MedX Health Corp.
Management's Discussion and Analysis
For the Three and Six Months Ended September 30, 2020 and 2019

This Management's Discussion and Analysis has been prepared based on information available to MedX Health Corp. ("MedX" or the "Company") as at the date of this Report. Management's Discussion and Analysis is a narrative explanation to enable the reader to assess material changes in the financial condition and results of operations of the Company as at and during the three and nine months ended September 30, 2020 compared with the three and nine months ended September 30, 2019 as contained in the Company's Interim Condensed Consolidated Financial Statements, which have been prepared in accordance with IFRS. This management's discussion and analysis should be read in conjunction with the Company's audited consolidated financial statements and the related notes for the year ended December 31, 2019.

Overview and Review of Operations

MedX Health Corp. was incorporated on April 15, 1999, in Ontario. The Company has two main product lines; SIAscopy™, a medical device technology including the SIAscopy™ on DermSecure™ telemedicine platform that is used to scan skin for suspicious moles and lesions, and phototherapeutic medical devices, which use light energy in lower-level laser and LED to provide effective treatment offering rapid, drug-free and non-invasive healing in the rehabilitation market for treating pain, tissue damage, swelling and inflammation.

SIAscopy™ is a medical device technology the Company acquired in 2011, that is used to scan suspicious moles and lesions, using specific light wavelengths to penetrate 2mm below the surface of the skin, generating five images of the suspicious mole. The scan is read by a trained physician or dermatologist and a determination is made as to whether the suspicious mole or lesion needs a follow-on appointment, or the patient is deemed clear of follow up. This enables physicians to assess the condition of the moles more effectively and provide more immediate feedback to their patients, improving the quality of care of patients by reducing the need for biopsies, and the resulting pain and potential scarring as well as the anxiety associated with waiting for biopsy results. This technology provides a vastly improved level of certainty for physicians and care for patients.

The SIAscopy™ technology is proprietary to MedX and has been cleared by the FDA in the U.S. and by Health Canada, is CE marked for sale in Europe, with equivalent approval in Brazil, Australia, Turkey and a number of other jurisdictions, totalling 35 countries.

The Company recently launched its SIAscopy™ on DermSecure™ telemedicine platform. This platform enables the web-based operation of its SIAscopy™ scanning technology and allows the Company to deploy its technology in networks of third-party locations from which patients' mole and lesion scans, along with other relevant patient information can be connected to specialist physicians for remote assessment. SIAscopy™ on DermSecure™ complies with international standards, including for privacy and security, with specific processes tailored to each jurisdiction. With its own proprietary system, the Company can more aggressively market the technology in a recurring revenue scenario. The initial release of SIAscopy™ on DermSecure™ is a step in the Company's development roadmap, with the objective of updating its SIAscopy™ hardware and software, making it more scalable and marketable. In addition, the Company is updating the scanner hardware components and related software which will result in higher definition images. It is anticipated that with the roll-out of SIAscopy on DermSecure™ and future innovation releases, the Company will continue to evolve both the hardware and software over a number of years to meet the demands of the potential customer base and improve patient access and care.

SIAscopy on DermSecure™ and MedX's other SIAscopy™ products are sold world-wide. The Company is already working with groups internationally to market SIAscopy™ on DermSecure™ in a number of countries. MedX is also initiating programs in selected South American and European countries and in Canada while pursuing other opportunities in other markets including the United States.

The Company's phototherapeutic products have been available in the market for many years, with a strong reputation for quality and reliability. The Company has sold thousands of its products to practitioners in clinics, academic facilities, hospitals, long-term care facilities, athletes and sports teams. MedX's therapeutic light products are currently sold in Canada and the United States. The Company partners with medical device distributors to sell its products. The markets in which the Company sells these products are highly competitive, characterized by pricing pressure and multiple competitive products. These products are US FDA and Health Canada cleared. The Company updates its products to remain competitive in the market and continues to try to increase its market share.

The Company's SIAscopy™ and therapeutic light products are produced in an ISO 13485, CMDCAS and MDSAP certified manufacturing and testing facility in Mississauga, Ontario.

In June 2020, the Company's President and CEO, Scott Spearn, who had been in that role since mid-2018, retired from his role, including that as a Director. Rob von der Porten, Chairman of the Board, who previously had been the Company's President and CEO, has taken on the role of Interim Executive Chairman while the search for a new CEO is undertaken. The Company has a Scientific Medical Advisory Board that includes a number of internationally recognized individuals, who are specialists in various areas related to skin disorders and cancer, that advise the Company as it continues the development of its technology and platform and considers market entry strategies for its skin related product portfolio.

The Company has experienced significant issues with respect to a lack of funding and cash flow and has experienced losses and negative working capital since its inception. The very competitive nature of the market for therapeutic laser products, and the time it has taken to develop the appropriate product offerings and marketing strategies for its

SIAscopy™ technology hampered the ability of the Company to generate adequate sales and cash flow. In addition, during the last three years, the Company has invested in developing a telemedicine software platform, and as a result, the Company has not reached a level of profitability that would allow it to market itself aggressively, as is required in the market. The Company has begun a process to build the awareness and benefits of its SIAscopy™ on DermSecure™ telemedicine platform locally and internationally, which should increase revenues going forward and which may improve the likelihood of raising additional capital.

The Company has undertaken a number of financing initiatives in the past to finance the development of its products to provide cash flow for operations while it builds its revenue base. During 2019 and to date in 2020, the Company has raised net proceeds of $4,276,896 from private placements of equity.

To date in 2020, the Company has raised net proceeds of $3,092,322 from private placements, summarized as follows:

Date	# of Units	Net Proceeds	Warrants Issued	Warrant Term	Warrant Price
January 30	1,485,000	$ 160,812	1,569,000	2 Years	$ 0.20
March 4	7,459,139	814,733	7,965,139	2 Years	$ 0.20
March 5	2,000,000	220,800	2,000,000	2 Years	$ 0.20
April 22	8,749,673	952,861	9,091,673	2 Years	$ 0.20
April 27	1,158,333	131,000	1,158,333	2 Years	$ 0.20
April 29	200,000	22,080	200,000	2 Years	$ 0.20
May 13	4,887,466	502,036	5,115,226	2 Years	$ 0.20
July 31	2,600,000	288,000	2,600,000	2 Years	$ 0.20
	28,539,611	$ 3,092,322	29,699,371		

In 2019, the Company raised net proceeds of $1,184,574 from private placements, summarized as follows:

Date	# of Units	Net Proceeds	Warrants Issued	Warrant Term	Warrant Price
January 28	2,962,500	$ 462,526	2,962,500	3 Years	$ 0.35
April 26	1,766,250	257,709	1,766,250	2 Years	$ 0.25
May 23	850,000	132,070	850,000	2 Years	$ 0.25
August 29	1,286,111	142,752	1,286,111	2 Years	$ 0.20
November 4	1,251,000	141,017	1,251,000	2 Years	$ 0.20
November 22	416,666	48,500	416,666	2 Years	$ 0.20
	8,532,527	$ 1,184,574	8,532,527		

During the year ended December 31, 2019, the company was also advanced $422,000 of demand loans by related parties and repaid $270,000 of such loans. All such loans were repaid in 2020.

The recent coronavirus (COVID-19) pandemic has impacted and could further impact the Company's operations. A majority of the Company's staff are working remotely. The Company experienced a significant decrease in orders and revenue from its laser and light products during the first half of 2020, as a large proportion of the users of these products (rehabilitation and chiropractic clinics) were closed for extended periods. Activity increased during the third quarter of 2020. However, it is unknown how the short to medium-term demand will change as clinics re-open or if they close again for short or longer periods. The Company has not been significantly impacted to date with respect to the supply of inventory, and the Company has been able to raise capital during the period. Given the uncertainty with respect to the timing and level of recovery from the pandemic on a global basis, the Company's ability to market its products through direct contact with customers may be difficult, and there remains uncertainty around the duration and its broader impact. The Company received an interest-free loan of $40,000 under the Canada Emergency Business Account Program and has received $195,618 to date in 2020 under the Canada Emergency Wage Subsidy and the Rent Relief Program.

Review of Operating Results

	Three Months Ended		Nine Months Ended	
	September 30 2020	September 30 2019	September 30 2020	September 30 2019
Revenue	$ 172,889	$ 234,977	$ 337,885	$ 678,886
Cost of sales	92,079	85,714	182,091	293,895
Gross profit	80,810	149,263	155,794	384,991
Expenses				
Selling, general and administrative	534,418	499,491	1,659,759	1,613,016
Product and software development	302,367	90,401	421,157	476,164
Share-based compensation	308,477	69,677	395,423	174,358
Interest	10,090	30,477	38,809	88,798
Loss on debt settlement	-	-	107,410	-
Foreign exchange loss	1,334	5,944	7,217	19,219
Depreciation of property, equipment and right of use asset	7,896	8,376	29,691	32,692
Amortization of intangibles	-	22,545	28,499	67,636
	1,164,582	726,911	2,687,965	2,471,883
Net loss for the period	$ (1,083,772)	$ (577,648)	$ (2,532,171)	$ (2,086,892)

Three Months Ended September 30, 2020 and 2019

Revenue -
Revenue of $172,889 for the three months ended September 30, 2020 was $62,088, or 26.4% lower than revenue of $234,977 for the three months ended September 30, 2019, resulting from a reduction in sales of laser products offset in part by higher SIAscopy™ sales.

Revenues from the Company's SIAscopy™ product line for the third quarter of 2020 were $74,286, an increase of $16,745, or 29.1% from revenues of $57,541 for the prior year three-month period. The revenue for the quarter resulted primarily from the sale of SIAscopy™ units to Brazil.

Revenues from MedX's therapeutic laser products of $98,603 for the three months ended September 30, 2020 were $78,833, or 44.4% lower than $177,436 in the 2019 period. Revenues for the third quarter showed significant improvement over the second quarter, more than doubling, but are still being impacted by COVID-19, as the end customer base of rehabilitation clinics are operating at lower capacity, and the losses they experienced in the first half of the year has reduced their capital spending. There continues to be improvement in the level of interest and order activity in the fourth quarter.

Cost of sales -
Cost of sales of $92,079 for the three months ended September 30, 2020 was $6,365 or 7.4% higher than cost of sales of $85,714 for the three months ended September 30, 2019. Cost of sales as a percent of sales was 53.3% for the three-month period compared with 36.5% for the three-months ended September 30, 2019. Costs of sales were a higher percentage of revenues in 2020 as discounted pricing on initial product orders impacted the costs, and as a large portion of the production costs are fixed in nature, impacting the ratio when revenues are low.

Gross profit -
Gross profit for the three months ended September 30, 2020 was $80,810, a decrease of $68,453 from gross profit of $149,263 for the three months ended September 30, 2019, with the decrease resulting from lower sales and a lower gross margin in 2020. The gross margin for the three-months ended September 30, 2020 was 46.7% of sales versus 63.5% of sales in the prior year. The gross margin % was higher than the previous quarter, but lower than the average margin over the last several years.

Selling, general and administrative expenses –
Administrative expenses of $534,418 for the three months ended September 30, 2020 were $34,927, or 7.0% higher than expenses of $499,491 for the three months ended September 30, 2019. Costs increased as the sales and business development team has been expanded, and in addition, public company related costs were higher for the quarter. Increases were offset in part by the receipt of COVID-19 related wage and rent subsidies.

Product and software development –
Product and software development expenses of $302,367 represent expenditures with respect to on-going development of the Company's SIAscopy on DermSecure™ telemedicine platform. The costs during the three-month period ended September 30, 2020 were $211,966 higher than the $90,401 of expenses in the third quarter of 2019. The Company reduced expenditures on the project in the second half of 2019 and earlier

in 2020 while conserving cash, and experienced higher costs for the latest three-month period when compared with the first half of the year.

Share-based compensation –
Share-based compensation expense for the three months ended September 30, 2020 of $308,477 is a result of share options that were granted during the period, and a change in the terms of a portion of the options outstanding. The $69,677 of expense in the 2019 period related to options granted in 2018 that vested during the 2019 three-month period.

Interest expense –
Interest expense of $10,090 for the three months ended September 30, 2020 was $20,387 lower than interest expense of $30,477 for three months ended September 30, 2019. The Company's convertible loan was fully accreted in 2019, and the reduction of accretion expense in the 2020 three-month period as well as lower debt levels resulted in the decrease.

Foreign exchange loss –
The Company experienced a foreign exchange loss of $1,334 for the three months ended September 30, 2020, compared with a loss of $5,944 for the 2019 three-month period. The loss is related to the settlement of and translation of net foreign denominated working capital balances during the respective quarters.

Depreciation of property, equipment and right of use asset –
Depreciation of $7,896 for the three months ended September 30, 2020 is a small decrease from the depreciation for the prior year three-month period. Depreciation of the right of use asset ended during the third quarter, with the end of the lease.

Amortization of intangibles –
There was no amortization for the three months ended September 30, 2020, as the asset has been fully amortized. The intangibles represent the amortized cost of the SIAscopy™ technology.

Net loss for the period –
The net loss of $1,083,772, for the three months ended September 30, 2020 was $506,124 higher than the loss of $577,648 for the three months ended September 30, 2019. Approximately half the increase in the loss is a result of the increase in non-cash share-based compensation. The impact of lower sales and higher product and software development expenditures represented the other major factors in the loss being higher than in the third quarter of 2019.

Nine Months Ended September 30, 2020 and 2019

Revenue -
Revenue of $337,885 for the nine months ended September 30, 2020 was $341,001, or 50.2% lower than revenue of $678,886 for the nine months ended September 30, 2019, resulting from a reduction in sales of laser products.

Revenues from the Company's SIAscopy™ product line of $127,093 for the nine months ended September 30, 2020 were $22,276, or 21.3% higher than the prior year period.

Revenues from MedX's therapeutic laser products of $210,792 for the nine months ended September 30, 2020 were $363,277, or 63.3% lower than $574,069 in the 2019 nine-month period. Revenues were significantly impacted by COVID-19 during the latter part of the first quarter and during the second quarter of 2020, as most North American rehabilitation clinics, who are key users of the products, were closed for a significant part of the nine month period. The level of customer orders improved in the third quarter and to date in the fourth quarter.

Cost of sales -
Cost of sales of $182,091 for the nine months ended September 30, 2020 was $111,804 or 38.0% lower than cost of sales of $293,895 for the nine months ended September 30, 2019, primarily as a result of lower revenue. Cost of sales as a percent of sales was 53.9% for the nine-month period compared with 43.3% for the nine-months ended September 30, 2019. Costs of sales were a higher percentage of revenues in 2020 as a result of lower prices during the period and the impact of relatively fixed costs relating to production during a period of low sales.

Gross profit -
Gross profit for the nine months ended September 30, 2020 was $155,794, a decrease of $229,197 from gross profit of $384,991 for the nine months ended September 30, 2019, with the decrease resulting from lower sales in 2020 and the impact of lower margins in 2020. The gross margin for the nine-months ended September 30, 2020 was 46.1% of sales versus 56.7% of sales in the prior year.

Selling, general and administrative expenses –
Administrative expenses of $1,659,759 for the nine months ended September 30, 2020 were $46,743, or 2.9% higher than expenses of $1,613,016 for the nine months ended September 30, 2019. The positive impact of administrative cost reductions and the benefit of the wage and rent subsidies received under the government COVID-19 measures were offset by higher public company related costs.

Product and software development –
Product and software development expenses of $421,157 for the nine-month period were $55,077 lower than the $476,164 of expenses for the 2019 nine-month period. While expenses were lower during the first half of 2020, spending has increased in the

second half of the year, as the Company adds to the product features, and more cash was available.

Share-based compensation –
Non-cash share-based compensation expense for the nine months ended September 30, 2020 of $395,423 is a result of share options that were granted during the nine-month period, along with expense resulting from the reduction in expiration dates of certain options. The $174,358 of expense in the 2019 period related to options granted in 2018 that vested during 2019.

Interest expense –
Interest expense of $38,809 for the nine months ended September 30, 2020 was $49,989 lower than interest expense of $88,798 for nine months ended September 30, 2019. The Company's convertible loan was fully accreted in 2019, and the reduction of accretion expense was the primary factor for the decrease.

Loss on debt settlement –
The Company incurred a non-cash loss of $107,410 on the settlement of debt in 2020, whereby the Company issued 3,103,878 Units (each unit consisting of one share and one warrant) to a vendor to settle $372,371 of amounts owing to the vendor, and the value of the shares and warrants on the closing date was determined to be $479,781, based on the closing price of the shares and the Black-Scholes valuation of the warrants.

Foreign exchange loss –
The Company experienced a foreign exchange loss of $7,217 for the nine months ended September 30, 2020, compared with a loss of $19,219 for the 2019 nine-month period. The loss is related to the settlement of and translation of net foreign denominated working capital balances during the respective periods, which balances are lower in 2020.

Depreciation of property, equipment and right of use asset –
Depreciation of $29,691 for the nine months ended September 30, 2020 is lower than depreciation for the prior year nine-month period, as a result of the right of use asset being fully depreciated.

Amortization of intangibles –
Amortization of $28,499 for the nine months ended September 30, 2020 was lower than in the prior year period, as the asset became fully amortized during 2020.

Net loss for the period –
The net loss of $2,532,171 for the nine months ended September 30, 2020 was $445,279 higher than the loss of $2,086,892 for the nine months ended September 30, 2019. The Company experienced a significant decrease in gross margin resulting from

lower revenues year to date, and profit was also lowered by the non-cash impacts of share-based compensation and loss from a debt settlement during 2020.

Liquidity and Capital Resources

The Company had a negative working capital balance of $1,397,810 as of September 30, 2020, compared with a working capital deficiency of $2,950,929 as of December 31, 2019, and an accumulated deficit of $35,144,635 and a shareholders' deficiency of $1,410,257 as of September 30, 2020. The improvement in the working capital position during 2020 is attributable to the capital raised during the period and the settlement of debt, offset in part by the operating losses during the year. Despite raising additional capital in 2019 and to date in 2020, the current financial conditions for the Company are such that there is an existence of uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. The Company continues to review alternatives for additional financing.

The Company's ability to continue as a going concern is dependent upon achieving a profitable level of operations and obtaining additional financing, neither of which is assured. The Company has been able to raise capital to continue to market its products, including raising net proceeds of $4,276,896 from private placements of equity during 2019 and to date in 2020. The Company's interim condensed consolidated financial statements do not give effect to any adjustments which might be necessary should the Company be unable to continue as a going concern and be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. These adjustments could be material.

Due to the negative working capital and negative cash from operations, the Company manages its cash resources and expenditure levels carefully to ensure that risks are minimized, while focusing on developing and marketing its products and growing its revenues and raising additional capital. The Company has, and will continue where possible to reduce its liabilities, and its recurring cost base to conserve cash.

During the nine months ended September 30, 2020, the Company raised net proceeds of $3,092,322 from private placements and in 2019, the Company raised net proceeds of $1,184,574 from private placements. The details of these private placements are described in the Share Capital section below.

During periods of reduced cash flow, the Company has been able to access cash by entering into unsecured short-term demand loans with related parties in order to ensure operating cash flow, which amounts are then repaid on completion of raising more permanent equity capital. While advances provided to the Company during 2019 and in 2020 had been repaid in the first half of 2020, the Company was advanced $130,000 subsequent to September 30, 2020. During the year ended December 31, 2019, the Company received $422,000 of such demand loans from related parties and repaid

$270,000 of the loans. To September 30 in 2020, $45,000 was advanced by related parties, and $297,000 of loans, representing the outstanding balances, were repaid.

As of September 30, 2020, the Company's capital resources consist of the following:

Accounts payable and accrued liabilities –
The Company had $1,519,197 of accounts payable and accrued liabilities as of September 30, 2020, a decrease of $953,380 from $2,472,577 as of December 31, 2019. There was a significant reduction in vendor payable balances, including the settlement of $372,071 owing to a vendor through the issue of shares and warrants. In addition, a further $102,761 of the decrease resulted from settling amounts owing through subscriptions in a private placement. The September 30, 2020 balance consists of trade payables ($280,583), amounts owing to staff, management and directors for accrued or unpaid compensation and fees ($134,532), amounts owing and accrued to governments primarily by an inactive subsidiary for unpaid payroll withholdings, sales and other taxes ($549,719) and other accrued liabilities ($554,363).

Demand loans –
As of September 30, 2020, all previous unsecured demand loans due to related parties have been repaid. The loans bore interest at 10% per annum, payable at the time of repayment. Advances of $45,000 were made during the nine months ended September 30, 2020 (with fees of $2,250 related to these advances) and $297,000 of repayments were made to pay off the balances.

As of December 31, 2019, there were $252,000 of unsecured demand loans due to related parties. The loans were accruing interest at 10% per annum, payable at the time of repayment. During 2019, a total of $422,000 of advances were made to the Company (with fees of $21,350 paid related to these advances) and the Company repaid $270,000 of the loans. Loans of $102,000 were advanced to the Company by a corporation controlled by a Director, and $50,000 of loans repaid to this party, and the balance of loans owing to this lender as of December 31, 2019 was $152,000. Loans of $320,000 were made by a Director during 2019, of which $220,000 were repaid during the year, and $100,000 was due to this lender as of December 31, 2019.

Lease liability -
The Company leases premises consisting of its office and manufacturing facilities. On adoption of IFRS 16 as of January 1, 2019, a liability of $60,034 was established, representing the lease payments of $38,828 in 2019 and $26,072 in 2020, discounted using an incremental borrowing rate of 10.0%. The lease does not include extension options. The lease ended before September 30, 2020, and as such, the balance was $nil. A new lease was signed subsequent to the end of the third quarter.

Convertible Debt -
The Convertible debt consists of a $500,000 loan with a party that is related to a Director of the Company, which was due on December 31, 2019, and considered as due on

demand, bearing interest at 8% per annum, paid monthly. The loan is convertible, in whole or part, at any time into common shares of the Company at $0.20 per share. The debt is secured by a general security agreement covering all of the Company's assets.

Long-term debt – Canada Emergency Business Account (CEBA) -
During 2020, the Company received $40,000 under a line of credit from the Government of Canada CEBA program, administered through the Company's bank. The loan is non-interest bearing until December 31, 2022, after which interest of 5% is payable. If the loan is repaid before December 31, 2022, 25% of the amount repaid will be forgiven.

Share Capital -
The Company had 175,424,624 shares outstanding as of September 30, 2020:

	Number of shares	Stated Capital
Outstanding at December 31, 2018	**135,053,901**	**$ 19,453,957**
Issued for cash	**8,532,527**	**833,190**
Outstanding at December 31, 2019	**143,586,428**	**20,287,147**
Issued for cash	**28,539,611**	**2,256,638**
Issued for services	**194,707**	**27,120**
Issued on debt settlement	**3,103,878**	**372,465**
Outstanding at September 30, 2020	**175,424,624**	**$ 22,943,370**

During the nine months ended September 30, 2020, the Company raised net proceeds of $3,086,795 from private placements, summarized as follows:

Date	# of Units	Unit Price	Gross Proceeds	Issue Costs	Net Proceeds	Broker Warrants	Allocation to Shares	Allocation to Warrants
January 30	1,485,000	$ 0.12	$ 178,200	$ 17,388	$ 160,812	$ 8,759	$ 114,259	$ 46,553
March 4	7,459,139	$ 0.12	895,097	80,364	814,733	43,530	598,958	215,775
March 5	2,000,000	$ 0.12	240,000	19,200	220,800	-	171,519	49,281
April 22	8,749,673	$ 0.12	1,049,961	97,100	952,861	35,365	690,939	261,922
April 27	1,158,333	$ 0.12	139,000	8,000	131,000	-	97,875	33,125
April 29	200,000	$ 0.12	24,000	1,920	22,080	-	16,496	5,584
May 13	4,887,466	$ 0.12	586,496	84,460	502,036	27,932	350,689	151,347
July 31	2,600,000	$ 0.12	312,000	29,527	282,473	-	215,903	66,570
	28,539,611		$ 3,424,754	$ 337,959	$ 3,086,795	$ 115,586	$ 2,256,638	$ 830,157

With respect to the private placements completed to date in 2020, in each case, the placement consisted of the sale of the number of Units indicated at the Unit Price, and each Unit consisted of one Common share and one Common share purchase warrant ("Warrant"). Each Warrant will be exercisable to acquire one Common share at any time for a period of two years from the respective closing date, at an exercise price of $0.20.

In addition, in connection with the placements, the Company issued 84,000, 506,000, 342,000 and 227,760 Broker warrants in connection with the January 30, 2020, March 4, 2020, April 22, 2020 and May 13, 2020 placements, respectively. The Broker Warrants issued in connection with the placements are exercisable for a period of two years, to acquire a unit at $0.12, comprising a Share and a Warrant exercisable for two years at $0.20.

In accounting for the private placement transactions, at the time of each closing, the Company allocated the gross proceeds between the shares and the warrants issued, based on the relative value of the components. The value of the shares was based on the closing trading value of the Company's shares on each closing date. The value of the warrants was based on a calculation using the Black-Scholes model, as of the date of closing. Cash related issue costs were allocated in the same manner as the proceeds, reducing the amounts recorded as share capital and warrants. With respect to the Broker warrants issued, the value of the warrants was determined in the same manner as the common share warrants, and were treated similar to cash issue costs, as a reduction of the amounts recorded as share capital and warrants. See "Warrants" below with respect to the calculation of the value of the warrants and Broker warrants.

During 2019, the Company raised net proceeds of $1,184,574 from private placements, summarized as follows:

Date	# of Units	Unit Price	Gross Proceeds	Issue Costs	Net Proceeds	Broker Warrants	Allocation to Shares	Allocation to Warrants
January 28	2,962,500	$ 0.16	$ 474,000	$ 11,474	$ 462,526	$ -	$ 308,493	$ 154,033
April 26	1,766,250	$ 0.16	282,600	24,891	257,709	10,099	181,040	76,669
May 23	850,000	$ 0.16	136,000	3,930	132,070	-	95,529	36,541
August 29	1,286,111	$ 0.12	154,333	11,581	142,752	4,297	106,044	36,708
November 4	1,251,000	$ 0.12	150,120	9,103	141,017	3,387	104,964	36,053
November 22	416,666	$ 0.12	50,000	1,500	48,500	-	37,120	11,380
	8,532,527		$ 1,247,053	$ 62,479	$ 1,184,574	$ 17,783	$ 833,190	$ 351,384

With respect to the private placements completed in 2019, in each case, the placement consisted of the sale of the number of Units indicated at the Unit Price, and each Unit consisted of one Common share and one Common share purchase warrant ("Warrant"). The terms of the Warrants issued were as follows:

- January 28, 2019 placement - each warrant will be exercisable to acquire one Common share at any time for a period of three years, at an exercise price of $0.35.
- April 26, 2019 placement - each warrant will be exercisable to acquire one Common share at any time for a period of two years, at an exercise price of $0.25. The 79,350 Broker Warrants issued in connection with the placement are exercisable for a period of two years, to acquire a unit at $0.16, comprising a Share and a Warrant exercisable until April 26, 2021, at $0.25.
- May 23, 2019 placement - each warrant will be exercisable to acquire one Common share at any time for a period of two years, at an exercise price of $0.25.

- August 29, 2019, November 4, 2019 and November 22, 2019 placements – each warrant will be exercisable to acquire one Common share at any time for a period of two years, at an exercise price of $0.20.

The 58,000 and 42,800 Broker Warrants issued in connection with the August 29, 2019 and November 4, 2019 placements, respectively are exercisable for a period of two years, to acquire a unit at $0.12, comprising a Share and a Warrant exercisable at $0.20.

On March 5, 2020, the Company settled $372,071 of debt owed to a vendor by issuing to it 3,103,878 Units, each Unit consisting of one Common share and one Common share purchase warrant ("Warrant"). Each Warrant will be exercisable to acquire one Common share at any time for a period of two years, at an exercise price of $0.20. In accounting for the settlement, the shares issued were valued based on the closing price of the shares on the closing date of $0.12, or $372,465 and the warrants were valued at $107,016, estimated to be $0.03 per warrant using the Black-Scholes pricing model (historic volatility of 79%, 0.92% risk-free interest rate and no expected dividends), resulting in a loss of $107,410. This transaction enabled the Company to reduce its current liabilities and conserve cash raised from its private placements to be used to grow the business going forward.

In addition, during the nine-months ended September 30, 2020, the Company issued 194,707 shares (of which 90,400 were issued at $0.15 per share and 104,307 were issued at $0.13 per share) in connection with an agreement signed in 2020 related to marketing services being provided to the Company. Under the agreement, the Company will issue shares for services in exchange for $60,000 of the services over a period of one year. The shares issued in the period represent payment of $27,120 of services (including HST) to date.

Stock options –
On November 5, 2018, at an Annual and Special Meeting of Shareholders, shareholders approved an amendment to the Company's 2014 Incentive Stock Option Plan to increase the number of shares available under the plan from 21,200,000 to 26,000,000.

Under the terms of the plan, directors, officers, employees and consultants, subject to certain conditions, may be granted options to purchase common shares of the Company. As at September 30, 2020 there were 21,765,000 options that have been granted and are outstanding, with 4,235,000 options available to be granted under the plan. Options generally expire after five years, with vesting provisions stated in the plan.

Activity in the Company's stock option plan for the nine months ended September 30, 2020 and for the year ended December 31, 2019 is summarized as follows:

	Number of Options	Weighted-Average Exercise Price $
Outstanding, January 1, 2019	18,100,000	0.17
Granted	6,990,000	0.17
Expired/forfeited	(7,325,000)	0.10
Outstanding, December 31, 2019	**17,765,000**	**0.20**
Granted	4,500,000	0.17
Expired/forfeited	(500,000)	0.25
Outstanding, September 30, 2020	**21,765,000**	**0.19**

Outstanding options have exercise prices in the range of $0.10 and $0.25, an average remaining life of 2.7 years, and a weighted average exercise price of $0.19, and as of September 30, 2020, all of the options are exercisable.

On August 31, 2020, the Company granted 3,500,000 share options to consultants, which vested on the grant date. The options have an exercise price of $0.17 per share, expiring three years from the date of issue. The options were valued at $195,496, which has been expensed in 2020. The value was determined using the Black-Scholes option pricing model based on a risk-free interest rate of 0.60%, volatility of 86% (based on historical stock price volatility), expected life of three years, and no expected dividend yield.

On June 16, 2020, the expiration date for 3,000,000 previously granted options was shortened to December 31, 2021. As a result, a calculation was made to value the options as if granted on that date, and the options were valued at $112,981, which has been expensed in 2020. The value was determined using the Black-Scholes option pricing model based on a risk-free interest rate of 0.53%, volatility of 83% (based on historical stock price volatility), expected life of three years, and no expected dividend yield.

On each of April 15 and April 20, 2020, the Company granted 500,000 share options to consultants, which vested on the grant date. The options have an exercise price of $0.18 and $0.17 per share, expiring three and five years from the date of issue, respectively. The options were valued at $86,946, which has been expensed in 2020. The value was determined using the Black-Scholes option pricing model based on a risk-free interest rate of 1.05% and 1.50%, volatility of 89% and 115% (based on historical stock price volatility), expected life of three and five years, respectively, and no expected dividend yield.

On December 31, 2019, the Company granted 5,990,000 share options to members of the Board of Directors, management, employees and consultants. The options have an exercise price of $0.17 per share, expire five years from the date of issue, and were vested as of the grant date. The options were valued at $594,862, which was expensed in 2019. The value was determined using the Black-Scholes option pricing model based on a risk-free interest rate of 1.68%, volatility of 111% based on historical stock price volatility, expected life of five years, and no expected dividend yield.

On June 30 30, 2019, the Company granted 1,000,000 share options to a member of management and the Board of Directors. The options, which are vested as of December 31, 2019, have an exercise price of $0.16 per share and expire four years from the date of issue. The options were valued at $69,677, which was expensed in 2019. The value was determined using the Black-Scholes option pricing model based on a risk-free interest rate of 1.90%, volatility of 107% based on historical stock price volatility, expected life of four years, and no expected dividend yield.

Warrants –
The Company has issued subscriber warrants in connection with share offerings, and also has issued broker warrants in connection with certain offerings.

The number of warrants and Broker warrants issued in connections with the private placements completed in 2020, as well as the assumptions used in the Black-Scholes calculations are summarized as follows:

Date	# of Warrants	Exercise Period (Yrs)	Exercise Price	# of Broker Warrants	Share Price	Interest Rate	Volatility	Warrant Value
January 30	1,485,000	2	$ 0.20	84,000	$ 0.130	1.47%	83%	$ 0.04
March 4	7,459,139	2	$ 0.20	506,000	$ 0.120	0.92%	79%	$ 0.03
March 5	2,000,000	2	$ 0.20	-	$ 0.120	0.92%	79%	$ 0.03
April 22	8,749,673	2	$ 0.20	342,000	$ 0.130	0.33%	83%	$ 0.04
April 27	1,158,333	2	$ 0.20	-	$ 0.135	0.32%	83%	$ 0.05
April 29	200,000	2	$ 0.20	-	$ 0.135	0.32%	83%	$ 0.05
May 13	4,887,466	2	$ 0.20	227,760	$ 0.145	0.28%	82%	$ 0.05
July 31	2,600,000	2	$ 0.20	-	$ 0.130	0.27%	80%	$ 0.04

The Broker Warrants issued in connection with the placements in 2020 are exercisable for a period of two years from the respective issue date, to acquire a unit at $0.12, comprising a Share and a Warrant exercisable for two years at $0.20.

During 2020, 8,676,995 subscriber warrants, with an exercise price of $0.20, and 422,681 Broker warrants expired. The $446,019 value originally allocated to the warrants was reclassified to Contributed surplus.

The number of warrants and Broker warrants issued in connections with the private placements completed in 2019, as well as the assumptions used in the Black-Scholes calculations are summarized as follows:

Date	# of Warrants	Exercise Period (Yrs)	Exercise Price	# of Broker Warrants	Share Price	Interest Rate	Volatility	Warrant Value
January 28	2,962,500	3	$ 0.35	-	$ 0.150	1.50%	108%	$ 0.07
April 26	1,766,250	2	$ 0.25	79,350	$ 0.150	1.45%	93%	$ 0.06
May 23	850,000	2	$ 0.25	-	$ 0.150	1.45%	94%	$ 0.06
August 29	1,286,111	2	$ 0.20	58,000	$ 0.100	1.58%	90%	$ 0.03
November 4	1,251,000	2	$ 0.20	42,800	$ 0.105	1.59%	89%	$ 0.03
November 22	416,666	2	$ 0.20	-	$ 0.105	1.60%	88%	$ 0.03

The 79,350 Broker Warrants issued in connection with the April 26, 2019 placement are exercisable for a period of two years, to acquire a unit at $0.16, comprising a Share and a Warrant exercisable at $0.25. The 58,000 and 42,800 Broker Warrants issued in connection with the August 29, 2020 and November 4, 2019 placements, respectively, are exercisable for a period of two years, to acquire a unit at $0.12, comprising a Share and a Warrant exercisable at $0.20.

During 2019, 18,415,653 warrants, with an exercise price of $0.14 relating to private placements in 2016 expired. The $499,280 value originally allocated to the warrants (net of amounts previously reclassified) was reclassified to Contributed surplus.

Warrants outstanding, (including 1,887,570 Broker warrants with a weighted average exercise price of $0.13), and their expiry dates as of September 30, 2020 are as follows:

Date Issued	Expiry Date	Exercise Price	# of Warrants	$
December 15, 2017	December 15, 2020	$0.20	**6,251,729**	**292,247**
January 23, 2018	January 23, 2021	$0.20	**14,164,260**	**709,182**
October 11, 2018	October 11, 2021	$0.35	**2,106,250**	**121,016**
November 22, 2018	November 22, 2021	$0.35	**1,137,500**	**61,301**
January 28, 2019	January 28, 2022	$0.35	**2,962,500**	**154,033**
April 26, 2019	April 26, 2021	$0.25	**1,845,600**	**76,669**
May 23, 2019	May 23, 2021	$0.25	**850,000**	**36,541**
August 29, 2019	August 29, 2021	$0.20	**1,344,111**	**36,708**
November 4, 2019	November 4, 2021	$0.20	**1,293,800**	**36,053**
November 22, 2019	November 22, 2021	$0.20	**416,666**	**11,380**
January 30, 2020	January 30, 2022	$0.20	**1,569,000**	**46,553**
March 4, 2020	March 4, 2022	$0.20	**7,965,139**	**215,775**
March 5, 2020	March 5, 2022	$0.20	**2,000,000**	**49,281**
March 5, 2020	March 5, 2022	$0.20	**3,103,878**	**107,016**
April 22, 2020	April 22, 2022	$0.20	**9,091,673**	**261,922**
April 27, 2020	April 27, 2022	$0.20	**1,158,333**	**33,125**
April 29, 2020	April 29, 2022	$0.20	**200,000**	**5,584**
May 13, 2020	May 13, 2022	$0.20	**5,115,226**	**151,347**
July 31, 2020	July 31, 2022	$0.20	**2,600,000**	**66,570**
			65,175,665	**2,472,303**

Off-Balance Sheet Arrangements –

The Company has no off-balance sheet arrangements.

Issued and Outstanding Shares, Warrants and Stock Options

As at the date of this Report the following total number of shares, warrants and broker warrants, stock options and shares that could be issued on conversion of loans were issued and outstanding:

	December 31 2019	September 30 2020	November 27 2020
Common shares	143,586,428	175,424,624	175,424,624
Warrants	56,110,109	65,175,665	65,175,665
Stock Options	17,765,000	21,765,000	22,565,000
Shares from conversion of Convertible loan	2,500,000	2,500,000	2,500,000
Total	**219,961,537**	**264,865,289**	**265,665,289**

Capital Resources –

The Company made relatively low levels of capital expenditures until late in 2017 when it began projects to update its technology and develop a telemedicine platform. Spending in this regard was significant in 2018 and the first half of 2019, and then reduced for approximately one year until the second half of 2020 when spending has been increased. Expenditures will be reduced somewhat going forward, although the Company continues to develop its products. The Company will continue to update the technology for its SIAscopy™ on DermSecure™ telemedicine platform and its SIAscopy™ units and software, which could involve a significant level of expenditures, which could be undertaken as cash is available.

The Company defines its managed capital as the total of demand loans, lease liabilities, convertible debt, long-term debt and shareholders' deficiency including share capital, warrants, the equity portion of convertible debt, contributed surplus and deficit. As at September 30, 2020, total managed capital was ($870,257) (December 31, 2019 - ($2,089,235)).

The Company manages its capital structure within guidelines approved by the Board of Directors. The Company makes adjustments to its capital structure based on changes in economic conditions and the Company's planned requirements. The Company has the ability to adjust its capital structure by issuing new equity or debt, selling assets to reduce debt, controlling the amount it distributes to shareholders, and making adjustments to its capital expenditure program.

There have been no changes in the Company's approach to capital management during 2019 or 2020. The Company is not subject to externally imposed capital restrictions.

Summary of Quarterly Results

Amounts in $000's, except per share amounts

Quarter Ended	September 30 2020	June 30 2020	March 31 2020	December 31 2019	September 30 2019	June 30 2019	March 31 2019	December 31 2018
Revenues	$173	$69	$96	$181	$235	$259	$185	$275
Comprehensive Income/(Loss)	($1,084)	($708)	($740)	($1,189)	($578)	($721)	($788)	($1,015)
Income (loss) per share	($0.01)	($0.00)	($0.00)	($0.00)	($0.00)	($0.01)	($0.01)	($0.01)

As the foregoing schedule indicates, results over the past eight quarters have fluctuated, driven in part by revenues. As the Company is building its revenue through several distribution channels, sales can fluctuate by quarter, depending on the timing of orders. Periods with higher losses have resulted in part from the product development costs being incurred and non-cash share-based compensation.

Contractual Obligations

The Company leases space for its office and manufacturing facility. The Company signed a new lease for the facility subsequent to September 30, 2020, entering into a five-year lease, with minimum lease obligations of $17,004 in 2020, $51,692 in 2021, $53,747 in 2022, $55,872 in 2023, $58,069 in 2024 and $39,676 in 2025.

Significant Accounting Judgments and Estimates

The preparation of the Company's consolidated financial statements requires management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amount of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and are reviewed periodically and adjustments, if necessary, are made in the period in which they are identified. Actual results could differ from those estimates.

Judgements:

Going concern – The preparation of the consolidated financial statements requires management to make judgements regarding its ability to continue as a going concern as discussed in Note 1 of the Company's consolidated financial statements.

Revenue recognition – Management makes judgements with respect to the point of time at which revenue is recognized, and whether the revenue will be recognized at point of time or over a period of time, as discussed in Note 2 – Revenue Recognition of the Company's annual consolidated financial statements.

Estimates:

Deferred revenue – Deferred revenue is estimated based on the period over which revenue is recognized and an estimate of the portion of the amount of revenue related to the performance obligation recognized over time.

Allowance for doubtful accounts – Management estimates the collectability of specific accounts and records an appropriate allowance for doubtful accounts, as discussed in Note 13 – Credit Risk of the Company's consolidated financial statements.

Inventory Valuation – Management assesses the net realizable value based on a review of estimated selling prices net of costs to make the sale, taking into account current market conditions and historic experience.

Other estimates – Estimates are also used in determining, but are not limited to, share-based compensation, warrants, the useful lives of assets, the valuation of convertible loans, the equity component of convertible loans, the valuation of intangibles and deferred income taxes, which are disclosed in Note 2 and their respective notes in the annual consolidated financial statements.

Recent Accounting Pronouncements

At the date of authorization of these interim condensed consolidated financial statements, the IASB and International Financial Reporting Interpretations Committee ("IFRIC") have not issued any new or revised Standards and Interpretations that will become effective in future years.

Financial Instruments

Fair Value Measurement

The accounting guidance for fair value measurements prioritizes the inputs used in measuring fair value into the following hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within Level 1 that are directly or indirectly observable;

Level 3 – Unobservable inputs in which little or no market activity exists, therefore requiring an entity to develop its own assumptions about the assumptions that market participants would use in pricing.

The Company has classified its consolidated financial instruments in accordance with IFRS into various categories as described in its accounting policies. A disclosure of exposures to risk with respect to financial instruments and the potential impact is described below.

The carrying value of accounts receivable, accounts payable and accrued liabilities, and demand loans approximates fair value due to the relatively short-term maturity of these financial instruments. Convertible debt was initially recognized at fair value and was categorized as level 2. Subsequent to initial recognition it is carried at amortized cost.

The main risks the Company's financial instruments are exposed to are credit risk, interest rate risk, foreign currency risk and liquidity risk, each of which is discussed below.

Credit Risk -
Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to risk on its trade receivables balances. The risk for the Company is reduced, as for a majority of its revenue, individual transactions are relatively small, are normally to established customers, and often include a deposit for a large portion of the sale or payment in full prior to shipment.

The Company measures the loss allowance at an amount equal to the lifetime ECL that results from possible default events over the expected life of accounts receivables, using a simplified impairment model estimating losses with a provision matrix to measure the lifetime ECL. With respect to the Company's phototherapeutic laser business, the Company has experienced minimal losses, and based on the provision matrix developed where a provision is not considered necessary unless account balances exceed 180 days, there is currently no provision. With respect to sales of the Company's SIAscopy™ products, where new markets are being developed, the Company reviews individual balances, and as a result recorded a provision as of September 30, 2020 of $nil (December 31, 2019 - $36,504).

The Company maintains cash balances with Canadian commercial banks. As such, the Company believes its credit risk is minimal on cash balances.

Interest Rate Risk -
The Company currently has no exposure to risk with respect to interest rate fluctuations, as its interest-bearing debt is at a fixed rate of interest. The Company may increase debt levels depending on the nature of the financing in the future.

Foreign Currency Risk -
The Company has low exposure to foreign exchange fluctuations with respect to cash, given the low cash balances. The Company sells its products internationally. Revenues could be impacted positively or negatively if the exchange rates in the currencies in which the Company sells its products fluctuates. The risk is decreased as customers are invoiced only in currencies that are considered to be stable in international markets.

A portion of the Company's costs are from international suppliers and could be impacted by currency fluctuations. However, these requirements are not material to the business, and alternate sources of supply could be utilized if required. There is an impact on the net loss from the translation of the accounts receivable and accounts payable balances at the end of the year that are denominated in currencies other than the Canadian dollar. A 5% change in the exchange rate of those currencies relative to the Canadian Dollar would impact the net loss by approximately $1,000.

The objective in managing foreign exchange risk is to monitor expenditure requirements in the short and medium term by currency and convert available cash to match the requirements. The risks are small enough that hedging would not be considered.

Liquidity risk -
Liquidity risk results from an excess of financial liabilities over available financial assets at any point in time. The Company's objective in managing risk is to ensure that it raises the amount of cash required to fund operating losses and to maintain cash to meet its other obligations. In this regard, the Company has had difficulty raising the level of cash required to meet its financial obligations as they have come due, and in some instances has entered into transactions to settle debts through the issuance of shares. Capital has been raised in 2019 and to date in 2020, and the Company must raise additional cash to fund its ongoing operating requirements. A portion of the cash raised was in the form of debt, due on a demand basis. The Company is in a position where its liabilities are greater than its assets.

	12 months	1 to 2 years	Total
Accounts payable and accrued liabilities	**$ 1,519,197**	**$ -**	**$ 1,519,197**
Long-term debt	**-**	**40,000**	**40,000**
Convertible debt	**500,000**	**-**	**500,000**
At September 30, 2020	**$ 2,019,197**	**$ 40,000**	**$ 2,059,197**
At December 31, 2019	$ 3,250,247	$ -	$ 3,250,247

Refer to Note 8 of the interim condensed consolidated financial statements for additional discussions regarding the contractual maturities of financial liabilities.

Related Party Transactions

For the nine months ended September 30, 2020, the Company incurred costs for management and Board compensation of $335,861 (2019 - $402,750). For the nine months ended September 30, 2020, $112,981 (2019 – $116,809) of the expense recorded for share-based compensation related to officers and directors.

During 2020, $39,000 owing to a management was repaid through subscriptions in a private placement.

See notes 8 and 9 of the Company's interim condensed consolidated financial statements for related party transaction disclosure relating to demand loans, convertible debt and stock options issuances.

Included in accounts payable and accrued liabilities as of September 30, 2020 is $102,525 (December 31, 2019 - $209,037) accrued for officers and directors of the Company.

Subsequent Events

Subsequent to September 30, 2020, the Company entered into a new lease for its premises. The lease has a term of five years, with total rent payments payable over the term of $276,060.

Subsequent to September 30, 2020, the Company granted 800,000 options to Directors, which options are vested, have an exercise price of $0.17, and are exercisable for five years.

Subsequent to September 30, 2020, the Company was advanced $130,000, under unsecured, interest bearing demand loans from Directors.

The recent coronavirus (COVID-19) pandemic has impacted and could further impact the Company's operations. A majority of the Company's staff are working remotely. The Company experienced a significant decrease in orders and revenue from its laser and light products during the first half of 2020, as a large proportion of the users of these products (rehabilitation and chiropractic clinics) were closed for extended periods. While activity has increased subsequently, it is unknown how the short to medium-term demand will change as clinics re-open, or if they close again. The Company has not been significantly impacted to date with respect to the supply of inventory, and the Company has been able to raise capital during the period. Given the uncertainty with respect to the timing and level of recovery from the pandemic on a global basis, the Company's ability to market its products through direct contact with customers may be difficult, and there remains uncertainty around the duration and its broader impact. The Company received an interest-free loan of $40,000 under the Canada Emergency Business Account Program and has received $169,426 to date in 2020 under the Canada Emergency Wage Subsidy and $26,192 under the CECRA – Rent Relief Program.

Risks and Uncertainties

Although not exhaustive, the following list summarizes some of the key risks the Company faces, as well as, strategies the Company employs to manage these risks:

Market, Operating and Competitive Risks -

The market opportunity for the Company's products is dependent upon external factors such as the level of regulation of the medical device and diagnostic market, acceptance of the Company's products by the medical and healthcare profession and patient/consumer interest. As well, the Company has larger competitors who have larger customer bases and more significant financial and operating resources which may make it more difficult for the Company to compete in the marketplace.

Technology Risks -
The Company has invested significant resources in its products to ensure that they provide its customers with a competitive product offering relative to other suppliers in its industry. As a result of its financial position, the Company has not been able to confirm the existence of all of its intellectual property, and if the Company has not protected its intellectual property adequately or if it infringes third party intellectual property rights, it may lose its competitive advantage and incur significant costs and loss of reputation that could materially negatively impact its business. To manage this risk, the Company has invested significant resources in product development and professional assistance to protect its intellectual property and avoid possible infringement of third party rights.

Operating Losses -
The Company has experienced operating losses since incorporation in 1999. As at September 30, 2020, MedX has a deficit of $35,144,635. The Company may continue to incur additional losses and negative cash flows from operations and may never achieve profitability. Its success will depend mainly on its ability to generate enough operating income to achieve profitability and to develop its products and technology to capture meaningful market share. MedX may be unable to achieve profitability and this inability could have a material adverse effect on the Company's business, results of operations and financial condition.

Capital Requirements/Financing -
The Company relies on funding from internally generated revenues and external sources to provide sufficient capital to continue ongoing operations. There is no certainty that internal profits will be generated or that the Company will be successful in attracting external sources of capital. If MedX does not have sufficient capital to fund its operations, it may be required to curtail certain business operations.

Foreign Exchange Rate Risks -
MedX reports its financial results in Canadian Dollars. A substantial amount of revenues are derived from customers outside of Canada which are transacted in US dollars and other currencies. The Company has balances of accounts receivable and accounts payable denominated in non-Canadian currencies. If the non-Canadian dollar currencies fluctuate against the Canadian dollar, reported revenues, margins and results of operations will be impacted.

Lack of Dividends -

MedX anticipates that for the foreseeable future, the Company's earnings, if any, will be retained for use in the business, and no dividends will be paid. Declaration of dividends on the Company's common shares will depend on, among other things, future earnings, cash requirements and general business conditions.

Key Personnel Risk -
The future success of the Company is dependent upon the Company's ability to retain, recruit and train senior management, technical, sales and managerial personnel. Competition for qualified employees is intense and it may be possible that the Company is unable to retain and recruit qualified personnel in the future.

Other Risks and Uncertainties -
MedX is in the initial stages of commercialization of some of its products, facing corresponding risks. Future results may differ materially because of fluctuations in the Company's operating results due to changes in the cost of components used to manufacture the Company's products, changes in the regulatory environment for medical devices in the United States, Canada, and internationally, changes in the Company's markets including competitors' new product introductions, and the acceptance in the market for the Company's product offerings.
COVID-19 -
The recent novel coronavirus (COVID-19) pandemic has impacted and could further impact the Company's operations and the operations of its third-party suppliers, customers, lenders and potential investors as a result of quarantines, facility closures, travel and logistics restrictions, a global economic slowdown and other limitations in connection with the outbreak.

Forward-Looking Statements

This Management's Discussion and Analysis contains certain "forward-looking statements." All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding financial and business prospects and financial outlook) are forward looking statements. These forward-looking statements reflect the current expectations or beliefs of the Company, based on information currently available to the Company. Forward-looking statements are subject to a number of risks, uncertainties and assumptions that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements and, even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things, changes in general economic and market conditions, changes to regulations affecting the Company's activities, and uncertainties relating to the availability and costs of financing needed in the future. Any forward-looking statement speaks only as at the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward looking statements are not guarantees of future performance and, accordingly, undue reliance should not be put on such statements due to the inherent uncertainty therein.

Additional information

Additional information relating to the Company is available at www.sedar.com, and may also be obtained by request to the Company.

Dated: November 27, 2020