputs that are supported by little or no market activity, therefore requiring management's best estimate of what market participants would use as fair value.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments or interest rates that are comparable to market rates. These financial instruments include cash, accounts receivable, deposits and other receivables, convertible promissory notes, and accounts payable and accrued liabilities. The Company's cash and derivative liabilities, which are carried at fair values, are classified as a Level 1 and Level 2, respectively. The Company's bank accounts are maintained with financial institutions of reputable credit, therefore, bear minimal credit risk.

Leases

On April 1, 2019, the Company adopted Accounting Standards Codification Topic 842, "Leases" ("ASC 842") to replace existing lease accounting guidance. This pronouncement is intended to provide enhanced transparency and comparability by requiring lessees to record right-of-use assets and corresponding lease liabilities on the balance sheet for most leases. Expenses associated with leases will continue to be recognized in a manner similar to previous accounting guidance. The Company adopted ASC 842 utilizing the transition practical expedient added by the Financial Accounting Standards Board ("FASB"), which eliminates the requirement that entities apply the new lease standard to the comparative periods presented in the year of adoption.

The Company is the lessee in a lease contract when the Company obtains the right to use the asset. Operating leases are included in the line items right-of-use asset, lease obligation, current, and lease obligation, long-term in the consolidated balance sheet. Right-of-use ("ROU") asset represents the Company's right to use an underlying asset for the lease term and lease obligations represent the Company's obligations to make lease payments arising from the lease, both of which are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. Leases with a lease term of 12 months or less at inception are not recorded on the consolidated balance sheet and are expensed on a straight-line basis over the lease term in our consolidated statement of income. The Company determines the lease term by agreement with lessor. As our lease do not provide an implicit interest rate, the Company uses the Company's incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. Refer to Note 9 for further discussion.

Recently Issued Accounting Pronouncements

In August 2018, the FASB issued ASU 2018-13, “Changes to Disclosure Requirements for Fair Value Measurements”, which will improve the effectiveness of disclosure requirements for recurring and nonrecurring fair value measurements. The standard removes, modifies, and adds certain disclosure requirements, and is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Company will be evaluating the impact this standard will have on the Company’s financial statements.

In June 2018, the FASB issued an accounting pronouncement (FASB ASU 2018-07) to expand the scope of ASC Topic 718, Compensation - Stock Compensation, to include share-based payment transactions for acquiring goods and services from nonemployees. The pronouncement is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2018, with early adoption permitted. The Company is currently in the process of evaluating the effects of this pronouncement on the consolidated financial statements, including potential early adoption.

On April 1, 2018, the Company adopted the accounting pronouncement issued by the FASB to clarify how entities should present restricted cash and restricted cash equivalents in the statement of cash flows. This guidance requires entities to show changes in the total of cash, cash equivalents and restricted cash in the combined statement of cash flows. This guidance was adopted on a retrospective basis, and such adoption did not have a material impact on combined financial position and/or results of operations.

On January 1, 2018, the Company adopted the accounting pronouncement issued by the FASB to clarify how entities should present restricted cash and restricted cash equivalents in the statement of cash flows. This guidance requires entities to show changes in the total of cash, cash equivalents and restricted cash in the combined statement of cash flows. This guidance was adopted on a retrospective basis, and such adoption did not have a material impact on combined financial position and/or results of operations.

In July 2017, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update No. 2017-11 (“ASU 2017-11”), which addressed accounting for (I) certain financial instruments with down round features and (II) replacement of the indefinite deferral for mandatorily redeemable financial instruments of certain nonpublic entities and certain mandatorily redeemable noncontrolling interests with a scope exception. The main provisions of Part I of ASU 2017-11 “change the classification analysis of certain equity-linked financial instruments (or embedded features) with down round features. When determining whether certain financial instruments should be classified as liabilities or equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity’s own stock. The amendments also clarify existing disclosure requirements for equity-classified instruments. As a result, a freestanding equity-linked financial instrument (or embedded conversion option) no longer would be accounted for as a derivative liability at fair value as a result of the existence of a down round feature. For freestanding equity classified financial instruments, the amendments require entities that present earnings per share (EPS) to recognize the effect of the down round feature when it is triggered. That effect is treated as a dividend and as a reduction of income available to common shareholders in basic EPS.” Under previous US GAAP, warrants with a down round feature are not being considered indexed to the entity’s own stock, which results in classification of the warrant as a derivative liability. Under ASU 2017-11, the down round feature qualifies for a scope exception from derivative treatment. ASU 2017-11 is effective for public companies as of December 15, 2018 and interim periods within that fiscal year. Early adoption is permitted, including adoption in an interim period, with adjustments reflected as of the beginning of the fiscal year. The Company has issued financial instruments with down round features. The Company opted to adopt ASU 2017-11 in its three-month interim period ended September 30, 2017, which is effective from April 1, 2017, with adjustments reflected in the accumulated deficit of stockholders’ deficiency as of April 1, 2017. Please refer to Note 6.

The amendments in this Update require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in this Update do not provide a definition of restricted cash or restricted cash equivalents. The amendments in this Update are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The amendments in this Update should be applied using a retrospective transition method to each period presented. Management does not expect to have a significant impact of this ASU on the Company's unaudited interim condensed consolidated financial statements.

In May 2017, an accounting pronouncement was issued by the Financial Accounting Standards Board ("FASB") ASU 2017-09, "Compensation - Stock Compensation: Scope of Modification Accounting." ASU 2017-09 provides guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting. The updated guidance is effective for interim and annual periods beginning after December 15, 2017, and early adoption is permitted. The adoption of this pronouncement is not expected to have a material impact on the unaudited interim condensed consolidated financial position and/or results of operations.

On April 1, 2017, the Company adopted the accounting pronouncement issued by the Financial Accounting Standards Board ("FASB") to simplify the presentation of deferred income taxes within the balance sheet. This pronouncement eliminates the requirement that deferred tax assets and liabilities are presented as current or noncurrent based on the nature of the underlying assets and liabilities. Instead, the pronouncement requires that all deferred tax assets and liabilities, including valuation allowances, be classified as noncurrent. We adopted this pronouncement on a retrospective basis. The adoption of this guidance did not have a material impact on the Company's unaudited interim condensed consolidated financial position and/or results of operations.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | As at June 30, 2019 \$ | As at March 31, 2019 \$ |
|---------------------|------------------------------|-------------------------------|
| Accounts payable | 957,360 | 878,453 |
| Accrued liabilities | 758,236 | 522,189 |
| | <u>1,715,596</u> | <u>1,400,642</u> |

Accounts payable as at June 30, 2019, and March 31, 2019 include 233,989 and 277,278, respectively, due to a shareholder and executive of the Company, primarily as a result of that individual's role as an employee. These amounts are unsecured, non-interest bearing and payable on demand.

5. CONVERTIBLE PROMISSORY NOTES

Prior to April 1, 2016, pursuant to a term sheet offering of up to \$2,000,000, the Company issued convertible promissory notes to various accredited investors amounting to \$1,368,978 in face value. These notes had a maturity date of 24 months and carried an annual interest rate of 11%. The note holders had the right to convert any outstanding and unpaid principal portion of the note, and accrued interest, into fully paid and non-assessable shares of common stock any time until the note was fully paid. The notes had a conversion price initially set at \$1.78. Upon any future financings completed by the Company, the conversion price was to reset to 75% of the future financing pricing. These notes did not contain prepayment penalties upon redemption. These notes were secured by all of the present and after acquired property of the Company. However, the Company could force conversion of these notes, if during the term of the agreement, the Company completed a public listing and the common share price exceeded the conversion price for at least 20 consecutive trading days. At the closing of the notes, the Company paid cash (7%) and issued warrants (7% of the number of common shares into which the notes may be converted) to a broker. The broker received 3% in cash and warrants for those investors introduced by the Company. The warrants had a term of 24 months and a similar reset provision based on future financings.

Pursuant to the conversion provisions in promissory notes existing at that time, in August 2016, promissory notes in the aggregate face value of \$1,368,978 were converted into 912,652 shares of common stock as detailed below. The fair value of the common shares was \$2,907,912 and \$1,538,934 was allocated to the related derivative liabilities (see note 6) and the balance to the carrying value of the notes.

| | |
|--|----------------|
| | \$ |
| Accreted value of convertible promissory notes as at December 31, 2015 | 783,778 |
| Face value of convertible promissory notes issued during March 2016 | 175,000 |
| Discount recognized at issuance due to embedded derivatives | (74,855) |
| Accretion expense for three months March 31, 2016 | 73,572 |
| Accreted value of convertible promissory notes as at March 31, 2016 | 957,495 |
| Accretion expense - including loss on conversion of \$88,530 | 411,483 |
| Conversion of the notes transferred to equity | (1,368,978) |
| Accreted value of earlier convertible promissory notes at June 30, 2019 (as well as March 31, 2019) | - |

In March 2016, the Company commenced a bridge offering of up to an aggregate of \$2,500,000 of convertible promissory notes. Up to March 31, 2017, the Company issued, to various investors, a new series of convertible notes (“Bridge Notes”) in the aggregate face value of \$2,455,000 (December 31, 2016 – \$2,230,000). The Bridge Notes had a maturity date of 12 months from issuance and carried an annual interest rate of 10%. The Bridge Notes principal and all outstanding accrued interest were convertible into common stock based on the average of the lowest 3 trading days volume weighted average price over the last 10 trading days plus an embedded warrant at maturity. However, all the outstanding principal and accrued interest would convert into units/securities upon the consummation of a qualified financing, based upon the lesser of: (i) \$1.65 per units/securities and (ii) the quotient obtained by dividing (x) the balance on the forced conversion date multiplied by 1.20 by (y) the actual price per unit/security in the qualified financing. Upon the maturity date of the notes, the Company also has an obligation to issue warrants exercisable into a number of shares of the Company securities equal to (i) in the case of a qualified financing, the number of shares issued upon conversion of the note and (ii) in all other cases, the number of shares of the Company’s common stock equal to the quotient obtained by dividing the outstanding balance by 2.00.

In connection with the Bridge Notes offering, the accreted value of this offering was as follows as at March 31, 2017:

| As at March 31, 2017 | \$ |
|---|------------------|
| Face value of Bridge Notes issued | 2,455,000 |
| Day one derivative loss recognized during the year | 35,249 |
| Discount recognized at issuance due to embedded derivatives | (1,389,256) |
| Cash financing costs | (174,800) |
| Accretion expense | 630,797 |
| Accreted value of Bridge Notes | 1,556,990 |

On May 31, 2017, all Bridge Notes, having a face value of \$2,436,406, were converted into Units of a private placement offering of the Company’s common stock:

| | |
|--|-------------|
| | \$ |
| Accreted value of Bridge Note as of March 31, 2017 | 1,556,990 |
| Accretion expense | 879,416 |
| Conversion of Bridge Notes transferred to equity (Note 7, c) | (2,436,406) |
| Face value of Bridge Notes as of June 30, 2019 and March 31, 2019 | - |

The embedded conversion features and reset feature in the notes and broker warrants were initially accounted for as a derivative liability based on FASB guidance that was current at that time (see Note 6).

During the three months ended June 30, 2019, the Company borrowed \$774,433 in promissory notes from certain of its accredited investors, in addition to \$867,699 borrowed during the fiscal year ended March 31, 2019. These notes are generally for a 1-year term at interest rates of between 10%, and 12% with allowance for the Company to repay early, and the possibility to convert into equity on the basis of mutual consent. Management has evaluated the terms of these notes in accordance with the guidance provided by ASC 470 and ASC 815 and concluded that there is no derivative or beneficial conversion feature attached to these notes. On June 30, 2019, the Company has also borrowed \$541,365 from certain of its investors on a short term basis pending issuance of additional convertible promissory notes, doing so without interest in the interim.

General and administrative expenses include interest expense on the above notes of \$30,052 and nil for the three months ended June 30, 2019, respectively.

6. DERIVATIVE LIABILITIES

The *Accounting Pronouncements* ASU 2017-11 provided a change to the classification analysis of certain equity-linked financial instruments (or embedded features) with down round features. When determining whether certain financial instruments should be classified as liabilities or equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity's own stock. During the quarter ended December 31, 2017, the Company adopted the provisions of ASU 2017-11 to account for the down round features of its warrants issued with its private placements effective April 1, 2017. The Company used a modified retrospective approach to adoption, which does not restate its financial statements as at the prior year end, March 31, 2017. Adoption is effective as of April 1, 2017, the beginning of the Company's current fiscal year. The cumulative effect of this accounting standard update adjusted accumulated deficit as of April 1, 2017 by \$483,524, with a corresponding adjustment to derivative liabilities:

| Balance Sheet Impacts Under ASU 2017-11 | As of April 1, 2017 |
|--|----------------------------|
| Accumulated Deficit | \$ 483,524 |
| Derivative Liabilities | (483,524) |

The impact on the unaudited June 30, 2017 Balance Sheet and Statement of Operations is as follows:

| Balance Sheet Impacts Under ASU 2017-11 | As of June 30, 2017 |
|--|----------------------------|
| Derivative Liabilities | \$ (4,074,312) |
| Additional Paid in Capital | 3,569,248 |
| Accumulated Deficit | 483,524 |

| Income Statement Impacts Under ASU 2017-11 | As of June 30, 2017 |
|--|----------------------------|
| Reversal of change in fair value of derivative liabilities | \$ 21,540 |

In connection with the sale of debt or equity instruments, the Company may sell options or warrants to purchase its common stock. In certain circumstances, these options or warrants have previously been classified as derivative liabilities, rather than as equity. Additionally, the debt or equity instruments may contain embedded derivative instruments, which in certain circumstances may be required to be bifurcated from the associated host instrument and accounted for separately as a derivative instrument liability.

Previously, the Company's derivative instrument liabilities were re-valued at the end of each reporting period, with changes in the fair value of the derivative liability recorded as charges or credits to income in the period in which the changes occurred. For options, warrants and bifurcated embedded derivative features that were accounted for as derivative instrument liabilities, the Company estimated fair value using either quoted market prices of financial instruments with similar characteristics or other valuation techniques. The valuation techniques require assumptions related to the remaining term of the instruments and risk-free rates of return, our current common stock price and expected dividend yield, and the expected volatility of our common stock price over the life of the option. The details of derivative liabilities (pre and post adoption of ASU 2017-11) were as follows:

| | Total \$ |
|--|---------------------|
| Derivative liabilities as at March 31, 2017 | 2,163,884 |
| Derivative fair value at issuance | 3,569,249 |
| Transferred to equity upon conversion of notes (Notes 5 and 7) | (1,700,949) |
| Change in fair value of derivatives | 42,128 |
| Derivative liabilities as at June 30, 2017 (pre-adoption) | 4,074,312 |
| Adjustments relating to adoption of ASU 2017-11 | |
| Reversal of fair value | (21,540) |
| Transferred to accumulated deficit | (483,524) |
| Transferred to additional paid-in-capital | (3,569,248) |
| Derivative liabilities as at June 30, 2019 and March 31, 2019 (post adoption) | <u><u>-</u></u> |

The lattice methodology was used to value the derivative components, using the following assumptions:

| | <u>Assumptions</u> |
|----------------------------|---------------------------|
| Dividend yield | 0.00% |
| Risk-free rate for term | 0.62% – 1.14% |
| Volatility | 103% – 118% |
| Remaining terms (Years) | 0.01 – 1.0 |
| Stock price (\$ per share) | <u>\$ 2.50 and \$2.70</u> |

The projected annual volatility curve for valuation at issuance and period end was based on the comparable company's annual volatility. The Company used market trade stock prices at issuance and period end date.

7. STOCKHOLDERS' DEFICIENCY

a) Authorized stock

As at June 30, 2019, the Company is authorized to issue 125,000,000 (March 31, 2019 – 125,000,000) shares of common stock (\$0.001 par value) and 10,000,000 (March 31, 2019 – 10,000,000) shares of preferred stock (\$0.001 par value).

At June 30, 2019, there were 31,101,975 (March 31, 2019 – 31,048,571) shares of common stock issued and outstanding. Additionally, at June 30, 2019, there were 4,313,085 (March 31, 2019 – 4,313,085) outstanding exchangeable shares. There is currently one share of the Special Voting Preferred Stock issued and outstanding held by one holder of record, which is the Trustee in accordance with the terms of the Trust Agreement.

b) Exchange Agreement

As initially described in Note 1 above, on February 2, 2016:

- The Company issued approximately 1.197 shares of its common stock in exchange for each common share of iMedical held by the iMedical shareholders who in general terms, are not residents of Canada (for the purposes of the Income Tax Act (Canada)). Accordingly, the Company issued 13,376,947 shares;
- Shareholders of iMedical who in general terms, are Canadian residents (for the purposes of the Income Tax Act (Canada)) received approximately 1.197 Exchangeable Shares in the capital of Exchangeco in exchange for each common share of iMedical held. Accordingly, the Company issued 9,123,031 Exchangeable Shares;
- Each outstanding option to purchase common shares in iMedical (whether vested or unvested) was exchanged, without any further action or consideration on the part of the holder of such option, for approximately 1.197 economically equivalent replacement options with an inverse adjustment to the exercise price of the replacement option to reflect the exchange ratio of approximately 1.197:1;
- Each outstanding warrant to purchase common shares in iMedical was adjusted, in accordance with the terms thereof, such that it entitles the holder to receive approximately 1.197 shares of the common stock of the Company for each warrant, with an inverse adjustment to the exercise price of the warrants to reflect the exchange ratio of approximately 1.197:1
- Each outstanding advisor warrant to purchase common shares in iMedical was adjusted, in accordance with the terms thereof, such that it entitles the holder to receive approximately 1.197 shares of the common stock of the Company for each advisor warrant, with an inverse adjustment to the exercise price of the Advisor Warrants to reflect the exchange ratio of approximately 1.197:1; and
- The outstanding 11% secured convertible promissory notes of iMedical were adjusted, in accordance with the adjustment provisions thereof, as and from closing, so as to permit the holders to convert (and in some circumstances permit the Company to force the conversion of) the convertible promissory notes into shares of the common stock of the Company at a 25% discount to purchase price per share in Biotricity's next offering.

Issuance of common stock, exchangeable shares and cancellation of shares in connection with the reverse takeover transaction as explained above represents recapitalization of capital retroactively adjusting the accounting acquirer's legal capital to reflect the legal capital of the accounting acquiree.

c) Share issuances

Share issuances during the year ended March 31, 2019

During the year ended March 31, 2019, the Company issued common shares as part of series of closings under a registered offering, which raised gross proceeds of \$3,718,010 through the issuance of 2,635,353 common shares. Issuance costs pursuant to this offering amounted to \$80,000.

During the year ended March 31, 2019, the Company also issued an aggregate of 641,329 common stock and has recognized its obligation to issue a further 41,835 shares of common stock (see paragraph d, below), to various consultants. The fair value of these shares determined by using the market price of the common stock as at the date of issuance amounted to \$1,145,455 were recognized as general and administrative and research and development expenses, as applicable, in the statement of operations, with corresponding credit to common shares, shares to be issued and additional paid-in-capital, respectively.

During the year ended March 31, 2019, the Company also issued an aggregate of 227,428 shares of its common stock upon exercise of employee stock options and warrants; it received \$50,835 of exercise cash proceeds.

Share issuances during the three months ended June 30, 2019

During the three months ended June 30, 2019, the Company issued common shares as part of a series of closings under a registered offering, for gross proceeds of \$14,003 through the issuance of 22,585 common shares.

During the three months ended June 30, 2019, the Company also issued an aggregate of 30,835 shares of its common stock pursuant to obligations to issue these are compensation to a consultant that existed as at June 30, 2019, the fair value of which was recognized in the period then ended.

d) Shares to be issued

During the three months ended June 30, 2019, the Company recognized its obligation to issue a total of 375,000 shares to directors and 6,250 shares to consultants and advisors. The fair value of these shares amounted to \$251,625 and has been expensed to general and administrative and research and development expenses in the consolidated statement of operations, with a corresponding credit to additional paid-in-capital. The fair value of these shares was determined by using the market price of the common stock as at the date of issuance. As of June 30, 2019, the Company had recognized its contractual obligations to issue a total of 412,500 shares of common stock, that also included a further obligation to issue 37,500 to consultants, advisors and other service providers, that had previously recognized as at March 31, 2019.

e) Warrant issuances and exercises

Warrant issuances during the year ended March 31, 2019

During the year ended March 31, 2019, the Company issued 849,601 warrants as compensation for advisor and consultant services, which were fair valued at \$467,411 and expensed in general and administrative expenses, with a corresponding credit to additional paid in capital. Their fair value has been estimated using a multi-nominal lattice model with an expected life of 2 to 3 years, a risk free rate ranging from 2.13% to 2.81%, stock price of \$0.48 to \$4.15 and expected volatility of 97.8% to 141.1%.

Warrant issuances during the three months ended June 30, 2019

During the three months ended June 30, 2019, the Company issued 83,750 warrants as compensation for advisor and consultant services, which were fair valued at \$19,955 and expensed in general and administrative expenses, with a corresponding credit to additional paid in capital. Their fair value has been estimated using a multi-nominal lattice model with an expected life of 3 years, a risk free rate ranging from 1.71%, stock price of \$0.66 and expected volatility of 116.95%.

Warrant exercises during the year ended March 31, 2019

During the year ended March 31, 2019, 62,838 warrants issued to consultants and advisors were exercised at an average exercise price of \$0.81, such that the Company received cash proceeds of \$50,835.

Warrant exercises during the three months ended June 30, 2019

No warrants were exercised during the three months ended June 30, 2019.

Warrant issuances, exercises and expirations or cancellations during the three months ended June 30, 2019 and preceding periods resulted in warrants outstanding at the end of those respective periods as follows:

| | Broker Warrants | Consultant Warrants | Warrants Issued on Conversion of Convertible Notes | Private Placement Warrants | Total |
|-------------------------|----------------------------|--------------------------------|---|---|--------------|
| As at March 31, 2018 | 384,152 | 669,972* | 2,734,530 | 1,163,722 | 4,952,376 |
| Less: Exercised | (62,838) | - | - | - | (62,838) |
| Less: Expired/cancelled | - | (31,250) | - | - | (31,250) |
| Add: Issued | - | 65,000 | - | - | 65,000 |
| As at June 30, 2018 | 321,314 | 703,722* | 2,734,530 | 1,163,722 | 4,923,288 |
| Less: Exercised | - | - | - | - | - |
| Less: Expired/cancelled | - | - | - | - | - |
| Add: Issued | - | 393,333 | - | - | 393,333 |
| As at September 30 2018 | 321,314 | 1,097,055* | 2,734,530 | 1,163,722 | 5,316,621 |
| Less: Exercised | - | - | - | - | - |
| Less: Expired/cancelled | - | (126,250)** | - | - | (126,250) |
| Add: Issued | - | 50,000 | - | - | 50,000 |
| As at December 31, 2018 | 321,314 | 1,020,805* | 2,734,530 | 1,163,722 | 5,240,371 |
| Less: Exercised | - | - | - | - | - |
| Less: Expired/cancelled | - | (184,916)** | - | - | (184,916) |
| Add: Issued | - | 341,268 | - | - | 341,268 |
| As at March 31, 2019 | 321,314 | 1,177,157* | 2,734,530 | 1,163,722 | 5,396,723 |
| Less: Exercised | - | - | - | - | - |
| Less: Expired/cancelled | - | (5,000) | - | - | (5,000) |
| Add: Issued | - | 83,750 | - | - | 83,750 |
| As at June 30, 2019 | 321,314 | 1,255,907* | 2,734,530 | 1,163,722 | 5,475,473 |
| Exercise Price | \$ 0.78-\$3.00 | \$ 0.48-\$7.59 | 2.00 | 3.00 | |
| Expiration Date | March 2022 to July 2022 | September 2019 to June 2022 | March 2020 to November 2022 | April 2020 to July 2020 | |

*Consultant Warrants include warrants issued to directors and officers of the Company who were not members of the Company's options plan at the time of issuance. As at June 30, 2019, Consultant Warrants include an aggregate of 438,806 warrants provided to an officer of the Company as compensation while he was not a member of any Company options plan.

** Subsequent to June 30, 2019, 80,000 warrants issued to directors expired unexercised.

f) Stock-based compensation

2015 Equity Incentive Plan

On March 30, 2015, iMedical approved Directors, Officers and Employees Stock Option Plan, under which it authorized and issued 3,000,000 options. This plan was established to enable the Company to attract and retain the services of highly qualified and experience directors, officers, employees and consultants and to give such person an interest in the success of the Company. As of March 31, 2018, and March 31, 2017, there were no outstanding vested options and 137,500 unvested options at an exercise price of \$.0001 under this plan. These options now represent the right to purchase shares of the Company's common stock using the same exchange ratio of approximately 1.1969:1, thus there were 164,590 (35,907 had been cancelled) adjusted unvested options as at March 31, 2018. These remaining 164,590 options were exercised during the year ended March 31, 2019. No other grants will be made under this plan.

The following table summarizes the stock option activities of the Company:

| | Number of options | Weighted average exercise price (\$) |
|-------------------------------------|------------------------------|---|
| Granted | 3,591,000 | 0.0001 |
| Exercised | (3,390,503) | 0.0001 |
| Outstanding as of December 31, 2015 | 200,497 | 0.0001 |
| Cancelled during 2016 | (35,907) | 0.0001 |
| Outstanding as of March 31, 2018 | 164,590 | 0.0001 |
| Exercised | (164,590) | 0.0001 |
| Outstanding as of March 31, 2019 | - | |

The fair value of options at the issuance date were determined at \$2,257,953 which were fully expensed during the twelve months ended December 31, 2015 based on vesting period and were included in general and administrative expenses with corresponding credit to additional paid-in-capital. During the twelve months ended December 31, 2015, 3,390,503 (2,832,500 Pre-exchange Agreement) options were exercised by those employees who met the vesting conditions; 50% of the grants either vest immediately or at the time of U.S. Food and Drug Administration (FDA) filing date and 50% will vest upon Liquidity Trigger. Liquidity Trigger means the day on which the board of directors resolve in favor of i) the Company is able to raise a certain level of financing; ii) a reverse takeover transaction that results in the Company being a reporting issuer, and iii) initial public offering that results in the Company being a reporting issuer.

2016 Equity Incentive Plan

On February 2, 2016, the Board of Directors of the Company approved 2016 Equity Incentive Plan (the "Plan"). The purpose of the Plan is to advance the interests of the Company and its stockholders by providing an incentive to attract, retain and reward persons performing services for the Company and by motivating such persons to contribute to the growth and profitability of the Company. The Plan seeks to achieve this purpose by providing for awards in the form of options, stock appreciation rights, restricted stock purchase rights, restricted stock bonuses, restricted stock units, performance shares, performance units and other stock-based awards.

The Plan shall continue in effect until its termination by the board of directors or committee formed by the board; provided, however, that all awards shall be granted, if at all, on or before the day immediately preceding the tenth (10th) anniversary of the effective date. The maximum number of shares of stock that may be issued under the Plan shall be equal to 3,750,000 shares; provided that the maximum number of shares of stock that may be issued under the Plan pursuant to awards shall automatically and without any further Company or shareholder approval, increase on January 1 of each year for not more than 10 years from the effective date, so the number of shares that may be issued is an amount no greater than 15% of the Company's outstanding shares of stock and shares of stock underlying any outstanding exchangeable shares as of such January 1; provided further that no such increase shall be effective if it would violate any applicable law or stock exchange rule or regulation, or result in adverse tax consequences to the Company or any participant that would not otherwise result but for the increase.

During July 2016, the Company granted an officer options to purchase an aggregate of 2,499,998 shares of common stock at an exercise price of \$2.20 subject to a 3 year vesting period, with the fair value of the options being expensed over a 3 year period. Two additional employees were also granted 175,000 options to purchase shares of common stock at an exercise price of \$2.24 with a 1 year vesting period, with the fair value of the options being expensed over a 1 year period. One additional employee was also granted 35,000 options to purchase shares of common stock at an exercise price of \$2.24 with a 2 year vesting period, with the fair value of the options expensed over a 2 year period.

During the year ended March 31, 2019, an additional 1,437,500 stock options were granted with a weighted average remaining contractual life from 2.76 to 9.51 years.

During the year ended March 31, 2019, an additional 270,521 stock options were granted with a weighted average remaining contractual life from 2.76 to 9.51 years. During the year ended March 31, 2019, the Company recorded stock based compensation of \$1,451,261 in connection with ESOP 2016 Plan (March 31, 2018 - \$1,002,201) under general and administrative expenses with corresponding credit to additional paid in capital.

No new options were granted during the three months ended June 30, 2019.

The following table summarizes the stock option activities of the Company:

| | Number of options | Weighted average exercise price (\$) |
|---|----------------------|--|
| Granted | 4,147,498 | 3.2306 |
| Exercised | - | - |
| Outstanding as of June 30 and March 31, 2018 | 4,147,498 | 3.2306 |
| Granted | 270,521 | 1.8096 |
| Exercised | - | - |
| Outstanding as of June 30 and March 31, 2019 | 4,418,019 | 3.1436 |

During the three months ended June 30, 2019, the Company recorded stock-based compensation of \$338,889, in connection with the 2016 equity incentive plan (June 30, 2018 – \$355,231) under general and administrative expenses with a corresponding credit to additional paid in capital.

The fair value of each option granted is estimated at the time of grant using multi-nomial lattice model using the following assumptions:

| | 2019 | 2017-2018 | 2016-2017 | 2015-2016 |
|--|-------------------|-------------|-------------|--------------|
| Exercise price (\$) | 2.00 | 1.24-7.59 | 2.00 – 2.58 | 0.0001 |
| Risk free interest rate (%) | 2.27 to 2.54 | 1.98-2.81 | 0.45 - 1.47 | 0.04 - 1.07 |
| Expected term (Years) | 3 | 3 | 1 - 3 | 10 |
| Expected volatility (%) | 112.5 - 141.10 | 97.8-145.99 | 101 – 105 | 94 |
| Expected dividend yield (%) | 0 | 0 | 0 | 0 |
| Fair value of option (\$) | 0.28 | 0.6 | 0.88 | 0.74 |
| Expected forfeiture (attrition) rate (%) | 0.00 | 0.00 | 0.00 – 5.00 | 5.00 - 20.00 |

8. RELATED PARTY TRANSACTIONS AND BALANCES

The Company's transactions with related parties were carried out on normal commercial terms and in the course of the Company's business. Other than those disclosed elsewhere in the financial statements, related party transactions are as follows:

| | Three Months Ended June 30, 2019 | Three Months Ended June 30, 2018 |
|----------------------------|---|---|
| | \$ | \$ |
| Salary and allowance* | 135,052 | 180,052 |
| Stock based compensation** | 308,755 | 389,064 |
| Total | 443,807 | 569,116 |

The above expenses were recorded under general and administrative expenses.

* Salary and allowance include salary, car allowance, vacation pay, bonus and other allowances paid or payable to key management of the Company.

** Stock based compensation represent the fair value of the options, warrants and equity incentive plan for directors and key management of the Company.

9. LEASE

The Company has one operating lease primarily for office and administration.

| | June 30, 2019 |
|--|------------------|
| Right-of-use asset | \$ 413,236 |
| Current portion of lease obligation | \$ 193,295 |
| Noncurrent portion of lease obligation | 219,941 |
| Total lease obligations | \$ 413,236 |

When measuring the lease obligations, the Company discounted lease payments using its incremental borrowing rate at April 1, 2019. The weighted-average-rate applied is 10%.

Operating lease expense during the three months period ended June 30, 2019 was \$56,106.

The following table represents the contractual undiscounted cash flows for lease obligations as at June 30, 2019.

| | \$ |
|--------------------------------------|---------|
| Less than one year | 223,416 |
| Beyond one year | 230,118 |
| Total undiscounted lease obligations | 453,534 |

10. CONTINGENCIES

There are no claims against the company that were assessed as significant, which were outstanding as at June 30, 2019 and, consequently, no provision for such has been recognized in the consolidated financial statements.

11. SUBSEQUENT EVENTS

The Company's management has evaluated subsequent events up to August 14, 2019, the date the condensed consolidated financial statements were issued, pursuant to the requirements of ASC 855 and has determined the following material subsequent events:

On July 2, 2019, pursuant to obligations to issue shares disclosed in Note 7 d), the Company issued 412,500 shares of its common stock.

On July 16, pursuant to its ability to draw down on its registered private placement, the Company also issued 25,000 shares of its common stock and raised \$14,563 in cash proceeds.

From July 10 to August 14, 2019, the Company issued convertible promissory notes, or received cash for which it intends to issue a convertible note, in the amount of \$1,514,115 from several investors.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Except for historical information contained herein, this “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contains forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. These forward-looking statements were based on various factors and were derived utilizing numerous important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements. Important assumptions and other factors that could cause actual results to differ materially from those in the forward-looking statements, include but are not limited to: (a) any fluctuations in sales and operating results; (b) risks associated with international operations; (c) regulatory, competitive and contractual risks; (d) development risks; (e) the ability to achieve strategic initiatives, including but not limited to the ability to achieve sales growth across the business segments through a combination of enhanced sales force, new products, and customer service; (f) competition in the Company’s existing and potential future product lines of business; (g) the Company’s ability to obtain financing on acceptable terms if and when needed; (h) uncertainty as to the Company’s future profitability; (i) uncertainty as to the future profitability of acquired businesses or product lines; and (j) uncertainty as to any future expansion of the Company. Other factors and assumptions not identified above were also involved in the derivation of these forward-looking statements and the failure of such assumptions to be realized as well as other factors may also cause actual results to differ materially from those projected. The Company assumes no obligation to update these forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking statements, except as may be required under applicable law. Past results are no guaranty of future performance. You should not place undue reliance on any forward-looking statements, which speak only as of the dates they are made. When used in this Report, the words “believes,” “anticipates,” “expects,” “estimates,” “plans,” “intends,” “will” and similar expressions are intended to identify forward-looking statements.

This Management’s Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the financial statements and footnotes thereto included in this Quarterly Report on Form 10-Q (the “Financial Statements”).

Company Overview

Biotricity Inc. (“Company”, “Biotricity”, “we”, “us” or “our”)

Biotricity Inc. (the “Company”, “Biotricity”, “we”, “us”, “our”) is a medical technology company focused on biometric data monitoring solutions. Our aim is to deliver innovative, remote monitoring solutions to the medical, healthcare, and consumer markets, with a focus on diagnostic and post-diagnostic solutions for lifestyle and chronic illnesses. We approach the diagnostic side of remote patient monitoring by applying innovation within existing business models where reimbursement is established. We believe this approach reduces the risk associated with traditional medical device development and accelerates the path to revenue. In post-diagnostic markets, we intend to apply medical grade biometrics to enable consumers to self-manage, thereby driving patient compliance and reducing healthcare costs. We intend to first focus on a segment of the multi-billion-dollar diagnostic mobile cardiac telemetry market, otherwise known as MCT.

We have developed our Bioflux MCT technology, which is comprised of a monitoring device and software component, and is currently commercialized and available in the market since April 6, 2018. The twelve months following launch was a limited market release where the company focused on the sales and market dynamics. As of April 1, 2019, the Company has completed its limited market release and is now focused on sales growth and expansion. Currently, we are experiencing double digit growth through new sales and an above 80% re-order rate. In April 2019, we expanded our sales efforts to 11 key states, with intention to expand further and compete in the broader US market using an insourcing business model. This business model is applicable to a large portion of the total available market, which can include hospitals, physicians’ offices and other IDTFs. We believe our solution’s insourcing model, which empowers physicians with state of the art technology and charges technology service fees for its use, has the benefit of a reduced operating overhead for the Company, and enables a more efficient market penetration and distribution strategy. This, combined with the value the Company’s solution brings in the diagnosis of cardiac arrhythmias, enhancement of patient outcomes, improved patient compliance, with a corresponding reduction of healthcare costs, is driving growth and increasing revenues. The Company plans to grow its sales force in order to address new markets and achieve sales penetration in the markets currently served. The Company is also developing several other ancillary technologies, which will require application for further FDA clearances, which the Company anticipates applying for during 2019.

We have established a research partnership with the University of Calgary to determine the predictive value of electrocardiogram (ECG) readings in preventative healthcare applications. The study is designed to identify novel patterns in ECG readings that may be translated into probability models for use in the development of proprietary algorithms for diagnostic applications, and to determine if ECG readings have predictive value for use in preventative healthcare applications, such as self-managed care. The research is partly funded by the National Research Council of Canada. As part of the collaboration, we have the right to license any intellectual property discovered, created or reduced to practice in the performance of the collaboration that was created solely by the University's personnel. Otherwise, we own all intellectual property resulting from the collaboration. The term of the collaboration is until December 31, 2020.

We were incorporated on August 29, 2012 in the State of Nevada under the name Metasolutions, Inc. Effective as of February 1, 2016, we changed our name to Biotricity Inc. On February 2, 2016, we acquired iMedical Innovation Inc., a company existing under the laws of Canada, through our indirect subsidiary 1062024 B.C. LTD., a company existing under the laws of the Province of British Columbia. Immediately prior to the closing of the acquisition, we transferred all of the then-existing business, properties, assets, operations, liabilities and goodwill of the Company, to W270 SA, a Costa Rican corporation. Accordingly, as of immediately prior to the closing of the acquisition, we had no assets or liabilities, and subsequent to the closing we commenced operations through iMedical. As a result, we treated the acquisition as a reverse merger and recapitalization for accounting purposes, with iMedical as the acquirer for accounting purposes.

Critical Accounting Policies

The Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and are expressed in United States Dollars. Significant accounting policies are summarized below:

Use of Estimates

The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Areas involving significant estimates and assumptions include: deferred income tax assets and related valuation allowance, accruals and valuation of derivatives, convertible promissory notes, stock options and warrants, as well as assumptions used by management in its assessment of liquidity. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Earnings (Loss) Per Share

We have adopted the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 260-10 which provides for calculation of "basic" and "diluted" earnings per share. Basic earnings per share includes no dilution and is computed by dividing net income or loss available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflect the potential dilution of securities that could share in the earnings of an entity. Diluted earnings per share exclude all potentially dilutive shares if their effect is anti-dilutive. There were no potentially dilutive shares outstanding as at June 30, 2019.

Fair Value of Financial Instruments

ASC 820 defines fair value, establishes a framework for measuring fair value and expands required disclosure about fair value measurements of assets and liabilities. ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820-10 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1 – Valuation based on quoted market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation based on quoted market prices for similar assets and liabilities in active markets.
- Level 3 – Valuation based on unobservable inputs that are supported by little or no market activity, therefore requiring management's best estimate of what market participants would use as fair value.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments or interest rates that are comparable to market rates. These financial instruments include cash, accounts receivable, deposits and other receivables, convertible promissory notes, and accounts payable and accrued liabilities. The Company's cash and derivative liabilities, which are carried at fair values, are classified as a Level 1 and Level 2, respectively. The Company's bank accounts are maintained with financial institutions of reputable credit, therefore, bear minimal credit risk.

Leases

On April 1, 2019, the Company adopted Accounting Standards Codification Topic 842, “Leases” (“ASC 842”) to replace existing lease accounting guidance. This pronouncement is intended to provide enhanced transparency and comparability by requiring lessees to record right-of-use assets and corresponding lease liabilities on the balance sheet for most leases. Expenses associated with leases will continue to be recognized in a manner similar to previous accounting guidance. The Company adopted ASC 842 utilizing the transition practical expedient added by the Financial Accounting Standards Board (“FASB”), which eliminates the requirement that entities apply the new lease standard to the comparative periods presented in the year of adoption.

The Company is the lessee in a lease contract when the Company obtains the right to use the asset. Operating leases are included in the line items right-of-use asset, lease obligation, current, and lease obligation, long-term in the consolidated balance sheet. Right-of-use (“ROU”) asset represents the Company’s right to use an underlying asset for the lease term and lease obligations represent the Company’s obligations to make lease payments arising from the lease, both of which are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. Leases with a lease term of 12 months or less at inception are not recorded on the consolidated balance sheet and are expensed on a straight-line basis over the lease term in our consolidated statement of income. The Company determines the lease term by agreement with lessor. As our lease do not provide an implicit interest rate, the Company uses the Company’s incremental borrowing rate based on the information available at commencement date in determining the present value of future payments.

Recently Issued Accounting Pronouncements

In August 2018, the FASB issued ASU 2018-13, “Changes to Disclosure Requirements for Fair Value Measurements”, which will improve the effectiveness of disclosure requirements for recurring and nonrecurring fair value measurements. The standard removes, modifies, and adds certain disclosure requirements, and is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Company will be evaluating the impact this standard will have on the Company’s financial statements.

In June 2018, the FASB issued an accounting pronouncement (FASB ASU 2018-07) to expand the scope of ASC Topic 718, Compensation - Stock Compensation, to include share-based payment transactions for acquiring goods and services from nonemployees. The pronouncement is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2018, with early adoption permitted. The Company is currently in the process of evaluating the effects of this pronouncement on the consolidated financial statements, including potential early adoption.

On April 1, 2018, the Company adopted the accounting pronouncement issued by the FASB to clarify how entities should present restricted cash and restricted cash equivalents in the statement of cash flows. This guidance requires entities to show changes in the total of cash, cash equivalents and restricted cash in the combined statement of cash flows. This guidance was adopted on a retrospective basis, and such adoption did not have a material impact on combined financial position and/or results of operations.

On January 1, 2018, the Company adopted the accounting pronouncement issued by the FASB to clarify how entities should present restricted cash and restricted cash equivalents in the statement of cash flows. This guidance requires entities to show changes in the total of cash, cash equivalents and restricted cash in the combined statement of cash flows. This guidance was adopted on a retrospective basis, and such adoption did not have a material impact on combined financial position and/or results of operations.

In July 2017, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update No. 2017-11 (“ASU 2017-11”), which addressed accounting for (I) certain financial instruments with down round features and (II) replacement of the indefinite deferral for mandatorily redeemable financial instruments of certain nonpublic entities and certain mandatorily redeemable non-controlling interests with a scope exception. The main provisions of Part I of ASU 2017-11 “change the classification analysis of certain equity-linked financial instruments (or embedded features) with down round features. When determining whether certain financial instruments should be classified as liabilities or equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity’s own stock. The amendments also clarify existing disclosure requirements for equity-classified instruments. As a result, a freestanding equity-linked financial instrument (or embedded conversion option) no longer would be accounted for as a derivative liability at fair value as a result of the existence of a down round feature. For freestanding equity classified financial instruments, the amendments require entities that present earnings per share (EPS) to recognize the effect of the down round feature when it is triggered. That effect is treated as a dividend and as a reduction of income available to common shareholders in basic EPS.” Under previous US GAAP, warrants with a down round feature are not being considered indexed to the entity’s own stock, which results in classification of the warrant as a derivative liability. Under ASU 2017-11, the down round feature qualifies for a scope exception from derivative treatment. ASU 2017-11 is effective for public companies as of December 15, 2018 and interim periods within that fiscal year. Early adoption is permitted, including adoption in an interim period, with adjustments reflected as of the beginning of the fiscal year. The Company has issued financial instruments with down round features. The Company opted to adopt ASU 2017-11 in its three-month interim period ended September 30, 2017, which is effective from April 1, 2017, with adjustments reflected in the accumulated deficit of stockholders’ deficiency as of April 1, 2017. Please refer to Note 6.

The amendments in this Update require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in this Update do not provide a definition of restricted cash or restricted cash equivalents. The amendments in this Update are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The amendments in this Update should be applied using a retrospective transition method to each period presented. Management does not expect to have a significant impact of this ASU on the Company’s unaudited interim condensed consolidated financial statements.

In May 2017, an accounting pronouncement was issued by the Financial Accounting Standards Board (“FASB”) ASU 2017-09, “Compensation - Stock Compensation: Scope of Modification Accounting.” ASU 2017-09 provides guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting. The updated guidance is effective for interim and annual periods beginning after December 15, 2017, and early adoption is permitted. The adoption of this

pronouncement is not expected to have a material impact on the unaudited interim condensed consolidated financial position and/or results of operations.

On April 1, 2017, the Company adopted the accounting pronouncement issued by the Financial Accounting Standards Board (“FASB”) to simplify the presentation of deferred income taxes within the balance sheet. This pronouncement eliminates the requirement that deferred tax assets and liabilities are presented as current or noncurrent based on the nature of the underlying assets and liabilities. Instead, the pronouncement requires that all deferred tax assets and liabilities, including valuation allowances, be classified as noncurrent. We adopted this pronouncement on a retrospective basis. The adoption of this guidance did not have a material impact on the Company’s unaudited interim condensed consolidated financial position and/or results of operations.

Results of Operations

The fiscal year ended March 31, 2019 was the first year of commercialization of the Bioflux MCT device, which was launched in April 2018, after receiving its second and final required FDA clearance in December 2017. To commence commercialization, we ordered device inventory from our FDA-approved manufacturer and hired a small, captive sales force, with deep experience in cardiac technology sales. We then commenced a limited market release of our product by identifying potential anchor clients who could be early adopters of our technology. We physically located our sales persons at those medical offices to ensure successful launch of our services and the implementation of proper workflow. During the first year of this limited market release, by March 31, 2019, we sold approximately 300 devices, which were used to perform MCT studies on patents, such that the Company earned combined device sales and technology fee income totally \$398,200. Based on our success, in April 2019, we decided to expand sales of the product beyond limited release by doubling the size of our salesforce and our geographic footprint to 11 US states, and the sales pipeline of our product has begun to grow.

In line with its strategy, during the three months ended June 30, 2019, Biotricity more than doubled its total devices sold in the previous 12 months, such that Biotricity had deployed more than 650 devices as at June 30, 2019, to earn a combined device sales and technology fee income totally \$327,000 for the three month period then ended. During this same period, Biotricity incurred a net loss of \$2,089,601 (loss per share of 0.060 cents), such that from its inception in 2009 to this date, the Company has generated an accumulated deficit of \$37,129,096. During this period of initial commercialization of the Bioflux, we devoted, and expect to continue to devote, significant resources in the areas of capital expenditures and research and development costs. We also expect to incur additional operating losses, we build the infrastructure required to support higher sales volume.

Three Months Ended June 30, 2019 and June 30, 2018

Operating Revenues and Expenses

The Company commenced commercialization of its first product on April 1, 2018, rolling out a limited market review to carefully rollout of its sales program to identified anchor customers in targeted areas of the U.S. During this period, the Company has used intelligence gained from its anchor clients to enhance its workflow, its monitoring and reporting capabilities, as well as its infrastructure, to expand the capabilities of its device. This device is a true four-in-one device, offering the ability to not only perform MCT studies, but to also outperform much of its competition by also providing Holter, Event Loop and Extended Holter reporting. Based on these customer facing enhancements that improve customer service and its success with its initial limited market review, the Company is now in a position to expand commercialization of its first product beyond the initial limited launch. Revenues that have been earned are comprised of device sales revenues and technology fee revenues (software as a service). The device, together with its embedded licensed software, is available for sale to the medical center or physician, who is responsible for the delivery of clinical diagnosis and therapy. The remote monitoring, data collection and reporting services performed by our technology culminate in a patient study that is generally billable when it is complete and is issued to the physician. Recurring software service fee revenues are earned on each patient study conducted and these recurring revenues are expected to grow based on the number of devices sold.

During the three months ended June 30, 2019, the Company earned total gross revenues of \$327,000, compared to gross revenue of \$178,140 recognized in the immediately preceding three months ended March 31, 2019, and \$17,660 recognized in the three month period of June 30, 2018. Gross revenues have consistently reflected quarter over quarter increases, culminating an 83.6% increase from the immediately preceding three month period. Also reflective of this growth is the fact that gross revenues for the three months ended June 30, 2019 corresponded to 82.1% of gross revenues for the entire 12 previous months in the year ended March 31, 2019. Gross profit margin for the three months ended June 30, 2019 was 65.7%.

Total operating expenses for the three month periods ended June 30, 2019 were \$2,304,515, compared to \$2,438,176, for the three month period ended June 30, 2018, as further described below.

For the three month period ended June 30, 2019, we incurred general and administrative expenses of \$2,091,019 compared to \$2,128,305, respectively for the three month periods ended June 30, 2018. The increases were primarily due to increased payroll and compensation-related expenses associated with commercialization, including the building of a new sales force, as well as administrative and engineering staff to support customer deployment and further development of our products and processes; the increase was also due to professional fees, product marketing and promotion and other operating infrastructure required for the launch of a developed product.

For the three month periods ended June 30, 2019, we incurred research and development expenses of \$213,496, compared to research and development expenses of \$309,871 for the three month period ended June 30, 2018. These expenses vary based on efforts to improve the Bioflux and pursue development of future products and other product enhancements.

Net Loss

Net loss for the three months ended June 30, 2019 was \$2,089,601 compared to a net loss of \$2,420,516, during the three months ended June 30, 2019, resulting in a loss per share of \$0.060, for the three month period ended June 30, 2019 (June 30, 2018 - \$0.076).

Translation Adjustment

Translation adjustment for the three month period ended June 30, 2019 was a loss of \$22,586, as compared to a loss of \$102,649, for the three months ended June 30, 2018. This translation adjustment represents gains/losses that resulted from the translation of currency in the financial statements, from our functional currency of Canadian dollars to the reporting currency in U.S. dollars.

Liquidity and Capital Resources

The Company is in commercialization mode, while continuing to pursue the development of its next generation MCT product as well as new products that are being developed.

We generally require cash to:

- purchase devices that will be placed in the field for pilot projects and to produce revenue,
- launch sales initiatives,
- fund our operations and working capital requirements,
- develop and execute our product development and market introduction plans,
- fund research and development efforts, and
- pay any expense obligations as they come due.

As a result of its being in development-mode and now early commercialization, the Company has incurred recurring losses from operations, and as at June 30, 2019, has an accumulated deficit of \$37,129,096. Management anticipates the Company will improve its liquidity through continued business development and additional debt or equity investment in the Company. To do this, the Company has developed and continues to pursue sources of funding, including but not limited to those described below.

The Company has developed and continues to pursue sources of funding that management believes if successful would be sufficient to support the Company's operating plan and alleviate any substantial doubt as to its ability to meet its obligations at least for one year from the date these consolidated financial statements are issued. As an example of this, the Company has raised \$3,638,010 in funding from an agreement it has with a private equity fund, in which the fund has committed to purchase up to \$25 million in additional shares of the Company at the direction and sole discretion of the Company subject to the Company's compliance with any funding conditions, including there being an effective registration statement registering the shares of common stock issuable under the equity line. Currently, there is no effective registration registering the equity line shares; if the Company wishes to continue to draw from the from this line in the future, it will have to file a registration statement. The Company has raised promissory note funding from accredited individuals, totaling \$2,183,498 as at June 30, 2019, and raised a further \$1,514,115 subsequently; it has a written commitment for an additional \$5 million in debt financing from a private debt fund, but is also pursuing other potential sources of capital.

As we proceed with the commercialization of the Bioflux product development, we expect to continue to devote significant resources on capital expenditures, as well as research and development costs and operations, marketing and sales expenditures.

We expect to require additional funds to further develop our business plan, including the anticipated commercialization of the Bioflux and Biolife products. Based on our current operating plans, we will require approximately \$4 million (\$7 million in order to accelerate commercialization) to grow our sales team and order devices that will be placed in the field to produce revenue. A portion of these funds will also go towards the further development of Bioflux in its next generation, in addition to including marketing, sales, regulatory and clinical costs to better introduce the product into the market place. We expect to require an additional approximately \$4 million to also complete the development of our Biolife product and increase penetration in new and existing markets and expand our intellectual property platform, which we anticipate would lead to profitability. Since it is impossible to predict with certainty the timing and amount of funds required to launch the Bioflux and Biolife product in any other markets or any of our other proposed products, we anticipate that we will need to raise additional funds through equity or debt offerings or otherwise in order to meet our expected future liquidity requirements.

Based on the above facts and assumptions, we believe our existing cash and cash equivalents, along with anticipated near-term equity financings, will be sufficient to meet our needs for the next twelve months from the filing date of this Annual Report on Form 10-K. However, we will need to seek additional debt or equity capital to respond to business opportunities and challenges, including our ongoing operating expenses, protecting our intellectual property, developing or acquiring new lines of business and enhancing our operating infrastructure. The terms of our future financings may be dilutive to, or otherwise adversely affect, holders of our common stock. We may also seek additional funds through arrangements with collaborators or other third parties. There can be no assurance we will be able to raise this additional capital on acceptable terms, or at all. If we are unable to obtain additional funding on a timely basis, we may be required to modify our operating plan and otherwise curtail or slow the pace of development and commercialization of our proposed product lines.

Net Cash Used in Operating Activities

During the three months ended June 30, 2019, we used cash in operating activities of \$1,328,375 compared to \$1,209,549 for the three months ended June 30, 2018. These activities involved expenditures undertaken on business development, marketing and operating activities, as well as continued research and product development.

Net Cash from Financing Activities

Net cash provided by financing activities was \$1,329,802 for the three months ended June 30, 2019 compared to \$550,835 for the three months ended June 30, 2018.

Net Cash Used in Investing Activities

The Company did not use any net cash in investing activities in the three month periods ended June 30, 2019 and 2018.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not required for a smaller reporting company.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's Exchange Act reports is recorded, processed, summarized and reported within the time communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure based closely on the definition of "disclosure controls and procedures" in Rule 13a-15(e). The Company's disclosure controls and procedures are designed to provide a reasonable level of assurance of reaching the Company's desired disclosure control objectives. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Therefore, even a system which is determined to be effective cannot provide absolute assurance that all control issues have been detected or prevented. Our systems of internal controls are designed to provide reasonable assurance with respect to financial statement preparation and presentation.

At the end of the period being reported upon, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective to ensure that the material information required to be included in our Securities and Exchange Commission reports is accumulated and communicated to our management, including our principal executive and financial officer, as well as recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms relating to the Company.

Changes in Internal Controls

There were no changes in the Company's internal controls over financial reporting that occurred during the three-month period ended June 30, 2019 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors

Not required for smaller reporting companies.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

From August 9 to August 12, 2019, the Company issued promissory notes in the amount of \$249,454 to two investors. The Notes mature due one year from the date of issue. Interest on the notes is 12% and is payable quarterly and at maturity of the note. At the discretion of the holder of the note and the approval of the Company, payment of the note together with accrued interest thereon may be made using equity of the Company at a prescribed discount, or otherwise in cash. The notes will entitle the two holders to warrants allowing them to purchase a total of 37,500 shares of the Company's common stock at \$1.50 per share for three years from the date the notes were issued.

On August 14, 2019, the Company received 1,000,000 from an investor. The Company and the investor have not yet finalized terms of this investment but the Company expects to issue the investor a note and expects the terms to be the similar to the terms of the notes described in the first paragraph of this Item 2.

The securities were offered and sold pursuant to an exemption from the registration requirements under Section 4(a)(2) of the Securities Act since, among other things, the transactions did not involve a public offering.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits

[10.1 Form of Promissory Note](#)

[31.1 Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)

[31.2 Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)

[32.1 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

[32.2 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

101.1 XBRL Instance.

101.SCH XBRL Taxonomy Extension Schema.

101.CAL XBRL Taxonomy Extension Calculation.

101.DEF XBRL Taxonomy Extension Definition.

101.LAB XBRL Taxonomy Extension Labels.

101.PREXBRL Taxonomy Extension Presentation.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, this 14th day of August 2019.

BIOTRICITY INC.

By: /s/ Waqaas Al-Siddiq

Name: Waqaas Al-Siddiq

Title: Chief Executive Officer
(principal executive officer)

By: /s/ John Ayanoglou

Name: John Ayanoglou

Title: Chief Financial Officer
(principal financial and accounting officer)

SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT (this “**Agreement**”) is dated as of the date contained in the signature page hereto (the “**Closing Date**”), by and between **BIOTRICITY INC.**, a Nevada corporation (the “**Company**”), and the subscriber identified on the signature page hereto (the “**Subscriber**”).

RECITALS

WHEREAS, the Company seeks to sell Convertible Promissory Notes in the form annexed hereto as Exhibit A (the “**Note**” and collectively referred to as the “**Notes**”) and, subject to Section 1.01 below, three-year warrants to purchase shares of the Company’s common stock as provided in the Note and in the form of warrant agreement annexed hereto as Exhibit B (the “**Warrants**”) pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the “**Securities Act**”) and Rule 506(b) of Regulation D (“**Regulation D**”) as promulgated under the Securities Act (the “**Offering**”); and

WHEREAS, the Subscriber wishes to purchase a Note with the principal amount as set forth on the Signature Page to this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and the Subscriber hereby agree as follows:

ARTICLE I PURCHASE OF CONVERTIBLE PROMISSORY NOTES

1.01 Subscription. The Subscriber hereby subscribes (the “**Subscription**”) to purchase a Note in the amount (denominated in U.S. dollars) set forth on the signature page hereto (the “**Subscription Amount**”), and, if applicable as further provided below, the Warrant. This Subscription shall become effective when it has been duly executed by the Subscriber and this Agreement has been accepted and agreed to by the Company. Notwithstanding anything to the contrary herein, the Company’s obligations to issue Warrants shall be based on the following terms: for every \$100,000 (and no less than \$100,000) Subscription in the Notes by the Subscriber pursuant to the terms of the Offering, the Company shall issue and the Subscriber shall receive a Warrant to purchase 25,000 shares of common stock, par value \$0.001 per share, of the Company, at an exercise price of \$1.50 per share.

1.02 Payment For Subscription. The Subscriber agrees that the Subscription Amount to the Company for the amount of the Subscriber’s Subscription is to be made upon submission of this Agreement in the form included in these Subscription Documents (as hereinafter defined).

1.03 Terms and Conditions. The Company shall have the right to accept or reject the Subscription, in whole or in part, for any reason whatsoever, including, but not limited to, the belief of the Company that the Subscriber cannot bear the economic risk of an investment in the Company, is not capable of evaluating the merits and risks of an investment in the Company or is not an “Accredited Investor,” as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act, or for no reason at all. A closing may occur once a Subscription is received by the Company and additional closings under the Offering may take place from time to time as subscriptions are received by the Company. Subscription to this Note will also entitle the Subscriber to the right to participate in the next **Qualified Financing**; a Qualified Financing to be defined as any equity financing of greater than \$5.0 million, excluding the conversion of the notes. Prepayment of a Note is allowed on the basis of conditions indicated on the face of the Note.

1.04 Conversion. A Note may be convertible, subject to mutual consent: 1) at a 20% discount to the next Qualified Financing or 2) on maturity of the Note, or payment default thereon, at a 20% discount to the average of the closing share prices of the Company stock for the 10 days prior to conversion. If either party elects not to convert, the principal and interest will be due in cash at maturity.

ARTICLE II
REPRESENTATIONS AND WARRANTIES

2.01 Representations and Warranties by the Company. The Company represents and warrants to the Subscriber that:

(a) Authorization. The Company has all corporate right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. All corporate action on the part of the Company, its directors and stockholders necessary for the: (i) authorization execution, delivery and performance of this Agreement by the Company; (ii) authorization, sale, issuance and delivery of the Notes and Warrants contemplated hereby and the performance of the Company's obligations hereunder; and (iii) authorization, issuance and delivery of the securities issuable upon conversion of the Notes or exercise of the Warrants, has been taken. The securities issuable upon conversion of the Notes and exercise of the Warrants will be validly issued, fully paid and nonassessable. The issuance and sale of the securities contemplated hereby will not give rise to any preemptive rights or rights of first refusal on behalf of any person which have not been waived in connection with this offering. The Company is not in default of any other obligations, including any promissory notes or debentures.

(b) Enforceability. Assuming this Agreement has been duly and validly authorized, executed and delivered by the parties hereto and thereto other than the Company, this Agreement as duly authorized, executed and delivered by the Company constitutes the legal, valid and binding obligations of the Company enforceable against the Company in accordance with its terms, except as such enforcement is limited by general equitable principles, or by bankruptcy, insolvency and other similar laws affecting the enforcement of creditors rights generally.

(c) No Violations. The execution, delivery and performance of this Agreement and the Note by the Company and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Warrants and the securities issuable upon the conversion of the Note or exercise of the Warrants) will not (i) result in a violation of the Articles of Incorporation of the Company or other organizational documents of the Company, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree applicable to the Company by which any property or asset of the Company is bound or affected.

(d) Litigation. The Company knows of no pending or threatened legal or governmental proceedings against the Company which could materially adversely affect the business, property, financial condition or operations of the Company or which materially and adversely questions the validity of this Agreement or any agreements related to the transactions contemplated hereby or the right of the Company to enter into any of such agreements, or to consummate the transactions contemplated hereby or thereby. The Company is not a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality which could materially adversely affect the business, property, financial condition or operations of the Company. There is no material action, suit, proceeding or investigation by the Company currently pending in any court or before any arbitrator or that the Company intends to initiate.

(e) Intellectual Property. The Company owns or possesses sufficient legal rights to all patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information and other proprietary rights and processes necessary for its business as now conducted without any known infringement of the rights of others. The Company has not received any written communications alleging that the Company has violated or, by conducting its business as presently proposed to be conducted, would violate any of the patents, trademarks, service marks, trade names, copyrights or trade secrets or other proprietary rights of any other person or entity.

(f) Title to Assets. The Company has good and marketable title to its properties and assets, and good title to its leasehold estates, in each case subject to no mortgage, pledge, lien, lease, encumbrance or charge, other than (a) those resulting from taxes which have not yet become delinquent; (b) liens and encumbrances which do not materially detract from the value of the property subject thereto or materially impair the operations of the Company; and (c) those that have otherwise arisen in the ordinary course of business. The Company is in compliance with all material terms of each lease to which it is a party or is otherwise bound.

(g) Investment Company. The Company is not an “investment company” within the meaning of such term under the Investment Company Act of 1940, as amended, and the rules and regulations of the Securities and Exchange Commission thereunder.

(h) No Solicitation. Neither the Company nor any person participating on the Company’s behalf in the transactions contemplated hereby has conducted any “general solicitation,” as such term is defined in Regulation D promulgated under the Securities Act, with respect to any of the Notes being offered hereby.

(i) Blue Sky. The Company agrees to file a Form D with respect to the sale of the Notes under Regulation D of the rules and regulations promulgated under the Securities Act. The Company shall, on or before the Closing Date, take such action as the Company shall reasonably determine is necessary to qualify the Notes for sale to the Subscriber pursuant to this Agreement under applicable securities or “blue sky” laws of the states of the United States (or to obtain an exemption from such qualification).

(j) The execution, delivery and performance of this Agreement by the Company will not (i) violate any law, treaty, rule or regulation applicable to or binding upon the Company or any of its properties or assets, or (ii) result in a breach of any contractual obligation to which the Company is a party or by which it or any of its properties or assets is bound that would reasonably be expected to have a material adverse effect on the ability of the Company to perform its obligations under this Agreement.

(k) There is no civil, criminal or administrative action, suit, demand, claim, hearing, notice of violation or investigation, proceeding or demand letter pending, or to the knowledge of the Company threatened, against the Company, which if adversely determined would reasonably be expected to have a material adverse effect on the ability of the Company to perform its obligations hereunder. There is no civil, criminal or administrative action, suit, demand, claim, hearing, notice of violation or investigation, proceeding or demand letter pending, or to the knowledge of the Company threatened, against or affecting the Company or any of its subsidiaries that, if adversely determined, would reasonably be expected to have a material adverse effect on the Company and its subsidiaries (taken as a whole). There are no outstanding orders, writs, judgments, decrees, injunctions or settlements that would reasonably be expected to have a material adverse effect on the Company and its subsidiaries (taken as a whole).

2.02 Survival of Representations and Warranties. The representations and warranties of the Company shall survive the closing and shall be fully enforceable at law or in equity against the Company and the Company’s successors and assigns.

2.03 Disclaimer. It is specifically understood and agreed by the Subscriber that the Company has not made, nor by this Agreement shall be construed to make, directly or indirectly, explicitly or by implication, any representation, warranty, projection, assumption, promise, covenant, opinion, recommendation or other statement of any kind or nature with respect to the anticipated profits or losses of the Company, except as otherwise provided with this Agreement.

2.04 Representations and Warranties by the Subscriber. The Subscriber represents and warrants to the Company that:

(a) The Subscriber is acquiring the Notes and the Warrants for the Subscriber's own account, as principal, for investment purposes only and not with any intention to resell, distribute or otherwise dispose of the Notes or Warrants, as the case may be, in whole or in part.

(b) The Subscriber has had an unrestricted opportunity to: (i) obtain information concerning the Offering, including the Notes, the Warrants, the Company and its proposed and existing business and assets; and (ii) ask questions of, and receive answers from the Company concerning the terms and conditions of the Offering and to obtain such additional information as may have been necessary to verify the accuracy of the information contained in the this Agreement or otherwise provided.

(c) The Subscriber is an Accredited Investor, within the meaning of Securities and Exchange Commission ("SEC") Rule 501 of Regulation D, and has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of investing in the Company, and all information that the Subscriber has provided concerning the Subscriber, the Subscriber's financial position and knowledge of financial and business matters is true, correct and complete. The Subscriber acknowledges and understands that the Company will rely on the information provided by the Subscriber in this Agreement and in suitability information gathering from the Subscriber for purposes of complying with Federal and applicable state securities laws.

(d) Except as otherwise disclosed in writing by the Subscriber to the Company, the Subscriber has not dealt with a broker in connection with the purchase of the Notes and agrees to indemnify and hold the Company and its officers and directors harmless from any claims for brokerage or fees in connection with the transactions contemplated herein.

(e) The Subscriber is not relying on the Company or any of its management, officers or employees with respect to any legal, investment or tax considerations involved in the purchase, ownership and disposition of Notes or Warrants. The Subscriber has relied solely on the advice of, or has consulted with, in regard to the legal, investment and tax considerations involved in the purchase, ownership and disposition of Notes and Warrants, the Subscriber's own legal counsel, business and/or investment adviser, accountant and tax adviser.

(f) The Subscriber understands that the Notes and the Warrants, or the securities into which either of them may convert or be exercised for, cannot be sold, assigned, transferred, exchanged, hypothecated or pledged, or otherwise disposed of or encumbered except in accordance with the Securities Act or the 1934 Securities and Exchange Act, as amended (the "**Exchange Act**"), and that no market will exist for the resale of any such securities. In addition, the Subscriber understands that the Notes, Warrants or the securities into which they may convert, have not been registered under the Securities Act, or under any applicable state securities or blue sky laws or the laws of any other jurisdiction, and cannot be resold unless they are so registered or unless an exemption from registration is available. The Subscriber understands that there is no current plan to register the Notes, Warrants or the securities into which they may convert.

(g) The Subscriber is willing and able to bear the economic and other risks of an investment in the Company for an indefinite period of time. The Subscriber has read and understands the provisions of this Agreement.

(h) The Subscriber maintains the Subscriber's domicile, and is not merely a transient or temporary resident, at the residence address shown on the signature page of this Agreement.

(i) The Subscriber understands that the Company has made available to the Subscriber and the Subscriber's accountants, attorneys and other advisors full and complete information concerning the financial structure of the Company, and any and all data requested by the Subscriber as a basis for estimating the potential profits and losses of the Company and the Subscriber acknowledges that the Subscriber has either reviewed such information or has waived review of such information.

(j) The Subscriber is not participating in the Offering as a result of or subsequent to: (i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio; (ii) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising; or (iii) any registration statement the Company may have filed with the Securities and Exchange Commission.

(k) If the Subscriber is an entity, the Subscriber is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization, as the case may be. The Subscriber has all requisite power and authority to own its properties, to carry on its business as presently conducted, to enter into and perform the Subscription and the agreements, documents and instruments executed, delivered and/or contemplated hereby (collectively, the “**Subscription Documents**”) to which it is a party and to carry out the transactions contemplated hereby and thereby. The Subscription Documents are valid and binding obligations of the Subscriber, enforceable against it in accordance with their terms, except as enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws, from time to time in effect, which affect enforcement of creditors’ rights generally. If applicable, the execution, delivery and performance of the Subscription Documents to which it is a party have been duly authorized by all necessary action of the Subscriber. The execution, delivery and performance of the Subscription Documents and the performance of any transactions contemplated by the Subscription Documents will not (i) violate, conflict with or result in a default (whether after the giving of notice, lapse of time or both) under any contract or obligation to which the Subscriber is a party or by which it or its assets are bound, or any provision of its organizational documents (if an entity), or cause the creation of any lien or encumbrance upon any of the assets of the Subscriber; (ii) violate, conflict with or result in a default (whether after the giving of notice, lapse of time or both) under, any provision of any law, regulation or rule, or any order of, or any restriction imposed by any court or other governmental agency applicable to the Subscriber; (iii) require from the Subscriber any notice to, declaration or filing with, or consent or approval of any governmental authority or other third party other than pursuant to federal or state securities or blue sky laws; or (iv) accelerate any obligation under, or give rise to a right of termination of, any agreement, permit, license or authorization to which the Subscriber is a party or by which it is bound.

(l) The Subscriber acknowledges and agrees that the Company intends, in the future, to raise additional funds to expand its business which may include, without limitation, the need to: fund more rapid expansion; fund additional marketing expenditures; enhance its operating infrastructure; hire additional personnel; respond to competitive pressures; or acquire complementary businesses or necessary technologies.

(m) The Subscriber acknowledges and agrees that the Company will have broad discretion with respect to the use of the proceeds from this Offering, and investors will be relying on the judgment of management regarding the application of these proceeds.

(n) The Subscriber understands the various risks of an investment in the Company, and has carefully reviewed the various risk factors described in the Company’s various public filings, including but not limited to its 10Qs and 10Ks.

ARTICLE III
MISCELLANEOUS

3.01 Indemnification.

(a) The Subscriber will, severally and not jointly with any other Subscribers indemnify and hold harmless the Company and its officers, directors, members, shareholders, partners, representatives, employees and agents, successors and assigns against any losses, obligations, claims, damages, liabilities, contingencies, judgments, fines, penalties, charges, costs (including, without limitation, court costs, reasonable attorneys' fees and costs of defense and investigation), amounts paid in settlement or expenses, joint or several, (collectively, "**Company Claims**") reasonably incurred in investigating, preparing or defending any action, claim, suit, inquiry, proceeding, investigation or appeal taken from the foregoing by or before any court or governmental, administrative or other regulatory agency, body or the SEC, whether pending or threatened, whether or not an indemnified party is or may be a party thereto, to which any of them may become subject insofar as such Company Claims (or actions or proceedings, whether commenced or threatened, in respect thereof): (a) arise out of or are based upon any untrue statement or untrue statement of a material fact made by the Subscriber and contained in this Agreement or (b) arise out of or are based upon any breach by the Subscriber of any representation, warranty, or agreement made by the Subscriber contained herein. Provided, however, and notwithstanding anything to the contrary, in no event shall the liability of the Subscriber pursuant to this Section exceed the amount of the Note that the Subscriber purchases pursuant to this Agreement.

(b) The Company will indemnify and hold harmless each Subscriber and its officers, directors, members, shareholders, partners, representatives, employees and agents, successors and assigns, and each other person, if any, who controls such Subscriber within the meaning of the Securities Act against any losses, obligations, claims, damages, liabilities, contingencies, judgments, fines, penalties, charges, costs (including, without limitation, court costs, reasonable attorneys' fees and costs of defense and investigation), amounts paid in settlement or expenses, joint or several, (collectively, "**Subscriber Claims**") reasonably incurred in investigating, preparing or defending any action, claim, suit, inquiry, proceeding, investigation or appeal taken from the foregoing by or before any court or governmental, administrative or other regulatory agency, body or the SEC, whether pending or threatened, whether or not an indemnified party is or may be a party thereto, to which any of them may become subject insofar as such Subscriber Claims (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon: (i) any blue sky application or other document executed by the Company specifically for that purpose or based upon written information furnished by the Company filed in any state or other jurisdiction in order to qualify any or all of the Notes (or securities issuable upon conversion of the Notes) under the securities laws thereof (any such application, document or information herein called a "**Blue Sky Application**"); (ii) any untrue statement or alleged untrue statement of a material fact made by the Company in this Agreement; (iii) arise out of or are based upon any breach by the Company of any representation, warranty, or agreement made by it contained herein or in the Note; or (iv) any violation by the Company or its agents of any rule or regulation promulgated under the Securities Act applicable to the Company or its agents and relating to action or inaction required of the Company in connection with such registration; and will reimburse such Subscriber, and each such officer, director or member and each such controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such Claim or action; provided, however, that the Company will not be liable in any such case if and to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with information furnished by such Subscriber or any such controlling person to the Company.

3.02 Addresses and Notices. All notices, demands, consents, requests, instructions and other communications to be given or delivered or permitted under or by reason of the provisions of this Agreement or in connection with the transactions contemplated hereby shall be in writing and shall be deemed to be delivered and received by the intended recipient as follows: (i) if personally delivered, on the business day of such delivery (as evidenced by the receipt of the personal delivery service), (ii) if mailed certified or registered mail return receipt requested, two (2) business days after being mailed, or (iii) if delivered by overnight courier (with all charges having been prepaid), on the business day of such delivery (as evidenced by the receipt of the overnight courier service of recognized standing). If any notice, demand, consent, request, instruction or other communication cannot be delivered because of a changed address of which no notice was given (in accordance with this Section 3.02, or the refusal to accept same, the notice, demand, consent, request, instruction or other communication shall be deemed received on the second business day the notice is sent (as evidenced by a sworn affidavit of the sender). All such notices, demands, consents, requests, instructions and other communications will be sent to the following addresses or facsimile numbers as applicable:

If to the Company to:

Biotricity Inc.
275 Shoreline Drive, Suite 150
Redwood City, California 94065
Attention: Waqaas Al-Siddiq

With a copy (which shall not constitute notice) to:

Sichenzia Ross Ference LLP
1185 Avenue of the Americas, 37th Floor
New York, New York 10036
Attention: David B. Manno, Esq.
Facsimile: (212) 930-9725

If to the Subscriber, to the address set forth on the signature page annexed hereto.

Any such person may by notice given in accordance with this Section 3.02 to the other parties hereto designate another address or person for receipt by such person of notices hereunder.

3.03 Titles and Captions. All Article and Section titles or captions in this Agreement are for convenience only. They shall not be deemed part of this Agreement and do not in any way define, limit, extend or describe the scope or intent of any provisions hereof.

3.04 Assignability. This Agreement is not transferable or assignable by the undersigned.

3.05 Pronouns and Plurals. Whenever the context may require, any pronoun used herein shall include the corresponding masculine, feminine or neuter forms. The singular form of nouns, pronouns and verbs shall include the plural and vice versa.

3.06 Further Action. The parties shall execute and deliver all documents, provide all information and take or forbear from taking all such action as may be necessary or appropriate to achieve the purposes of this Agreement. Each party shall bear its own expenses in connection therewith.

3.07 Applicable Law. This Agreement shall be construed in accordance with and governed by the laws of the State of New York without regard to its conflict of law rules.

3.08 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, administrators, successors, legal representatives, personal representatives, permitted transferees and permitted assigns. If the undersigned is more than one person, the obligation of the undersigned shall be joint and several and the agreements, representations, warranties and acknowledgments herein contained shall be deemed to be made by and be binding upon each such person and such person's heirs, executors, administrators and successors.

3.09 Integration. This Agreement, together with the remainder of the Subscription Documents of which this Agreement forms a part, constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes and replaces all prior and contemporaneous agreements and understandings, whether written or oral, pertaining thereto. No covenant, representation or condition not expressed in this Agreement shall affect or be deemed to interpret, change or restrict the express provisions hereof.

3.10 Amendment. This Agreement may be modified or amended only with the written approval of all parties.

3.11 Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by creditors of any party.

3.12 Waiver. No failure by any party to insist upon the strict performance of any covenant, agreement, term or condition of this Agreement or to exercise any right or remedy available upon a breach thereof shall constitute a waiver of any such breach or of such or any other covenant, agreement, term or condition.

3.13 Rights and Remedies. The rights and remedies of each of the parties hereunder shall be mutually exclusive, and the implementation of one or more of the provisions of this Agreement shall not preclude the implementation of any other provision.

3.14 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.

[Remainder of the Page Intentionally Blank – Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Agreement on this ____ day of _____, 2019.

Signature of Subscriber:

By: _____
Name: _____
Title: _____

Print Name of Subscriber

Social Security Number(s) or EIN

Mailing Address of Subscriber(s)

Residence of Subscriber(s)

Street

Street

City State Zip Code

City State Zip Code

If Joint Ownership, check one:

- Joint Tenants with Right of Survivorship
- Tenants-in-Common
- Tenants by the Entirety
- Community Property
- Other (specify): _

\$ _____
Aggregate Subscription Amount

Method of Payment: Wire Transfer Check

FOREGOING SUBSCRIPTION ACCEPTED:

BIOTRICITY INC.

By: _____
Name: Waqaas Al-Siddiq
Title: Chairman and CEO

Exhibit A
BIOTRICITY INC.
PROMISSORY NOTE

Principal Amount: US\$XXXXXX

Issue Date: XXXXX, 2019

BIOTRICITY INC., a Nevada corporation (the “Company”), for value received, hereby promises to pay to XXXXXXXX or his/its permitted assigns or successors (the “Holder”), the principal amount of XXXXXX Thousand Dollars (US\$XXXXX) (the “Principal Amount”), without demand, on the one-year anniversary of the issue date (the “Maturity Date”). This Promissory Note (as amended, modified or restated, this “Note”) shall bear interest at a fixed rate per annum equal of 12%, beginning on the Issue Date. Interest shall be computed based on a 365-day year and shall be accrued quarterly and payable at maturity or converted based on the terms below. Payment of all principal and interest due shall be in such coin or currency of the United States of America as shall be legal tender for the payment of public and private debts at the time of payment. At the discretion of the Holder, and upon approval of the Company, payment of the Note, together with accrued interest thereon, may also be made using equity of the Company, at a 20% discount to the most recent share equity financing of the Company that is greater than Five Million Dollars (the “Qualifying Equity Issuance”), which securities shall be subject to all applicable securities laws and as set forth in the Purchase Agreement between the Company and the Holder, and notwithstanding anything to the contrary, the Company may not pay this Note by issuing to the Holder the Qualifying Equity Issuance in payment of the Note and no common stock will be issued pursuant to this Note unless the Company first receives any required consent. If no Qualified Equity Issuance occurs, at the discretion of the Holder, and upon approval of the Company, payment may also be made using equity of the Company, at a 20% discount to the weighted average stock price of the company’s equity in the 10 days prior to maturity.

This Note also entitles the Holder to warrants that allow the Holder to purchase XXXXX [25,000 SHARES PER US\$100,000 OF PROMISSORY NOTE SUBSCRIBED] shares of the company stock at Two Dollars (\$2) per share at the discretion of the Holder, for a period of 3 years from the Issue Date.

ARTICLE 1 GENERAL PROVISIONS

SECTION 1.1. Loss, Theft, Destruction of Note. Upon receipt of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of this Note and, in the case of any such loss, theft or destruction, upon receipt of indemnity or security reasonably satisfactory to the Company, or, in the case of any such mutilation, upon surrender and cancellation of this Note, the Company will make and deliver, in lieu of such lost, stolen, destroyed or mutilated Note, a new note of like tenor and unpaid principal amount dated as of the date hereof. This Note shall be held and owned upon the express condition that the provisions of this Section 1.1 are exclusive with respect to the replacement of a mutilated, destroyed, lost or stolen Note and shall preclude any and all other rights and remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement of negotiable instruments or other securities without their surrender.

SECTION 1.2. Prepayment. This Note, together with accrued interest thereon, may be prepaid by the Company in whole or in part in cash, or by allowing the Holder to convert this Note together with accrued interest at a 20% discount to the weighted average stock price of the company’s equity in the 10 days prior to prepayment. If the Company chooses to prepay the Note, it will pay a prepayment penalty of 12% of the face amount of the Note.

SECTION 1.3. Status of Note. This Note is a direct, general and unconditional obligation of the Company, and constitutes a valid and legally binding Company obligation, enforceable in accordance with its terms subject, as to enforcement, to bankruptcy, insolvency, reorganization and other similar laws of general applicability relating to or affecting creditors’ rights and to general principles of equity.

ARTICLE 2: REMEDIES

SECTION 2.1. Events of Default. “Event of Default” wherever used herein means any one of the following events:

(a) Default in the due and punctual payment of the Principal Amount, or any other amount owing in respect of, this Note when and as the same shall become due and payable if such payment is not made within five days of the date that it is first due;

(b) Default in the performance or observance of any covenant or agreement of the Company in this Note (other than a covenant or agreement a default in the performance of which is specifically provided for elsewhere in this Section 2.1), and the continuance of such default for a period of ten (10) days after there has been given to the Company by the Holder a written notice specifying such default and requiring it to be remedied;

(c) The entry of a decree or order by a court having jurisdiction adjudging the Company as bankrupt or insolvent; or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under the Federal Bankruptcy Code or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Company or of any substantial part of its property, or ordering the winding-up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) calendar days;

(d) The institution by the Company of proceedings to be adjudicated as bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under the Federal Bankruptcy Code or any other applicable federal or state law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Company or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors; or

(e) The Company seeks the appointment of a statutory manager or proposes in writing or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or any group or class thereof or files a petition for suspension of payments or other relief of debtors or a moratorium or statutory management is agreed or declared in respect of or affecting all or any material part of the indebtedness of the Company; or

(f) It becomes unlawful for the Company to perform or comply with its obligations under this Note.

SECTION 2.2. Effects of Default. If an Event of Default occurs and is continuing for 10 days, then and in every such case the Holder may declare this Note to be due and payable immediately, by a notice in writing to the Company, and upon any such declaration, the Company shall pay to the Holder the outstanding principal amount of this Note. On such default, the Holder may also elect to accept payment of the Note and any accrued interest thereon by converting the sum of these amounts into shares of the Company at a price that is a 20% discount to the weighted average stock price of the Company’s equity in the 10 days prior to default.

SECTION 2.3. Remedies Not Waived. No course of dealing between the Company and the Holder or any delay in exercising any rights hereunder shall operate as a waiver by the Holder. No failure or delay by the Holder in exercising any right, power or privilege under this Note shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by applicable law.

ARTICLE 3: MISCELLANEOUS

SECTION 3.1. Severability. If any provision of this Note shall be held to be invalid or unenforceable, in whole or in part, neither the validity nor the enforceability of the remainder hereof shall in any way be affected.

SECTION 3.2. Notice. Where this Note provides for notice of any event, such notice shall be given (unless otherwise herein expressly provided) in writing and either (i) delivered personally, (ii) sent by certified, registered or express mail, postage prepaid or (iii) sent by facsimile or other electronic transmission, and shall be deemed given when so delivered personally, sent by facsimile or other electronic transmission (confirmed in writing) or mailed. Notices shall be addressed, if to Holder, to its address as provided in the books and records of the Company and, if to the Company, to its principal office.

SECTION 3.3. Governing Law. This Note shall be governed by, and construed in accordance with, the laws of the State of New York (without giving effect to any conflicts or choice of law provisions that would cause the application of the domestic substantive laws of any other jurisdiction).

SECTION 3.4. Forum. The Holder and the Company hereby agree that any dispute which may arise out of or in connection with this Note shall be adjudicated before a court of competent jurisdiction in the State of New York and they hereby submit to the exclusive jurisdiction of the courts of the County and State of New York, as well as to the jurisdiction of all courts to which an appeal may be taken from such courts, with respect to any action or legal proceeding commenced by either of them and hereby irrevocably waive any objection they now or hereafter may have respecting the venue of any such action or proceeding brought in such a court or respecting the fact that such court is an inconvenient forum. SECTION 3.5. Headings. The headings of the Articles and Sections of this Note are inserted for convenience only and do not constitute a part of this Note.

SECTION 3.6. Amendments. Any provision of this Note may be amended, modified or waived if and only if the Holder of this Note and the Company has consented in writing to such amendment, modification or waiver of any such provision of this Note.

SECTION 3.7. No Recourse Against Others. The obligations of the Company under this Note are solely obligations of the Company and no officer, employee or stockholder shall be liable for any failure by the Company to pay amounts on this Note when due or perform any other obligation.

SECTION 3.8. Assignment; Binding Effect. This Note may not be assigned by the Company without the prior written consent of the Holder. This Note shall be binding upon and inure to the benefit of both parties hereto and their respective permitted successors and assigns. This Note may not be assigned by the Holder without the written consent of the Company

IN WITNESS WHEREOF, the Company has caused this Note to be signed by its duly authorized officer on the date hereinabove written.

BIOTRICITY INC.

By: Waqaas Al-Siddiq, CEO

Exhibit B

WARRANT

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER APPLICABLE FEDERAL AND STATE SECURITIES LAWS OR PURSUANT TO AN APPLICABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, WHICH OPINION SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY.

No. 2019-XX

XXXXX, 2019

Biotricity Inc.
Common Stock Purchase Warrant

THIS CERTIFIES THAT, for value received, XXXXXXXXXX (the "**Purchaser**") is entitled to subscribe for and purchase from Biotricity, Inc., a Nevada corporation (the "**Company**"), at any time commencing on XXXXX, 2019 ("**Commencement Date**") and expiring on the three (3) year anniversary of the Commencement Date (the "**Warrant Exercise Term**"), the Shares at the Exercise Price (each as defined in Section 1 below).

This Warrant is issued in connection with the Company's private offering solely to accredited investors of Convertible Promissory Notes (the "**Notes**") and related Warrants in accordance with, and subject to, the terms and conditions described in the subscription agreement executed in connection with the purchase of such Notes, dated as of the same date as herewith (the "**Subscription Agreement**") or series of like Subscription Agreements, among the Company and the subscriber(s) named therein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to those terms in the Notes.

This Warrant is subject to the following terms and conditions:

1. Shares. The Purchaser has, subject to the terms set forth herein, the right to purchase, at any time during the Warrant Exercise Term, up to XXXXXX shares [25,000 SHARES PER USD100,000 OF THE NOTE(S) SUBSCRIBED] (the "**Shares**") of the Company's common stock, par value \$0.001 ("**Common Stock**"), at a per share exercise price of \$1.50 (the "**Exercise Price**"). The Exercise Price is subject to adjustment as provided in Section 3 hereof.

2. Exercise of Warrant.

(a) Exercise. This Warrant may be exercised by the Purchaser at any time during the Warrant Exercise Term, in whole or in part, for whole shares only, by delivering the notice of exercise attached as Exhibit A hereto (the "**Notice of Exercise**"), duly executed by the Purchaser to the Company at its principal office, or at such other office as the Company may designate, accompanied by payment, in cash or by wire transfer of immediately available funds or by check payable to the order of the Company, of the amount obtained by multiplying the number of Shares, designated in the Notice of Exercise, by the Exercise Price (the "**Purchase Price**"). For purposes hereof, "**Exercise Date**" shall mean the date on which all deliveries required to be made to the Company upon exercise of this Warrant pursuant to this Section 2(a) shall have been made.

(b) Issuance of Certificates. As soon as practicable after the exercise of this Warrant, in whole or in part, in accordance with Section 2(a) hereof, the Company, at its expense, shall cause to be issued in the name of and delivered to the Purchaser (i) a certificate or certificates for the number of validly issued, fully paid and non-assessable Shares to which the Purchaser shall be entitled upon such exercise and, if applicable, (ii) a new warrant of like tenor to purchase all of the Shares that may be purchased pursuant to the portion, if any, of this Warrant not exercised by the Purchaser. The Purchaser shall for all purposes hereof be deemed to have become the Purchaser of record of such Shares on the date on which the Notice of Exercise and payment of the Purchase Price in accordance with Section 2(a) hereof were delivered and made, respectively, irrespective of the date of delivery of such certificate or certificates, except that if the date of such delivery, notice and payment is a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of record of such Shares at the close of business on the next succeeding date on which the stock transfer books are open. Warrant Shares purchased hereunder shall be transmitted by the transfer agent to the Holder by crediting the account of the Holder's prime broker with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("**DWAC**") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) the shares are eligible for resale by the Holder without volume or manner-of-sale limitations pursuant to Rule 144, and otherwise by physical delivery to the address specified by the Holder in the Notice of Exercise by the date that is three (3) trading days after the latest of (A) the delivery to the Company of the Notice of Exercise and (B) surrender of this Warrant (if required).

3. Adjustment of Exercise Price and Number of Shares.

(a) Adjustment for Reclassification, Consolidation or Merger. If while this Warrant, or any portion hereof, remains outstanding and unexpired there shall be (i) a reorganization or recapitalization (other than a combination, reclassification, exchange or subdivision of shares otherwise provided for herein), (ii) a merger or consolidation of the Company with or into another corporation or other entity in which the Company shall not be the surviving entity, in which the Company shall be the surviving entity but the shares of the Company's capital stock outstanding immediately prior to the merger are converted by virtue of the merger into other property, whether in the form of securities, cash or otherwise, or (iii) a sale or transfer of the Company's properties and assets as, or substantially as, an entirety to any other corporation or other entity in one transaction or a series of related transactions, then, as a part of such reorganization, recapitalization, merger, consolidation, sale or transfer, unless otherwise directed by the Purchaser, all necessary or appropriate lawful provisions shall be made so that the Purchaser shall thereafter be entitled to receive upon exercise of this Warrant, during the period specified herein and upon payment of the Exercise Price then in effect, the greatest number of shares of capital stock or other securities or property that a holder of the Shares deliverable upon exercise of this Warrant would have been entitled to receive in such reorganization, recapitalization, merger, consolidation, sale or transfer if this Warrant had been exercised immediately prior to such reorganization, recapitalization, merger, consolidation, sale or transfer, all subject to further adjustment as provided in this Section 3. If the per share consideration payable to the Purchaser for Shares in connection with any such transaction is in a form other than cash or marketable securities, then the value of such consideration shall be determined in good faith by the Company's Board of Directors (the "**Board of Directors**"). The foregoing provisions of this paragraph shall similarly apply to successive reorganizations, recapitalizations, mergers, consolidations, sales and transfers and to the capital stock or securities of any other corporation that are at the time receivable upon the exercise of this Warrant. In all events, appropriate adjustment shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Purchaser after the transaction, to the end that the provisions of this Warrant shall be applicable after that event, as near as reasonably may be, in relation to any shares or other property deliverable or issuable after such reorganization, recapitalization, merger, consolidation, sale or transfer upon exercise of this Warrant.

(b) Adjustments for Split, Subdivision or Combination of Shares. If the Company shall at any time subdivide (by any stock split, stock dividend, recapitalization, reorganization, reclassification or otherwise) the shares of Common Stock subject to acquisition hereunder, then, after the date of record for effecting such subdivision, the Exercise Price in effect immediately prior to such subdivision will be proportionately reduced and the number of shares of Common Stock subject to acquisition upon exercise of the Warrant will be proportionately increased. If the Company at any time combines (by reverse stock split, recapitalization, reorganization, reclassification or otherwise) the shares of Common Stock subject to acquisition hereunder, then, after the record date for effecting such combination, the Exercise Price in effect immediately prior to such combination will be proportionately increased and the number of shares of Common Stock subject to acquisition upon exercise of the Warrant will be proportionately decreased.

(c) Adjustments for Dividends in Stock or Other Securities or Property. If while this Warrant, or any portion hereof, remains outstanding and unexpired, the holders of any class of securities as to which purchase rights under this Warrant exist at the time shall have received or, on or after the record date fixed for the determination of eligible stockholders, shall have become entitled to receive, without payment therefor, other or additional stock or other securities or property (other than cash) of the Company by way of dividend, then and in each case, this Warrant shall represent the right to acquire, in addition to the number of shares of such class of security receivable upon exercise of this Warrant, and without payment of any additional consideration therefor, the amount of such other or additional stock or other securities or property (other than cash) of the Company that such holder would hold on the date of such exercise had it been the holder of record of the class of security receivable upon exercise of this Warrant on the date hereof and had thereafter, during the period from the date hereof to and including the date of such exercise, retained such shares and/or all other additional stock available to it as aforesaid during said period, giving effect to all adjustments called for during such period by the provisions of this Section 3.

(d) Notice of Adjustments. Upon any adjustment of the Exercise Price and any increase or decrease in the number of Shares purchasable upon the exercise of this Warrant, then, and in each such case, the Company, within 30 days thereafter, shall give written notice thereof to the Purchaser at the address of such Purchaser as shown on the books of the Company, which notice shall state the Exercise Price as adjusted and, if applicable, the increased or decreased number of Shares purchasable upon the exercise of this Warrant (which notice may also be satisfied by publicly disclosing the applicable information in the Company's filings with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended).

4. Notices. All notices, requests, consents and other communications required or permitted under this Warrant shall be in writing and shall be deemed delivered (i) three business days after being sent by registered or certified mail, return receipt requested, postage prepaid or (ii) one business day after being sent via a reputable nationwide overnight courier service guaranteeing next business day delivery or (iii) on the business day of delivery if sent by facsimile transmission, in each case to the intended recipient as set forth below:

If to the Company to:

Biotricity Inc.
275 Shoreline Drive, Suite 150.
Redwood City, California 94065
Attention: Waqaas Al-Siddiq

Facsimile:

With a copy (that shall not constitute notice) to:

Sichenzia Ross Ference LLP
1185 Avenue of the Americas, 37th Floor
New York, New York 10036
Attention: David B. Manno, Esq.
Facsimile: (212) 930-9725

If to the Purchaser at its address as furnished in the Subscription Agreement.

Either party may give any notice, request, consent or other communication under this Warrant using any other means (including personal delivery, messenger service, facsimile transmission, first class mail or electronic mail), but no such notice, request, consent or other communication shall be deemed to have been duly given unless and until it is actually received by the party for whom it is intended. Either party may change the address to which notices, requests, consents or other communications hereunder are to be delivered by giving the other party notice in the manner set forth in this Section 4.

5. Legends. Each certificate evidencing the Shares issued upon exercise of this Warrant shall be stamped or imprinted with a legend substantially in the following form:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER APPLICABLE FEDERAL AND STATE SECURITIES LAWS OR PURSUANT TO AN APPLICABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, WHICH OPINION SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY.

6. Fractional Shares. No fractional Shares will be issued in connection with any exercise hereunder. Instead, the Company shall round up or down, as nearly as practicable to the nearest whole Share, the number of Shares to be issued.

7. Rights of Stockholders. Except as expressly provided in Section 3(c) hereof, the Purchaser, as such, shall not be entitled to vote or receive dividends or be deemed the holder of the Shares or any other securities of the Company that may at any time be issuable on the exercise hereof for any purpose, nor shall anything contained herein be construed to confer upon the Purchaser, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of stock, reclassification of stock, change of par value, consolidation, merger, conveyance, or otherwise) or to receive notice of meetings, or otherwise until this Warrant shall have been exercised and the Shares purchasable upon the exercise hereof shall have been issued, as provided herein.

8. Miscellaneous.

(a) This Warrant and disputes arising hereunder shall be governed by and construed and enforced in accordance with the laws of the State of New York applicable to agreements made and to be performed wholly within such State, without regard to its conflict of law rules.

(b) The headings in this Warrant are for purposes of reference only, and shall not limit or otherwise affect any of the terms hereof.

(c) The covenants of the respective parties contained herein shall survive the execution and delivery of this Warrant.

(d) The terms of this Warrant shall be binding upon and shall inure to the benefit of any successors or permitted assigns of the Company and of the Purchaser and of the Shares issued or issuable upon the exercise hereof.

(e) This Warrant and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subject hereof.

(f) The Company shall not, by amendment of its Certificate of Incorporation or Bylaws, or through any other means, directly or indirectly, avoid or seek to avoid the observance or performance of any of the terms of this Warrant and shall at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Purchaser contained herein against impairment.

(g) Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of any such loss, theft or destruction, upon delivery of an indemnity agreement reasonably satisfactory in form and amount to the Company, or, in the case of any such mutilation, upon surrender and cancellation of such Warrant, the Company, at its expense, will execute and deliver to the Purchaser, in lieu thereof, a new Warrant of like date and tenor.

(h) This Warrant and any provision hereof may be amended, waived or terminated only by an instrument in writing signed by the Company and the Purchaser.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Warrant to be signed as of the date set forth above.

Biotricity Inc.

By: _____

Name: Waqaas Al-Siddiq

Title: Chief Executive Officer

Purchaser:

By: _____

Name:

NOTICE OF EXERCISE
(to be signed only upon exercise of Warrant)

TO: Biotricity, Inc.
275 Shoreline Drive, Suite 150
Redwood City, California 94065
Attention: Waqaas Al-Siddiq
Email: walsiddiq@biotricity.com

The undersigned, the owner of the attached Warrant, hereby irrevocable elects to exercise the purchase rights represented by the Warrant for, and to purchase thereunder, _____ shares of Common Stock of Biotricity, Inc., and herewith makes payment of \$_____ therefore, please issue the shares of Common Stock as to which this Warrant is exercised in accordance with the instructions set forth below and, if the Warrant is being exercised with respect to less than all of the Shares to which it pertains, prepare and deliver a new Warrant of like tenor for the balance of the Shares purchasable under the attached Warrant.

DATED this _____ day of _____ 20____.

Signature (Entity):

By: _____

Its: _____

Signature (Individual):

Print

Name: _____

Joint Owner (Individual):

Print

Name: _____

INSTRUCTIONS FOR REGISTRATION OF STOCK

Name:

(Please Type or Print Address:

Social Security Number or EIN:

NOTICE: The signature to the form of purchase must correspond with the name as written upon the face of the attached Warrant in every particular without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank, other than a savings bank, or by a trust company or by a firm having membership on a registered national securities exchange.

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to:

Name:

(Please Print)

Address:

(Please Print)

Dated: _____, _____

Holder's Signature: _____

Holder's Address: _____

BIOTRICITY INC.

**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Waqaas Al-Siddiq, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Biotricity Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2019

/s/ Waqaas Al-Siddiq

Waqaas Al-Siddiq
Chief Executive Officer
(principal executive officer)

BIOTRICITY INC.

**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, John Ayanoglou, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Biotricity Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2019

/s/ John Ayanoglou

John Ayanoglou
(Principal Financial Officer and Principal Accounting Officer)

BIOTRICITY INC.

**CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Biotricity Inc. (the “Company”) for the quarterly period ended June 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Waqaas Al-Siddiq, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2019

/s/ Waqaas Al-Siddiq

Chief Executive Officer
(principal executive officer)

BIOTRICITY INC.

**CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Biotricity Inc. (the “Company”) for the quarterly period ended June 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, John Ayanoglou, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2019

/s/ John Ayanoglou

John Ayanoglou

(Principal Financial Officer and Principal Accounting Officer)