VENTRIPOINT DIAGNOSTICS LTD.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

For the three and nine months ended September 30, 2019

November 29, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS, NOVEMBER 29, 2019

This interim Management's Discussion and Analysis – Quarterly Highlights ("Interim MD&A") for the three and nine month periods ended September 30, 2019 provides material updates to the business operations, liquidity and capital resources of Ventripoint Diagnostics Ltd. ('Ventripoint' or the 'Company') since the 2018 Annual Management's Discussion & Analysis. The Interim MD&A has been prepared in compliance with Section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations.

This Interim MD&A should be read in conjunction with the Company's Annual MD&A, the audited consolidated financial statements and the accompanying notes thereto for the year ended December 31, 2018 and unaudited condensed consolidated interim financial statements and the corresponding notes thereto for the three and nine months ended September 30, 2019.

Unless otherwise specified, all financial data is presented in Canadian dollars. Information contained herein includes any significant development to November 29, 2019.

Additional information relating to the Company can also be found on SEDAR at *www.sedar.com.*

NOTICE REGARDING FORWARD LOOKING STATEMENTS

This Interim MD&A contains certain forward-looking information and forward-looking statement as defined in applicable securities law. Forward-looking Statements include, but are not limited to, statements (collectively, "Statements") with respect to status of technology, development, commercialization, market size, financing, general and administrative, and beyond. You are cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations they are based on will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown, and risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur.

Although the Company believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking statements included or referenced herein include, but are not limited to, access to future funding (debt and/or equity) as described under the section titled "Liquidity"; general economics, business and market conditions as discussed in "Risks and Uncertainties – Financial"; and the Company's ability to secure additional capital as discussed in "Risks and Uncertainties – Continued Operations". You are cautioned that the foregoing list of important factors is not exhaustive.

With respect to forward-looking statements contained in this Interim MD&A, we have made several key assumptions including, but not limited to:

- the market for the Company's planned product and service offerings is in excess of $1 billion worldwide and is not subject to decline in the foreseeable future;
- The Company will be able to obtain financing in a timely manner on acceptable terms;
- The current tax and regulatory regimes will remain substantially unchanged;
- The Company will be able to obtain equipment and qualified personnel in a timely manner;
- The Company will successfully market its efficient, accurate and cost-effective heart diagnostic tool that uses standard echo images to deliver functional information about the heart;
- Product and service-related approvals will be obtained from all necessary agencies in a timely manner and without unplanned additional costs; and
- The Company will have sufficient resources to implement its strategies in a timely and effective manner.

The forward-looking statements contained or referenced herein are expressly qualified by this cautionary statement made as of this date. The Company disclaims any intention and has no obligation or responsibility, except as required by law, to update or revise any forward-looking statements.

BUSINESS OVERVIEW

Ventripoint's VMS+ 3.0 system connects to standard echo machines, the most widely used cardiac imaging technology globally. The system uses a proprietary Knowledge Based Reconstruction (KBR) technology to create 3D images of the heart and calculates volumes and ejection fraction with accuracy equivalent to MRI. The system provides consistent, reproducible results for all four chambers of the heart including the difficult to measure RV for adult and pediatric patients.

The Ventripoint Medical System (VMS^{TM}) is the only approved way to generate substantially equivalent results to the gold-standard MRI for heart chamber volumes using 2D echocardiography. Ventripoint's VMS technology has been published in more than 60 peer-reviewed publications, which validated the technology and was part of the Company's regulatory submissions evidence.

The Company's common shares trade on the TSX Venture Exchange under the stock symbol 'VPT' and on the OTCQB Venture Market under the stock symbol 'VPTDF'.

STRATEGY

The Company received FDA pre-market clearance in October, and both the Health Canada license and CE Mark for the EU in June for its VMS+ 3.0 system, allowing the Company to sell the VMS+ 3.0 throughout North America, the EU and any other countries that rely on the CE Mark.

Ventripoint is now launching the new enhanced VMS+ 3.0 globally.

The Company is gearing up for a major sales and marketing program for the new product in 2020, which is significantly smaller, more portable and easier to learn and use than the previous model. It improves the workflow of the VMS+ through a more intuitive user interface and a smaller footprint. In addition, the cost of materials is significantly lower than the previous versions of the product.

Our short-term goal is to install 70 systems by the end of 2020, climbing to 400 by the end of 2022, so system sales and recurring revenue from software and upgrades are compelling to potential partners.

The Company is employing direct sales in North America and the UK, and distribution agreements in France and other regions under Global Sales Director, Dave McPhedran, a 30 year medical device veteran and former sales director for Siemens.

The Company believes the support of thought leaders is the first building block for gaining product acceptance and adoption. Accordingly, the Company has collaborated with leading echocardiologists and institutions, in order to establish luminary sites across Canada, the EU and the USA. To build awareness, VMS deployments are designed to produce publications in leading medical journals and presentations at conferences.

CORPORATE HIGHLIGHTS

The Company has made significant progress in implementing its development and commercialization plans. Highlights include;

1. Introduction of New Enhanced VMS+ Technology

After unforeseen delays in development of the VMS+ 3.0's new, proprietary sensor technology, the Company completed the new product model's development in June, 2019 and filed for, and filed for regulatory approvals in Canada, Europe and the USA.

The advantages of the patented VMS+ 3.0 system include:

- Provides cardiologists with confidence in measurements from 2D Echocardiograms;
- Standardizes the volumetric measurement
- Measurements of all four heart chambers are equivalent to MRI, the gold standard;
- Saves time by fitting into the standard Echo exam;
- Vendor Neutral; can be used with any existing ultrasound machine;
- VMS Analysis fits under a CPT reimbursement code in the US (#76377, $80/report)

The cost of goods sold for the new VMS+ 3.0 has been reduced to less than $10k per unit as the hardware has been significantly re-designed. The reduced cost per unit opens up additional forms of revenue models, such as pay per use, which has already been quoted to a number of hospitals as of the date of this MD&A.

2. Regulatory Approvals Received for New VMS+ 3.0 System:

Regulatory approvals for the US, Canada and the EU were received:

- On October 17, 2019, the Company announced it had received pre-market clearance from the US FDA.
- On June 20, 2019 the Company received a Health Canada license for the VMS+ 3.0 product.
- Also, on June 20, 2019 the Company received the European CE Mark approval allowing it to be sold for clinical use throughout the European Union and other CE Mark countries.

These regulatory approvals allow the VMS+3.0 to be marketed for all types of heart disease where the volumetric information for any of the four chambers of the heart is warranted or desired.

3. Manufacturing Facilities Set Up

During Q3, the Company set up its own in-house manufacturing facility in Toronto and received and passed its initial inspection July 25th, 2019. The first VMS+ 3.0 was manufactured and shipped in August, 2019.

Before medical electrical equipment can be used or sold, it must be approved by an accredited certification agency and must carry the official mark of that agency. This indicates that the product has been independently assessed for safety and every unit is fully tested for electrical safety before release. As part of this process, the production facility from which the device is being manufactured must undergo a facility inspection by an OSHA-recognized Nationally Recognized Test Lab (NRTL). This is a requirement for Canada and the United States.

The internal manufacturing facility for the VMS+ 3.0 system passed the inspection with positive results i.e. no non-conformities. This will enable the fabrication of VMS+ 3.0 devices from the Ventripoint facility, which reduces cost of the product.

4. **Appointment of New CEO**

On November 4, 2019, the Company announced that Mr. Justin Leushner has been appointed as the new President and CEO of Ventripoint, taking over from Dr. George Adams. Mr. Leushner has also been appointed a director of the Company.

Mr. Leushner is a highly regarded leader in the medical device industry, with a proven track record of building great businesses and creating shareholder value. In 2004, Mr. Leushner co-founded Sernova Corp., currently traded on the Toronto Stock Exchange, and most recently was the CEO of the Centre for Imaging Technology Commercialization (CIMTEC). An MBA graduate of the University of Western Ontario's Ivey School of Business, Justin also holds a B.Sc. in Cell Physiology/Genetics from the University of British Columbia and numerous technical designations in Forensic Science and Molecular Biology.

5. MDSAP Certification Received

On January 22, 2019 the Company announced that it had received the Medical Device Single Audit Program (MDSAP) certification, following an audit of its quality management system by its Notified Body/Registrar, an authorized third-party auditing organization. The Medical Device Single Audit Program (MDSAP) became a mandatory requirement by Health Canada on January 1, 2019 and allows the conduct of a single regulatory audit of a medical device manufacturer's quality management system that satisfies the requirements of multiple regulatory jurisdictions, including Canada, United States, Japan, Brazil, and Australia. The MDSAP audit approach reduces the need for duplicate quality management audits, allowing device manufacturers to better manage costs and ease global market access.

6. VMS+ 3.0 Showcased at Medical Conferences

A significant effort is spent at medical conferences, where live demonstrations of the VMS+ 3.0 have been shown to hundreds of echocardiographers and cardiologists, though only available for research at prior to the receipt of regulatory approvals. The marketing team then follows up with those who expressed interest in more information and on-site demonstrations.

In 2019, the Company exhibited at:

- the American Society of Echocardiography's 30th Annual Scientific Sessions in Portland, Oregon in June, 2019. Members of the ASE are the leaders in setting practice standards and guidelines for the cardiac imaging field, and
- the Company was a sponsor of the 21st Annual Canadian Society of Echocardiography Annual Symposium in Toronto from April 11-13, 2019, and
- the American College of Cardiology's 68th Annual Scientific Session & Expo in March , 2019.

7. Distribution Agreements

On May 14, 2019 the Company announced it had signed an Authorized Sales Agent Agreement with Irudigi out of France. In Q3 training of the distributor was completed.

France is a unique market, with a lack of MRI scanners, growing demand, and mounting pressure to reduce healthcare costs makes the VMS a perfectly-suited solution for the French market. There are over 1 million people suffering from cardiac impairments in France, a number that grew by 30% over the last decade. Consequently, current waiting times for MRI are over a month in France.

The Company is also in talks for additional distributors in South Africa, the Middle East and Asia.

8. **Chinese FDA Approval**

In 2015, the Company entered into an agreement with Lishman Global Inc. to set up a self-financing joint venture in China, Ma'anshan YuTian Medical Technology Co. Ltd ("YuTian Technology") to manufacture and market existing and new VMS machines in China.

On March 4, 2019, Ma'anshan YuTian Technology received CFDA approval and a Certificate of Production (CoP) from the CFDA in the People's Republic of China for the VMS (QAS-R in China) system to be clinically used to analyze the right ventricle (RV) of the heart. The company had previously received GMP certification for the manufacturing facility in Ma'anshan. The factory is fully functioning and scaled to produce the VMS at a significant rate to address the Chinese market. Yutian Technology has also received the Chinese equivalent of ISO60601 for the VMS, which allows it to be used in hospitals in China.

Marketing efforts are well underway in the Chinese market with the creation of a multi-channel distribution network.

9. Clinical Study Confirms VMS+ Results Equivalent to Use of Echocardiograms with Contrast Agent

On August 6, 2019, the Company was pleased to comment on the clinical study done by Dr. Windram and his group of researchers at the Mazankowski Alberta Heart Institute in Edmonton. The group completed a clinical study on the ability of the VMS+ whole-heart analysis system to analyze 2D echocardiograms of left-ventricle (LV) volumes and ejection fractions (LVEF) without the need for intravenous ultrasonographic enhancing agents. This study suggests a routine echocardiogram without contrast-enhancing agents, especially on the 20% of patients who are technically challenging, is adequate to determine LV function if analyzed using the VMS+.

Significant numbers of technically challenging patients yield unreadable images using conventional 2D echo due to their particular anatomy. When a result is needed, a contrast medium is injected into the patient while the study is re-done to increase the contrast between the heart muscle and the blood. This results in a readable image about 80% of the time, but this procedure has a number of drawbacks. It takes extra time as the study needs to be redone, it requires a patient to approve an infusion and requires an IV nurse to be summoned to do the infusion. As well, the contrast media is expensive and only provides one or two views (compared to a routine study which would have 16 views). The Company believes it can significantly reduce the use of contrast media, which would save time, money and patient discomfort. A copy of the presentation can be viewed on the Ventripoint website at www.ventripoint.com.

FINANCIAL HIGHLIGHTS

OPERATING PERFORMANCE

	Three months ended September 30		Nine months ended September 30	
	2019	**2018**	**2019**	**2018**
Revenue	$0	$60,177	$49,523	$60,177
Cost of Revenue	1,650	28,902	32,582	32,094
Gross Margin	**(1,650)**	**31,275**	**16,941**	**28,083**
General & Administration	397,637	302,321	1,391,124	1,049,560
Research & Development	251,524	391,762	849,443	1,092,605
Sales & Marketing	123,610	212,073	465,172	765,905
Total Operating Expenses	772,771	906,156	2,705,739	2,908,070
Loss from Operations	**(774,421)**	**(874,881)**	**2,688,798**	**2,879,987**
Finance Costs	(54,268)	(1,198)	(175,020)	(3,349)
Derivative Liabilities Revaluation Adjustment	274,857	744,444	48,640	1,797,330
Other Income	16,841		95,795	
Foreign Currency Differences	(6,046)	16,763	16,092	(10,544)
Non-Operating Income (Loss)	**16,729**	**173,593**	**(14,493)**	**1,783,437**
Loss & Comprehensive Loss (Income)	**(757,692)**	**(701,288)**	**2,703,291**	**1,096,550**
Basic and diluted loss per share	(0.01)	0.00	(0.04)	(0.02)

- ***Revenue:*** The Company had expected to submit the VMS+ 3.0 for regulatory approval in Q4 of 2018, however, a technical issue with the new sensor technology delayed the completion of development by 6-8 months, significantly impacting the Company's ability to sell. Given the average 6 to 12 month sales cycle to hospitals, we do not expect to see significant revenue from the VMS+ 3.0 for accounting purposes until 2020 (i.e. sales are only recognized in the financial statements after delivery and installation), though the Company is beginning to receive purchase orders from a number of hospitals.
- ***Cost of Goods Sold*** shown in results to date are for the sale of the VM+ 2.0, which had a materials cost of roughly $24k. The cost of goods sold for the new VMS+ 3.0 has been reduced to less than $10k per unit as it has been significantly redesigned. The reduced costs of goods opens up additional forms of revenue models, such as pay per use, which have been quoted to a number of hospitals as of the date of this MD&A.

  As it is illegal to sell medical devices without regulatory approval, direct sales efforts were virtually on hold for most of 2019, though the product has been demonstrated at a number of conferences and marketing activities have been continuing in order to generate awareness of the technology.
- ***Loss from Operations*** for the nine months ended September 30, 2019 was lower by 14.8% from the comparable period in 2018, and 6.6% in the third quarter, due to reductions in Research & Development and Sales and Marketing costs, particularly in the third quarter.
- ***Research &Development*** costs were lower year over year for Q3 by 35%. This was primarily due to the completion of development of the VMS+ 3.0 in June 2019, and the submission for regulatory approvals. During Q3 there were no requirements for external R&D consultants with specialized knowledge, product testing costs, and regulatory costs, which have been required over the past year and a half of development activity. In addition, during Q2 the Company reduced its R&D staff by two, as the VMS+ 3.0 development came to an end.

- ***Sales and Marketing*** expenses were down by roughly 40% year over year partly as a result of the Company letting go of its US based VP of Global Distribution, which reduced salary costs by $104k. With the delay of the finalization of the VMS+ 3.0 from the originally expected date of completion in the fall of 2018, both the acquisition of distributors and any direct sales efforts were virtually halted as potential distributors and purchasers elected to wait for the MS+ 3.0, rather than purchase the VMS+ 2.0. As well, Sales and Marketing Share Based Compensation expense in 2019 was reduced by $107k from 2018 primarily due to the expiration of the options granted to the VP Global Distribution.

- ***General and Administrative*** costs increased year over year by roughly 32% for both the three and nine month periods ended September 30, 2019. from the comparable periods in 2018. This was primarily due to the increase in investor and stock market related expenses as the Company required the assistance of IR and other external consultants to help generate interest in the Company's stock to improve trading volume and assist with raising financing, as the delay in completing the VMS+ 3.0 due to technical challenges put downward pressure on Ventripoint's stock. For example, the Company co-sponsored an investor conference in Florida in January for $150,000, which gave the Company exposure to many potential US investors and fund managers, in order to increase volume and generate interest in the stock.

- ***Loss and Comprehensive Loss*** for nine month period to September 30, 2019 was increased significantly from the comparable period in 2018, despite the reduction in Loss from Operations in 2019, which was due primarily to Non-Operating Income (Loss).

    - The large ***Derivative Revaluation Adjustments*** non-cash 'income' in 2018 of $744k and $1.7M for the three and nine month periods, respectively, were the primary reason for the year over year comparative reduction in the Non-Operating Income in 2019. These adjustments were the non-cash change in the fair market value of outstanding Derivative Warrants, issued prior to September 2018. The valuation of warrants fluctuates based on changes in the average remaining life and exercise prices of the warrants and in interest rates. The 2019 adjustments were lower too, because the number of Derivative Warrants was reduced by the expiry of 3.6M of the older warrants during the nine month period to September 30, 2019.

    - ***Other Income*** of $96k in 2019 ($16.8k in Q3) is government grant contributions from the National Research Council of Canada Industrial Research Assistance Program (NRC IRAP) to assist with the costs of continued research and development on additional features, such as 4D visualization. 4D is the real time display of the beating heart in a 3-dimensional view, with quantification of the movements as well as 2D measurements.

    - ***Finance Costs*** increased in 2019 due to the interest expense on the lease (see Change in Accounting Policy below) and the issuance on January 25, 2019 of $1,511,000 of convertible debentures with a simple interest rate of 6.5%, payable quarterly (see "Liquidity" section). The Debentures were originally valued at the present value of the Debenture interest and principal repayment cash flows, less transaction costs for a residual value of $845,713. The present value was derived using the Company's estimated cost of borrowing. The Debentures are accreted (expensed in Non-Operating finance costs) up to the face value of the outstanding Debentures over the life of the liability, using the effective interest rate method at an effective rate of 28.9%. The current outstanding principal balance of the Debentures is $1,095,000.

ADOPTION OF NEW ACCOUNTING STANDARD

IFRS 16 – *Leases:*

The Company has a five year lease on its premises in Toronto, which began October 1, 2017. Prior to 2019, the lease was treated as an operating lease, and $29,364 of base rent expense was included in General and Administration expenses in the nine months ended September 30, 2018.

The new IFRS 16 – *Leases* accounting standard came into effect as of January 1, 2019, and has been adopted by the Company retrospectively, without restatement of prior year comparatives, which resulted in the cumulative impact of adoption recorded as an adjustment to 2019 opening Retained Earnings of $4,603 and the de-recognition of $11,011 in accrued rent on the balance sheet.

The accounting standard requires all lessees to recognize "right-of-use" assets and lease liabilities for all major leases at the lease commencement date. The right-of-use asset is measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, and less any lease incentives received. The right of use asset is depreciated using the straight-line method over the lease term.

The lease liability was initially measured at the present value of the lease payments, other than those payments at the commencement date, discounted using the Company's estimated borrowing rate of 18%.

The asset value was recorded as $176,624, and as of September 30, 2019, the accumulated depreciation was $70,649. Depreciation expense recognized in the first nine months of 2019 was $26,494, and for Q3 was $8,831.

In 2019, base rental payments are recorded as principal payments on the lease obligation and imputed interest expense at the Company's estimated cost of borrowing of 9.80%. For the first nine months of 2019, the Company recognized interest expense of $10,988, and principal payments of $23,561, and for the three month period ended September 30, $3,453 and $8,043, respectively. Interest expense is accounted for in Non-Operating Income/Expense.

LIQUIDITY

At September 30, 2019 the Company had a cash balance of $139,300. The Company will require additional operating capital in the short term to sustain and grow the level of its operations and to further implement its commercialization strategies and to achieve cash flow break-even. The Company is currently in discussions with multiple parties related to its financing, to secure sufficient additional capital for continued operations.

The success and timing of additional financings and/or strategic relationships cannot be projected with any certainty and their ultimate success is necessary for the Company to continue operations and to achieve its near term commercial and development milestones.

The Company's sources of funds during 2019 year-to-date were as below:

Unit Private Placement – October 2019

On October 2, 2019 the Company closed a non-brokered private placement for gross proceeds of $703,069. A total of 4,687,132 units of the Company ("Units") were issued at a price of $0.15 per Unit.

All directors and two officers of the Company subscribed for a total of $334,970 (48%) of this offering. Each Unit consists of: (i) one common share; and (ii) one common share purchase warrant ("Warrant") with each Warrant exercisable for one common share at an exercise price of $0.175 per common share for a period of 36 months after the issuance of the Warrant.

In connection with the financing, the Company paid finder's fees of $480 cash and 3,200 finder's warrants. Each finder's warrant entitles the holder to purchase one common share at a price of $0.175 for a period of 18 months.

The Company will use the proceeds for sales and marketing, development and general working capital purposes. All securities issued in connection with the Private Placement are subject to a statutory hold period of four months and one day.

Stock option exercises

In 2019 year to date, 900,000 common shares were issued as a result of the exercise of stock options for proceeds of $134,500.

Convertible Debenture Private Placement – January 2019

On January 25, 2019, the Company closed a non-brokered private placement of debenture units ("Units") for gross proceeds of $1,511,000. Each Unit is comprised of: (i) $1,000 principal amount of convertible unsecured debentures ("Debentures"), which will mature on January 25, 2022; and (ii) 6,000 common share purchase warrants with each warrant exercisable for one common share of the Company at an exercise price of $0.175 per common share until July 25, 2020.

The Chief Executive Officer at the time subscribed for $233,000 of the Debentures.

Finders acting in connection with this financing received a cash finder's fee of $81,360 and 488,160 finder's warrants. Each finder's warrant is exercisable for one common share at an exercise price of $0.175 until July 25, 2020.

The Debentures bear simple interest at an annual rate of 6.5%, payable quarterly in either cash or common shares at the option of the Company, aside from the first interest payment which was required to be paid in cash. The number of shares is determined by using the 10 day volume-weighted average price of the shares on the TSX Venture Exchange on that date that is five days prior to the last trading day of the applicable quarter. The second payment of interest on July 25th was paid in common shares at a deemed rate of $0.153 per common share and the third payment for October 25, 2019 was paid at a deemed rate of $0.118 per share.

The Debentures may be converted by the holder at any time at a price of $0.155 per common share and may be redeemed in whole or in part by the Company upon payment of the principal amount plus a premium of 2.5%.

Under the terms of the Debentures, other than in the ordinary course of business, the Company shall not directly or indirectly enter into a loan or borrowing arrangement with a third party lender without the prior written consent of the holders of not less than 51% of the then outstanding principal amount of the Debentures.

In Q2 $153,000 of the Debentures were converted into 987,096 common shares. On August 14, 2019, an Officer and Director of the Company converted $233,000 of the Convertible Debentures into 1,503,225 common shares, and another holder converted $30,000 of Debentures into 193,548 shares at the conversion price of $0.155.

The remaining principal outstanding on the Debentures is $1,095,000.

Accounts Payable and Accrued Liabilities

Operating cash flow, before changes in non-cash working capital items, of $2.33M was almost identical to the cash flow in the comparable nine month period in 2018, however net cash from financing activities in 2019 was $1.47M. The shortfall in funds was largely made up of an increase in accounts payable and accrued liabilities of $804k during the nine month period to September 30th, $527k of which was incurred in Q3. Accounts payable and accrued liabilities at September 30, 2019, June 30, 2019 and December 31, 2018 were made up of the following:

	September 30, 2019	**December 31, 2018**	**$ Change in 2019**	**June 30, 2019**	**Change in Q3**
Trade payables	$1,125,003	$729,124	**$395,879**	$930,011	**$194,992**
Accrued management salaries	620,057	467,153	**152,904**	576,389	**43,668**
Other accruals	32,072	100,031	**(67,959)**	55,394	**(23,322)**
Oct. 2, 2019 financing subscriptions deposited in advance of closing	312,500	-	**312,500**		**312,500**
Total	$2,089,632	$1,296,308	$793,324	$1,561,794	$527,838

On October 2, 2019 the $312,500 of funds deposited prior to September 30th for the Private Placement, temporarily in liabilities, were converted to equity as the shares and warrants were issued to the investors.

Management has accrued an additional $152k in salaries during 2019 in order to conserve cash for operations.

CAPITAL STRUCTURE

Issued and Outstanding at November 29, 2019				
Common Shares Outstanding	**Convertible Debenture shares, if converted**	**Warrants**	**Stock Options**	**Fully Diluted**
69,937,331	7,064,516	28,299,763	4,138,750	109,440,360

Capital transactions year-to-date include the private placements and stock option exercises outlined under the 'Liquidity' section, along with the following:

Stock option grants

- On October 7, 2019, the Board of Directors granted Mr. Leushner 500,000 stock options at an exercise price of $0.10 for a term of 5 years, vesting quarterly over 3 years.
- On July 25, 2019 the Board granted 100,000 options to a consultant with a six month term and an exercise price of $0.15, which vested immediately. On August 15 two consultants were granted 150,000 options with an exercise price of $0.15 and a term of one year, which vested immediately.
- On May 13, 2019 the Board of Directors granted a consultant to the Company 250,000 common share stock options with an exercise price of $0.15 per common share, and a second consultant 50,000 stock options with an exercise price of $0.11 per share. Both options have a term of one year and vest immediately.
- On February 5, 2019 the Board of Directors granted 685,000 stock options at an exercise price of $0.16 per share. Three officers of the Company were granted 175,000 of the options and four independent directors were granted a total of 200,000 options, all of which have a maturity date of five years from the date of issuance, and vest over either three years or one year, respectively. The remaining options were granted to employees and consultants.

Shares for Debt

On July 4, 2019, the Company issued 187,500 shares in payment of a $30,000 quarterly work fee due to financial consultants under a financial and strategic advisory services contract. The deemed price of these shares was $0.16 per common share.

Warrant Extension

On March 8, 2019 the Company received approval from the TSX Venture Exchange to amend the expiry date of 10,496,938 common share purchase warrants with an exercise price of $0.50 issued by the Company in connection with a private placement on March 23, 2017. The expiry date was amended from March 23, 2019 to March 23, 2021, with all other terms remaining the same.

RELATED PARTIES

The Company has identified its directors and certain key management personnel as Related parties. The compensation for the Related Parties for the three months ended September 30, 2019 and 2018 is as follows:

	Three Months ended September 30th	
	2019	**2018**
Salaries, fees & short-term benefits	$97,267	$143,419
Share-based compensation	17,187	76,211
Directors' fees	27,058	26,798
Total Related Party compensation	$141,512	$246,428

- As at September 30, 2019 the key management personnel controlled 0.72% of the outstanding voting shares of the Company (4.98% on a fully diluted basis).
- Management have voluntarily taken reduced salaries during 2019 in order to conserve cash.
- On January 25, 2019, the CEO invested $233,000 in the Convertible Debenture private placement. On August 14, 2019, the CEO converted his Debenture holdings into 1,503,225 common shares at the conversion price of $0.155.
- On October 2, the CEO, the CFO and all of the directors invested $334,970 for the purchase of 2,233,132 Units in a Private Placement (see 'Liquidity' below) increasing key management control as of October 2nd to 3.90% (8.44 % on a fully diluted basis).
- On November 1, 2019, Dr. George Adams stepped down as CEO of the Company and has been elected as Chairman of the Board of Directors.
- Danny Dalla-Longa, a Director for over a decade, also stepped down on November 1, 2019.

- On November 4, 2019, the Company announced that Justin Leushner has been appointed as the new President and CEO of Ventripoint. Mr. Leushner has also been appointed a Director of the Company. The Board of Directors issued Mr. Leushner 500,000 option grants each at an exercise price of $0.10 for a term of 5 years, vesting quarterly over 3 years.
- On February 5, 2019 the Board of Directors granted 685,000 stock options at an exercise price of $0.16 per share. Three officers of the Company were granted 175,000 of the options and four independent directors were granted a total of 200,000 options, all of which have a maturity date of five years from the date of issuance, and vest over either three years or one year, respectively.

CONTRACTUAL COMMITMENTS

Contractual commitments have not changed materially from December 31, 2018.

RISKS AND UNCERTAINTIES

Financial

The Company's success in raising new operating capital has enabled it to finalize its VMS+ development and implement initial commercialization strategies. The Company will require additional operating capital to sustain and grow the level of its operations and to further implement its commercialization strategies. The Company is in discussions with multiple parties related to its financing, development and commercialization efforts to secure sufficient additional capital and resources for commercialization of its VMS technology and to achieve cash flow break-even. The need, success and timing of additional financings and/or strategic relationships cannot be projected with any certainty and their ultimate success is necessary for the Company to continue operations and to achieve its near term commercial and development milestones.

Continued Operations

Without sufficient additional capital being secured in a timely manner, Company operations may have to be curtailed; the result of which could render the Company unable to pursue commercialization of its products and services, or to continue its operations.

There is no certainty whether the Company will generate significant revenues or attain profitable operations in the near future and there can be no assurance that it will achieve profitability in the future, as it incurred a loss of $2,703,289 and had a negative operating cash flow of $1,397,193 for the nine month period ended September 30, 2019, and has accumulated $37,329,095 of losses as at September 30, 2019. As a result, there is a material uncertainty which creates significant doubt regarding the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on its raising of future required capital, bringing its products to market and achieving and maintaining profitable operations. The outcome of these matters cannot be predicted at this time.

Critical Accounting Estimates

Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The Company's primary critical accounting estimates relate to the valuation of its issued common stock warrants and stock options. The Company applies the fair value method for valuing stock option grants and the issuances of warrants. The fair value is estimated on the date of grant or issue, and the warrants issued prior to September 2018, which are treated as derivative liabilities, are revalued at each balance sheet date using the Black-Scholes option pricing model or a specialized Binomial model required to reflect the impact of the acceleration of the expiry date under certain circumstances. The fair value of the warrants issued in September, 2018 and thereafter are recorded as Contributed Surplus, rather than as a liability, as they fit the definition of fixed for fixed financial instruments and are therefore not considered as derivative liabilities and are not revalued after the grant date. In order to calculate the fair value management is required to make assumptions about the following: risk-free interest rate, volatility of the Company's stock price, expected life of the option or warrant, the estimated number of options or warrants that will actually be exercised in future periods and the expected annual dividend rate for future periods. Weighted average assumptions used to determine the fair value of the Company's options and warrants are presented in the financial statement notes. Other accounting judgements include the discount rates used to determine the initial fair value of leases and convertible debentures.